



Final Report for Millennium Challenge Corporation Threshold Country Program

**Submitted by:
USAID/Jordan
January 25, 2010**

I. Program Overview

- a. An overview statement assessing program achievement overall and a brief summary of threshold program results.**

Local Governance Development Program

The Jordan Local Governance Development Program (LGDP) was designed to empower local governments and enhance citizens' participation in local level decision making in pilot municipalities throughout Jordan. The program sought to directly assist the Government of Jordan (GOJ) to develop tools to improve municipal governance, enhance citizen participation, and increase transparency in local government operations.

In order to help Jordan accomplish these goals, LGDP worked to build practical examples of good local governance and to demonstrate best practices in nine pilot municipalities - selected for geographic diversity, size, and demographic composition- which demonstrated commitment to local participation. Technical tools, training programs and lessons learned were developed and implemented exclusively through Jordanian organizations and companies, captured through systematic documentation and manuals, and widely disseminated to GOJ partners and other aid organizations to allow for dissemination and replication beyond the pilot local government units. Prior to the conclusion of the program, the Ministry of Municipal Affairs (MOMA) committed to a long-term, systematic extension of LGDP-originated tools and approaches, and established a Ministerial unit to accomplish this goal.

A cross-cutting element called the "Special Incentive Fund (SIF)" supported local development projects that demonstrated tangible outcomes of collaborative decision-making involving citizens and elected municipal leadership. All SIF projects were based on local priorities identified through participatory processes wherein elected leadership, staff, and a broad representation of citizens regularly met to define and track progress. Project Oversight Committees (POCs) were established in each municipality to accomplish this effort.

Customs Administration Modernization Program

The Customs Administration Modernization Program (CAMP) was a two-year project funded by the U.S. Millennium Challenge Corporation (MCC) and administered by the U.S. Agency for International Development (USAID) to help Jordan achieve its trade facilitation goals. The Program assisted Jordan Customs and Aqaba Special Economic Zone (ASEZ) Customs to modernize their information and communication technology (ICT) infrastructure and streamline administrative procedures at the borders. The \$8.5 million Program implemented ICT improvements valued at \$4.5 million (JD3.2 million) and trained over 1,900 Customs officers and business users in new technologies and procedures.

Key Results

Local Governance Development Program

Jordanian-based Municipal Governance Technical Tools. LGDP designed and implemented all technical assistance activities through local Jordanian non-governmental organizations (NGOs) and subcontractors, thus setting in place a local resource pool that can be called upon by national and local governments pursuing higher performance governance operations.

Practical Citizen Participation Techniques. LGDP demonstrated highly effective participatory methods and trained a cadre of skilled, Arabic-speaking facilitators capable of both practicing and training others in such techniques. LGDP-originated participatory methods were used by the Prime Minister's office to engage citizens in Millennium Challenge Corporation (MCC) Compact development, and these have been affirmed by both the Ministry of Planning and International Cooperation (MoPIC) and MOMA as the standard for citizen participation approaches in Jordan.

Arabic Manuals for Municipal Governance. LGDP prepared manuals for all relevant municipal management tools. The program emphasized quality Arabic language presentation and format. Key manuals include a Manual for Local Development Planning and a Toolkit for Municipal Public-Private Partnerships (PPPs), both of which were adopted by MOMA as the models for all municipalities of Jordan.

Business Development Plan for MoPIC Project Monitoring Unit (PMU). LGDP worked with the newly established PMU within MoPIC to determine the most useful structure, staffing, and goals for its ongoing operations.

Workable Models for a Union of Jordanian Municipalities. LGDP provided analysis and Jordan-specific recommendations related to establishment of a Union of Jordanian Municipalities. The approach set forth by LGDP is in the process of acquiring political support from key levels of government.

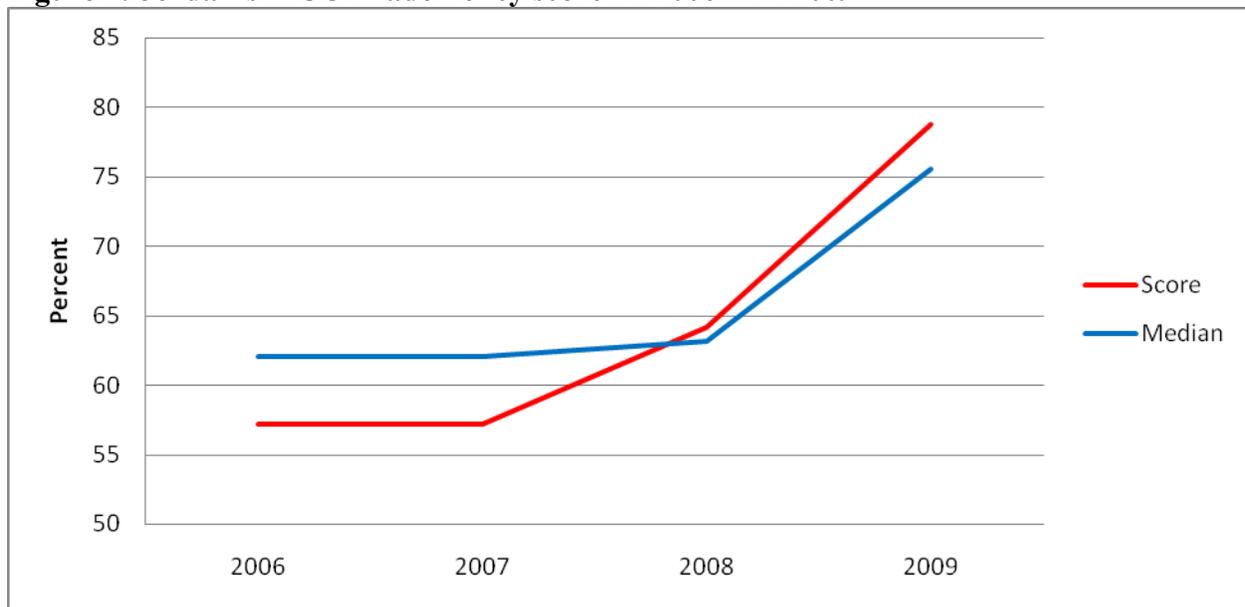
Citizen-based SIF Project Oversight Committees. The project supported rapid implementation of small, community-based construction projects using POCs and local construction firms.

Customs Administration Modernization Program

Since the Program inception, Jordan’s Trade Freedom score on the Heritage Foundation’s Index of Economic Freedom jumped from 64.2% (categorized as “moderately free” by the Heritage Foundation) in 2007 to 74.8% (“mostly free”) in 2008.

The efforts of CAMP helped Jordan increase its MCC Trade Policy score by 22% in two years, from 57% in FY 2007 to 79% in FY 2009. This increase placed the country above the median of other lower middle income countries (LMICs) in Jordan’s MCC peer group. Jordan’s score for Trade Policy went from red to green on the MCC scorecard. Figure 1 below shows Jordan’s MCC Trade Policy score from FY2006 – FY2009. The median did increase from FY2008 to FY2009, but the graph shows that Jordan improved its performance at a faster pace than other LMICs.

Figure 1: Jordan’s MCC Trade Policy score FY2006 – FY2009



CAMP completed its end-of-Program Time Release Study using World Customs Organization (WCO) methodology to measure the time required to complete all 19 steps of the customs clearance process. The study focused on seven centers operated by Jordan Customs and seven customs centers under ASEZ Customs operation. The study shows that Jordan Customs and ASEZ Customs, as a direct result of the Program’s technical assistance, have cut clearance times significantly across the country. For example, in 2007, yellow lane procedures at King Abdullah Industrial Estate (the Sahab Customs Center) required an average of 337 minutes; in 2008, the time was cut to just 32 minutes, representing a 90.5% reduction in the time required. Similarly,

at the Queen Alia International Airport, green lane procedures in 2007 required 85 minutes. Today, green lane transactions average 10.27 minutes – an 87.9% reduction in the time required for clearance. Figure 2 below presents the 2007 and 2008 performance of seven Jordan Customs Centers.

Figure 2: 2007 and 2008 Release Times for 7 Jordan Customs Centers (for Green, Yellow, and Red lane transactions)

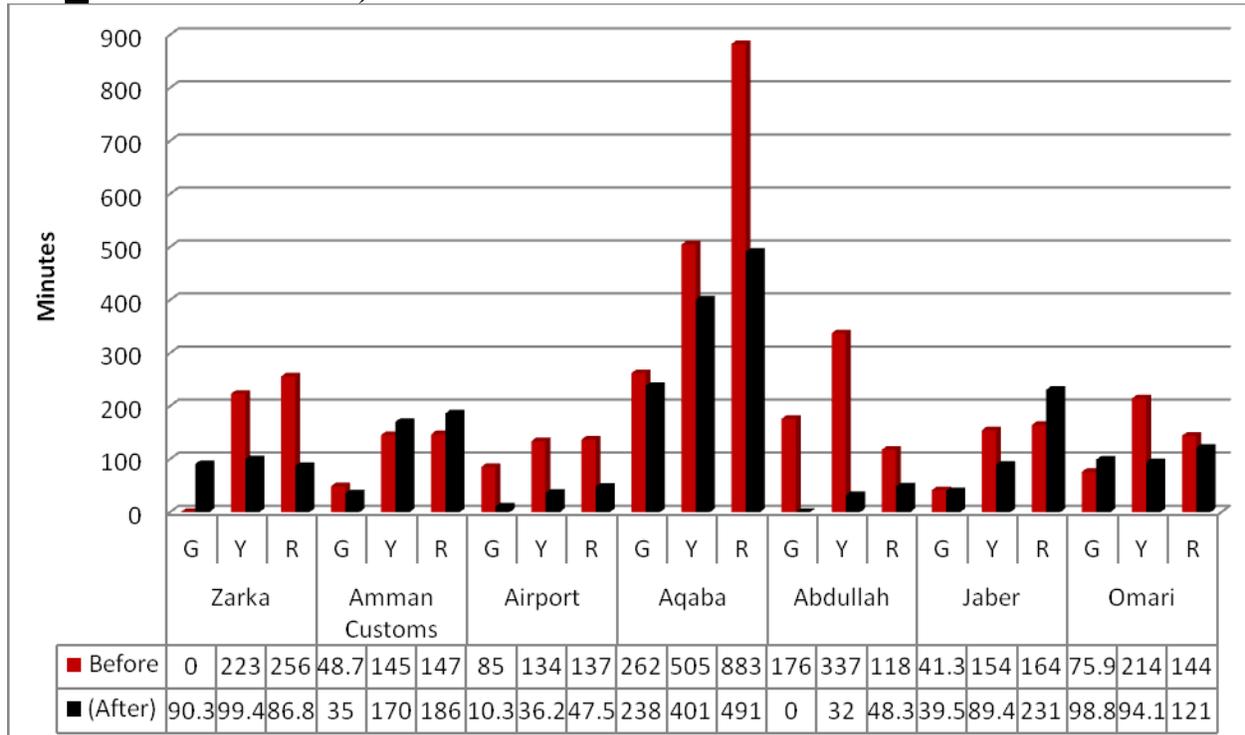


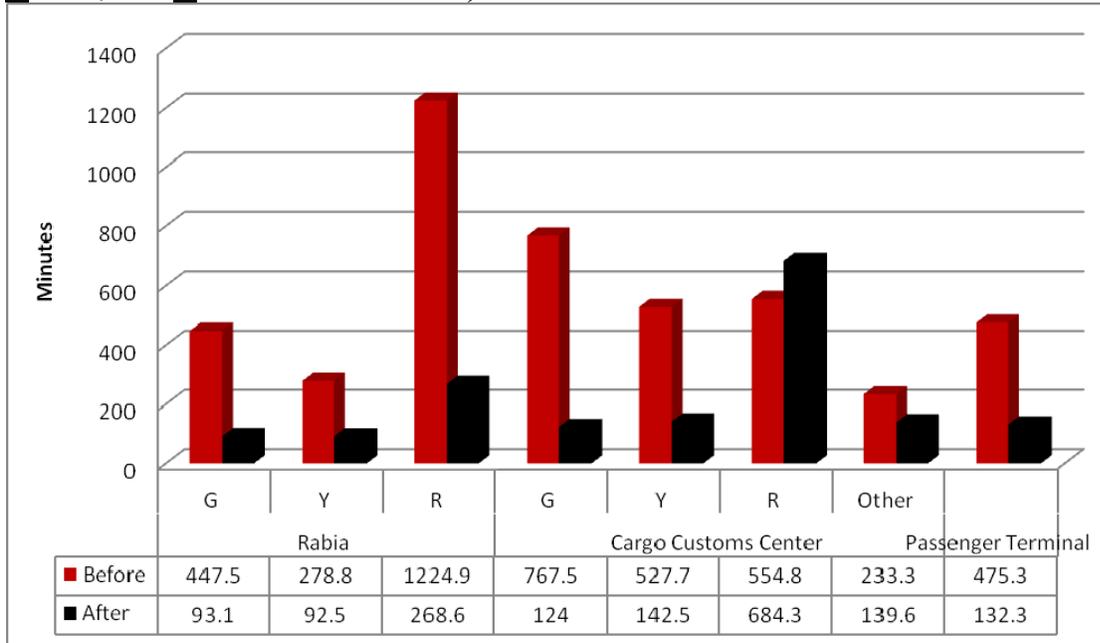
Figure 3 presents reductions in the average processing times at selected centers. For example, at Queen Alia International Airport, the weighted average processing times (based on the normal distribution of shipments to the green, yellow, and red lanes at that center) were reduced by 61% over an 18 month period.

Figure 3: Weighted Average Reduction in Processing Times at Selected Centers

	Zarqa	Airport	Aqaba	Abdullah
Minutes	-76.2377	-49.337	-255.358	-34.2519
Percent	-46%	-61%	-39%	-49%

Release times for ASEZ Customs similarly showed measurable improvement from 2007, as Figure 4 illustrates:

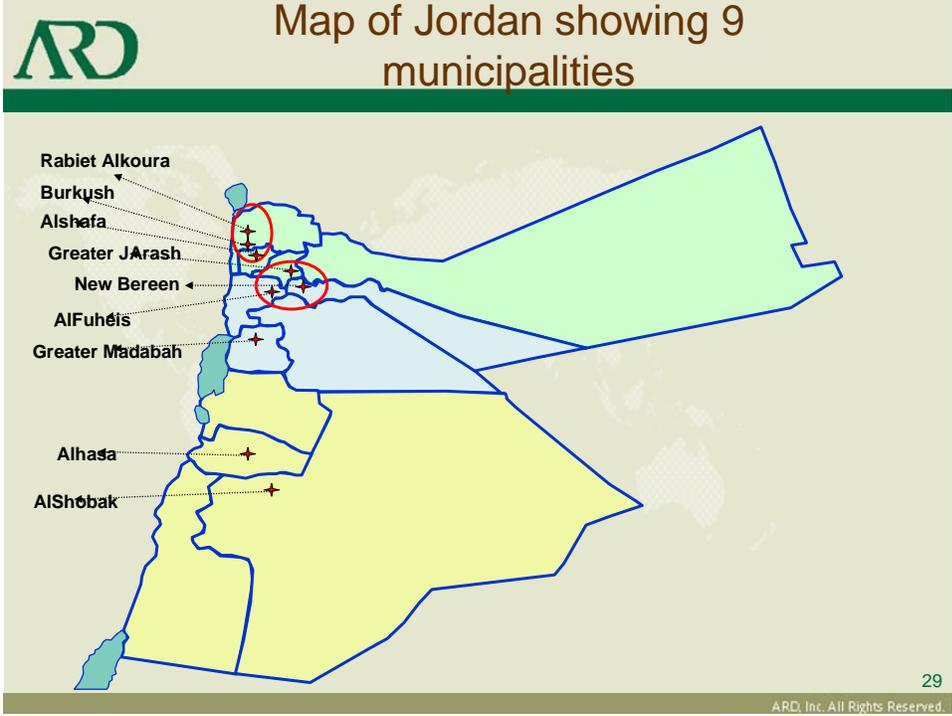
Figure 4: 2007 and 2008 Release Times for 3 Selected ASEZ Customs Centers (for Green, Yellow, and Red lane transactions)



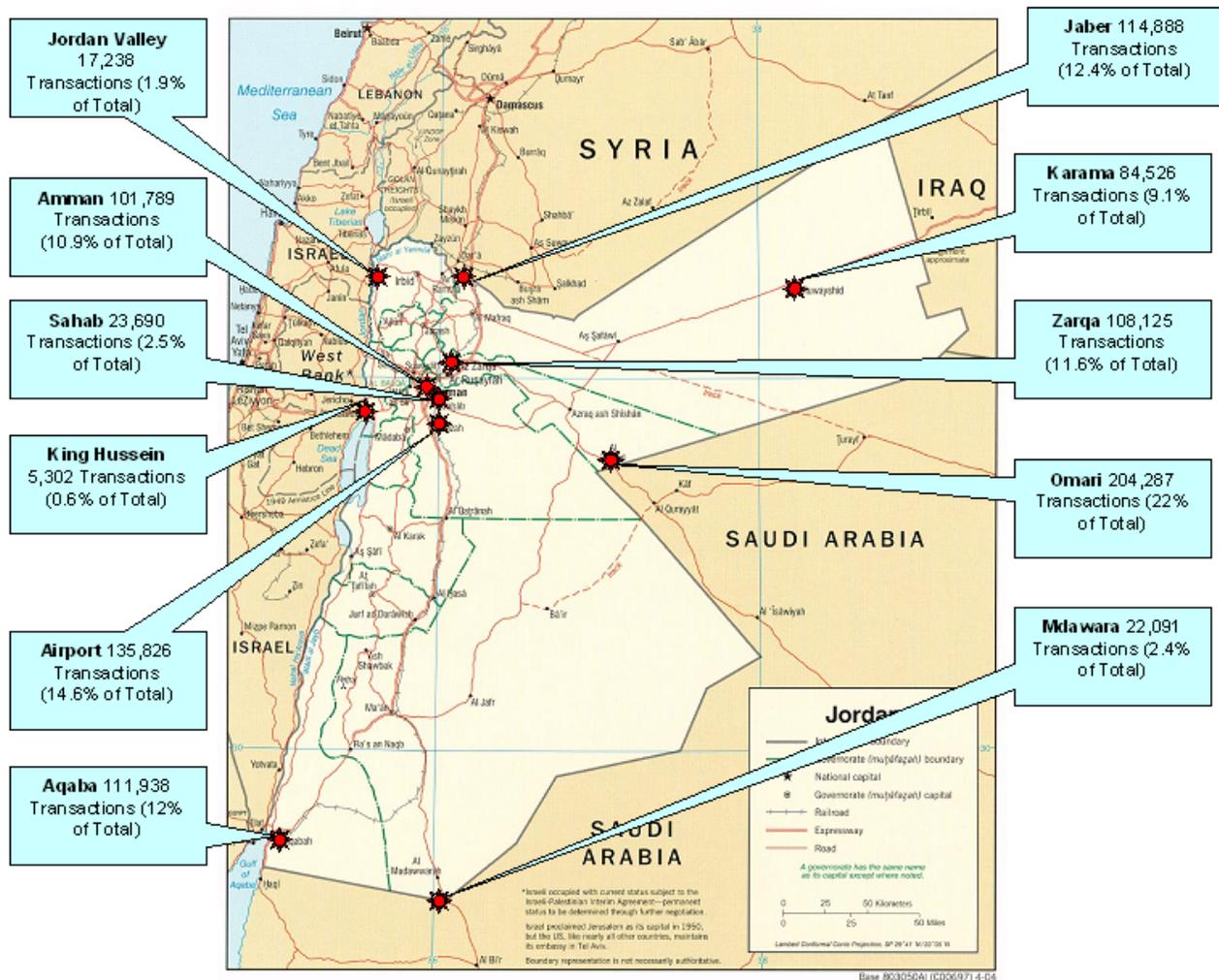
At the ASEZA Cargo Customs Center, green lane processing times were reduced by an average of 84%, eliminating around 10 hours from the process. These impressive achievements are attributable to new IT systems provided through MCC funding, new procedures, and elimination of inefficient processes.

b. A map of Jordan showing where the project was active

Local Governance Development Program



Customs Administration Modernization Program



c. Threshold program information

The Strategic Objective Grant Agreement (SOAG) between the U.S. and Jordan was signed on October 17, 2006.

Local Governance Development Program

USAID entered into Contract No. DFD-I-02-05-00121-00 on April 30, 2007 with Associates in Rural Development, Inc. through a Task Order (contract) under the Decentralization and Democratic Local Governance Strengthening Indefinite Quantity Contract.

Original Completion date was April 29, 2009 and was extended through August 29, 2009.

Contract amount: \$16,483,438

Customs Administration Modernization Program

USAID entered into Contract No. AFP-I-00-04-00001-00 on January 15, 2007 with Associates in Rural Development, Inc. through a Task Order under the Support for Economic Growth and Institutional Reform-Commercial, Legal and Institutional Reform (SEGIR-CLIR) Indefinite Quantity Contract.

The program completion date was January 15, 2009.

Contract amount: \$8,500,000

d. Description of components

Local Governance Development Program

All the below components supported the following MCC eligibility indicators:

- a) Political Rights
- b) Civil Liberties
- c) Voice and accountability

Component 1: Election Participation and Gender Integration

The major objectives of Component 1 were: (a) to rapidly yet forcefully enhance women and youth participation in municipal and parliamentary elections; and (b) to sustain activities beyond the life of the program. The first objective was met through a partnership with the Jordanian National Council for Women (JNCW) to underwrite major “get out the vote” campaigns targeting women and youth. LGDP had sufficient resources to help nation-wide informational campaigns obtain impact. To achieve the second objective, LGDP again partnered with JNCW to create a web-based “Women’s Knowledge Network” that would provide a means with which to share information and a forum for discussion among newly elected women in public service of municipal councils. The host government partners under this component were the Ministry of Municipal Affairs, MoPIC and the municipal councils (the female candidates within these councils).

Component 2: Community Organization

This component focused on involving citizens in municipal development, while simultaneously assisting the government’s effort to encourage municipal leadership to reach out, solicit, and genuinely incorporate citizen input into decision-making. This development objective was addressed in three key ways:

1. The component took the lead in activating Local Development Units (LDUs) in each municipality recently mandated by MOMA as a means to develop local plans and coordinate strategies being pursued by the government to modernize local governance. The strategy was to practically demonstrate how such units could operate, given the wide variety of resources and skill levels of staff assigned to them. This approach was in

2. In order to link Local Development Units to citizens in a structured manner, Local Development Voluntary Units (LDVU) were organized to work hand-in-hand with municipal staff to develop a local plan. Citizens engaged in LDVUs were often those also participating in the POCs, which provided ongoing, transparent oversight of SIF projects. This provided an invaluable link between practical implementation and future planning.
3. Advance Participation Methods were customized to local development planning, and a template for local development plans was created that could be disseminated to all municipalities. One of the major challenges faced by many countries that initiate local development planning is identifying a “doable” approach to such planning that neither overwhelms nor underestimates the capacities of municipal governments. Component 2 demonstrated a method of combining citizen participation with substantive planning techniques as the foundation for basic local development plans.

The major shortcoming faced in this component was the program’s short timeframe. This was overcome by engaging a partner firm to assist the development planning training and production efforts needed to capture a useable plan in less than one year. However, it should be assumed in future programming that citizen-linked development planning is usually a 30-month activity, as is normal in most environments.

The host government partners under this component were the Ministry of Municipal Affairs, The Ministry of Planning and International Development in addition to the nine targeted municipalities.

Component 3: Cooperative Development and Private Sector

The objective of this component was to develop useable tools for municipalities to engage the private sector in Public Private Partnerships (PPPs). As the Municipal Capacity Overview (MCO) activity began (September/October 2007), it became evident to the program team that while national government was increasingly supportive of partnering with the private sector, very little concrete thinking and preparation had been done to enable municipal leadership to actually operationalize central government policy. Thus, LGDP’s strategy shifted to a two-track approach in order to:

1. Develop a strategic approach *for municipalities* that would add clarity to partnering at the local level, as well as provide practical tools that could be used by municipalities to actually engage in projects with private sector partners.
2. Undertake feasibility studies of potential PPP projects identified by citizens in (municipal strategic planning workshops) with a view to recommending viable projects for further investment by municipalities.

The first track resulted in a Toolkit for Municipal Public-Private Partnerships in Arabic that is the most comprehensive document available in Jordan on this subject. All LGDP municipalities received training in the use of the Toolkit and PPP concepts. In turn, the Toolkit document was disseminated to all municipalities in the Kingdom to provide at least a starting point for municipal leadership. The Ministry of Municipal Affairs (MOMA) adopted the Toolkit and strategy statement as official ministerial policy.

The second track yielded six viable projects among the nine municipalities for which feasibility studies were undertaken. Of these, MOMA agreed to co-finance the public portion of proposed budgets in three municipalities, amounting to roughly \$1.2 million. All studies were left with municipal leadership for further exploration or action as desired.

The major shortcoming for this component was, again, the exceptionally short timeframe for implementation. The process of identifying, analyzing, determining viability, and subsequently assembling financing for projects is genuinely time-consuming. It is all the more so for projects that partner the very different aims and approaches of the public and private sector. Of all the LGDP components, this one is arguably one which benefitted least from the two-year timeframe, yet it achieved the greatest innovation nonetheless.

The host government partners under this component were the Ministry of Municipal Affairs and the Ministry of Planning and International Development in addition to the nine targeted municipalities. The toolkit for Municipal Public-Private Partnerships was distributed to all municipalities in Jordan.

Component 4: Municipal Local Government (Capacity Development)

The objective of this component was to assist the partner municipalities to develop the skills to rapidly analyze needed reforms (i.e. financial management or personnel management approaches) and then design/deliver meaningful technical assistance addressing those reforms. In some respects, this component was the core of assistance to municipal government per se. Three accomplishments merit attention:

1. The Municipal Selection Model used by this component to analyze and recommend municipalities may justly be termed “state of the art”. The model utilized extensive quantitative data gathered from various sources in Jordan and combined this with qualitative discussions and analysis leading to the final selection. The model enabled LGDP to proceed with engagement on the basis of a highly transparent and credible selection process. This argues for the use of such a tool in virtually any situation requiring objectification of politically sensitive processes.
2. The component’s approach to the problem of computerizing local government financial management was driven by and, in the end, concluded on the principle that no program should attempt to intervene in this critically important area in such a short timeframe unless options and long-term requirements are thoroughly explored. As has already been indicated, the implications for public investment and long-term commitment to enable the

3. The success of the quality service improvement program method for improving municipal management proved to be the singularly most significant accomplishment of this component. QSIP requires whole teams, units, offices, or divisions of municipalities to work together to self-improve municipal service delivery systems. The approach is premised upon low-cost, high-impact behavioral and system changes that can be seen by citizens and readily accomplished by local staff. Any future programming choices in this sector should incorporate a QSIP type approach to improving service management.

The host government partners under this component were the Ministry of Municipal Affairs, The Ministry of Planning and International Development in addition to the nine targeted municipalities.

Component 5: Project Management

This component had a two-track task. First, Component 5 was responsible for all reporting, results tracking, and related monitoring and evaluation (M&E) tasks. The component met all delivery dates and deadlines set for monthly, quarterly, and annual reporting. All work plans and technical documents were reviewed, edited, and translated by this component. All requests for information and/or informal write-ups emanating from the GOJ or USAID were promptly fulfilled.

Second, this component supervised the conception of a Business Development Plan for MoPIC's Project Management Unit (PMU) and led monthly reviews between the PMU and LGDP. The only shortcoming experienced was the frequent assignment of PMU staff to immediate tasks arising in the ministry, resulting partial attendance in training and skill-building programs.

Table 1 below summarizes the key deliverables and accomplishments of each component.

Table 1: Completion Data for All LGDP Component Deliverables

ACTIVITY NAME	COMMENTS	COMPLETION DATE
Component 1: Election Participation and Gender Integration		
Women's Knowledge Network (WKN) for all female council members established and activated	- Create WKN web site and email group, and register in the name of JNCW	Completed, May 2009
Component 2: Community Development		
Opportunities for citizen engagement in local level governance and decision making increased	- Produce nine Municipal Local Development Plans (MLDPs) with citizens' participation including translation	Completed, May 2009
Support LDUs in the nine municipalities to operationalize selected Municipal strategic planning workshops strategies	- Assist LDUs in preparing and operationalizing Local Development Plans (LDP)	Completed, May 2009
Enhance coordination between LDUs and community-based organizations (CBOs)/NGOs in implementing operational activities in selected municipalities	- Conclude implementation of selected activities in the nine municipalities	Completed, May 2009
Support opportunities for local communities and municipalities to exchange experience and learn from one another	- Launch Municipal Local Development Plans (MLDPs) in a public event	Completed, April 2009
Component 3: Cooperative Development and Private Sector		
PPP projects identified and explored in nine municipalities	- Finalize the feasibility studies for proposed PPP projects including translation	Completed, May 2009
Component 4: Municipal Local Government		
Management of municipal finances improved	<ul style="list-style-type: none"> - Finalize the development of unified and comprehensive financial and procurement models - Conduct a three-day orientation seminar on financial and procurement manuals for key LGDP counterparts and key personnel from selected municipalities 	<p>Completed, April 2009</p> <p>Completed, April 2009</p>
Computerization of municipal functions	- Launch the beta version of the municipalities' web sites	Completed, May 2009
Component 5: Project Management		
Operational M&E system in	- Implement overall LGDP M&E	Ongoing

ACTIVITY NAME	COMMENTS	COMPLETION DATE
place	system framework	
Develop mechanism for Replication of Lessons Learned	- Captured/reviewed lessons learned with component leaders and counterparts	Ongoing

Customs Administration Modernization Program

All the below components supported the following MCC eligibility indicators:

- a) Cost of Starting a Business
- b) Trade Policy
- c) Fiscal Policy

Component 1: Establish a Single Window System for Border Clearance

The Program helped the Government of Jordan to establish a Single Window that facilitates manual and electronic data exchange among agencies at the borders and inland customs centers. Implementation of manual Single Window procedures has involved renovations to the physical layout of customs halls to create secured customs areas. Implementation has also included rearranging customs units and co-locating the other government agencies with Customs to ensure smooth and efficient workflow. These changes allow Government of Jordan agencies to maintain custody of the declaration documents throughout the process and eliminate the need to pass the documents back to the brokers. The Program implemented manual Single Window procedures at five target centers: Sahab, ASEZ Customs, Zarqa, Jordan Customs Aqaba Directorate, and Jaber, and has begun to roll-out these manual procedures to two other centers. In addition, the Program helped the Government of Jordan begin implementation of an integrated risk management system at Sahab and ASEZ Customs. The integrated risk management system connects the other government agencies to the Automated System for Customs Data (ASYCUDAWorld) system electronically and allows those agencies to assign risk to shipments based on their own risk criteria. In addition to Jordan Customs, the host government counterparts under this component were the Ministry of Agriculture, Jordanian Institution for Standards and Metrology, and the Jordanian Food and Drug Agency (JFDA).

Component 2: Upgrade and Integrate Customs Information and Communications Technology Infrastructure

The Program assisted Jordan Customs and ASEZ Customs to upgrade their automated customs clearance system to an internet-based clearance system known as ASYCUDAWorld. To support the implementation of ASYCUDAWorld, the Program upgraded Jordan Customs' telecommunications infrastructure at 18 locations, built a state-of-the-art data center at Jordan Customs headquarters, and procured ICT equipment and hardware such as servers, computer monitors, and switches. The Program supported the upgrade to ASYCUDAWorld at all 14 target customs centers. In addition, the Program procured and installed security gates at six locations that are linked to the ASYCUDAWorld system. These gates open automatically if all clearance procedures are completed, minimizing opportunities for abuse or human error. A key

international partner for this component was the United Nations Conference on Trade and Development (UNCTAD).

Component 3: Train and Strengthen Capacity of Customs Officials

The Program strengthened the capabilities of Jordan Customs and ASEZ Customs officers to utilize the new information and communication technology systems effectively. The Program has trained more than 1,900 individuals including Customs officers, business users, and brokers. The Program provided training and technical assistance to address bottlenecks in the customs clearance process, to upgrade Jordan Customs’ human resources practices, to improve risk management policies, to strengthen internal investigations, and to enhance customs integrity, among other areas.

Component 4: Improve Relations with the Trade Sector

Through its Public Outreach Component, the Program fostered improved communication between Jordan Customs and the business community. To transform the way that Jordan Customs interacts with its clients, the Program launched a new Customer Service Center at the Jordan Customs Headquarters. The Program developed a comprehensive ICT solution that allows the customer to seek information, resolve issues, or track shipments through the internet, through interactive voice recordings, or in person at the Center. Customer service agents now assist clients with inquiries at the Center using 53 automated processes. Through Program assistance, Jordan Customs launched a public outreach campaign in newspapers and business magazines publicizing the benefits of recent customs modernization activities for the Jordanian business community.

Table 1, Completion Data for CAMP Project Activities, summarizes the key deliverables and accomplishments of each component.

This table presents a complete list of “illustrative activities” from the Task Order award in the left-hand column, the percentage completion of that activity, a description of the specific tasks and sub-tasks that were carried out to address the illustrative activity, and any notes.

Task Order Activity	% Completed	Description	Notes
Component 1: Implementation of Border Management Task Force (BMTF) Recommendations			
Undertake initial assessment and time release study to document the source of bottlenecks in the clearance process	100%	Time Release Study at 7 Jordan Customs Centers, July 2007 Time Release Study at 4 ASEZ Customs Centers, January, 2008	Final Time Release Study to be conducted October – November, 2008.
Re-convene the Border Management Task Force to design the structure of a single window facility	100%	Hold Single Window Stakeholders’ Workshop with former BMTF representatives, December 2007 Establish Single Window Implementation Team, June, 2008	Regular meetings of Single Window Implementation Team in Amman and Aqaba.
Design the single window facility and	100%	<i>Single Window Roadmap to Success</i> , May 2008	

Task Order Activity	% Completed	Description	Notes
develop the procurement plan		<i>Single Window Implementation Progress</i> , July 2008 Agreement with UNCTAD for development of Integrated Risk Management System, June 2008	
Procure necessary commodities	100%	Integrated Risk Management System, developed by UNCTAD, June – September 2008 IT equipment for other government agencies at Sahab, Zarqa, Jaber, the airport, and Aqaba, September 2008	
Update existing process maps; including processes of other Government of Jordan (GOJ) agencies deployed at the border	100%	<i>Single Window Roadmap to Success</i> , May 2008 <i>Single Window Implementation Progress</i> , July 2008	
Draft “to-be” single window process maps based on findings of time release study, “as-is” process maps, recommendations from the Border Management Task Force	100%	<i>Single Window Roadmap to Success</i> , May 2008 <i>Single Window Implementation Progress</i> , July 2008	
Develop inter-agency coordination mechanisms for the single window facility; including information and communication technology infrastructure	100%	Manual procedures outlined in <i>Single Window Roadmap to Success</i> , May 2008 Development of Integrated Risk Management System, June 2008	
Facilitate the signing of memorandums of understanding (MOUs) with other agencies governing roles, responsibilities, and reporting requirements under the single window structure	0%	MOUs designating Jordan Customs as the supervising authority at the borders	Jordan Customs is taking the lead in executing these MOUs. Delays over the issue of overtime payments and payment of benefits to other government agencies.
Draft policies and procedures manuals that clearly outline risk-based clearance procedures, enforcement procedures, and procedures for the	100%	<i>Evaluation of Risk Management Practices</i> , January 2008 <i>Single Window Roadmap to Success</i> , May 2008 <i>Single Window Implementation Progress</i> , July 2008 <i>Integrity Assessment and Integrity Checklist Internal Investigations Final Report</i>	Jordan Customs already has in place policies and procedures for risk-based clearance and enforcement that meet international standards. Further, Jordan Customs has a training center with trainers qualified to

Task Order Activity	% Completed	Description	Notes
single window		<i>Evaluation of Transit Practices</i> , January 2008 <i>Single Window Business Process Improvement Guide</i> Developing manual for Single Window procedures October – December 2008	teach in this area. Program has assessed risk-based clearance procedures and enforcement procedures and provided detailed recommendations to strengthen training.
Implement the system at all border points	100%	Implementation of manual single window procedures at: <ul style="list-style-type: none"> • Sahab, June – August 2008 • ASEZ Customs, June – August, 2008 • Jaber, October – November, 2008 • Zarqa, October – December 2008 • Airport, October – December 2008 Implementation of Integrated Risk Management Module at: <ul style="list-style-type: none"> • Sahab Customs in October 2008 • ASEZ Customs in November, 2008 	In coordination with Jordan Customs, set target for manual Single Window procedures at five Customs centers and implementation of integrated risk management system at two centers.
Component 2: Upgrading and Integration of Customs Infrastructure			
Review ASYCUDAWorld Business Case ASYCUDAWorld planning phase documents prepared by Achievement of market-friendly initiatives and results program (AMIR) to determine if any modifications need to be made prior to implementation	100%	Review <i>ASYCUDAWorld Business Case</i> , January 2007	The GOJ signed an agreement with UNCTAD to implement ASYCUDAWorld per the recommendations of the AMIR Program <i>ASYCUDAWorld Business Case</i> document.
Clarify what equipment will be procured by ASEZA using their own funds versus what needs to be covered by the project and determine how to coordinate procurement	100%	Discussions with Jordan Customs and ASEZ Customs, January 2007 – September 2008	Procuring approximately \$4.5 million in ICT upgrades.
Procure hardware, software, and equipment for the upgrade from ASYCUDA++ to ASYCUDAWorld	100%	Procurement of ASYCUDAWorld system from UNCTAD (\$1 million) Procurement of SOClass Software Oracle licenses Data Center Upgrade Telecommunications Infrastructure ICT Equipment and Hardware Procurement	

Task Order Activity	% Completed	Description	Notes
		Gate Control System	
Rollout ASYCUDA upgrade	107%	Completed the upgrade at 15 of 14 target centers including at ASEZ Customs, Sahab, Al-Raqeem, Al-Hassan Industrial City, Cyber City in Irbid, King Hussein Bridge, Dulail Special Economic Zone, Kerak Industrial Zone Customs Center, Zarqa Free Zone Vehicles, Zarqa Free Zone Cargo, Sheikh Hussein Bridge, Al-Karamah	In coordination with Jordan Customs, set target for completion of upgrade at 14 centers by January 15, 2009.
Coordinate between the Jordan Customs Department (JCD) and ASEZA to ensure a smooth interface during implementation of the upgrade	100%	Coordination meetings with Jordan Customs and ASEZ Customs, January 2007 – December 2008 Regular technical support to ensure systems communicate effectively, January 2007 – January 2009	
Component 3: Capacity Strengthening and Training of Customs officials in both the JCD and at ASEZA			
Undertake a training needs assessment to identify how much training is feasible with project resources	100%	<i>Review of Jordan Customs Training Program, May 2007</i>	
Develop training manuals and procedures	100%	<i>Evaluation of Risk Management Practices, January 2008</i> <i>Single Window Roadmap to Success, May 2008</i> <i>Single Window Implementation Progress, July 2008</i> <i>Integrity Assessment, July 2008</i> <i>Internal Investigations Assistance, December 2007</i> <i>Evaluation of Transit Practices, February 2008</i> <i>Change Management Plan for Single Window, June 2008</i> <i>Single Window Business Process Improvement Guide</i> Public relations manuals on press releases and managing relations with PR and media representatives	
Train trainers within JCD and ASEZA Customs	100%	Human Resources IT System Systems Approach to Training (SAT) IT system <i>Change Management Plan for Single Window, June 2008</i> Single Window Procedures Monitoring and Evaluation Multiple ICT training courses (see below)	
Conduct training programs on risk-based clearance procedures,	100%	Training on ASYCUDAWorld SAN Training Server Management Backup Management	Also training for IT hardware and software.

Task Order Activity	% Completed	Description	Notes
enforcement procedures, and procedures for the single window		IT Project Management Training IT Security Training SOClass Software Training Advanced Java Training Advanced Interactive eXecutive (AIX) Operating System Linux Operating System Storage Area Network (SAN) training Server Management Training Tivoli Storage Manager Training Oracle Administration Tool for Customer Service Center Oracle BusinessIntelligence (BI) Dashboard for Customer Service Center Oracle Applications Server Administrator for Customer Service Center Extract, transform, and load (ETL) using Oracle Tool for Customer Service Center Sharepoint Development Gate Control System IT Training Gate Control System PDA and printer training Internal Investigations Evidence Collection Toolkit Training Training on Automated Case Management Database Monitoring and Evaluation Training Integrity Workshops Risk Management Technical Assistance Transit Program Technical Assistance Customer Service Center IT Training Business Intelligence IT Certified Ethical Hacking IP Technology Change Management Single Window procedures Public Relations Capacity Building Developing and updating Risk Criteria Integrated Risk Management System	
Train on international best practices and Customs integrity so that the revised Arusha Declaration for Customs Integrity can be fully implemented	100%	<i>Integrity Assessment</i> , July 2008 Integrity Workshops June 2008 Internal Investigations Evidence Collection Toolkits Training	According to assessment, Jordan Customs is compliant with the revised Arusha Declaration.
Upgrade human resources systems and revise an incentive structure to motivate staff and align JCD and ASEZ HR systems to the extent	100%	Human Resources IT System Training Systems Approach to Training (SAT) IT system Human Resources Review Workshop on Succession Planning <i>Critical Human Resources Findings and Recommendations</i> , September 2008	

Task Order Activity	% Completed	Description	Notes
possible		Workshop on Succession Planning, November 2008	
Develop an internal training service that contributes to improved business performance through training and staff development	100%	Built and equipped Computer Training Room Systems Approach to Training (SAT) IT system	Jordan Customs has a training center in Amman and an active training program for customs officers. Jordan Customs is also developing a Customs Academy that will confer an accredited degree in customs administration.
Implement a method of planning, management, and communication that will support an effective and efficient customs administration	100%	Human Resources Review Workshop on Succession Planning <i>Critical Human Resources Findings and Recommendations</i> , September 2008	
Other internal administrative reforms to modernize JCD and ASEZA will be undertaken as required	100%	Broker Reform Technical Assistance IT Project Management Training Development of Single Window Implementation Team meetings Gender Assessment Jordan Customs Women's Committee Gender Awareness workshops (scheduled for November, 2008) Implementation of selected recommendations from the Jordan Customs Women's Committee Gender Action Plan – construct WC at Zarqa Free Zone Customs Center (scheduled for November, 2008)	
Component 4: External Trade Relations			
Develop appropriate policies and mechanisms that strengthen communication and cooperation between customs and the private sector and meet the private sector's legitimate need for customs information	100%	Customer Service Center Upgrade Jordan Customs website Change Management Technical Assistance Risk Management Technical Assistance (strengthen Golden List Program) Golden List Conference Broker Associations Meeting Public Outreach Plan Training and Capacity Building for PR Department	
Launching a communications campaign targeting internal stakeholders, external stakeholders including importers, exporters, and investors	100%	Public Service Announcements Public Outreach Campaign Customs Magazine Electronic newsletter Upgrade Jordan Customs website Jordan Customs Film Golden List Conference Broker Association Meeting	

Task Order Activity	% Completed	Description	Notes
		Training and Capacity Building for PR Department	
Expected Results			
By the end of the program, customs administration in Jordan will have been fully modernized and JCD and ASEZA's systems and procedures will have been aligned.	✓	.	No defined measure for "modernization" but completion of Single Window, ASYCUDAWorld, and other IT upgrades contribute to a fully modernized customs administration.
Improved customs clearance procedures will be in place.	✓		Improvements demonstrated by the results of the final time release study.
There will be a significant reduction in delays at the border.	✓		Improvements demonstrated by the results of the final time release study.
Non-tariff barriers identified through the BMTF and MCC will also have decreased significantly.	✓		Improvements demonstrated by the results of the final time release study.
Jordan will achieve a score of 3.5 or better on the Heritage Foundation's Index of Economic Freedom Openness to International Trade indicator.	100%	Jordan's "Trade Freedom" score on the Heritage Foundation's Index of Economic Freedom increased from 64.2% in 2007 to 74.8% in 2008. Jordan's Trade Freedom is now classified as "Mostly Free" according to the Heritage Foundation classification system. This jump of more than 10% from last year reflects improvements to the efficiency and effectiveness of the Customs clearance process and the reduction of other non-tariff barriers.	In 2006, Heritage Foundation changed its scale from 0–5 to 0–100%. A score of 3.5 in 2005 is equal to 62.1% in 2006. Therefore, with a score of 74.8%, Jordan's Trade Freedom Score is well above the target of 3.5 (62.1%).
The single window facility will be fully operational.	100%	Manual procedures functioning at five locations; integrated risk management system operating at two centers.	In coordination with Jordan Customs, set target for manual Single Window procedures at five Customs centers and implementation of integrated risk management system at 2 centers.
The ASYCUDAWorld declaration system will be fully operational.	107%	Completed the upgrade at 15 centers, one more than the target of 14 centers by January 15, 2009.	In coordination with Jordan Customs, set target for completion of upgrade at 14 centers by January 15, 2009.
Both JCD and ASEZA customs administrations and staff will understand the evolving role of customs services in	✓		Not measured, however all components of this project contributed to the improved understanding of the role of a modernized customs administration to facilitate

Task Order Activity	% Completed	Description	Notes
the modern world as one ensuring security and facilitating trade and not just as revenue generators.			trade. Jordan Customs internal and external outreach messages emphasized trade facilitation.

e. Canceled or suspended activities and other activities introduced after the original assistance agreement was signed

Local Governance Development Program/Customs Administration Modernization Program

There were no canceled or suspended activities or activities introduced after the original assistance agreement was signed. Any adjustments made to the project due to such unanticipated events as elections, inflation or responding to opportunities were made within the context of the original assistance agreement.

f. Guidance documents or assessments used to design specific activities within the Threshold program.

Local Governance Development Program

The Threshold program design took advantage of the *Jordan Threshold Country Plan*; USAID *Jordan Democracy and Governance Assessment* conducted by MSI August 2003 and a USAID Decentralization/Local Governance Assessment for Jordan conducted by RTI in 2005.

Customs Administration Modernization Program

The Threshold program utilized the *Jordan Threshold Country Plan* conducted by Associates in Rural Development in 2006.

II. Program Implementation

a. A frank discussion of implementation successes and shortcomings of the program

Local Governance Development Program

The Jordan Local Governance Development Program (LGDP) was designed to empower local government and enhance citizens' participation in local level decision making in pilot municipalities throughout Jordan. The program achieved success and met all of its intended objectives. The program improved municipal governance, enhanced citizen participation, and increased transparency in local government operations. The program is considered a success story the Government of Jordan. The Ministry of Municipal Affairs established a Unit called the LGDP unit to duplicate the program approach in other municipalities.

Year 1 of the LGDP took the team from the start-up phase into implementation of program activities, including the challenging task of identifying projects and technical assistance needs through participatory events.

Adjusted Start-up and Work Plan in Response to Municipal Elections. The GOJ and USAID/Jordan determined that direct engagement in municipalities should not commence until after municipal elections took place on July 31, 2007, to ensure the selection process would not be perceived to be influenced by politics. Post-election processing included presentation and approval of the final list of nine targeted municipalities, as well as central government coordination and alignment of various ministries and stakeholders involved in supporting the program. As a result, LGDP staff could not commence activities at the municipal level until early September 2007, coincident with the onset of Ramadan. Thus, the original 24-month program assistance strategy had to be thoroughly revised to fashion an even more aggressive program to be accomplished within 18 months from point of entry.

Municipal Selection Analysis and Recommendations. Component 4 included data gathering and analysis undertaken for the municipal selection process. Three scenarios were developed and nine municipalities recommended. In August 2007 following municipal elections of July 31, 2007, the nine recommended municipalities were confirmed jointly with MOPIC, MOMA, and the Ministry of Interior on August 26, 2007.

Elections Support While Awaiting Municipal Selection Confirmation. The joint decision by USAID and the GOJ to await the outcome of municipal elections before selecting municipalities required the LGDP to emphasize activities in Component 1 that had the opportunity to support nationwide election participation. LGDP provided assistance to the Jordanian National Commission for Women for "Get Out the Vote" activities, with a special focus on women and youth, for the July 2007 municipal elections. Activities included a non-partisan toll-free call line for elections-related questions, radio spots, and rallies at three universities.

Municipal Capacity Overviews. Closely following introductory meetings, municipal capacity overviews (MCOs) were conducted in each of the nine municipalities between September and

early November 2007. MCOs allowed LGDP staff to conduct rapid assessments of human resources, information technology (IT) capacities, financial systems and practices, and gender integration practices, as well as providing an opportunity for LGDP staff to meet potential partners in the field. Members of MOPIC and MOMA attended some of these events.

Creation of Cadre of Trained Facilitators to Lead Participatory Strategy. Training in Advanced Participatory Methods (APM) was conducted for LGDP staff and partners in October 2007. This methodology, based on town meeting techniques, was used during two-day MSPWs.

Municipal Strategic Planning Workshops. Working with the Senior Participation Specialist, LGDP staff and partners designed a pilot Municipal Strategic Planning Workshop (MSPW), which was demonstrated successfully in Al Fuheis municipality from October 31–November 1, 2007. MSPWs were then conducted in the remaining eight municipalities, with Component 2 taking the lead in coordination. Seven MSPWs were completed in November and December 2007, with the final MSPW completed in early January 2008. MSPWs brought together elected municipal leadership and staff with the wider community to identify, discuss, prioritize, and create initial action plans for projects and activities to be supported by LGDP.

Staffing and Reorganization of Administration Team to Manage SIF, RFP, and Contract Oversight Processes. With the decision to use SIF resources to provide heavy equipment and pursue small, community-based construction programs, LGDP needed to re-design its administrative team to manage a more challenging and complicated contracting and grant oversight system. Along with reassigning duties internally, LGDP recruited two engineers and an engineering design firm to assist in oversight of SIF construction activities.

SIF Project Identification. Over 40 SIF projects were identified through the MSPQ process, including heavy equipment and several small construction activities to upgrade municipal facilities. SIF application processes, designs, and Bills of Quantities were initiated in coordination with municipalities. Tendering and contracting with firms for heavy equipment procurement and initial SIF activities was begun. Scopes of Work (SOWs) were developed and tendering commenced for technical assistance activities identified during MCOs and MSPWs.

Municipal IT Upgrades. In-depth IT needs assessments were conducted in February 2008 in all nine municipalities in order to determine the current status and finalize needs of municipal IT departments. LGDP took the approach that all municipalities should be provided sufficient computers, network servers, and peripheral equipment to accomplish a staff-wide transition to computer-based operations. Nearly 200 computers and related equipment were eventually provided, and all municipalities were networked and provided with extensive training.

Municipal Financial Management Software. This task has been identified by USAID, the European Union (EU), and the World Bank as a critical area for improving municipal functions in Jordan. Identification and analysis of financial management software applications suitable for municipalities was accomplished through extensive meetings and reviews of the products/approach of 15 Jordan-based firms. Appropriate, affordable, Arabic-based software was identified and negotiations with the vendor undertaken.

Donor Coordination and Information Sharing. Coordination meetings were held with multiple donor organizations, including the World Bank, the European Union (EU), Agence Francais Developpement (AFD), the United Nations Development Program (UNDP), Danish Aid, and GTZ.

Year 2 focused on implementation of a wide variety of technical assistance activities and continuation of SIF projects. These projects and activities were based on assessments of prioritized needs developed in a participatory manner during Year 1. In the second half of the year—after all implementation activities were well underway—LGDP staff focused on capturing lessons learned and best practices, and developing manuals and training and skill-building programs to ensure knowledge transfer to the Jordanian Government and municipalities.

In addition to the practical challenges of creating functional, local citizen-based organizations to bring SIF projects into the full construction phase, LGDP focused on assisting municipalities and MOMA as follows:

Demonstrate Local Development Planning with Citizen Input. LGDP activated local development units (LDUs) and local development voluntary committees (LDVCs), which were mandated by MOMA as a necessary condition for future budget approvals. Local development plans were completed in all nine municipalities and formally presented to MOMA at the end of the program. This activity may be one of the most significant accomplishments of the technical assistance activities undertaken by LGDP. Government-citizen joint planning and discussion were heretofore virtually unheard of in Jordan, but universally embraced by all stakeholders once they were equipped with the types of methods and skills provided through LGDP. As a testament to its impact, in speeches and newspaper interviews, the Minister of Municipal Affairs often singled this out as the “breakthrough” assistance provided by USAID and MCC.

Skill-building and Service Improvement Training. LGDP provided management and leadership training for elected leadership (with emphasis on municipal council members), municipal staff, and citizen volunteers.

Quality Service Improvement Programming (QSIP). Three sites completed an extensive QSIP activity. QSIP is designed to enable municipal leadership and staff to self-implement and analyze citizen-client surveys and to consequently re-engineer municipal operations to address problem areas. This activity was widely cited by municipalities as perhaps the most useful and transformative of all technical assistance.

Analysis and Recommendations for Financial/Property Tax Management. After considerable exploration of the challenges and opportunities for improving financial and property tax management, LGDP focused on in-depth “as is” analysis and recommendations for GOJ transitioning to modern financial management standards at the municipal level.

PPP Strategic and Practical Engagement. Early in the program’s life, it became clear that that LGDP’s greatest contribution to the objectives of this Component (3) would be to emphasize the creation of a strategy and “toolkit” for municipalities to use in pursuit of PPPs. In addition,

LGDP successfully completed at least one feasibility study in each municipality of potential PPP projects identified in MSPWs.

Ongoing Computerization Training. LGDP continued the installation of hardware and conducted training of municipal staff for upgraded computer systems.

In-Kind Contribution of Microsoft Corporation. As part of this computerization program, LGDP successfully leveraged a major in-kind contribution of on-site and off-site computer training conducted by Microsoft Corporation in Jordan. These training activities, covering about six months and equivalent to approximately \$125,000, allowed the program to train not only a few computer operators, but a wide spectrum of municipal staff so that networked municipal operations could be realized.

On-time Completion of All SIF Projects. The challenge of identifying (using time-consuming citizen engagement techniques), designing, bidding, and awarding contracts for SIF projects was a major challenge that was accomplished with considerable oversight and day-to-day engagement by the LGDP engineering and contract administration team.

Customs Administration Modernization Program

As part of the larger Threshold Country Plan submitted to the MCC by the Government of Jordan, CAMP assisted Jordan Customs to modernize its ICT infrastructure, introduce streamlined business processes, train customs officers and business users in new technologies and procedures, and communicate these modernization efforts through a public outreach campaign.

Component 1: Implementation of Single Window

- **Pilot Implementation of Single Window at Sahab Customs Center:**
 - Introduced **new business processes** streamlining and integrating manual operations among Jordan Customs, JFDA, Jordanian Institution for Standards and Metrology, and the Ministry of Agriculture.
 - **Secured customs area**, stopping frequent **broker intrusions** into the back office.
 - Developed and installed an **Integrated Risk Management System** that allows all government agencies to use the ASYCUDA system to assign risk to shipments based on their own risk criteria. Uploaded risk criteria from three main agencies. Trained officers of other government agencies to update their own risk criteria.
 - **Procured, delivered, and installed IT equipment** for representatives of other government agencies at Sahab to support the use of the integrated risk management system.
 - **Automated the Inspection Act** allowing the inspector to enter his/her report directly into the ASYCUDA system. Using the automated Inspection Act, the system automatically prints the status and assignment of inspector on the red and yellow Customs declarations.
 - Completed **physical renovations** to support manual Single Window procedures and more efficient workflow.

- Provided comprehensive **Change Management** training and **hosted Change Management presentation for key stakeholders** at Sahab. Active participants included the Sahab Customs Center Director, department heads, representatives from the other government agencies at Sahab, and the head of the broker syndicate at Sahab.
- **Eliminated mandatory 45-minute waiting period** for green lane transactions.
- **Reduced time required for green lane processing** from an average of 176 minutes in 2007 to an estimated five minutes now.
- **Convened a Single Window Implementation Team** for regular meetings. Team includes representatives from Jordan Customs, JFDA, Ministry of Agriculture, Jordanian Institution for Standards and Metrology, and private sector brokers.
- **Pilot Implementation of Single Window at Aqaba Special Economic Zone (ASEZ) Customs:**
 - Introduced **new business processes** streamlining and integrating manual operations among Jordan Customs, Jordan Food and Drug Authority (JFDA), Jordanian Institution for Standards and Metrology, and the Ministry of Agriculture.
 - Completed **physical renovations** to support manual Single Window procedures and more efficient workflow, including installation of a card access control system to **prevent broker intrusion into secured customs areas**.
 - **Procured and delivered IT equipment** for representatives of other government agencies at ASEZ Customs to support the use of the integrated risk management system.
 - Developed and installed an **Integrated Risk Management System** that allows all government agencies to use the ASYCUDA system to assign risk to shipments based on their own risk criteria.
 - **Convened a Single Window Implementation Team** for regular meetings. Team includes representatives from ASEZ Customs, JFDA, the Ministry of Agriculture, and the Jordanian Institution for Standards and Metrology.
- **Rollout of Single Window to Zarqa, Jaber, and Queen Alia International Airport:**
 - Zarqa Customs Center **rearranged physical layout of units** to facilitate efficient workflow.
 - **Renovated space at Jaber Customs Center**, relocating Jordan Customs officers and Ministry of Agriculture officers in the same hall to support manual Single Window procedures and more efficient workflow.
 - **Procured and delivered IT equipment** for representatives of other government agencies at Jaber, Zarqa, and the airport to support Single Window procedures.
 - Jordan Customs civil engineer developed **plans for the physical renovation of space** at Zarqa and the airport to support Single Window procedures based on Program recommendations.

Component 2: Information and Communication Technology

- **Procured \$4.5 million** in Information and Communication Technology upgrades for Jordan Customs; IT Procurements completed include:
 - **Implementation of new automated Customs clearance system ASYCUDAWorld** at:
 1. ASEZ Customs;

2. Sahab Customs Center;
 3. Al-Raqeem Customs Center;
 4. Al-Hassan Industrial City, Irbid;
 5. Cyber City, Irbid;
 6. King Hussein Bridge (at the border with the Israeli administered Palestinian Territories);
 7. Dulail Special Economic Zone;
 8. Kerak Industrial Zone Customs Center;
 9. Zarqa Free Zone Customs Center for vehicles;
 10. Zarqa Free Zone Customs Center for cargo;
 11. Sheikh Hussein Bridge (at the border with Israel);
 12. Al-Karamah Customs Center (at the border with Iraq);
 13. Capital Post Office in Amman;
 14. Ferry Terminal in Aqaba; and
 15. Queen Alia International Airport.
- **SOClass Software procurement.** This software is a necessary component of the new automated Customs clearance system ASYCUDAWorld.
 - Licenses for Strategy Object OOD SOClass e-Document Server v.2: 3 nodes – 1000 user per node;
 - Licenses for Strategy Object OOD SOClass e-Document Server v.2: 2 nodes – 500 user per node;
 - Licenses for Strategy Object OOD SOClass Developer v.2: 20 users.
 - **Supply of Oracle licenses** to support ASYCUDAWorld upgrade.
 - **Gate Control System:** The Program procured, installed, and integrated security gate equipment at Customs centers with a system that monitors and controls the movement of cargo trucks through customs center gates and yards. Gates are operational and in use at:
 1. Amman Customhouse
 2. Jaber at the border with Syria
 3. Wadi Al-Youtum Customs center in Aqaba;
 4. Omari Customs Center (Saudi Arabia border);
 5. Modawara Customs Center (Saudi Arabia border); and
 6. Zarqa Free Zone Customs Center.
 - **Data Center:** Completed construction of a state-of-the-art data center at Jordan Customs Headquarters and a disaster recovery center at an off-site location. The data center is designed to assure that IT systems—including the ASYCUDA servers and the data housed on them—are protected from environmental hazards and security breaches. The data center includes redundant air conditioning systems, an uninterruptible power supply, and an advanced fire abatement system based on international best practices.
 - **Telecommunications Infrastructure:** The Program upgraded the network infrastructure for Jordan Customs to support the high-speed networking needs of ASYCUDAWorld. Completed the upgrade at:
 - Jordan Customs Headquarters in Amman (two types of connectivity);
 - Zarqa Free Zone Customs Center – cargo;
 - Zarqa Free Zone Customs Center – vehicles;

- Sahab (2 types of connectivity);
 - Al-Raqeem;
 - Cyber City;
 - Al-Hassan;
 - Queen Alia International Airport;
 - Al-Karamah;
 - Wadi Araba;
 - Wadi Al-Youtum;
 - Jaber (border with Syria);
 - Omari (border with Saudi Arabia);
 - King Hussein Bridge;
 - Sheikh Hussein Bridge; and
 - Jordan Customs Aqaba Directorate.
- **ICT Equipment and Hardware Procurement:** The Program procured ICT hardware for Jordan Customs and ASEZ Customs to support the ASYCUDAWorld upgrade, including top-of-the-line servers, switches, PDAs, and a back-up solution. Delivered and installed all servers and other ICT equipment at Jordan Customs Headquarters, the disaster recovery location, and ASEZ Customs. Installed software and trained Customs officers on new systems and equipment.

Component 3: Capacity Strengthening and Training

- **Built and equipped state-of-the-art Computer Training Room** at Jordan Customs Training Center. The training room has workstations for 18 trainees and one instructor.
- **Training on ASYCUDAWorld:**
 - 50 Customs officers at ASEZ Customs;
 - 100 brokers at Aqaba;
 - 50 shipping agents in Aqaba;
 - 54 brokers at Sahab;
 - 46 Customs officers at Sahab;
 - 12 Customs officers at Al-Hassan;
 - 12 brokers at Al-Hassan;
 - 8 brokers at Al-Raqeem;
 - 6 Customs officers at Al-Raqeem;
 - 2 Customs officers at Cyber City, Irbid;
 - 2 brokers at Cyber City, Irbid;
 - 7 Customs officers at King Hussein Bridge;
 - 8 brokers at King Hussein Bridge;
 - 55 Customs officers at Zarqa;
 - 184 brokers at Zarqa;
 - 60 Customs officers at Jordan Customs Training Center;
 - 180 brokers at Jordan Customs Training Center,
 - 12 Customs officers at Dulail;
 - 12 brokers at Dulail;
 - 9 Customs officers at Al-Karak Industrial Zone;
 - 2 brokers at Al-Karak Industrial Zone;
 - 43 Customs officers at Sheikh Hussein Bridge;

- 48 brokers at Sheikh Hussein Bridge;
- 45 Customs at Al-Karamah;
- 54 brokers at Al-Karamah;
- 85 Customs officers at Queen Alia International Airport;
- 146 brokers at Queen Alia International Airport;
- 11 Customs officers at Capital Post Office; and
- 3 brokers at Capital Post Office.
- **IT Project Management Training.** Trained 18 Jordan Customs and two ASEZ Customs IT officers in the principles of IT project management to support ASYCUDA upgrade.
- **IT Security Training:** Trained 17 Jordan Customs and three ASEZ Customs officers in IT security.
- **SOClass Software Training:** Trained 10 Jordan Customs and two ASEZA Customs IT officers with both Intermediate and Advanced courses.
- **Advanced Java Training:** Trained 60 Jordan Customs IT officers and 12 ASEZ Customs officers on Advanced Java.
- **Advanced Interactive eXecutive (AIX) Operating System:** Trained five Jordan Customs IT officers and one ASEZ Customs IT officer.
- **Linux Operating System:** Trained five Jordan Customs IT officers and one ASEZ Customs IT officer.
- **Storage Area Network (SAN) Training:** Trained five Jordan Customs IT officers and one ASEZ Customs IT officer.
- **Server Management Training:** Trained five Jordan Customs IT officers and one ASEZ Customs IT officer.
- **Tivoli Storage Manager (TSM) Training:** Trained five Jordan Customs IT officers and one ASEZ Customs IT officer on the use of this enterprise backup software product from IBM.
- **IP Technology:** Seven Jordan Customs IT officers.
- **Business Intelligence IT:** 20 Jordan Customs IT and 10 business users.
- **Oracle Administration Tool for Customer Service Center:** Trained four Jordan Customs officers.
- **OracleBI Dashboard for Customer Service Center:** Trained 10 end users on this business intelligence database dashboard.
- **Oracle Applications Server Administrator for Customer Service Center:** Trained two Customs officers.
- **ETL Using Oracle Tools for Customer Service Center:** Trained two developers.
- **Customs Service Center IT System:** Trained 20 Jordan Customs IT and Quality Assurance officers, and 50 business users.
- **Certified Ethical Hacking:** Training six Jordan Customs IT officers.
- **Gate Control System:** Trained 27 Jordan Customs officers at Centers where a Gate Control System has been installed; trained 13 Jordan Customs officers on the use of hand-held PDAs and printers.
- **Share Point Development:** Trained 10 Jordan Customs IT officers.
- **Human Resources and Systems Approach to Training (SAT) Training:** Trained 14 Jordan Customs officers from the IT and Human Resources Departments, and six officers from the Training Center on the use of these computer-based management systems.

- **Internal Investigations:** Mentored six Jordan Customs officers in advanced internal investigation techniques.
- **Internal Investigations Seminar:** Trained eight Jordan Customs officers at seminar.
- **Evidence Collection Kits:** Procured eight Evidence Collection Kits (one Evidence Collection and Identification Kit, one Evidence Packaging Kit, and six Evidence Sealing and Identification Kits) for Jordan Customs internal investigators. Trained Customs investigators on the use of the kits.
- **Automated Case Management Database:** Developed case management database for internal investigators using Microsoft Access platform; trained five Jordan Customs officers on the use of the database.
- **Training Program Assessment:** Conducted an assessment of the Jordan Customs Training Program and made several recommendations for adjustments to and enhancements of the program.
- **Human Resources Program Assessment:** Conducted assessment of Jordan Customs' Human Resources operations and provided recommendations for improvement. Will hold workshops on the subjects of career paths, personnel rotation, and succession planning.
- **Integrity Program Assistance:** Conducted a WCO model integrity assessment. Provided technical assistance and training to implement a comprehensive integrity and internal investigations program at Jordan Customs based on the USAID Customs Integrity Handbook.
- **Time Release Study:** Conducted study of bottlenecks in the Customs clearance system using WCO methodology. Presented findings to Jordan Customs and Directors of seven Customs centers featured in the study. Jordan Customs has successfully addressed all 21 major bottlenecks identified. Conducted similar study and follow-up for three Customs centers located in the ASEZ. Completed final Time Release Study for seven Jordan Customs centers and seven ASEZ Customs centers.
- **Training on Monitoring and Evaluation:** Provided comprehensive training to a team of 10 Jordan Customs officers on techniques for program monitoring and evaluation.
- **Risk Management Technical Assistance:** Assessed Jordan Customs' risk management system, identifying weaknesses and opportunities; provided detailed recommendations to strengthen the system to improve national security and enhance trade facilitation. Provided mentoring to six Jordan Customs Risk Management officers. Jordan Customs have implemented the following recommended reforms:
 - **Eliminated mandatory 30 minute waiting period** for green lane transactions;
 - Issued requirement that Customs officers **provide justification for switching green or yellow lane transactions** to the red lane and document the change;
 - Introduced new **“zero time” initiative for green lane transactions;**
 - Refined system to **reduce the percentage of red lane referrals;**
 - **Temporary imports** are now **subject to risk management selectivity criteria** to assign a lane; previously, all temporary imports were classified as red or high risk;
 - **Increased the number of companies qualifying for the “green list.”** Eased green list requirements from a history of 95% compliance to 90% total compliance;
 - **Assigned green lane status to 13 additional basic foodstuffs;**
 - **Signed an agreement with US Customs and Border Protection for recognition of Jordan Golden List companies by the US Customs-Trade Partnership against Terrorism (C-TPAT).**

- **Transit Program Technical Assistance:** Assessed Jordan Customs' transit procedures identifying weaknesses and opportunities; provided detailed recommendations to improve procedures to promote national security and facilitate trade. Jordan Customs has increased storage fees for goods in transit at customs warehouses and has implemented the assessment recommendation to replace the convoy system with utilization of Global Positioning System (GPS) devices on transit vehicles to track their movement through the Kingdom.
- **Change Management Mentoring:** In support of Single Window implementation, provided change management mentoring to 30 Jordan Customs officers at Headquarters and to 20 Officers at Sahab (the pilot Single Window implementation site).
- **Broker Reform Assistance:** Evaluated broker performance and detailed recommendations to update the broker training curriculum. Recommended imposing more stringent certification requirements for brokers. Customs has drafted legal articles that will, if approved, strengthen Jordan Customs' authority when dealing with brokers and enable Jordan Customs to impose stiffer penalties for broker error.
- **Gender Action Plan:** Created a Jordan Customs Women's Committee that has now become active on its own. Committee developed Gender Action Plan to address barriers to women Customs officers working at certain locations. Identified issue of lack of WC facilities for women at remote locations. Sahab Customs Center completed construction of women's WC.
- **Gender Awareness Training:** Completed two gender awareness sessions for Jordan Customs officers.
- **Human Resources Career Paths and Succession Planning:** Completed workshop for 30 Directors in career paths and succession planning.
- **Customer Service Center Training:** Trained 80 users on Customer Service Center operations. Trained Customer Service Center employees on the use of the Business Intelligence Module and Document Management System.

Component 4: Improve Relations with the Trade Sector

- **Customer Service Center:** Launched Customer Service Center at the Jordan Customs Headquarters. Customers are now able to meet with customer service agents at the Center for enquiries or for resolution of issues. The Center features an automated queuing system and a software and hardware solution integrated with ASYCUDAWorld to improve the quality of services and responsiveness of Jordan Customs to the private sector. The IT solution allows the customer to track responses to enquiries through the internet, through interactive voice recordings, or in person at the Jordan Customs Headquarters. Jordan Customs completed renovation of a room at the entrance of the Headquarters to house the Customer Service Center, and has staffed the Center with 60 officers. The Customer Service Center is currently able to address enquiries through 53 automated processes.
- **Public Service Announcements:** Developed, produced, and aired three public service announcements on Jordan Television that inform the public of steps they can take to minimize delays at the border, such as preparing full documentation in advance.
- **Public Outreach Campaign:** Published advertisements in major newspapers and business magazines. Printed and disseminated posters and flyers.
- **Jordan Customs Website:** Upgraded web-site features a portal for the Jordan Customs ASYCUDAWorld system and contains a series of new e-features such as the ability to

<http://www.customs.gov.jo/English/default.shtm>.

- **Customs Video:** Finalized video detailing recent modernization activities at Jordan Customs. Premiered video at Program closing event.
- **Public Perception Survey:** Conducted baseline and end-of-project survey of more than 300 private sector actors engaged in trade. Survey focused on private sector perception of the efficiency and effectiveness of Jordan Customs.
- **Public Outreach Capacity Strengthening:** Providing technical assistance on the organizational structure and job descriptions for PR staff and drafted Customs PR, Communication, and Media Plan. Conducted on-the-job training for PR staff at Jordan Customs on media relations and press releases. Activities completed include:
 - **Formal and on-the-job training** for Jordan Customs PR Department with a total of six staff including the Head of the PR and International Relations Department and the PR Manager in the following areas:
 - Writing for effective communications;
 - Media relations;
 - Developing content of communications materials;
 - Standard operating procedures;
 - Event planning;
 - Development of communication tools; and
 - Crisis management.
 - **Training manuals:**
 - How to write press releases; and
 - How to coordinate and manage relations with PR and media representatives.
 - **Standard Forms:**
 - Media report and media report procedures;
 - Media analysis;
 - Press release form; and
 - Event management preparations.
 - **Procured Laser Printer / Scanner / Copier:** For the Jordan Customs PR Department.
 - **Conducted a Communications Workshop** for 60 heads of departments and directorates in Jordan Customs as an introduction to the importance of internal and external communications.
 - **Conducted Media Relations Workshop** for 50 Jordan Customs officers.
 - **Conducted Workshop for the Customs Communication Focal Points** on implementation of the communication messages agreed to in prior workshops.
- **E-newsletter:** Procured and installed electronic newsletter software at Jordan Customs Headquarters. Trained Jordan Customs PR Department. Helped Jordan Customs issue first e-newsletter.
- **Customs Magazine:** Assisted Jordan Customs to produce edition of Jordan Customs magazine.
- **Golden List Program Conference:** Held conference with 55 Jordan Customs officers, officers from other government agencies, and representatives from the 17 current companies on the Golden List to discuss strengths and weaknesses of the Program, identified actions that will help Jordan Customs enhance benefits for Golden List companies.

- **Broker Association Meeting:** Held meeting with 12 brokers from the Broker Association and 10 Jordan Customs officers to discuss new procedures, time delays in clearance, and broker training and certification requirements. Customs and Broker Association agreed to meet on regular basis to discuss ongoing issues.

b. A summary of program outputs and outcomes for each Threshold program component and sub-component

See Table 1, Section I.d above.

c. An assessment of the sustainability of reforms by component and subcomponent

Local Governance Development Program

MOMA established a new unit to follow up and duplicate the LGDP program in other municipalities. The work under this unit has already started and much of the assistance was spread to other municipalities. Since the completion of the LGDP, a new government has been formed in Jordan, and it is unclear if there will be a commitment to sustain the results of the project. The new government has committed to local governance development and is in the process of developing a new decentralization plan for Jordan.

With a new government there is a risk that a new direction may be taken in the local government sector. Currently, there is an emphasis on decentralization. In this case the capacity building achieved under LGDP would be helpful to the new effort. The IT component of the LGDP will assist local governments manage new responsibilities as will the accounting practices introduced by the Threshold project. All of the technical assistance provided by the project had the support of the previous Minister of Municipal Affairs. Under a new government, however, the new Minister could have a different approach or priorities.

The World Bank and French will launch a \$50 million local government project that will focus on infrastructure and may benefit from the results achieved on the LGDP. Other donors are contributing very small amounts to local government development.

Customs Administration Modernization Program

Component 1: Establish a Single Window System for Border Clearance

The nationwide rollout of the Single Window remains a top priority for Jordan Customs and political will is strong to accomplish this objective. However, behavioral change training for Jordan Customs officers and employees of other Government of Jordan agencies deployed at customs stations is needed to fully institutionalize automated business processes and risk management procedures. USAID/Jordan's new Fiscal Reform Program (FRP II) includes a customs component that will further build upon the work of the Threshold program and assist

Jordan Customs to improve the speed of export and import deliveries (including pre-shipment and pre-arrival procedures) and to reduce the costs borne by exporters and importers.

Component 2: Upgrade and Integrate Customs ICT Infrastructure

The Program assisted Jordan Customs and ASEZ Customs to upgrade their automated customs clearance system to the internet-based clearance system known as ASYCUDAWorld. To support the implementation of ASYCUDAWorld, the Program procured more than \$4.5 million in ICT upgrades for Jordan Customs. This included upgrading Jordan Customs' telecommunications infrastructure at 18 locations, building a state-of-the-art data center at Jordan Customs headquarters, and procuring ICT equipment and hardware such as servers, computer monitors, and switches. The Program supported the upgrade to ASYCUDAWorld at 15 customs centers, exceeding the target of 14 centers. In addition, the Program procured and installed security gates at six locations that are linked to the ASYCUDAWorld system. These gates open automatically if all clearance procedures are completed, minimizing opportunities for abuse or human error.

FRP II will provide upgrading and integration of Jordan Customs ICT infrastructure, the level of effort will be lower than the assistance provided under CAMP. Generally, Jordan Customs has preferred donor support to implement ICT upgrades. Given Government of Jordan budget cuts in FY 2010, results for this component may lag somewhat if Jordan Customs does not receive anticipated donor support and is forced to rely on its own budget.

Component 3: Train and Strengthen Capacity of Customs Officials

The Program strengthened the capabilities of Jordan Customs and ASEZ Customs officers to utilize the new ICT systems effectively. The Program trained more than 1,900 individuals, including Customs officers, business users, and brokers. The Program provided training and technical assistance to address bottlenecks in the customs clearance process, to upgrade Jordan Customs' human resources practices, to improve risk management policies, to strengthen internal investigations, and to enhance customs integrity, among other areas.

FRP II will continue providing training and capacity building to Jordan Customs in most of the areas mentioned above. This component, in particular, witnessed eager trainees but political will is questionable in the areas of human resources – especially in regard to the existing incentive structure – risk management, and broker certification.

Component 4: Improve Relations with the Trade Sector

Through its Public Outreach Component, the Program fostered improved communication between Jordan Customs and the business community. To transform the way that Jordan Customs interacts with its clients, the Program launched a new Customer Service Center at the Jordan Customs Headquarters. The Program team strengthened the capacity of the Jordan Customs Public Relations Department to communicate key messages to internal and external audiences. Through Program assistance, Jordan Customs launched a public outreach campaign in

newspapers and business magazines publicizing the benefits of recent customs modernization activities for the Jordanian business community.

FRP II will continue to work with Jordan Customs to fully adopt a customer service ethic throughout the organization. Substantial change management is needed for this to happen and may require other donor support to be fully realized.

d. Implementation challenges

Local Governance Development Program

Global inflation and the international recession became a factor in terms of construction materials. The LGDP confronted this challenge and made successful adjustments. All communities with which the LGDP worked were cooperative, and the Ministry of Municipal Affairs was a very collaborative partner. There was overall political stability during the project, however, the new government could affect priorities or approaches to local government development.

While LGDP experienced the usual challenges of implementing governance improvement programs, it is important to note that political support for LGDP from the GOJ at both national and local levels was outstanding, thereby greatly enabling the rapid and flexible decision making required for an ambitious program within a two-year timeframe. At no point in the implementation process did the contractor experience obstructions or negligent involvement from the GOJ and its municipalities. Indeed, it is unlikely that all program objectives could have been met in this timeframe without the proactive support of the two key ministries—MoPIC and MOMA.

Several unanticipated events had the potential for negatively altering outcomes. Early and ongoing attention to these factors, however, enabled the program to remain on track and achieve desired outcomes. First, the decision to postpone selection and engagement of municipalities until after municipal elections (held July 31, 2007) effectively shortened the program's implementation timeframe by about four months. While the decision was necessary and appropriate, the unintended consequence was to place the start of actual engagement with municipalities simultaneous with the start of Ramadan 2007 which required adjustments to the engagement strategy.

Customs Administration Modernization Program

Some challenges encountered early on included high-level changes at Jordan Customs that resulted in three Director Generals during the duration of the project. It was not uncommon for Jordan Customs officials who acted as project liaisons to be reassigned without notice. There was also a key personnel change in ARD (the original Chief of Party was replaced but remained on the project as a senior technical advisor).

CAMP maintained excellent relations with Jordan Customs. Even through the changes of Director General and various department directors, Jordan Customs was highly committed to the goals of the Threshold program.

e. Flow of Funds table

The following tables show the standard information for amounts obligated and expended by LGDP and CAMP and represents the end of project status funds. ARD was the only implementing partner for these programs.

BILATERAL INSTRUMENT FUNDS FLOW					
SUB-OBLIGATIONS: LIST MAJOR IMPLEMENTING PARTNERS					
Implementing Partner	TCP Component Number	Total Estimated Cost	Amount Invoiced through October 2009	Final Obligated Amount	Anticipated Final Expenditures
ARD	1. Local Governance Development Program	\$16,483,438	\$16,401,071	\$16,440,000	\$16,440,000
ARD	2. Customs Administration Modernization Program	\$ 8,500,000	\$8,462,670.67	\$ 8,462,670.67	\$ 8,462,670.67

III. Lessons Learned

Local Governance Development Program

Jordan has made significant commitments to modernization and enhancement of municipal government as a key means of both deepening national development and expanding public participation in government. The following therefore comprises only key, higher level lessons applicable to this sector in general, and Jordan in specific.

Effect of the Two-Year Timeframe. While LGDP was able to achieve—and in some instances exceed—targeted results in the two-year timeframe, it remains that the program was overly ambitious for such a short timeframe. For instance, had the extra four-month extension not been granted, there is little doubt that LGDP could not have completed SIF project construction on time, regardless the level of performance applied. This is because of external events which could not be controlled such as quick and unexpected global inflation that had a particular impact on building materials that were at the heart of the Special Incentive Fund projects. Again, such performance was achieved by the coalescence of three factors: (a) consistent support from key implementing partners in the GOJ, especially MOMA; (b) a very high caliber team of Jordanian experts; and (c) experienced leadership from the contractor.

Linking Technical Assistance and SIF Activities Greatly Increase Performance Incentives. Much of USAID’s local government programming consists of mostly technical assistance and has increasingly excluded the “bricks and mortar” activities such as provision of equipment and construction of much needed municipal facilities. LGDP’s structure consisted of technical assistance in the form of training, skill-building, and coaching and worked side-by-side with SIF-financed construction and heavy equipment procurement. This proved to be invaluable and a clever use of technical assistance with infrastructure projects. Citizens see and are animated by prospects of new community halls, markets, bus terminals, and similar infrastructure, while at the same time are involved in training that makes evident the importance of good municipal planning and service delivery.

SIF Commitments Should Always be Presented as “Subject to Available Funding”. When rapid inflation began to impact LGDP’s capacity to fund all activities pre-approved for SIF funding, it was necessary to manage shortfalls so that infrastructure and technical assistance goals were met. This was accomplished successfully but there was considerable strain placed on the project which was amplified by the short time-frame of the Threshold.

In a relatively short timeframe, LGDP was able demonstrate and pilot-test technical strategies supporting improved municipal governance in Jordan. All such strategies have been amply documented and, in most cases, Arabic language manuals support implementation of further programming in this sector. The following items are highlighted as potential high-yield activities suggesting further support within programming to directly or indirectly address municipal governance:

- Nationwide roll-out of QSIP as the lead tool to improve service delivery and accomplish a significant shift toward client-based municipal management.

- Nationwide roll-out of LGDP local development planning tools, methods, and products to enable more systematic national development and coordinated local development.
- Increased use of participation methods in the interface between citizens and local government. This aspect can be particularly important for activities linking youth to citizenship and thereby to municipal governance.
- Ongoing assistance to municipalities in pursuit of partnering with the private sector at the local level for projects that are typically below the minimum cost of most PPPs, but nonetheless viable and manageable at the local level.

Customs Administration Modernization Program

Jordan Customs has made impressive progress over the past two years, but still has the capacity to grow and enhance the quality of service it provides to the private sector. CAMP identified the following areas for future work:

- **Reduction in Number of Documents.** The World Bank Doing Business team recommended that Jordan Customs adopt the use of four documents for import and export (in line with international best practices) eliminating the other documents required under the current Customs Law. In addition, the Doing Business team recommends eliminating the need to have certain documents certified or attested by Jordanian embassies abroad. The elimination of excessive paperwork and certification should significantly reduce the time spent on document preparation. We understand that Jordan Customs has formed a committee to study these recommendations and we encourage them to expedite the passage of all legal and regulatory changes to reduce the number of documents required.
- **Ensure that all red lane items are thoroughly inspected.** The Time Release Study revealed that average inspection times for red lane items fall between 10 and 20 minutes at many centers. International best practice is to devote two-to-four hours for a thorough physical inspection. Jordan Customs points out that inspectors generally do not conduct thorough inspections on some red lane items. This means that a larger percentage of red lane items – those items designated by the ASYCUDA system to be high risk – are never inspected or subject to a cursory inspection. We recommend as an urgent matter of national security that 100% of all shipments sent to the red lane are subject to a thorough inspection. This will require deploying more inspectors to the borders and inland customs centers as well as reducing the percentage of shipments sent to the red lane.
- **Continue to modernize Jordan Customs’ approach to risk management.** This recommendation requires Jordan Customs to refine its risk criteria to limit the percentage of goods sent to the red lane. Ideally, the majority of shipments should move through the green lane, followed by the yellow lane. Only a small percentage of truly high risk shipments should be sent to the red lane for physical inspection. The Risk Management Department at Jordan Customs has made major advances over the past 12 months, but

- **Broker certification and broker training.** Our Program identified broker error and broker delay as the most time consuming bottleneck in the customs clearance process. We also have serious concerns about the potential for brokers to compromise national security at the borders. We have recommended changes to the broker certification process and broker training, and suggest that future technical assistance should include support for legal and regulatory changes to modify broker certification requirements, as well as training and capacity building support. Most importantly, every practicing broker should be required to pass a thorough examination before being certified to practice, and should be re-certified periodically. As things stand now, only principals of broker agencies need be certified, and these principals in practice can hire unqualified, uncertified, and un-vetted individuals to work as their employees at the customs centers.
- **Continue process improvements, reducing or eliminating excessive stamping and signing of paper documents.** We recommend continued technical assistance to streamline business processes, implement the ASYCUDAWorld workflow module, and generally adopt a more automated environment. We recommend providing technical assistance to reduce or eliminate manual processing, stamping, and signing of customs documents. This may involve, among other things, regulatory changes to facilitate a paperless environment.
- **Address valuation issues.** Jordan Customs is a signatory to a number of international conventions and agreements that deal with valuation of goods. Despite this, many importers continue to complain about unfair valuation practices at the borders and inland customs centers. We recommend providing technical assistance to help Jordan Customs apply valuation rules in a way that is consistent with international agreements. Further, once valuation practices are compliant with international norms, we suggest that Jordan Customs launch a public outreach campaign addressing this negative perception of its valuation practices.
- **Roll-out of integrated risk management system.** The MCC Customs Program began implementation of the integrated risk management system at Sahab and ASEZ Customs, which is at the heart of the automated Single Window. Technical assistance is needed to focus on the other government agencies, such as JFDA, the Ministry of Agriculture, and the Jordanian Institution for Standards and Metrology to help them prepare their risk criteria in the appropriate format, to train their staff in basic computer skills, and implement new procedures to streamline operations.
- **Continue work to update Human Resources policies, especially with regard to the incentive system.** The MCC Customs Program provided technical assistance to address succession planning, career paths, and merit-based promotions within Jordan Customs. Additional technical assistance is needed to roll-out recommendations to enhance these HR policies. In addition, several outside observers have raised concern with the incentive system at Jordan Customs through which Customs officers are awarded a percentage of fines or penalties levied against a trader or transporter. This creates perverse incentives to slow down the clearance process to catch even trivial offenses to generate fines. The MCC Customs Program supports incentive systems but recommends adjusting the Jordan Customs incentive system to reward more desirable behavior such as efficiency, effectiveness, accuracy, or teamwork.

- **Adopt a Customer Service Orientation across the organization.** With the launch of the Customer Service Center and recent public outreach activities, Jordan Customs has taken important steps forward to improve their relations with the private sector. However, private sector actors still report negative behavior in their interactions with Customs. Jordan Customs must continue to transition to a customer service orientation. This transition will require Jordan Customs to embrace a structured approach to changing mentalities and behaviors. We recommend engaging a Change Management specialist to assist Jordan Customs with the change process.
- **Criminalize Customs offenses.** Currently, several serious offenses such as fraud and even smuggling are punished with trivial fines. Strong border and consumer protection requires real incentives for voluntary compliance with Customs (like the Golden List Program) and severe penalties for violations. The Program recommends strengthening laws and regulations to criminalize customs offenses.
- **Enact all elements of the Jordan Customs Women’s Committee Gender Action Plan:** This involves the construction of women’s WCs at all customs centers and constructing dormitories for women Customs officers at more remote locations such as Jaber, Omari, and Modawara.
- **Strengthen the Golden List.** Jordan Customs has not delivered on all of the promised benefits of the Golden List. Many Golden List companies have indicated that the only benefit for membership is recognition from the United States under the Customs-Trade Partnership against Terrorism (C-TPAT). Jordan Customs should implement all promised benefits and quickly expand the number of companies on the Golden List to create a real incentive for voluntary compliance with Customs.

IV. Appendices

- i. Implementer closeout report including Results Reporting Table - LGDP
- ii. ARD Financial Review Reports - LGDP
- iii. Contact information for critical staff – LGDP
- iv. Implementer closeout report including Results Reporting Table – CAMP
- v. Contact information for critical staff – CAMP
- vi. Jordan Threshold Country Plan Final Report



MILLENNIUM CHALLENGE CORPORATION (MCC)

Final Report

JORDAN LOCAL GOVERNANCE DEVELOPMENT PROGRAM

MCC Threshold Country Program

Task Order under Decentralization and Democratic Local Governance Strengthening Indefinite Quantity Contract
USAID IQC Contract No. DFD-I-00-05-00121-00

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USAID/Jordan

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ACRONYMS

APM	Advanced Participation Methods
BP	Best Practices
CBO	Community-Based Organization
COP	Chief of Party
CSO	Civil Society Organization
CTO	Cognizant Technical Officer (USAID)
DCOP	Deputy Chief of Party
GOJ	Government of Jordan
ICT	Information, Communications and Technology
IdRC	Interdisciplinary Research Consultants
IRI	International Republican Institute
IT	Information Technology
LGDP	Jordan Local Governance Development Program
JNCW	Jordanian National Commission for Women
LDD	Local Development Department
LDU	Local Development Unit
LDVC	Local Development Voluntary Committee
LDP	Local Development Plan
LG	Local Government/Governance
LGDP	Local Governance Development Program
M&E	Monitoring and Evaluation
MCA	Millennium Challenge Account
MCC	Millennium Challenge Corporation
MCO	Municipal Capacity Overview
MOMA	Ministry of Municipal Affairs
MOPIC	Ministry of Planning and International Cooperation
MOSD	Ministry of Social Development
MOU	Memorandum of Understanding
MSPW	Municipal Strategic Planning Workshop
NGO	Non-governmental Organization
OSC	Oversight Committee
PMU	Program Implementation Unit
PMP	Performance Management Plan
QSIP	Quality Service Improvement Program
ROLL	Replication of Lessons Learned
SIF	Special Incentive Fund
SOAG	Strategic Objective Grant Agreement
SOW	Scope of Work
STTA	Short-Term Technical Assistance
TA	Technical Assistance
TCP	Threshold Country Plan
TOT	Training of Trainers
USAID	United States Agency for International Development

1.0 OVERVIEW

1.1 Program Objectives

The Jordan Local Governance Development Program (LGDP) was designed to empower local government and enhance citizens' participation in local level decision making in pilot municipalities throughout Jordan. The program sought to directly assist the Government of Jordan (GOJ) to develop tools to improve municipal governance, enhance citizen participation, and increase transparency in local government operations.

In order to help Jordan accomplish these goals, LGDP worked to build practical examples of good local governance and to demonstrate best practices in nine pilot municipalities selected for geographic diversity, size, demographic composition, and demonstrated commitment to local participation. Technical tools, training programs and lessons learned were developed and implemented exclusively through Jordanian organizations and companies, captured through systematic documentation and manualization, and widely disseminated to GOJ partners and other aid organizations to allow for dissemination and replication beyond the pilot local government units. Well prior to the conclusion of the program, the Ministry of Municipal Affairs (MOMA) committed to a long-term, systematic extension of LGDP-originated tools and approaches, and established a Ministerial unit to accomplish this goal.

Major partners in the program were:

- *Funding:* The Millennium Challenge Corporation (MCC 2007-X6)
- *Administration:* USAID/Jordan, Social Sector Office, USAID Unit 70206
- *Host Country Partners:*
 - Overall Coordination and US Relations: The Jordanian Ministry of Planning and International Cooperation (MoPIC)
 - Implementation: Jordanian Ministry of Municipal Affairs
 - Pilot Demonstration Municipalities: Greater Jerash, Greater Madaba, Burqush, Al Shafa, Al Fuheis, Al Hassa, New Shobak, Rabiet Al Kura, and New Bereen
- *Implementation:*
 - ARD, Inc. (principle contractor)
 - Al Jidara and Interdisciplinary Research Consultants (IdRC, Jordanian subcontractors)

The program was implemented through five components:

- Component 1: Election Participation and Gender Integration
- Component 2: Community Development
- Component 3: Cooperative Development and Private Sector
- Component 4: Municipal Local Government
- Component 5: Project Management

A cross-cutting element called the “Special Incentive Fund (SIF)” supported local development projects that demonstrated tangible outcomes of collaborative decision-making involving citizens and elected municipal leadership. All SIF projects were based on local priorities identified through participatory processes wherein elected leadership, staff, and a broad representation of citizens regularly met to define and track progress. Project Oversight Committees (POCs) were established in each municipality to accomplish this effort.

A condition precedent was the passage of an amended Municipalities Law, which Parliament accomplished in March 2007. Among other things, this law lowered voting age to 18 and established a quota system for female participation in Municipal Councils and Parliament, both precedent-setting actions for the region.

In broad terms, program activities focused on:

- Broadening citizens' participation in local governance and increasing women and youth participation in public life and politics.
- Working with newly elected officials to increase their leadership capacity and ability to respond to constituent and community needs.
- Building the capacity of municipal local government to be more representative of, and responsive to, citizens' concerns and needs through the improvement of financial performance, service delivery, transparency, and accountability.
- Involving community groups in working collaboratively with local government in the process of planning, prioritizing, funding, implementing, and overseeing investments in public-private partnerships to address community needs.
- Improving local governance to enhance the enabling environment for private sector engagement in addressing poverty reduction and economic growth.

1.2 Summary of Program Achievement and Outcomes

1.2.1 Overall Achievements

LGDP successfully accomplished all objectives and reached well beyond program goals in a number of areas. Given the two-year timeframe of the program and the widely acknowledged ambitious targets set forth in the original Strategic Objective Grant Agreement (SOAG), it can be justifiably asserted that the Jordan Local Governance Development Program was an exceptionally successful activity.

Major implementation successes with long-term implications include:

- Jordanian-based Municipal Governance Technical Tools. LGDP designed and implemented all technical assistance activities through local Jordanian nongovernmental organizations (NGOs) and subcontractors, thus setting in place a local resource pool that can be called upon by national and local governments pursuing higher performance governance operations.
- Practical Citizen Participation Techniques. LGDP demonstrated highly effective participatory methods and trained a cadre of skilled, Arabic-speaking facilitators capable of both practicing and training others in such techniques. LGDP-originated participatory methods were used by the Prime Minister's office team to engage citizens in Millennium Challenge Corporation (MCC) Compact development, and these have been affirmed by both MoPIC and MOMA as the standard for citizen participation approaches in Jordan.
- Arabic Manuals for Municipal Governance. LGDP "manualized" all relevant municipal management tools. The program emphasized quality Arabic language presentation and format. Key manuals include a Manual for Local Development Planning and a Toolkit for Municipal Public-Private Partnerships (PPPs), both of which were adopted by MOMA as the models for all municipalities of Jordan.

- Business Development Plan for MoPIC Project Monitoring Unit (PMU). LGDP worked with the newly established PMU within MoPIC to determine the most useful structure, staffing, and operational goals for its ongoing operations.
- Workable Models for a Union of Jordanian Municipalities. LGDP provided analysis and Jordan-specific recommendations related to establishment of a Union of Jordanian Municipalities. The approach set forth by LGDP is in the process of acquiring political support from key levels of government.
- Citizen-based SIF Project Oversight Committees. The project supported rapid implementation of small, community-based construction projects using POCs and local construction firms.

Specific achievements in Years 1 and 2 are provided below.

1.2.2 Year 1 Achievements

Year 1 of the LGDP took the team from the start-up phase into implementation of program activities, including the very challenging task of identifying projects and technical assistance needs through participatory events and, in turn, translating these into Requests for Proposals (RFPs) and subcontractor awards. Activities focused on this process in anticipation that virtually all technical assistance and SIF project construction would then be accomplished in Year 2. Key activities in Year 1 were:

- Rapid Mobilization. Program mobilization and start-up began in May 2007. Temporary office space was secured immediately and staff moved into permanent office in July 2007. Office equipment, including vehicles, was purchased and the recruitment and contracting of both program and administrative staff was undertaken.
- Adjusted Start-up and Work Plan in Response to Municipal Elections. The GOJ and USAID/Jordan determined that direct engagement in municipalities should not commence until after municipal elections were accomplished on July 31, 2007, in order that no political connotations be attached to the selection process. Post-election processing included presentation and approval of the final list of nine targeted municipalities, as well as central government coordination and alignment of various ministries and stakeholders involved in support to the program. As a result, LGDP staff could not commence activities at the municipal level until early September 2007, coincident with the onset of Ramadan. Thus, the original 24-month program assistance strategy had to be thoroughly revised to fashion an even more aggressive program to be accomplished within 18 months from point of entry.
- Illustrative Work Planning. The project's First Annual Work Plan was developed based on a workshop held in June 2007. This Work Plan was viewed as an illustrative document with finalized activities to be determined as the program developed.
- Municipal Selection Analysis and Recommendations. Component 4 led data gathering and analysis undertaken for the municipal selection process. Three scenarios were developed and nine municipalities recommended. In August 2007 following municipal elections of July 31, 2007, the nine recommended municipalities were confirmed jointly with MOPIC, MOMA, and the Ministry of Interior on August 26, 2007.
- Elections Support while Awaiting Municipal Selection Confirmation. The joint decision by USAID and GOJ to await the outcome of municipal elections before selecting municipalities necessitated that LGDP emphasize activities in Component 1 that had opportunity to support

- Municipal Engagement Strategy. A Municipal Engagement Strategy was developed to guide the period from September through December 2007. The strategy included introductory visits, municipal capacity overviews, and municipal strategic planning workshops (MSPWs).
- Introductory Meetings with Municipalities. Introductory meetings were held in each of the nine selected municipalities during September and October 2007. These meetings were attended by senior LGDP staff and representatives from MOPIC and MOMA. Governorates were also visited and briefed on the program.
- Municipal Capacity Overviews. Closely following the introductory meetings, municipal capacity overviews (MCOs) were conducted in each of the nine municipalities between September and early November 2007. MCOs allowed LGDP staff to conduct rapid assessments of human resources, information technology (IT) capacities, financial systems and practices, and gender integration practices, as well as providing an opportunity for LGDP staff to meet potential partners in the field. Members of MOPIC and MOMA attended some of these events.
- SIF Project Identification. During MCOs, LGDP staff focused on the identification of projects in order to begin working with municipalities on the preparation of SIF applications.
- Creation of Cadre of Trained Facilitators to Lead Participatory Strategy. Training in Advanced Participatory Methods (APM) was conducted by ARD's Home Office Senior Participation Specialist for LGDP staff and partners in October 2007. This methodology, based on town meeting techniques, was used during two-day MSPWs.
- Municipal Strategic Planning Workshops. Working with the Senior Participation Specialist, LGDP staff and partners designed a pilot MSPW, which was demonstrated successfully in Al Fuheis municipality on October 31–November 1, 2007. MSPWs were then conducted in the remaining eight municipalities, with Component 2 taking the lead in coordination. Seven MSPWs were completed in November and December 2007, with the final MSPW completed in early January 2008. MSPWs brought together elected municipal leadership and staff with the wider community to identify, discuss, prioritize, and create initial action plans for projects and activities to be supported by LGDP.
- Staffing and Reorganization of Administration Team to Manage SIF, RFPs, and Contract Oversight Processes. With the decision to use SIF resources to provide heavy equipment and pursue small, community-based construction programs, LGDP needed to re-design its administrative team to manage a more challenging and complicated contracting and grant oversight system. Along with reassigning duties internally, LGDP recruited two engineers and an engineering design firm to assist in oversight of SIF construction activities.
- SIF Project Identification. Over 40 SIF projects were identified through the MSPQ process, including heavy equipment and several small construction activities to upgrade municipal facilities. SIF application processes, designs, and Bills of Quantities were initiated in coordination with municipalities. Tendering and contracting with firms for heavy equipment

- Assistance to Ministry of Social Development. In response to entreaties from the Ministry of Social Development (the Ministry responsible for NGOs and government coordination with civil society), LGDP funded five temporary positions with the MOSD. These positions staffed several key interventions on a timely basis, included legal drafting of a new civil society law and design of operational and administrative reforms within the Ministry to enable it to be more responsive to the robust civil society activities taking place within the Kingdom.
- Municipal IT Upgrades. In-depth IT needs assessments were conducted in February 2008 in all nine municipalities in order to determine current status and finalize needs of municipal IT departments. LGDP took the approach that all municipalities should be provided sufficient computers, network servers, and peripheral equipment to accomplish a staff-wide transition to computer-based operations. Nearly 200 computers and related equipment were eventually provided, and all municipalities were networked and provided with extensive training.
- Municipal Financial Management Software. This task has been identified by USAID, the European Union (EU), and the World Bank as a critical area for improving municipal functions in Jordan. Identification and analysis of financial management software applications suitable for municipalities was accomplished through extensive meetings and reviews of the products/approach of 15 Jordan-based firms. Appropriate, affordable, Arabic-based software was identified and negotiations with the vendor undertaken.
- Donor Coordination and Information Sharing. Coordination meetings were held with multiple donor organizations, including the World Bank, the European Union (EU), Agencie Francais Developpement (AFD), the United Nations Development Programme (UNDP), Danish Aid, and GTZ.

1.2.2 Year 2 Achievement

Year 2 focused on intensive implementation of a wide variety of technical assistance activities and continuation of SIF projects. These projects and activities were based on assessments of prioritized needs developed in a participatory manner during Year 1. In the second half of the year—after all implementation activities were well underway—LGDP staff focused on capturing lessons learned and best practices, and “manualizing” training and skill-building programs to ensure knowledge transfer to the Jordanian government and municipalities.

In addition to the practical challenges of creating functional, local citizen-based POCs to bring SIF projects into the full construction phase, LGDP focused on assisting municipalities and MOMA as follows:

- Demonstrate Local Development Planning with Citizen Input. LGDP activated local development units (LDUs) and local development voluntary committees (LDVCs), which were mandated by MOMA as a necessary condition for future budget approvals. Local development plans were completed in all nine municipalities and formally presented to MOMA at the end of the program. This activity may be one of the most significant accomplishments of the technical assistance activities undertaken by LGDP. Government-citizen joint planning and discussion were heretofore virtually unheard of in Jordan, but universally embraced by all stakeholders once they were equipped with the types of methods and skills provided through LGDP. As a testament to

- Skill-building and Service Improvement Training. LGDP provided management and leadership training for elected leadership (with emphasis on municipal council members), municipal staff, and citizen volunteers.
- Quality Service Improvement Programming (QSIP). Due to time and staffing constraints, three sites completed an extensive QSIP activity that ARD has pioneered in local governance programming. QSIP is designed to enable municipal leadership and staff to self-implement and analyze citizen-client surveys and to consequently re-engineer municipal operations to address problem areas. The remaining six sites were provided with basic training and practice in the QSIP approach. This activity was widely cited by municipalities as perhaps the most useful and transformative of all technical assistance.
- Analysis and Recommendations for Financial/Property Tax Management. After considerable exploration of the challenges and opportunities for improving financial and property tax management, LGDP focused on in-depth “as is” analysis and recommendations for GOJ transitioning to modern financial management standards at the municipal level. This effort has the potential to lead to a long-term, achievable strategy for such transition, while steering clear of short-term, impractical, and unsustainable adjustments.
- PPP Strategic and Practical Engagement. Early in the program’s life, it became clear that that LGDP’s greatest contribution to the objectives of this Component (3) would be to emphasize the creation of a strategy and “toolkit” for municipalities to use in pursuit of PPPs. In addition, LGDP successfully completed at least one feasibility study in each municipality of potential PPP projects identified in MSPWs.
- Ongoing Computerization Training. LGDP continued the installation of hardware and conducted training of municipal staff for upgraded computer systems. It is important to note that ARD took the approach that simply providing a few computers at strategic points (e.g., treasurer, budget officer, personnel) was not sufficient to shift municipalities toward computer-based operations. Thus, the program provided—to the extent possible within budget constraints—a sufficient number of computers and trained staff to achieve a “critical mass” of networked, all-department operations.
- In-Kind Contribution of Microsoft Corporation. As part of this computerization program, LGDP successfully leveraged a major in-kind contribution of on-site and off-site computer training conducted by Microsoft Corporation in Jordan. These training activities, covering about six months and equivalent of about \$125,000 dollar cost, allowed the program to training not only a few computer operators, but a wide spectrum of municipal staff so that networked municipal operations could be realized.
- On-time Completion of all SIF Projects. The challenge of identifying (using time-consuming citizen engagement techniques), designing, bidding, and awarding contracts for SIF projects was a major challenge that was accomplished with considerable oversight and day-to-day engagement by the LGDP engineering and contract administration team.

1.2.3 Unanticipated Events and External Factors Influencing Outcomes

While LGDP experienced the usual challenges of implementing governance improvement programs, it is important to note that political support for LGDP from the GOJ at both national and local levels was outstanding, thereby greatly enabling the rapid and flexible decision making required for an ambitious program within a two-year timeframe. At no point in the implementation process did the contractor experience obstructions or negligent involvement from the GOJ and its municipalities. Indeed, it is unlikely that all program objectives could have been met in this timeframe without the proactive support of the two key ministries—MoPIC and MOMA.

Several unanticipated events had the potential for greatly altering outcomes. Early and thoroughgoing attention to these factors, however, enabled the program to remain on track and achieve desired outcomes.

First, the decision to postpone selection and engagement of municipalities until after municipal elections (held July 31, 2007) effectively shortened the program's implementation timeframe by about four months. While the decision was necessary and appropriate, the unintended consequence was to place the start of actual engagement with municipalities simultaneous with the start of Ramadan 2007; this necessitated major adjustments in the intensity and pace of engagement strategy. The mutual agreement of MCC, USAID, and the GOJ to modify the project end date by an additional four months was in every respect absolutely critical.

Second, rapidly growing inflationary pressures arising from the global economic crises required radical adjustments to SIF project and technical assistance contracting. Such adjustments would be problematic in a project with a longer timeframe, but they were potentially disastrous in the foreshortened time available to LGDP. Prices of equipment, building materials, fuel, and construction labor rose rapidly, in some cases by factors in excess of 100%. Because inflation was steadily increasing at the time of LGDP's contracting process, vendors included major contingency funds in their bids in anticipation of even greater material and labor costs. As a result, all construction RFPs that had been issued and were nearing award had to be redesigned and reissued to accommodate budget constraints compelled by inflation. This set back SIF implementation targets by a minimum of 2–3.5 months and necessitated an extension of four months to the project end date.

Third, USAID's decision to prioritize SIF projects over technical assistance led to downsizing and/or restructuring of technical assistance activities that were well underway when the crises occurred (mid- to late summer of 2008). This led to restructuring of existing contracts with organizations and companies implementing the technical assistance program, and required early termination of in-house staff overseeing these activities. Fortunately, LGDP staff revised activities so that all program results were achieved in a more constricted timeframe and all contractors cooperated in this process. As inflationary pressures lessened, some staff were able to remain in place longer than had originally been anticipated when the downsizing occurred.

2.0 IMPLEMENTATION BY COMPONENT

A complete set of deliverables, final reports, technical reports, training manuals, and related materials have been delivered to USAID/Jordan in both hard copy and on CD-ROM. All such items are also available on request to ARD. A table summarizing final results is included in Appendix A. Thus, the purpose of Section 2.0 is to briefly highlight implementation successes and shortcomings by component.

2.1 Component 1: Election Participation and Gender Integration

The major challenges faced by Component 1 were: (a) how to rapidly and yet forcefully assist participation in municipal and parliamentary elections; and (b) how to sustain activities beyond the life of the program. The first challenge was addressed by partnering with the Jordanian National Council for Women (JNCW) to help underwrite major campaigns to get out the vote of women and youth. LGDP had sufficient resources to help nation-wide informational campaigns obtain impact.

The second challenge was met by again partnering with JNCW to create a web-based “Women’s Knowledge Network” that would provide a means with which to share information and a forum for discussion among newly elected women in public service of municipal councils.

Shortcomings of this component may be summarized as an activity that have been misplaced in the context of a municipal governance program. While LGDP did an admirable job of identifying and capitalizing on opportunities for engagement, it may be more useful in future programming to shift such assistance to organizations that can be directly engaged over a much longer term.

2.2 Component 2: Community Organization

The major challenge faced by this component was how to meaningfully involve citizens in municipal development, while simultaneously assisting the government’s effort to encourage municipal leadership to itself reach out, solicit, and genuinely incorporate citizen input into decision making where appropriate. This challenge was addressed in three key ways:

4. The component took the lead in activating LDUs in each municipality that had been recently mandated by MOMA as a means to develop local plans and coordinate strategies being pursued by the government to modernize local governance. The strategy was to practically demonstrate how such units could operate, given the wide variety of resources and skill levels of staff assigned to them. This approach was in keeping with the core strategy offered by ARD, which is to the extent possible, utilize and capitalize upon existing structures supported by government, rather than impose new structures that are likely only to exist with project support.
5. In order to link LDUs to citizens in a structured manner, LDVUs were organized to work hand-in-hand with municipal staff to develop a local plan. Citizens engaged in LDVUs were often those also participating in the POCs, which provided ongoing, transparent oversight of SIF projects. This provided a link between practical implementation and future planning that was invaluable.
6. ARD’s Advance Participation Methods were customized to local development planning, and a template for local development plans was created that could be disseminated to all municipalities. One of the major challenges faced by many countries that initiate local development planning is identifying a “doable” approach to such planning that neither overwhelms nor underestimates the capacities of municipal governments. Component 2 demonstrated a method of combining citizen

The major shortcoming faced in this component was the program's shortened timeframe. This was overcome by engaging a partner firm to assist the development planning training and production efforts needed to capture a useable plan in under one year. However, it should be assumed in future programming that citizen-linked development planning is an 18–30 month activity, as is normal in most environments.

2.3 Component 3: Cooperative Development and Private Sector

The major challenge faced by this component was how to focus the effort on developing useable tools for municipalities to engage the private sector in PPPs. As MCOs were underway (i.e., September/October 2007), it became evident to the team that while national government was increasingly supportive of partnering with the private sector, very little concrete thinking and preparation had been done to enable municipal leadership to actually operationalize central government's policy. Thus, LGDP's strategy shifted to a two-track approach in order to:

- Develop a strategic approach *for municipalities* that would add clarity to partnering at the local level, as well as provide practical tools that could be used by municipalities to actually engage in projects with private sector partners.
- Undertake feasibility studies of potential PPP projects identified by citizens in MSOWs with a view to recommending viable projects for further investment by municipalities.

The first track resulted in a Toolkit for Municipal Public-Private Partnerships in Arabic that is the most comprehensive document available in Jordan on this subject. All LGDP municipalities received training in the use of the Toolkit and PPP concepts. In turn, the Toolkit document was disseminated to all municipalities in the Kingdom to provide at least a starting point for municipal leadership. MOMA adopted the Toolkit and strategy statement as official ministerial policy.

The second track yielded six viable projects among the nine for which feasibility studies were undertaken. Of these, MOMA agreed to co-finance the public portion of proposed budgets in three municipalities, amounting to roughly \$1.2 million. All studies were left with municipal leadership for further exploration or action as desired.

The major shortcoming for this component was, again, the exceptionally short timeframe for implementation. The process of identifying, analyzing, determining viability, and subsequently assembling financing for projects is genuinely time-consuming. It is all the more so for projects that partner the very different aims and approaches of the public and private sector. Of all LGDP components, this one is arguably that which benefitted least from the two-year timeframe and achieved the greatest innovation nonetheless.

2.4 Component 4: Municipal Local Government

The major challenges faced by this component involved how to rapidly analyze needed reforms (for instance, to financial management or personnel management approaches) and then design/deliver meaningful technical assistance addressing those reforms. In some respects, this component was the core of assistance to municipal government per se. Three accomplishments merit attention.

4. The Municipal Selection Model used by this component to analyze and recommend municipalities may justly be termed “state of the art.” The model utilized extensive quantitative data gathered from various sources in Jordan, and combined this with qualitative discussions and analysis leading to the final selection. The model enabled LGDP to proceed with engagement on the basis of a highly transparent and credible selection process. This argues for the use of such a tool in virtually any situation requiring objectification of politically sensitive processes.
5. The component’s approach to the problem of computerizing local government financial management was driven by and, in the end, concluded on the principle that no program should attempt to intervene in this critically important area in such a short timeframe unless options and long-term requirements are thoroughly explored. As has already been indicated, the implications for public investment and long-term commitment to enable the GOJ to transition municipalities from current practice to international standards are daunting. LGDP’s focus on providing a thoroughgoing analysis of how to implement such a transition should be a critical element of any future programming.
6. The success of the QSIP method for improving municipal management proved to be the singularly most significant accomplishment of this component. QSIP requires whole teams, units, offices, or divisions of municipalities to work together to self-improve the system of delivery of municipal services. The approach is premised upon low-cost, high-impact behavioral and system changes that can be seen by citizens and can be readily accomplished by local staff. Any future programming choices in this sector should incorporate a QSIP type approach to improving service management.

2.5 Component 5: Project Management

This component had a two-track task. First, Component 5 was responsible for all reporting, results tracking, and related monitoring and evaluation (M&E) tasks. The component met all delivery dates and deadlines set for monthly, quarterly, and annual reporting. All work plans and technical documents were reviewed, edited, and translated by this component. All requests for information and/or informal write-ups emanating from the GOJ or USAID were promptly fulfilled.

Second, this component supervised the conception of a Business Development Plan for MoPIC’s PMU and led monthly reviews between the PMU and LGDP. The only shortcoming experienced was the frequent assignment of PMU staff to immediate tasks arising in the ministry, necessitating partial attendance in training and skill-building programs.

Table 2.1 below summarizes the key deliverables and accomplishments of each component. This table incorporates various modifications that occurred over the life of the project, as requested by MCC/Washington, and captures to a greater extent the actual work that took place on the project, which in many cases, exceeded early targets.

Table 2.1 Completion Data For All LGDP Component Deliverables

ACTIVITY NAME	COMMENTS	COMPLETION DATE
Component 1: Election Participation and Gender Integration		
Women’s Knowledge Network (WKN) for all female council members established and activated	- Create WKN web site and email group, and register in the name of JNCW	Completed, May 2009

ACTIVITY NAME	COMMENTS	COMPLETION DATE
Component 2: Community Development		
Opportunities for citizen engagement in local level governance and decision making increased	- Produce nine Municipal Local Development Plans (MLDPs) with citizens' participation including translation	Completed, May 2009
Support LDUs in the nine municipalities to operationalize selected MSPW strategies	- Assist LDUs in preparing and operationalizing Local Development Plans (LDP)	Completed, May 2009
Enhance coordination between LDUs and community-based organizations (CBOs)/NGOs in implementing operational activities in selected municipalities	- Conclude implementation of selected activities in the nine municipalities	Completed, May 2009
Support opportunities for local communities and municipalities to exchange experience and learn from one another	- Launch Municipal Local Development Plans (MLDPs) in a public event	Completed, April 2009
Component 3: Cooperative Development and Private Sector		
PPP projects identified and explored in nine municipalities	- Finalize the feasibility studies for proposed PPP projects including translation	Completed, May 2009
Component 4: Municipal Local Government		
Management of municipal finances improved	<ul style="list-style-type: none"> - Finalize the development of unified and comprehensive financial and procurement models - Conduct a three-day orientation seminar on financial and procurement manuals for key LGDP counterparts and key personnel from selected municipalities 	<p>Completed, April 2009</p> <p>Completed, April 2009</p>
Computerization of municipal functions	- Launch the beta version of the municipalities' web sites	Completed, May 2009
Component 5: Project Management		
Operational M&E system in place	- Implement overall LGDP M&E system framework	Ongoing
Develop mechanism for Replication of Lessons Learned	- Captured/reviewed lessons learned with component leaders and counterparts	Ongoing

2.6 “Flow of Funds” Table

Table 2.2 shows the standard information for amounts obligated and expended by LGDP. With the exception of a few final expenses, this table represents the end of project status funds.

TABLE 2.2. BILATERAL INSTRUMENT FUNDS FLOW					
SUB-OBLIGATIONS: LIST MAJOR IMPLEMENTING PARTNERS					
Implementing Partner	TCP Component Number	Total Estimated Cost	Amount Invoiced through October 2009	Final Obligated Amounted	Anticipated Final Expenditures
ARD	3. Local Governance Development Program	\$ 16,483,438	\$ 16,401,071	\$ 16,440,000	\$16,440,000

2.7 Sustainability

The GOJ demonstrated consistent commitment to the goals and actions of LGDP. The GOJ is clearly committed over the long-term to improving and modernizing municipal governance and enabling municipalities to take a much larger role in national development. The government’s support for reforms is clear and firm, although occasionally lacking in the practical aspects of implementation. As previously noted, MOMA has already made major commitments to both “rolling out” LGDP technical approaches (e.g., official adoption of the PPP Toolkit and the local development planning method, and establishment of an internal LGD unit to continue program operations in more municipalities) and providing financing for key activities (e.g., co-financing of PPP projects deemed feasible in three municipalities). MoPIC has stated and demonstrated, through policy management, its commitment to increasing the municipal sector’s role in national modernization and development. All of these actions point to a fruitful enabling environment supportive of continuing reforms and well-placed donor assistance.

2.8 Lessons Learned and Activities to Consider for Future Support

As noted previously, Jordan has made significant commitments to modernization and enhancement of municipal government as a key means of both deepening national development and expanding public participation in government. Lessons learned for each component and discrete activity have been documented and shared on CD with USAID/Jordan. The following therefore comprise only key, higher level lessons applicable to this sector in general and Jordan in specific.

- Effect of the Two-Year Timeframe. While LGDP was able to achieve and in some instances exceed targeted results in the two-year timeframe, it remains that the program was overambitious for such a short timeframe. For instance, had the extra four-month extension not been granted, there is little doubt that LGDP could not have completed SIF project construction on time, regardless the level of performance applied. This is because of external events which could not be controlled by the contractor. Or again, such performance could only have been achieved by the coalescence of three factors: (a) consistent support from key implementing partners in the GOJ, especially MOMA; (b) a very high caliber team of Jordan experts; and (c) experienced leadership from the contractor.
- Linking Technical Assistance and SIF Activities Greatly Increase Performance Incentives. Much of USAID’s local government programming applies only technical assistance and has increasingly excluded the “bricks and mortar” activities such as provision of equipment and

- SIF Commitments Should Always be Presented as Subject to Funding. When rapid inflation began to impact LGDP's capacity to fund all activities pre-approved for SIF funding, it would have been more useful to rework construction priorities rather than decrease technical assistance. While the internal restructuring required to achieve results with less staff and staff time was successful, it is not recommended that construction take precedent over technical assistance.

In a relatively short timeframe, LGDP was able demonstrate and pilot test technical strategies supportive of improving municipal governance in Jordan. All such strategies have been amply documented and, in most cases, Arabic language manuals support implementation of further programming in this sector. The following items are highlighted as potential high-yield activities suggesting further support within programming directly or indirectly addressing municipal governance:

- Nationwide roll-out of QSIP as the lead tool to improve service delivery and accomplish a significant shift toward client-based municipal management.
- Nationwide roll-out of LGDP local development planning tools, methods, and products to enable more systematic national development and coordinated local development.
- Increased use of participation methods in the interface between citizens and local government. This aspect can be particularly important for activities linking youth to citizenship and thereby to municipal governance.
- Ongoing assistance to municipalities in pursuit of partnering with the private sector at the local level, for projects that are typically below the floor-cost of most PPPs, but nonetheless viable and manageable at the local level.

APPENDIX 1: LGCD RESULTS REPORTING TABLE

Program Results Reporting Table

	Performance Indicator Name	End Result	Base-line (May 2007)	FY:	07	07	08	08	08	08	09	09	09	09	Notes
				Quarter	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
1	Decisions made and Local Development Plans (LDP) developed in participation with citizen's committees in each of the 9 targeted mun.	9 local development plans	0	Target	Mun. selection	Mun. selection approved by GOJ	9 Planning Workshops 9 Oversight Committees elected	4 LDVCs est.	9 LDVCs est.	4 LDPs developed	9 LDPs developed	9 LDPs developed	9 LDPs developed and delivered; task complete	NA	The process involved LDVCs and youth groups working closely with mun.
				Actual	Yes	Yes	Yes	Yes	Yes	On Target	On Target	9	9	NA	
2	One public-private sector development project initiated in each of the nine mun..	9 projects	0	Target	Mun. selection	Mun. selection approved by GOJ	Baselines est. in 9 identified mun.	Potential PPPs identified at the 9 mun.	Inst. capacity assessed and inst. framework agreed in 3 mun.	9 feasibility assts. PPP Toolkit completed; Training delivered	PPP strategy completed in 3 mun. as model for remaining mun.	9 public-private sector projects initiated	9 public-private sector projects initiated; 6 projects viable and forwarded for funding. Task complete.	NA	-The PPP toolkit is completed -9 feasibility assessments conducted -Public share for 3 projects ensured by MOMA -Private partners were identified for 2 projects
				Actual	Yes	Yes	Yes	Yes	Yes	On Target	Yes	9	9	NA	
3	Improved financial, fiscal and human resource management systems installed in at least six of the targeted mun..	6 mun.	0	Target	Mun. selection	Mun. selection approved by GOJ	MCOs conducted	Scope of Works for Technical Ass. approved	Financial and HR Mgmt. analysis completed, TA started	Implementation of hardware and software solutions begun	Systems in 3 mun. installed	Systems improved in 6 mun.	Systems improved in 6 Mun. Task complete		GOJ endorsed LGDP's recommendations to improve Jordan's mun. Financial and HR systems -Manuals developed -MOMA will decide on needed training and will oversee installation
				Actual	Yes	Yes	Yes	Yes	Yes	Yes	On Target	On Target	6		
4	10% increase in voter participation in 2007 elections	10% increase from 2003	Mun. (M): 479,117 (2003) Parliamentary (P): 2,352,496 (2003)	Target	n/a	M: 10% increase	P: 10% increase	--	--	--	--	--	Task Complete		
				Actual	n/a	M: 134% increase	P: 5.6% increase	--	--	--	--	--	Task Complete		
5	10% increase in number of women voting in 2007 elections	10% increase from 2003	Mun. (M): 493,856 (2003) Parliamentary (P): 1,191,589	Target	n/a	M: 10% increase	P: 10% increase	--	--	--	--	--	Task Complete		
				Actual	n/a	M: 88% increase	P: 7% increase	--	--	--	--	--	Task Complete		

	Performance Indicator Name	End Result	Base-line (May 2007) (2003)	FY:	07	07	08	08	08	08	09	09	09	09	Notes
				Quarter	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
6	10% increase in number of women registered for 2007 elections	10% increase from 2003	Mun. (M): 229,863 (2003) Parliamentary (P): 703,565 (2003)	Target	n/a	M: 10% increase	P: 10% increase	--	--	--	--	--	Task Complete		
				Actual	n/a	M: 129% increase	P: 3.7% increase	--	--	--	--	--	Task Complete		
7	10% increase in the level of citizen satisfaction with the delivery of services in at least 6 of the 9 mun.	BL+ 10%	To be measured using selected customer feedback measurement tools	Target	Mun. selection	Mun. selection approved by GOJ	Mun. Capacity Overviews (MCOs) conducted	Wider-spread mun. service improvement program designed	Quality Service Improvement Training initiated	Intensive QSIPs started in 3 mun.	Intensive QSIPs completed in 2 municipalities, plans prepared for 6 mun.	Intensive QSIP completed in 6 mun.ity, 10% increase in citizen satisfaction achieved	Task Complete		-Tools to measure citizens' satisfaction were developed -Baseline surveys for selected services concluded Mun. had acquired the know-how to measure citizens' satisfaction
				Actual	Yes	Yes	Yes	Yes	Yes	Yes	Yes	QSIP installed in 6 mun.	Task Complete		
8	10% increase in mun. investments in public services	BL+ 10%	968,661.00 JD (Based on 2007 Actual Budget figures for Capital Expenditures in Public Services in 6 targeted muns.)	Target	Mun. selection	Mun. selection approved by GOJ	MCOs conducted	Mun. Financial Management Scope of Work Approved	TA activities started and work plans developed	Analysis of current financial situation and ident. of improvement opportunities completed	Solution Design and Implementation completed	10% increase in mun. investments in public services achieved	10% increase in mun. investments in public services achieved		Calculated based on 2008 Mun. Closing Accounts (JD2,423,523.71)
				Actual	Yes	Yes	Yes	Yes	Yes	Yes	On Target	On Target	150.19%		
9	10% increase in tax recovery rates in at least six of the targeted mun.	BL+ 10%	401,681.30 JD (Based on 2007 Actual Budget Property Tax Data in 6 targeted muns.)	Target	Mun. selection	Mun. selection approved by GOJ	MCOs conducted	Coordination with MOF/ UNDP property tax project started	Property Tax TA SOW approved	Analysis of property tax situation completed, improvement opportunities identified	Solution Design and Implementation started	10% increase in tax recovery rates achieved in 6/9 mun.	10% increase in tax recovery rates achieved in 6/9 mun.		Calculated based on 2008 Mun. Closing Accounts (JD654,038.90)
				Actual	Yes	Yes	Yes	Yes	Yes	Yes	On Target	On Target	62.83%		

INDICATOR DESCRIPTIONS

1. Local development planning will be undertaken by Local Development Units (LDUs) established and activated in the nine municipalities as per their mandate set by Ministry of Municipal affairs; the Local Development Voluntary Committees (LDVCs) provide support through volunteers representing council members, NGOs, and the private sector. The nine targeted municipalities had no local development plans at the outset of local governance development program.
2. Potential public-private sector development projects will be identified and initiated in consultation with the municipalities and citizens through the Municipal Strategic Planning Workshops (MSPWs). The nine feasibility assessments for the potential projects will include a pre-feasibility assessment stage. Projects' ideas that prove to be viable during the pre-feasibility stage will undergo a complete feasibility study. Investment opportunities will be explored and initiated for feasible projects. To ensure the sustainability of the partnership projects, institutional capacity building will be provided to the nine municipalities. Therefore, LGDP considers the baseline situation for PPP projects at the nine municipalities as zero and will assess the feasibility of new projects identified as priorities by each municipality.
3. Improving financial, fiscal and human resources management systems will include the procurement and installation of hardware and software solutions designed to solve the prevailing limitations of the current manual systems and contribute to the computerization of key municipal activities in key functional areas such as; municipal administration, service delivery, human resources and finance in order to improve overall municipal performance, delivery of public services to the citizens, accounting and budgeting practices, collection of municipal revenues as well as transparency and accountability mechanisms. Additionally, the hardware and software solutions will be accompanied with financial management, and human resources management technical assistance.
4. This indicator measures the increase in the number of citizens registered to vote in elections (municipal and parliamentary) in 2007. Results reflect an increase in public participation and representation in the electoral process, including impact of the Municipal Law, passed in April 2007, which reduced the minimum voting age from 19 to 18 and introduced a 20% quota for women. *Records of Ministry of Municipal Affairs* show that (1,123,046) individual registered to vote in municipal elections 2007 comparing to (479,117) individual in 2003, while *records in Ministry of Interior* show that (2,454,686) individual registered to vote in parliamentary elections 2007 comparing to (2,325,496) individual in 2003.
5. This indicator measures the increase in number of women registered to vote in elections (municipal and parliamentary) in 2007. The results of this indicator show the effect of introducing gender-sensitive measures (20% women quota), and reduction of voters age under the new 2007 Municipal Law and the higher political will in Jordan towards increased women's involvement in public and political life. *Records of Ministry of Municipal Affairs* show that (926,959) woman registered to vote in municipal elections 2007 comparing to (493,856) woman in 2003, while *records of Ministry of Interior* show that (1,275,315) woman registered to vote in parliamentary elections 2007 comparing to (1,191,589) woman in 2003.
6. This indicator measures the increase in the number of women voting in elections (municipal and parliamentary) in 2007. The results of this indicator show the effect of introducing gender-sensitive measures (20% women quota) and reduction of voters age under the 2007 Municipal Law and the higher political will in Jordan towards increased women's involvement in public and political life. *Records of Ministry of Municipal Affairs* show that (572,328) woman voted in municipal elections 2007 comparing to (229,863) woman in 2003, while *records of Ministry of Interior* show that (729,825) woman voted in parliamentary elections 2007 comparing to (703,565) woman in 2003.
7. Citizen satisfaction is the level of meeting the needs of citizens (youth, males and females) through delivering enhanced public services. *Customer feedback measurement tools will be used to measure achieved customer satisfaction.*
8. This indicator measures municipal capital investments in public services which include spending on road construction and road signs, water drainage conduits and sewage pipes, street lighting and traffic lights, procurement of garbage collection equipment and vehicles, and construction of parks and gardens. Such investments aim at improving the delivery of public services. *Baseline and measurement data are based on municipalities' records; specifically 2007 actual budget figures.*
9. This indicator measures the increase in property tax collection rates through improved assessment and collection methods and conducting property tax training workshops for municipal councils and financial staff in the targeted municipalities. *Baseline and measurement data are based on municipalities' records; specifically 2007 actual budget figures.*

APPENDIX 2: SUCCESS STORIES AND LESSONS LEARNED WORKSHOP DATA

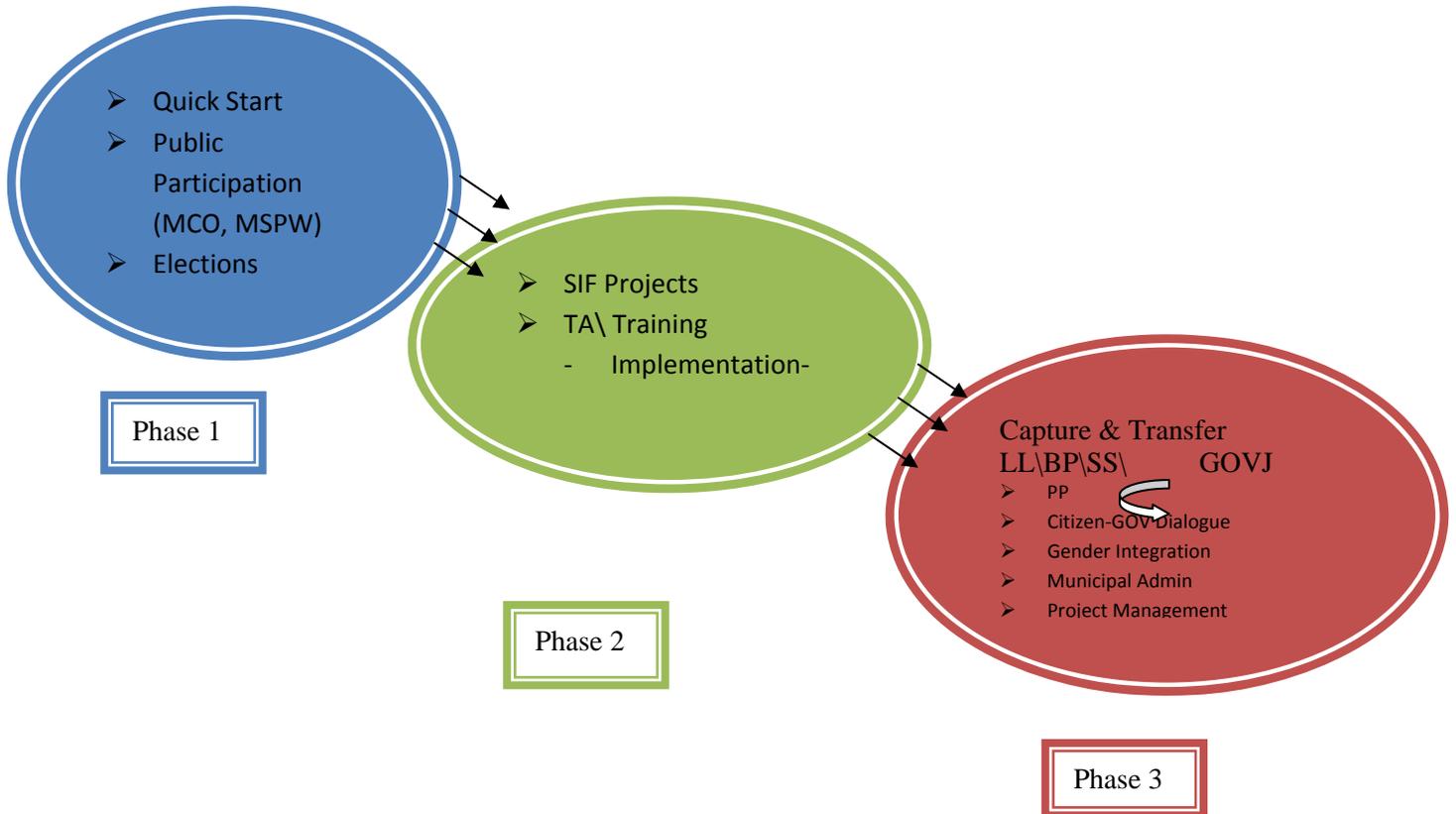
Agenda

- Welcome\ Agenda\ Introduction
- Define \ Differentiate SS & LL
- Voluntary team analyze, identify, elaborate SS
- Team reports
- Brainstorm LL in 5 topics
- Team meet to discuss and select 7 key LL in their topic
- Create matrix of LL by topic, report and discuss

LGDP Approach

- with major community, municipal; engagement
- Identify strategic opportunities (not prescriptive- we do it because someone else decided)
- Not experts solely determining inputs- collaborative; with municipalities, communities, partners
- Targeted TA based on needs and capacities
- Work through consultants and partners- trainers , mentors, facilitator

LGDP Journey



Success stories	Lessons Learned
<ul style="list-style-type: none">Δ Identify event or breakthrough activityΔ Tangible\ visible- social realityΔ Critical impact- something happenedΔ What was accomplished	<ul style="list-style-type: none">Δ Describe an approach\ process or methodologyΔ Embedded in the activities- an intellectual awarenessΔ Key insight or new understandingΔ How and why it was successful

Activity 1: Success Stories

Quick Start Projects Initiated

Technical assistance and quick start projects were identified based on true municipal needs through wide participatory approach.

Success story “elaboration”

Success story “elaboration”	
<p style="text-align: center;"><u>Background Info. “Before”</u></p> <ul style="list-style-type: none"> ★ With community input \ Community \ municipality had no background with APM methodology ★ No\ Little previous experience with community input\ consultation ★ No previous experience of LGDP & JRF working together 	<p style="text-align: center;"><u>Actions Initiated</u></p> <ul style="list-style-type: none"> ➤ Ensuring participation of community groups ➤ Ensuring appropriate representation of community sectors in the POC ➤ Implementation of proven methodologies
<p style="text-align: center;"><u>Signs of Success</u></p> <ul style="list-style-type: none"> ○ Successful partnership between national and international organizations ○ Bringing community groups municipality and tribes together to work in participatory approach ○ Equal participation of all participants regardless of gender or position with the community 	<p style="text-align: center;"><u>What is the significance?</u></p> <ul style="list-style-type: none"> ✓ Community \ municipality were driven to think critically and out of the box ✓ Increase in two-way communication between municipality and community ✓ Gender integration into community dialogue

MSPW events in
9 municipalities

Successful implementation of APM methodology
to integrate community into planning development
vision for their municipality

Success story “elaboration”	
<p style="text-align: center;"><u>Background Info. “Before”</u></p> <ul style="list-style-type: none"> ★ With community input \ Community \ municipality had no background with APM methodology ★ No\ Little previous experience with community input\ consultation ★ No previous experience of LGDP & JRF working together 	<p style="text-align: center;"><u>Actions Initiated</u></p> <ul style="list-style-type: none"> ➤ Ensuring participation of community groups ➤ Ensuring appropriate representation of community sectors in the POC ➤ Implementation of proven methodologies
<p style="text-align: center;"><u>Signs of Success</u></p> <ul style="list-style-type: none"> ○ Successful partnership between national and international organizations ○ Bringing community groups municipality and tribes together to work in participatory approach ○ Equal participation of all participants regardless of gender or position with the community 	<p style="text-align: center;"><u>What is the significance?</u></p> <ul style="list-style-type: none"> ✓ Community \ municipality were driven to think critically and out of the box ✓ Increase in two-way communication between municipality and community ✓ Gender integration into community dialogue

Project
Oversight
Committees

Establishing a gender sensitive , community based voluntary committee to oversee implementation of the program and acting as a linkage mechanism between the community , the municipality and I.GDP

Success story “elaboration”

Success story “elaboration”	
<p><u>Background Info. “Before”</u></p> <ul style="list-style-type: none"> ★ Limited community involvement with municipalities ★ Need to create a body to communicate with LGDP ★ Lack of institutional mechanism for community engagement 	<p><u>Actions Initiated</u></p> <ul style="list-style-type: none"> ➤ Setting the methodology and criteria of selecting the POC members ➤ Selecting the POC members from different municipal departments and community sectors ➤ Start meeting regularly with the POC
<p><u>Signs of Success</u></p> <ul style="list-style-type: none"> ○ Creating projects ownership ○ Interaction and commitment between members ○ Engagement of citizen representative in setting their prioritizing and overseeing implementation 	<p><u>What is the significance?</u></p> <ul style="list-style-type: none"> ✓ The POC is a voluntary activity elected by the community itself ✓ It Is the 1st participatory committee established at the 9 municipalities ✓ Engaging women and youth in the local governance decision making

Rock the Vote
Campaign and
youth mock
parliament

Rock the vote activity which was known for the first time in Jordan had a direct impact on about 40,000 young men and women attending the activity and influenced others to do the same, in addition to that, young women and men attending the youth forum designed and implemented their own led initiatives that aimed at enhancing citizens participation in the elections

Success story “elaboration”	
<p><u>Background Info. “Before”</u></p> <ul style="list-style-type: none"> ★ Limited community involvement with municipalities ★ Need to create a body to communicate with LGDP ★ Lack of institutional mechanism for community engagement 	<p><u>Actions Initiated</u></p> <ul style="list-style-type: none"> ➤ Setting the methodology and criteria of selecting the POC members ➤ Selecting the POC members from different municipal departments and community sectors ➤ Start meeting regularly with the POC
<p><u>Signs of Success</u></p> <ul style="list-style-type: none"> ○ Creating projects ownership ○ Interaction and commitment between members ○ Engagement of citizen representative in setting their prioritizing and overseeing implementation 	<p><u>What is the significance?</u></p> <ul style="list-style-type: none"> ✓ The POC is a voluntary activity elected by the community itself ✓ It is the 1st participatory committee established at the 9 municipalities ✓ Engaging women and youth in the local governance decision making

Partners \
counterparts
fully engaged in
LGDP

Engaging and coordinating will all partners to ensure achieving program overall goals, building partners' capacity to disseminate local governance programs to all municipalities

Success story “elaboration”	
<p><u>Background Info. “Before”</u></p> <ul style="list-style-type: none"> ★ Municipal law changes ★ Well designed TCP with clear vision and roles ★ Many initiatives reforms in the municipal sector decentralization \L.G 	<p><u>Actions Initiated</u></p> <ul style="list-style-type: none"> ➤ PMU- MOPIC\ Focal point municipalities – MOMA for coordination ➤ Streamlining efforts to achieve program’s national goals ➤ Means of communication and mechanisms agreed on
<p><u>Signs of Success</u></p> <ul style="list-style-type: none"> ○ Real and active participation of all ○ Institutional setup at all levels for coordination between partners ○ Coordination with donors 	<p><u>What is the significance?</u></p> <ul style="list-style-type: none"> ✓ Implement participatory methodologies to prioritize community needs and projects ✓ Sustainability and dissemination ✓ Avoid duplication and waste of resources and build on the achievements

Municipal projects prioritized

Through dialogue, cohesion and trust between community, municipality and LGDP, municipalities' needs were prioritized in a clear and focused set of SIF projects

Success story “elaboration”	
<p><u>Background Info. “Before”</u></p> <ul style="list-style-type: none"> ★ No prioritizes projects ★ No clear resources allocation ★ No clear and declared values for the community and municipality 	<p><u>Actions Initiated</u></p> <ul style="list-style-type: none"> ➤ Proposing projects ➤ Voting during MSPWs ➤ Filtering projects with POCs according to LGDP criteria and limitations
<p><u>Signs of Success</u></p> <ul style="list-style-type: none"> ○ Applicable projects ○ Agreement among community and the municipality (POC) ○ Filling and approvals of SIF application 	<p><u>What is the significance?</u></p> <ul style="list-style-type: none"> ✓ Common understanding of municipality's needs among community and the municipality ✓ Enhancing dialogue, cohesion and trust between community and the municipality ✓ Clear and focused start for LGDP annual plan 2008 regarding SIF projects

Activity 2: Lessons Learned

Team Procedures:

1. In groups of 2-3, brainstorm ideas and write on colored cards
2. Organize into 5 teams by topic
3. Each team (topic) review idea cards
4. Write 7 lessons learned on colored cards
 - Explanatory statement
 - What did we learn? – a response
 - 10-20 words
 - Deeper, insightful understanding

Lessons Learned:

- A new insight understanding of how to
- Based on our direct involvement in major programmatic areas
- Experienced first-hand , observed or recognized from reputable reporting
- Based on a pattern or more than 1 incident or activity
- Provides basis for future activities and program we build on lessons learned, make changes and adjustments, and give emphasis.
- Derives from an activity approach , process, methodology, policy or intervention
- Usually based on reflection of something that worked really well a high impact was made, positive outcome was achieved

Brainstorming results:

Bringing the municipality and community together can give better representation of needs and priorities

Selecting one person to lead the MCOs was a key of success

Consideration of special characteristics and needs of each municipality in defining and implementing programs

Don't promise if you are not sure you can deliver

One can be efficient and effective in doing MCOs – time management is key

Continue the momentum with the municipalities even when you are offsite

Women quota facilitated more engagement of women in municipal councils and work

Coordination with NGOs who have direct impact and communication with the community

Keeping the partners informed facilitates program implementation

Varied experiences of MCO teams lead to better results

Involving a large team in MCO's raised LGDPs accountability in municipalities

Making sure to capture inputs and ideas from different perspectives (municipality, community)

Strong and continues coordination with all parties involved in community development programs and activities

Involve partners and counterparts in the different phases of the program

Considering women and youth perceptions stimulate their interaction (think out of the box)

It is a misconception that women in heavily tribal communities are not permitted to participate (i.e Hasa)

Capacity assumptions should be validated on the ground and incorporated into planning process

Efficient cooperation and coordination with partners is so crucial

Partners participation ensures different points of views are captured and considered

Involving partners in designing and implementation of programs activities (learning by doing)

Engaging partners enhances their ability to contribute to program's success

The quota system guarantees women presence in local governance

Engaging popular local media figures in promoting project's objectives

A need for mechanism to ensure women presentation in municipal affairs

Invite GOVJ counterparts to all LGDP activities, key trainings, workshops, etc...

Partners participation ensures sustainable outcomes and support

Sharing program methods(i.e APM) with partners leads to adoption and further use beyond program

Communication must remain open two way

Clear , defined and shared roles and responsibilities ensures success

Common understanding of program goals leads to achieving them

Creativity can lead to successful results in dealing with women and youth (i.e rock the vote campaign)

Engaging more youth groups from the targeted 9 municipalities

Being creative in the design and implementation of activates is important to achieve results and impact

The facilitators shall be alert enough to deal with sudden situation (gender, tribal isuuse)

The APM showed more acceptance by men community towards women participation in decision making

Promise less and do more

Early involvement of senior management at municipality and community leaders

More commonalities among municipalities even the differ in size and location

Mainstreaming gender and doing it on a cross-cutting basis lead to a comprehensive gender sensitive planning

Emphasizing on women and youth presence will ensure their participation and willingness to be involved

The active involvement of women in MSPWs gave then an opportunity to be involved in the development process for communities

Involvement and engagement of Mayors , council members and staff is important and focal

The importance of using the right approach to utilize the knowledge of council members and municipal staff

Modify the means to ensure the participation of all community representatives

The APM methodology approved success with communities that were used to refuse new approaches

Adopting APM methodology in replicating other community targeted projects in Jordan

How to compromise between community needs and available resources

Citizens are willing and able to engage in local government given an appropriate perform

Project prioritization, democratic, transparent builds trust in LGDP

Need for project filtering and coordination mechanisms to avoid duplications of funding

Creating a body to oversee implementation of planned program activities and measures its success

Effective and healthy relationship between the municipality and local community can exist

Do not underestimate any municipality (they know their Problems and Needs)

Investigate deeply hidden opportunities within municipalities

The level of competencies and expertise varies among the municipalities even within the same categories

Gender sensitive interventions can enhance women's participation in local governance (i.e. invitations to MSPW)

Weak interaction between the municipality and community

Presumptions are not recommended when working with municipalities

Clustering and rephrasing of Lessons Learned:

ELECTIONS PARTICIPATION AND GENDER INTEGRATION

National expertise still need
Gender awareness

Mainstreaming gender & doing it on a cross cutting basis, leads to a comprehensive gender sensitive planning

Being creative in the design and implementation of activities is important to achieve results and impact

It is very crucial to coordinate and cooperate with youth & women national umbrellas (JNCW, ZENID) to impact citizen participation

Considering women and youth perceptions stimulate their interaction (think out of the Box)

It is a misconception that women in heavily tribal communities are not permitted to participate i.e Hasa

Women Quota facilitated more involvement to women in decision

WORKING WITH MUNICIPALITIES

Sharing fund raising info must be done carefully

- To encourage their participation you should communicate
- But do not allow it to limit their creativity

Municipality human capital constitutes the corner stone in the success of any reform initiative especially in local governance

It is better to set realistic expectations and work on exceeding them (promise less and deliver more)

Do not limit based ideas on current program constraints. Encourage them to seek other resources of funding as part of long term plans

Good participation and input from the community can be achieved by: providing an organized platform, cultural sensitivity, explicit gender awareness\sensitivity, and using appropriate participation techniques (e.g APM)

Municipalities are different in size, style , specific issues, however they share common challenges which can be solved using similar techniques , tools, etc...

MSPW EVENT & PROCESS

Having a follow up mechanism created commitment to ensure sustainability and building on MSPW results (POC)

Transparency of available resources, and democratic approach helped the community in prioritizing their projects

The APM was an effective methodology in engaging groups with different backgrounds in the process of local development

MCO PROCESS

It is important to ensure continuous coordination, follow up and contact between municipalities and LGDP

Assigning a team leader for a project (i.e MCOs) ensures proper coordination and is a key to project success

The MCO process can be key to initiating participation of community groups

WORKING WITH PARTNERS AND COUNTERPARTS

Regular coordination with all partners and donors to ensure complementary roles (meetings, website, conferences, etc..)

Involving partners in program's design and implementation leads to the success of the project

Having harmony and synergy between implementing teams ensures successful implementation of activities (JRF, LGDP, MOPIC, AL-Jidara)

Having communication mechanisms in place (coordinator, steering committees)

Knowledge transfer of adopted successful tools ensures sustainability of program

Capacity building of partners through involving them in implementation of activities



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FROM THE AMERICAN PEOPLE

MEMORANDUM

To : Edith Houston, SSO

Through: Elizabeth Palmer, Controller *E. Palmer*

From : Amal Madanat, FM/FA *Amal*

Subject : Financial Review Report No. 278-SO9-FY09-01 for Associates in Rural Development, Inc. (ARD)
Jordan Local Governance Development Program.

Date : May 4, 2009

At the request of the SSO Office, the Financial Management Office conducted a financial review of ARD, Inc. The objective of the review was to evaluate ARD Financial Management and internal control systems and also to ensure that the locally incurred costs billed to USAID were accurately recorded, reported, supported by adequate documentation, and are in fact allowable, allocable, reasonable and in accordance with the terms of the agreement and ARD internal procedures.

The review identified 4 findings/recommendations needing action. Please advise the Financial Management Office within 45 days of actions taken by the recipient to close the findings. We will coordinate with your office to follow up in the future to determine that appropriate actions are taken.

We would like to express our appreciation to Jordan Local Governance Development Program / ARD's management and staff for all the cooperation and courtesies extended to us while performing this review.

Drafted by: Amal Madanat, FM/FA

Cc : Tom Rogers, SSO
ARD Consulting

Financial Review report of ARD
Contract No. DFD-1-00-05-00121-00
Jordan Local Governance Development Program.

I. Background

The purpose of this project is to empower local government and enhance citizen participation in local level decision-making in nine selected municipalities throughout Jordan. The program is funded by the Millennium Challenge Corporation (MCC).

The project which has started in 2007 is implemented by ARD, Inc for a period of two years.

II. Financial Review Objectives and Scope of Work

The financial review was conducted to evaluate ARD's Financial Management systems and to ensure that relevant internal controls are in place. Another objective was to review locally incurred costs billed to USAID to ensure they were accurately recorded, reported, supported by adequate documentation, and are allowable, allocable, reasonable and in accordance with the terms of the agreement.

Our review of the locally incurred costs covered a sample of the following selected budget line items:

<u>Description</u>	<u>Total Contract Budget Cost (\$)</u>
1. Labor	3,987,453
2. Travel, Transportation and Per Diem	389,975
3. Allowances	649,999
4. Equipment	329,775
5. Other Direct Costs	677,647
6. Activity costs	1,666,890
6. Subcontracts	2,203,845
7. Indirect Costs	409,572
8. SIF Fund	<u>6,168,282</u>
Grand Total	16,483,438

This review covered \$2,009,140 of locally incurred expenditures billed to USAID for the period 01/01/2008-12/31/2008; we chose a judgmental sample of expenditures totaling \$423,950 (21%) for our review.

III. Result of Review

Our review covered the following:

- A. Obtain an understanding of all program financial reports, charts of accounts, organizational charts, accounting system, personnel, payroll, procurement and other ARD policies and procedures.
- B. On a sample basis ensure that the locally incurred costs billed to USAID were reasonable, accurately recorded, reported, supported by adequate documentation and in accordance with the terms of the contract. Also to ensure whether relevant internal controls are in place.
- C. On a sample basis, review the transactions posted in the software (Accounting System) to determine whether costs incurred were properly approved, paid promptly and recorded in a timely manner.
- D. On a sample basis, review the locally incurred procurement transactions of commodities and services to ensure that they were paid, if procured from the local market, in local currency and not pegged to the U.S. Dollar, and also to determine whether commercial practices, including competition, were used, reasonable prices were obtained, and adequate controls were in place over the quality and quantities received and billed for.
- E. On a sample basis review the recruitment and selection of personnel to ensure that recruitments are fair and nondiscriminatory, based upon competition, ability, qualifications and office needs. We also looked at three personnel files to check that they were fully documented for personal information, education, yearly evaluation, salary increases and contract amendments.
- F. On a sample basis, checked whether ARD staff prepares bank reconciliations signed by the preparer and the authorized reviewer.
- G. On a sample basis, review the locally incurred salaries and allowances to ensure that they were paid in local currency and not pegged to the U.S. Dollar. Also to determine whether they were reasonable for the position, in line with ARD's salary scale and supported by appropriate payroll records. Also to ensure that salaries were paid through bank transfers instead of cash basis.

RESULTS

The review revealed **4 findings** on internal controls and non-compliance areas needing corrective action.

Finding No.1 “Payment”Internal Control

Paid invoices were not stamped “PAID” as an internal control to help avoid the possibility of duplicate payments being made.

Recommendation No.1

For better control and to reduce the risk of duplicate payment we recommend that all invoices should be

- a - Stamped “PAID BY”, either by check or petty cash.
- b - Stamped with the date of Payment.

Finding No.2. “Incomplete documentation and filing system”

During our review we noted that 5 purchases were made without a Purchase Requisition prepared and signed by the authorized person before the official date of Purchasing. Also we noted that 6 purchases did not have a formal receiving document as some invoices hold the signature of the receiver while others do not.

Recommendation No. 2

We recommend purchase requisitions be signed by the preparer and approved by the authorized person before the date of purchasing. The purchase requisition should then be used on delivering items to the project site to ensure that what was requested has been fulfilled and delivered. All invoices should be signed by the person who received the purchases.

To prove that goods were delivered and received we recommend that ARD should have a system for receiving all purchases and all invoices be signed by ARD staff receiver.

Finding No.3“Mobile phone Expenses”non-compliance

During our review we noted that ARD covers part of Mobile phone invoices for all employees (26 Mobile in use) monthly. Each employee has a monthly limit amount that covers both business and personal calls and employees exceeding the limit will be charged. ARD “Project Employee Handbook” issued in September 2007 states that “LGDP supplies cell phones and grants normal use business minutes to each staff member who should be used for business calls”.

Recommendation No.3

We recommend that ARD management enforce their policies and procedures by approving and paying for business calls only.

In order to reduce costs we recommend that this benefit is limited to certain employees with responsibility which require the employees to be available via mobile phone, but not to all employees.

Finding No. 4 “Signatures of Checks”, non-compliance

During our review we noted one signature on the check issued to beneficiaries. ARD “Project Accounting Manual” updated January 2001 states that “One signature is required on a check”. This is a non-compliance issue since the internal control standards require that two signatures have to be shown on each check.

Recommendation No.4

We recommend that payments above certain amounts should be paid by check **signed by two persons**, e.g. the financial manager as well as signed by the chief of party.

We also recommend that ARD update their “Project Accounting Manual” from one signature required on the check to two signatures to comply with internal control standards.

Other Recommendations

For better internal control, it is highly recommended that checks issued for **individuals** should be stamped with a stamp “**First Beneficiary**”.

Also we noted that some salaries are paid by check. In order to avoid vulnerability and dispute among ARD staff we recommend that all salaries be paid through bank transfer.

Clearance page Financial Review Report No. 278-SO9-FY09-01 for
Associates in Rural Development, Inc. (ARD)
Jordan Local Governance Development Program.

Clearances:

Deputy FMO: Yohannes Araya, Y. Araya Date 5/4/2009

Drafted: Amal Madanat, FA Amal Date 05/04/2009



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FROM THE AMERICAN PEOPLE

MEMORANDUM

To : Edith Houston, SSO

Through: Elizabeth Palmer, Controller *E. Palmer*

From : Amal Madanat, FM/FA *Amo*

Subject : Follow- up Report No.1 to Financial Review Report No. 278-SO9-FY09-01
for Associates in Rural Development, Inc. (ARD)
Jordan Local Governance Development Program.

Date : June 2, 2009

The Controller's Office staff performed a follow-up on the status of open recommendation under Financial Review report No. 278-SO9-FY09-01.

The original report included four findings and recommendations which are closed based on the results of the follow-up.

We thank the management and staff of ARD for all the cooperation and courtesies extended to us while performing our assignment.

Cc : Tom Rogers, SSO
ARD Consulting

FOLLOW-UP REPORT ON FINDINGS AND RECOMMENDATIONS

Follow-up report No. : 1

FM/FA report No. : 278- SO9-FY09-01

Contract No. : DFD-1-00-05-00121-00

Recipient : Associates in Rural Development, Inc. (ARD)

With reference to the report noted in the subject line above, Associates in Rural Development, Inc. (ARD). Jordan Local Governance Development Program has prepared the following responses to the findings and other observations.

Finding No.1 “Payment”Internal Control

Paid invoices were not stamped “PAID” as an internal control to help avoid the possibility of duplicate payments being made.

Recommendation No.1

For better control and to reduce the risk of duplicate payment we recommend that all invoices should be

- a - Stamped “PAID BY”, either by check or petty cash.
- b - Stamped with the date of Payment.

ARD Response to Finding and Recommendation No.1

We are currently stamping all invoices “Paid”. Jordan LGDP will purchase a stamp that says “Paid by” and initial the receipts for the remainder of the project

Conclusion

This recommendation is considered **closed** based on ARD’s response.

Finding No.2. “Incomplete documentation and filing system”

During our review we noted that 5 purchases were made without a Purchase Requisition prepared and signed by the authorized person before the official date of Purchasing. Also we noted that 6 purchases did not have a formal receiving document as some invoices hold the signature of the receiver while others do not.

Recommendation No. 2

We recommend purchase requisitions be signed by the preparer and approved by the authorized person before the date of purchasing. The purchase requisition should then be used on delivering items to the project site to ensure that what was requested has been fulfilled and delivered. All invoices should be signed by the person who received the purchases.

To prove that goods were delivered and received we recommend that ARD should have a system for receiving all purchases and all invoices be signed by ARD staff receiver.

ARD Response to Finding and Recommendation No. 2

LGDP has been implementing and continues to implement the system described in Recommendation No.2, with exceptions due only to occasional oversight, which we will endeavor not to repeat. The ARD Home Office is in the process of revising the Local Procurement Handbook. The revision will include step-by-step instructions for receiving as well as a new receiving report template. The revised Local procurement Handbook will be rolled out to the field once the revision and the final review are completed.

Conclusion

This recommendation is considered **closed** based on ARD's response.

Finding No.3“Mobile phone Expenses”non-compliance

During our review we noted that ARD covers part of mobile phone invoices for all employees (26 mobile in use) monthly. Each employee has a monthly limit amount that covers both business and personal calls and employees exceeding the limit will be charged.

ARD “Project Employee Handbook” issued in September 2007 states that “LGDP supplies cell phones and grants normal use business minutes to each staff member who should be used for business calls”.

Recommendation No.3

We recommend that ARD management enforce their policies and procedures by approving and paying for business calls only.

In order to reduce costs we recommend that this benefit is limited to certain employees with responsibility which require the employees to be available via mobile phone, but not to all employees.

ARD Response to Finding and Recommendation No.3

In our experience expenses related to staff time to monitor the many calls, calculate costs, and maintain records are not cost effective, as long as the allowed business calls are within the reasonable established limit. LGDP's determination of the amount allowed was based on usage over the first few months of the project, plus a slight increase to account for the increased field work. In ARD's experience, on a project involving extensive field work and rapid decision-making, virtually all staff need to have phone access on a regular basis. All staff, both technical and administrative, must be in field or out of office regularly to follow up with contractors, business partners, etc. We believe therefore that LGDP's cell phone usage policy and the resulting expenses should be considered reasonable.

Conclusion

This recommendation is considered **closed** based on ARD's response.

Finding No. 4 "Signatures of Checks", non-compliance

During our review we noted one signature on the check issued to beneficiaries. ARD "Project Accounting Manual" updated January 2001 states that "One signature is required on a check". This is a non-compliance issue since the internal control standards require that two signatures have to be shown on each check.

Recommendation No.4

We recommend that payments above certain amounts should be paid by check **signed by two persons**, e.g. the financial manager as well as signed by the chief of party.

We also recommend that ARD update their "Project Accounting Manual" from one signature required on the check to two signatures to comply with internal control standards.

ARD Response to Finding and Recommendation No.4

Since all checks are supported by fully-executed disbursement vouchers that are signed by the Administrative Specialist, the COP, when applicable, by a representative of the payee, ARD does not require dual signatures for disbursements. Additionally, as a control measure, ARD limits signatory authority to the COP and Home Office representatives only.

Conclusion

This recommendation is considered **closed** based on ARD's response.

Other Recommendations

For better internal control, it is highly recommended that checks issued for **individuals** should be stamped with a stamp “**First Beneficiary**”.

Also we noted that some salaries are paid by check. In order to avoid vulnerability and dispute among ARD staff we recommend that all salaries be paid through bank transfer.

ARD Response to Other Recommendations

Using “First Beneficiary” stamp

ARD has purchased the recommended stamp and is now being used where needed.

Paying Salaries through wire transfer

We can implement this to the degree practicable, but see no particular reason why it must be rigidly adhered to, since we have detailed records, review and co-authorization procedures. In some instances, employees have financial commitments that must be met at exactly the first of every month. There are often uncontrollable delays on the part of the bank in processing wire transfers and employees have opted not to receive their salaries by wire for this reason.

Clearance page Follow- up to Financial Review Report No. 278-SO9-FY09-01 for
Associates in Rural Development, Inc. (ARD)
Jordan Local Governance Development Program.

Clearances:

Deputy FMO: Yohannes Araya, Y. Araya Date 6/2/2009.

Drafted: Amal Madanat, FA Amo Date June 2, 2009

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Attention: Ed Harvey ARD Finances or Kenneth Ellison, Chief of Party



MILLENNIUM CHALLENGE CORPORATION (MCC) CUSTOMS PROGRAM

Final Report

JORDAN CUSTOMS ADMINISTRATION MODERNIZATION PROGRAM

Submitted to:

USAID/Jordan

Submitted by:

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Task Order under Support for Economic Growth and Institutional Reform (SEGIR): Commercial Legal and Institutional Reform (CLIR II)
USAID IQC Contract No. AFP-I-00-04-00001-00

1 June, 2009

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ACRONYMS

AIX	Advanced Interactive eXecutive
AMIR	Achievement of Market-Friendly Initiatives and Results Program
ASEZ	Aqaba Special Economic Zone
ASEZA	Aqaba Special Economic Zone Authority
ASYCUDA	Automated System for Customs Data
BI	Business Intelligence
BMTF	Border Management Task Force
C-TPAT	US Customs-Trade Partnership against Terrorism
DOS	Department of Statistics
ETL	Extract, Transform, Load
FY	Fiscal Year
GOJ	Government of Jordan
GPS	Global Positioning System
HR	Human Resources
IT	Information Technology
ICT	Information and Communication Technology
IP	Internet Protocol
JCD	Jordan Customs Department
JD	Jordanian Dinars
JFDA	Jordan Food and Drug Authority
LMIC	Lower Middle Income Country
MCC	Millennium Challenge Corporation
MOU	Memorandum of Understanding
PDA	Personal Digital Assistant
PR	Public Relations
SAN	Storage Area Network
SAT	Systems Approach to Training
SOAG	Strategic Objective Grant Agreement
SWIT	Single Window Implementation Team
TSM	Tivoli Storage Manager
UN	United Nations
UNCTAD	UN Conference on Trade and Development
UNECE	UN Economic Commission for Europe
UPS	Uninterruptable Power Supply
USAID	US Agency for International Development
WCO	World Customs Organization

In 2006, Jordan Customs developed a plan to accelerate clearance procedures and eliminate bureaucratic delays while maintaining appropriate levels of border security. In January 2007, the Government of Jordan and the United States Millennium Challenge Corporation (MCC) launched the Customs Administration Modernization Program, a two-year program funded by the MCC and administered by the US Agency for International Development (USAID). Proposed as part of the larger Threshold Country Plan submitted to the MCC by the Government of Jordan, the program assisted Jordan Customs to modernize its information and communication technology (ICT) infrastructure, introduce streamlined business processes, train customs officers and business users in new technologies and procedures, and communicate these modernization efforts through a public outreach campaign.

The Customs Administration Modernization Program helped the Government of Jordan to develop a Single Window¹ that facilitates the exchange of data among government agencies to reduce the processing time for all import, export, and transit procedures. The Single window includes an integrated risk management system that allows other government agencies to access data collected by the Automated System for Customs Data (ASYCUDA)World system, and to assign risk levels to shipments based on their own criteria. By sharing data electronically through the Single Window, other government agencies—such as the Jordanian Institution for Standards and Metrology, the Jordan Food and Drug Authority, and the Ministry of Agriculture—will be able to carry out their responsibilities concurrently, significantly reducing overall processing times.



The MCC Customs Program built and equipped a state-of-the-art computer training room at the Jordan Customs Training Center in Amman. Here, Jordan Customs and ASEZ Customs officers learn to use the Java computer programming language in a course sponsored by the MCC Customs Program.

One of the project's main objectives was to upgrade Jordan Customs' automated clearance system to the new, web-based version of the Automated System for Customs Data known as ASYCUDAWorld, developed by the UN Conference on Trade and Development (UNCTAD). The Program assisted Jordan Customs to successfully implement ASYCUDAWorld at 15 customs centers located throughout the country, which is one more than the target of 14 centers.

To support the sustainable use of ASYCUDAWorld, the Program implemented ICT improvements worth

¹ "...a Single Window is...a facility that allows parties involved in trade and transport to lodge standardized information and documents with a single entry point to fulfill all import, export, and transit-related regulatory requirements." [UN Economic Commission for Europe \(UNECE\) Recommendation 33](#), Recommendations and Guidelines on Establishing a Single Window.

approximately \$4.5 million. As part of this process, the Program upgraded Jordan Customs' telecommunications infrastructure at 18 locations, including remote border crossings, and installed computer equipment at the Jordan Customs Headquarters. In addition, the Program completed the construction of a state-of-the-art data center at the Jordan Customs headquarters and an offsite disaster recovery center, designed to assure that all IT systems are protected from environmental hazards and security breaches.

To support Jordan Customs' effort to streamline and automate clearance processes, the Program procured, installed, and integrated an automated security gate system at six customs centers. The Gate Control System is linked to ASYCUDAWorld and automatically ensures that all required customs documentation is complete, eliminating human error and human discretion at the last step in the clearance process.

The Customs Administration Modernization Program trained Jordan Customs officers in the use of these new ICT systems. The Program trained more than 1,900 people, including Customs officers, business users, and brokers.

The program worked closely with Jordan Customs and Aqaba Special Economic Zone (ASEZ) Customs to streamline business processes at customs centers around the country and reduce processing times. The Program's technical assistance has addressed specific issues such as risk management, transit procedures, internal investigations, customs integrity, broker training and certification, human resources, public relations, and gender.

Through its Public Outreach Component, the Program fostered improved communication and cooperation between Jordan Customs and Jordanian businesses engaged in trade. Under this component, the Program upgraded the Jordan Customs' website: www.customs.gov.jo. The new website features many useful e-services and serves as a portal to the ASYCUDAWorld system. This allows traders to log onto the ASYCUDAWorld system remotely, and to lodge their electronic customs declarations online.

In addition, the Program launched a new Customer Service Center at the Jordan Customs Headquarters. In order to transform the way that Jordan Customs interacts with its clients, customer service agents now assist clients with inquiries at the headquarters, as well as over the phone through interactive voice recordings, and online through the Jordan Customs website.

The Customs Administration Modernization Program was designed to improve Jordan's "Trade Freedom" score on the Heritage Foundation's *Index of Economic Freedom*. The Trade Freedom score measures the country's average tariff rate and the extent of non-tariff barriers. Since the Program began in January, 2007, Jordan's Trade Freedom score has increased dramatically by more than 16%, from 64.2% in 2007 to 78.8% today. For the first time since the Heritage Foundation has been measuring Trade Freedom, Jordan's Trade Freedom is now characterized as "Mostly Free" according to the foundation's classification system.

The efforts of the Customs Administration Modernization Program have helped Jordan raise its MCC Trade Policy score by approximately 22% in two years, from 57.2% in fiscal year (FY) 2007 to 78.8% in



A Jordan Customs officer utilizes a handheld computer and barcode scanner as part of the Gate Control System.

FY 2009. This increase placed the country above the median of other lower middle income countries (LMICs) in Jordan's MCC peer group. For the past two years, Jordan's score for Trade Policy has remained green, indicating a score above the median for all lower-middle income countries in Jordan peer grouping.

In the following pages, we describe the activities and results of each of the four Program components in more detail, discuss the Program's approach to gender considerations, analyze performance data, and propose additional activities for future work with Jordan Customs and ASEZ Customs.

Improved performance and reduced processing times at the borders have contributed to an overall increase in the volume of trade in Jordan. As reported in the [Jordan Times](#) on December 18, 2008, total exports from the January-October period of 2008 were valued at JD 3.371 billion, a 39% increase from the same period last year. Similarly, for imports, the total value through October was JD 10.303 billion, up 32% from the same time last year.

2 COMPONENT 1: ESTABLISH A SINGLE WINDOW SYSTEM FOR BORDER CLEARANCE.

The Program helped the Government of Jordan to establish a Single Window that facilitates manual and electronic data exchange among agencies at the borders and inland customs centers. Other government agencies integrated under the Single Window include the Ministry of Agriculture, Jordanian Institution for Standards and Metrology, and the Jordanian Food and Drug Agency. Implementation of manual Single Window procedures has involved renovations to the physical layout of customs halls to create secured customs areas. Implementation has also included rearranging customs units and co-locating the other government agencies with Customs to ensure smooth and efficient workflow. These changes allow Government of Jordan agencies to maintain custody of the declaration documents throughout the process and eliminate the need to pass the documents back to the brokers. The Program has implemented manual Single Window procedures at five target centers—Sahab, ASEZ Customs, Zarqa, Jordan Customs Aqaba Directorate, and Jaber—and has begun to rollout these manual procedures at the Queen Alia International Airport and Amman Customhouse. In addition, the Program helped the Government of Jordan begin implementation of an integrated risk management system at Sahab and ASEZ Customs. The integrated risk management system connects the other government agencies to the ASYCUDAWorld system electronically and allows those agencies to assign risk to shipments based on their own risk criteria.

Pilot Single Window at Sahab.

The Program launched a pilot of the Single Window at the Sahab Customs Center at the King Abdullah Industrial Estates, a small inland customs center close to Amman. The Program team

introduced new business processes streamlining and integrating manual operations among Jordan Customs, Jordan Food and Drug Authority (JFDA), Jordanian Institution for Standards and Metrology, and Ministry of Agriculture. The team convened a Single Window Implementation Team (SWIT) for regular meetings. The SWIT meetings included representatives from Jordan Customs, JFDA, Ministry of Agriculture, Jordanian Institution for Standards and Metrology, and private sector customs brokers. The team also worked closely with Jordan Customs to renovate the physical layout of the Customs center, removing walls and revising the layout of offices and desks to ensure a more efficient workflow and support manual Single Window procedures. At the recommendation of Program consultants, Jordan Customs installed card-entry security doors, effectively creating a secured customs area and eliminating frequent broker intrusions into the back office, which was commonplace before Program assistance. The Program team worked collaboratively with Jordan Customs, providing training to officers at Sahab and from the Jordan Customs Quality Assurance Department on Business Process Improvements. This collaborative approach has allowed Jordan Customs to replicate the Business Process Improvement



Pictured above, the new Single Window at the border with Syria. The Single Window enhances speed, efficiency, and security with rational layout of space, eliminating the need for brokers to enter the secured Customs area.

exercise and launch renovations at other locations independent of outside technical assistance and supported the sustainability of Program interventions.

At Sahab, the Program developed and installed a computerized Integrated Risk Management System that allows all government agencies to use the ASYCUDA system to assign risk to shipments based on their own risk criteria. The system is now in use at Sahab by Customs, JFDA, Ministry of Agriculture, and the Jordanian Institution for Standards and Metrology. To support the use of the Integrated Risk Management System, the Program procured, delivered, and installed information technology (IT) equipment for representatives of other government agencies.

In anticipation of natural resistance to the procedural changes required to operate in a new Single Window environment, the Program provided comprehensive Change Management training and hosted Change Management presentations for key stakeholders at Sahab. Active participants included the Sahab Customs Center Director, department heads, representatives from the other government agencies at Sahab, and the head of the brokers' syndicate at Sahab.

In tandem with the implementation of new Single Window procedures, the Program team streamlined other business processes at Sahab. For example, the Program team helped Jordan Customs to automate the Inspection Act allowing the customs inspector to enter his/her report directly into the ASYCUDA system as opposed to attaching a hand-written report to the ASYCUDA document. Using the automated Inspection Act, the system automatically prints the status and assignment of inspectors on the red and yellow Customs declarations. The team eliminated a mandatory 45-minute waiting period for green lane transactions and helped reduce the time required for green lane processing from an average of 176 minutes in 2007 to an estimated five minutes in 2009.

Pilot Single Window at ASEZ Customs. The Program team conducted a similar launch of a pilot Single Window at ASEZ Customs. There, the Program introduced new business processes improvements and integrated manual operations among Jordan Customs, JFDA, Jordanian Institution for Standards and Metrology, and the Ministry of Agriculture. The Program convened a Single Window Implementation Team for regular meetings. At the recommendation of the Program team, ASEZ Customs completed physical renovations to support manual Single Window procedures and more efficient workflow, including installation of a card access control system to prevent broker intrusion into secured customs areas. The Program procured and delivered IT equipment for representatives of other government agencies at ASEZ Customs centers to support the use of the integrated risk management system.



Jaber Customs Center Director Mr. Mahmoud Al-Dwairy: "We are proud of being the pioneers in implementing the Single Window manual processes at Jaber Customs Center."

Roll-out of the Single Window. After the successful pilot of manual Single Window procedures at Sahab and ASEZ Customs, the Program rolled-out Single Window procedures at Zarqa, Jaber, and Queen Alia International Airport. Upon the recommendations of the Program team, Zarqa Customs Center rearranged the physical layout of units to facilitate efficient workflow. Jordan Customs similarly renovated space at Jaber Customs Center, relocating Jordan Customs officers and Ministry of Agriculture officers in the same hall to support manual Single Window procedures and more efficient workflow. The Program procured and delivered IT equipment for representatives of other government agencies at Jaber, Zarqa, and Queen Alia International Airport to support Single Window procedures. A civil engineer from Jordan Customs, working in coordination with Program Business Process

Improvement specialists, developed plans for the physical renovation of space at the Amman Customhouse and the airport to support Single Window procedures.

At all locations where the program has implemented Single Window procedures, customs brokers are now able to lodge their documents at a single window, rather than presenting their documents to multiple units and agencies. The Director of the Jaber Customs Center, one of the locations where the Program successfully implemented the Single Window, commented at the launch of the new procedures, “The new simplified procedures will improve the clearance process, and will result in enhanced services provided to the brokers.” In addition, the head of the broker association in Jaber, Mr. Falah Abu Amoud, expressed his appreciation for the new procedures, stating, “Jaber Customs Clearance Association has welcomed the idea of the Single Window. We believe that the new simplified processes will allow more import and export transactions between Jordan and its neighbors, and in this regard, the Association will provide all necessary support to help Jordan Customs develop its procedures and processes.”

3 COMPONENT 2: UPGRADE AND INTEGRATE CUSTOMS ICT INFRASTRUCTURE.

The Program assisted Jordan Customs and ASEZ Customs to upgrade their automated customs clearance system to an internet-based clearance system known as ASYCUDAWorld. To support the implementation of ASYCUDAWorld, the Program procured more than \$4.5 million in ICT upgrades for Jordan Customs. This included upgrading Jordan Customs' telecommunications infrastructure at 18 locations, building a state-of-the-art data center at Jordan Customs headquarters, and procuring ICT equipment and hardware such as servers, computer monitors, and switches. The Program supported the upgrade to ASYCUDAWorld at 15 customs centers, exceeding the target of 14 centers. In addition, the Program procured and installed security gates at six locations that are linked to the ASYCUDAWorld system. These gates open automatically if all clearance procedures are completed, minimizing opportunities for abuse or human error.

Upgrade to ASYCUDAWorld. The Program team, in coordination with UNCTAD and the Jordan Customs IT Department, supported the implementation of the new automated customs clearance system ASYCUDAWorld at 15 locations as follows:

2. Aqaba Special Economic Zone (ASEZ) Customs;
3. Sahab Customs Center;
4. Al-Raqeem Customs Center;
5. Al-Hassan Industrial City, Irbid;
6. Cyber City, Irbid;
7. King Hussein Bridge (at the border with the Israeli administered Palestinian Territories);
8. Dulail Special Economic Zone;
9. Kerak Industrial Zone Customs Center;
10. Zarqa Free Zone Customs Center for vehicles;
11. Zarqa Free Zone Customs Center for cargo;
12. Sheikh Hussein Bridge (at the border with Israel);
13. Al-Karamah Customs Center (at the border with Iraq);
14. Capital Post Office in Amman;
15. Aqaba Ferry Terminal; and
16. Queen Alia International Airport.



Mr. Nour Bani and Mr. Stephen Carpenter of the Customs Administration Modernization Program look on as a Jordan Customs officer accesses information at the new data center.

Procurement of Hardware, Software, and Telecommunications Equipment. The Program procured hardware and software required for the operation of ASYCUDAWorld including SOClass Software and Oracle. The Program also upgraded the network infrastructure for Jordan Customs to support the high-speed networking needs of ASYCUDAWorld at 18 locations, including remote desert border crossings.

Data Center and Disaster Recovery Center. In order to install ASYCUDAWorld, UNCTAD requested that Jordan Customs upgrade its data center. Working closely with Jordan Customs, the Program team designed, fully funded, and

managed the construction of a state-of-the-art data center at Jordan Customs Headquarters and a disaster recovery center at an undisclosed off-site location. The data center is designed to assure that IT systems, including the ASYCUDA servers and the data housed on them are protected from environmental hazards and security breaches. The data center includes redundant air conditioning systems, uninterruptible power supply, and an advanced fire abatement system based on international best practices. The Program procured ICT hardware for Jordan Customs and ASEZ Customs to support the ASYCUDAWorld upgrade, including top-of-the-line servers, switches, PDAs, and a back-up solution. The Program delivered and installed all servers and other ICT equipment at Jordan Customs Headquarters, the disaster recovery location, and ASEZ Customs. The Program team installed all software and trained Customs officers on the new systems and equipment.



Jordan Customs' data center prior to Program technical assistance.



The new, fully modernized, state-of-the-art data center at Jordan Customs.

Gate Control System. The Program procured, installed, and integrated security gate equipment at Jordan Customs centers with a system that monitors and controls the movement of cargo trucks through customs center gates and yards. Gates are operational and in use at six locations, including the Amman Customhouse, Jaber (at the border with Syria), Wadi Al-Youtum (in Aqaba), the Omari Customs Center (Saudi Arabia border), the Modawara Customs Center (second Saudi Arabia border), and the Zarqa Free

Zone Customs Center. The Gate Control System speeds the flow of trade by automating key exit procedures while at the same time ensuring greater levels of security at the gate. The gate control system is linked to ASYCUDA and automatically ensures that all documentation is complete, eliminating human error and human discretion at the last step in the clearance process. The system is a powerful new part of an increasingly modernized and automated Customs environment in Jordan.



The automated Gate Control System close after a truck exits the Amman Customhouse after completing all procedures.

4 COMPONENT 3: TRAIN AND STRENGTHEN CAPACITY OF CUSTOMS OFFICIALS

The Program strengthened the capabilities of Jordan Customs and ASEZ Customs officers to utilize the new ICT systems effectively. The Program trained more than 1,900 individuals, including Customs officers, business users, and brokers. The Program provided training and technical assistance to address bottlenecks in the customs clearance process, to upgrade Jordan Customs' human resources practices, to improve risk management policies, to strengthen internal investigations, and to enhance customs integrity, among other areas.

IT Training. Much of the training under the Program focused on ASYCUDAWorld. At each of the locations where Jordan Customs upgraded to ASYCUDAWorld, the Program supported training for Customs officers and private sector brokers. Other IT training courses strengthened the capabilities of IT officer at Jordan Customs and ASEZ Customs to operate, maintain, and customize the ASYCUDAWorld system. The Program provided training on IT Project Management, IT Security, SOClass Software, Advanced Java, Advanced Interactive eXecutive (AIX) Operating System, Linux Operating System, Storage Area Network (SAN) Training, Server Management Training, Tivoli Storage Manager (TSM) Training, Internet protocol (IP) Technology, Business Intelligence IT, Oracle Administration Tool for Customer Service Center, OracleBI Dashboard for Customer Service Center, Oracle Applications Server Administrator for Customer Service Center, ETL Using Oracle Tools for Customer Service Center, and other technical topics.



The new state-of-the-art Customs Computer Training Room accommodates 18 trainees.

Computer Training Room. To support training on technical IT topics, and to ensure the sustainability of IT training at Jordan Customs, the Program built and equipped a state-of-the-art Computer Training Room at the Jordan Customs Training Center in Amman, Jordan. The Program equipped the room with the latest computer technology to accommodate 18 trainees plus instructor. Customs officers now use the training room to develop the skills needed to operate ASYCUDAWorld, as well as many other ICT systems to enhance the efficiency and effectiveness of border procedures, and reduce delays for Jordanian businesses.

Time Release Study. In addition to IT topics, the Program team provided technical assistance and training to ASEZ Customs and Jordan Customs to enhance the efficiency and effectiveness of operations. At the launch of the Program, the team conducted a Time Release Study that measured the time required to complete all 19 steps of the customs clearance process using World Customs Organization (WCO) methodology at multiple locations throughout the country. The study identified 21 bottlenecks in the Customs clearance system, including areas for improvement in risk management procedures and transit procedures. A final Time Release Study allowed the Program team to compare times against the baseline. For a more detailed discussion of the Time Release Study, see Section 6 of this report on Key Results.

Risk Management. Based on the findings of the Time Release Study, the Program provided technical assistance on Risk Management and provided detailed recommendations to strengthen the system to improve national security and facilitate trade. The team mentored six Jordan Customs Risk Management officers. Jordan Customs has implemented the following recommended reforms:

- **Eliminated mandatory 30 minute waiting period** for green lane transactions nationwide;
- Issued requirement that Customs officers **provide justification for switching green or yellow lane transactions** to the red lane and document the change;
- Introduced new **“zero time” initiative for green lane transactions**;
- Refined system to **reduce the percentage of red lane referrals**;
- **Temporary imports** are now **subject to risk management selectivity criteria** to assign a lane—previously, all temporary imports were classified as red or high risk;
- **Increased number of companies qualifying for the “green list;”**
- **Assigned green lane status to 13 additional basic foodstuffs**;
- **Signed an agreement with US Customs and Border Protection for recognition of Jordan Golden List companies by the US Customs-Trade Partnership against Terrorism (C-TPAT).**

Transit Procedures. Similarly, the Program team assessed Jordan Customs’ transit procedures, identifying weaknesses and opportunities, and provided detailed recommendations to improve procedures to promote national security and facilitate trade. Jordan Customs has increased storage fees for goods in transit at customs warehouses and has implemented the recommendation to replace the convoy system with the utilization of Global Positioning System (GPS) devices on transit vehicles to track their movement through the Kingdom.

Broker Training. The Program team evaluated broker performance and provided detailed recommendations to update the broker training curriculum. The final report to Jordan Customs recommends imposing more stringent certification requirements for brokers. Customs has drafted legal articles that will, if approved, strengthen Jordan Customs’ authority when dealing with brokers and enable Jordan Customs to impose stiffer penalties for broker error.

Customs Integrity and Internal Investigations. At the beginning of the Program, the team conducted a World Customs Organization (WCO) model integrity assessment. Based on the findings of this assessment, the team provided technical assistance and training to implement a comprehensive integrity and internal investigations program. A short-term consultant specializing in internal investigations mentored six Jordan Customs officers in advanced internal investigation techniques. The Program provided Jordan Customs with eight Evidence Collection Kits and trained internal investigators on their proper use. The Program also developed a computerized case management database for internal investigators and trained five Jordan Customs officers on the use of the database.

Human Resources. The team conducted an assessment of Jordan Customs’ Human Resources operations and provided recommendations for improvement. Technical assistance focused on improving career paths, personnel rotation and succession planning. The Program trained 14 Jordan Customs officers from the IT and Human Resources Departments, and six officers from the Training Center on the use of a computer-based Human Resources and Systems Approach to Training (SAT) management system.

Jordan Customs Women's Committee. The Program organized a Jordan Customs Women's Committee comprised of women customs officers from Jordan Customs. With the assistance of Program consultants, the Committee developed a Gender Action Plan for Jordan Customs and successfully advocated for enactment of the Plan by senior management at Jordan Customs. The Committee found that customs officers who work at border locations are often able to earn substantially more than HQ-based officers through bonuses and other incentives.

However, women customs officers were unable to work at many border locations because of simple lack of facilities such as restrooms. The Gender Action Plan called for construction of women's restroom facilities at key customs centers. To support the Plan, the Program paid for the construction of a women's restroom at the Zarqa Customs Center, and Jordan Customs built a women's restroom at a second location (Sahab), effectively opening the doors to increased opportunities for women customs officers at these locations.



The Program integrated gender considerations in all activities. Here, three women Jordan Customs officers participate in the Advanced Java IT Training Course.

5 COMPONENT 4: IMPROVE RELATIONS WITH THE TRADE SECTOR

Through its Public Outreach Component, the Program fostered improved communication between Jordan Customs and the business community. To transform the way that Jordan Customs interacts with its clients, the Program launched a new Customer Service Center at the Jordan Customs Headquarters. The Program team strengthened the capacity of the Jordan Customs Public Relations Department to communicate key messages to internal and external audiences. Through Program assistance, Jordan Customs launched a public outreach campaign in newspapers and business magazines publicizing the benefits of recent customs modernization activities for the Jordanian business community.

Customer Service Center. The Program team developed, procured, and implemented a computerized Customer Service system and helped Jordan Customs launch the Customer Service Center at the Jordan Customs Headquarters. Customers are now able to meet with customer service agents at the Center for enquiries or for resolution of issues. The Center features an automated queuing system and a software and hardware solution integrated with ASYCUDAWorld to improve the quality of services and responsiveness of Jordan Customs to the private sector. The IT solution allows the customer to track responses to enquiries through the internet, through interactive voice recordings, or in person at the Jordan Customs Headquarters. Jordan Customs completed renovation of a room at the entrance of the Headquarters to house the Customer Service Center, and has staffed the Center with 60 officers. The Customer Service Center is currently able to address enquiries through 53 automated processes.



Jordan Customs >> *Striving to serve you better*

Welcome to our Customer Care Center...

Welcome to our Customer Care Center at our main branch in Abdali where we:

- Receive all customer queries and requests.
- Log all received applications and issue an appointment card when the application will be processed.
- Electronically archive all documents and forward them to the concerned departments.
- Notify all applicants of the outcome/decision of the department through SMS, email or our website.

For more information, please call our toll-free number or visit our website.

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The Customer Service Center allows customers to make inquiries and check the status of requests in person, online, or by telephone. The image above is from the public outreach campaign sponsored by the Customs Administration Modernization Program.

Jordan Customs Website. The Program helped Jordan Customs upgrade its website, which now features a portal for the ASYCUDAWorld system and contains a series of new e-features such as the ability to transmit information to traders by text messaging. The new website is user friendly, consisting of an integrated database that provides access to pertinent Customs rules and regulations. The website is now live at:

<http://www.customs.gov.jo/English/default.shtm>.

Public Outreach Campaign. The Program team conducted a survey of more than 300 private sector actors engaged in trade. The survey focused on private sector perception of the efficiency and effectiveness of Jordan Customs. Based on the findings of the survey, the Program helped the Jordan Customs Public relations department structure and launch a public outreach campaign. The campaign publicized improvements in procedures at customs centers across the country and articulated Jordan Customs' objective to meet the needs of the Jordanian Business Community. Public outreach activities included the production of three public service announcements aired on Jordan Television and the publication of informational materials in Jordanian newspapers and business magazines. Outreach activities also targeted major importers and exporters in Jordan. The Program team helped Jordan Customs organize a conference with representatives from the 17 current companies on the Golden List to discuss strengths and weaknesses of the Program and identify actions that will help Jordan Customs enhance benefits for Golden List companies. Similarly, the Program helped Jordan Customs organize a meeting with the Broker Association of Jordan to discuss new procedures, time delays in clearance, and broker training and certification requirements.

Strengthening the Capacity of the Jordan Customs Public Relations (PR) Department. The Program provided technical assistance on the organizational structure and job descriptions for PR staff and drafted a Customs PR, Communication, and Media Plan. The Program provided on-the-job training for PR staff at Jordan Customs on media relations and press release and formal training in the following areas:

- Writing for effective communications;
- Media relations;
- Developing content of communications materials;
- Standard operating procedures;
- Event planning;
- Development of communication tools; and
- Crisis management.



The new Jordan Customs web-site features many e-services for business users.

6 KEY RESULTS

This section presents the high-level results of the Customs Administration Modernization Program. There are three main measures of success: the MCC Trade Policy Score, the Heritage Foundation’s “Trade Freedom” score from the *Index of Economic Freedom*, and the before-and-after results of a Time Release Study conducted by the Program team.

The MCC uses trade policy as one of the 17 indicators used to chart a country’s reform efforts. The three graphs below in Figure 1 show improvements in trade policy in Jordan from FY07 prior to the start of the Program through FY09 when the Program ended. In the baseline FY07, Jordan’s score for trade policy was below the median score for other lower middle income countries (LMICs), and therefore color-coded “red.” After one year of Program technical assistance, Jordan succeeded in raising its Trade Policy score slightly above the median, indicated by the switch from red to green. After the second year of Program assistance, Jordan maintained a Trade Policy score above the median even as the median itself increased by 10 percentage points.

Figure 1: Jordan’s MCC Trade Policy Score FY2007 - FY2009

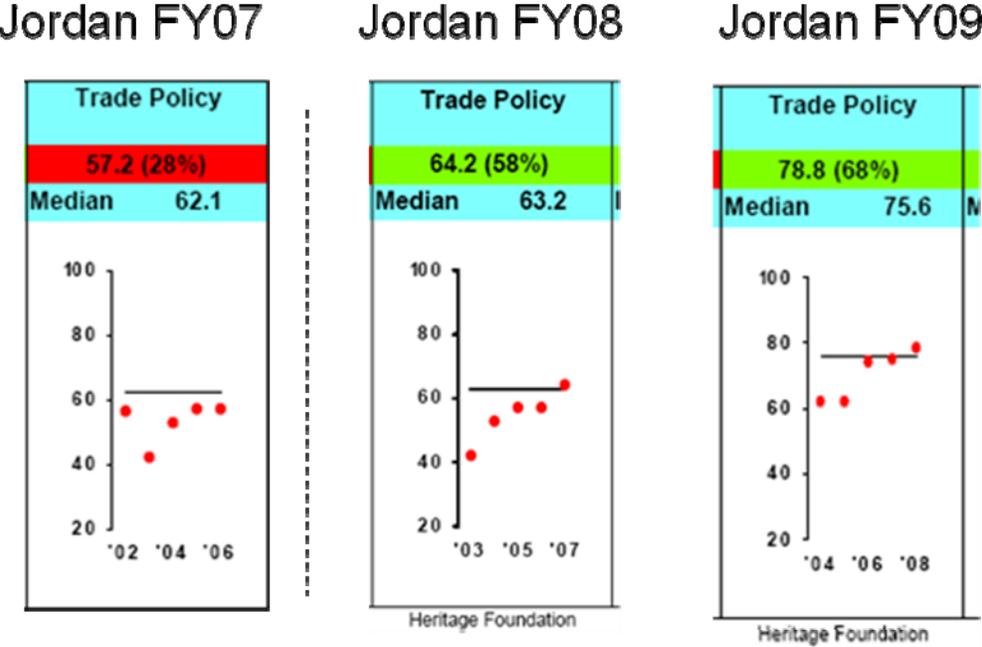


Figure 2 below plots Jordan’s MCC Trade Policy score from FY2006 – 2009. The dotted line represents the beginning of the Customs Administration Modernization Program. As the graph indicates, Jordan’s score was stagnant prior to the inception of the Program but rose by approximately 22% in two years—a significant gain.

Figure 2: Jordan's MCC Trade Policy Score 2006 - 2009

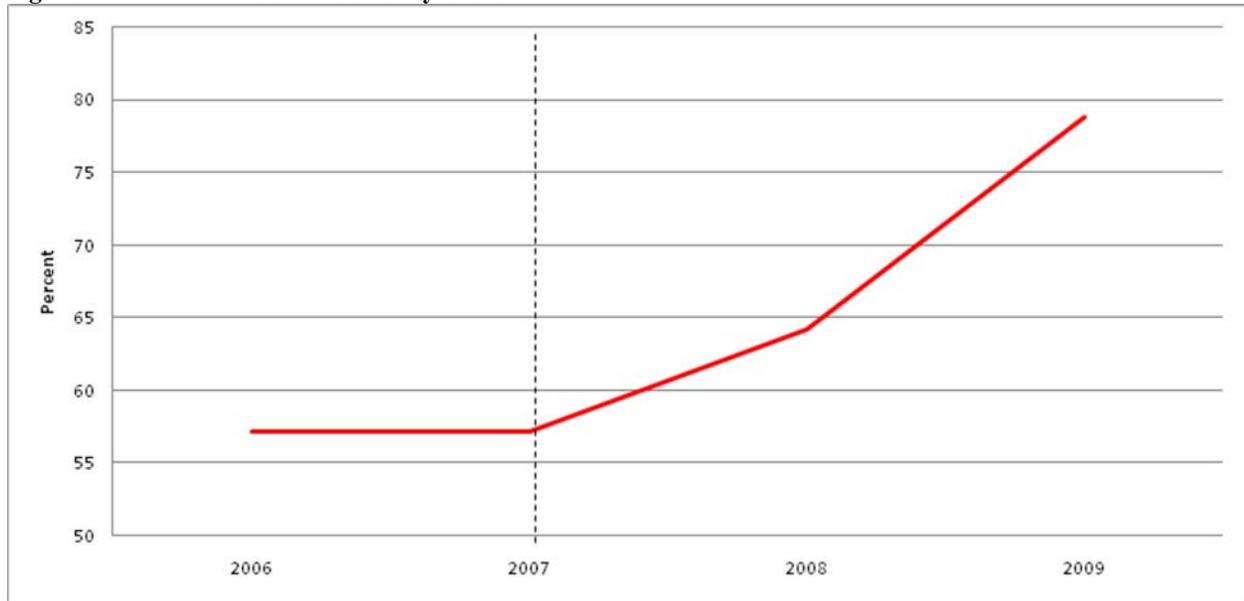
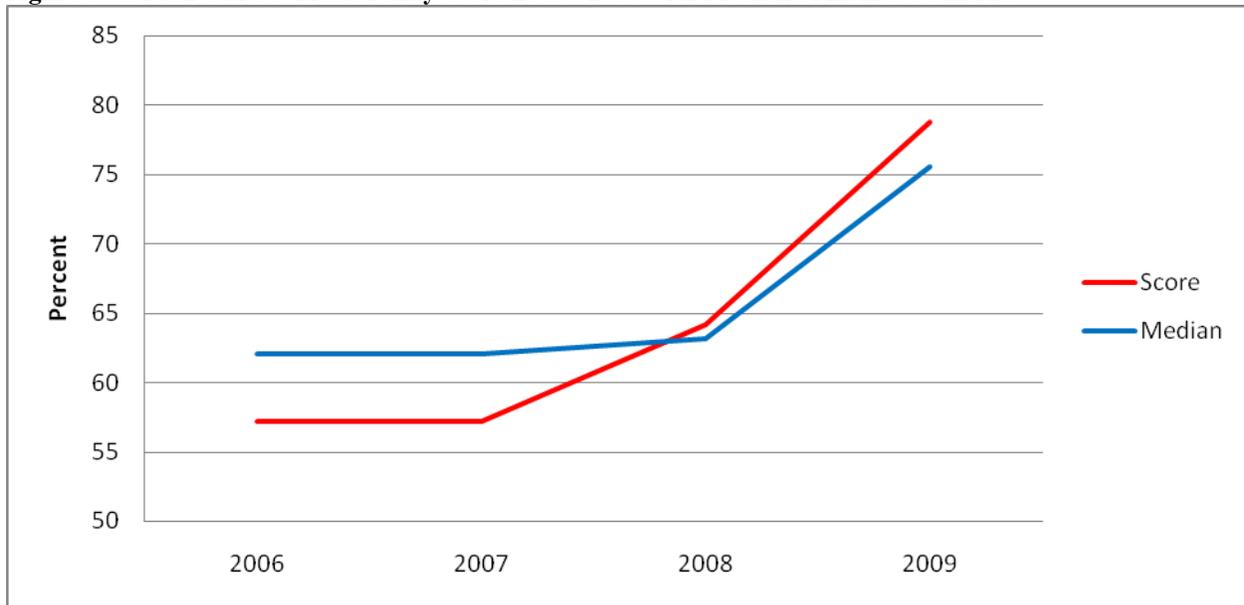


Figure 3 presents Jordan's MCC Trade Policy score from FY2006 – 2009 as in Figure 2, but includes the median scores of all other countries in Jordan's LMIC class. The graph illustrates that Jordan's FY2006 and 2007 score were below the median, but rose sharply in FY2008 and 2009. The median score of all LMICs rose 10% from FY2008 to 2009, but Jordan's score improved at a faster rate than that of the other LMICs, indicated by the steeper slope of Jordan's score.

Figure 3: Jordan's MCC Trade Policy Score 2006 - 2009 with Median of LMIC Countries



The MCC relies on data from the Heritage Foundation's *Index of Economic Freedom* to set their Trade Policy score. Figure 4 presents Jordan's "Trade Freedom" score from the Heritage Foundation from the years FY2000 to 2007, before the Program began. The "Trade Freedom" score measures the extent of tariff and non-tariff barriers in a country. The trend line indicates that Jordan's score over this eight year period was almost flat at 60%. The Heritage Foundation assigns descriptive titles to each percentage

decile, so Jordan’s score was stagnant between the transition point of what is referred to as “Moderately Free” and “Mostly Unfree.” The sharp decline in Jordan’s score in 2003 is often explained by a tightening of the borders around the second Gulf war, although this is unconfirmed.

Figure 4: Jordan's Trade Freedom Score on Index of Economic Freedom 2000 - 2007

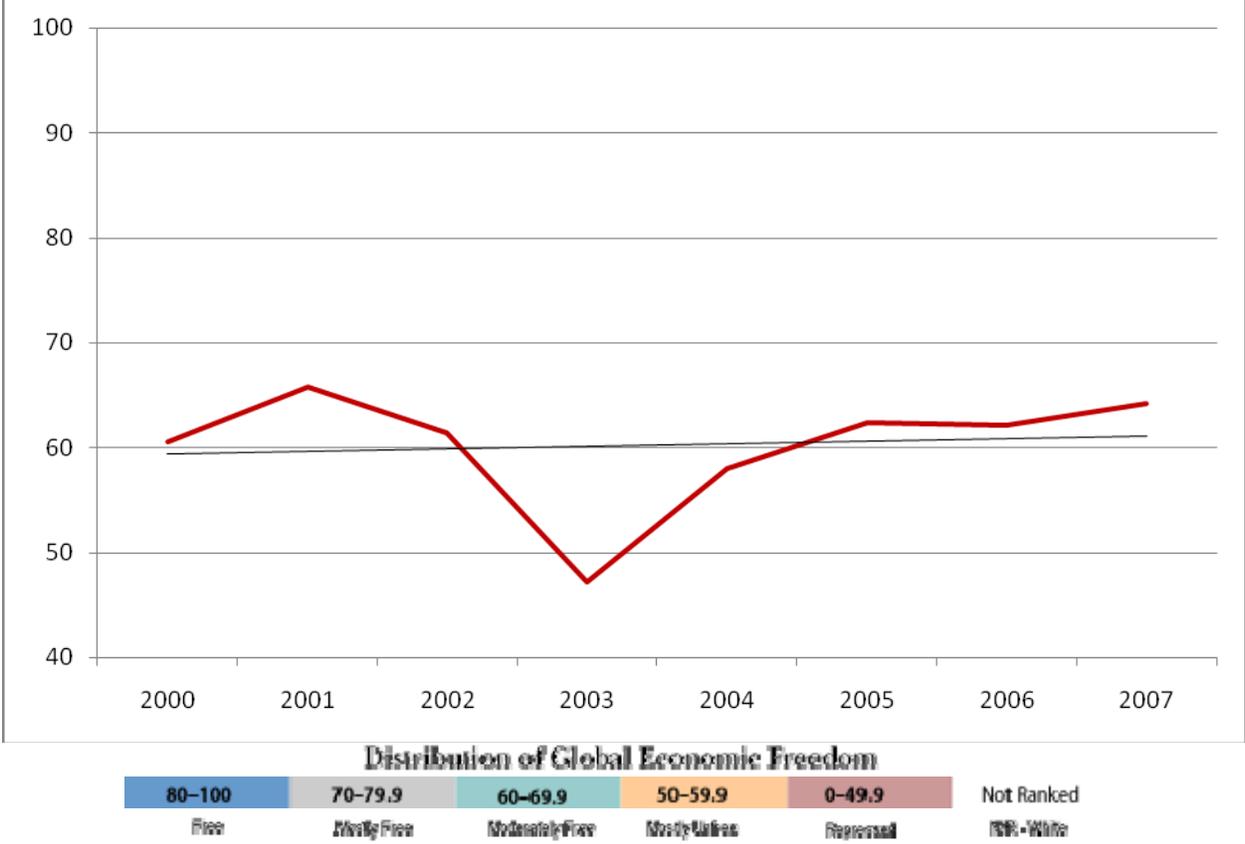


Figure 5 shows Jordan’s impressive improvement in Trade Freedom after one year of Program technical assistance, indicated by the dotted line. In 2008, Jordan’s score jumped by more than 10%, and moved into the “Mostly Free” decile for the first time.

Figure 5: Jordan's Trade Freedom Score on Index of Economic Freedom 2000 - 2008

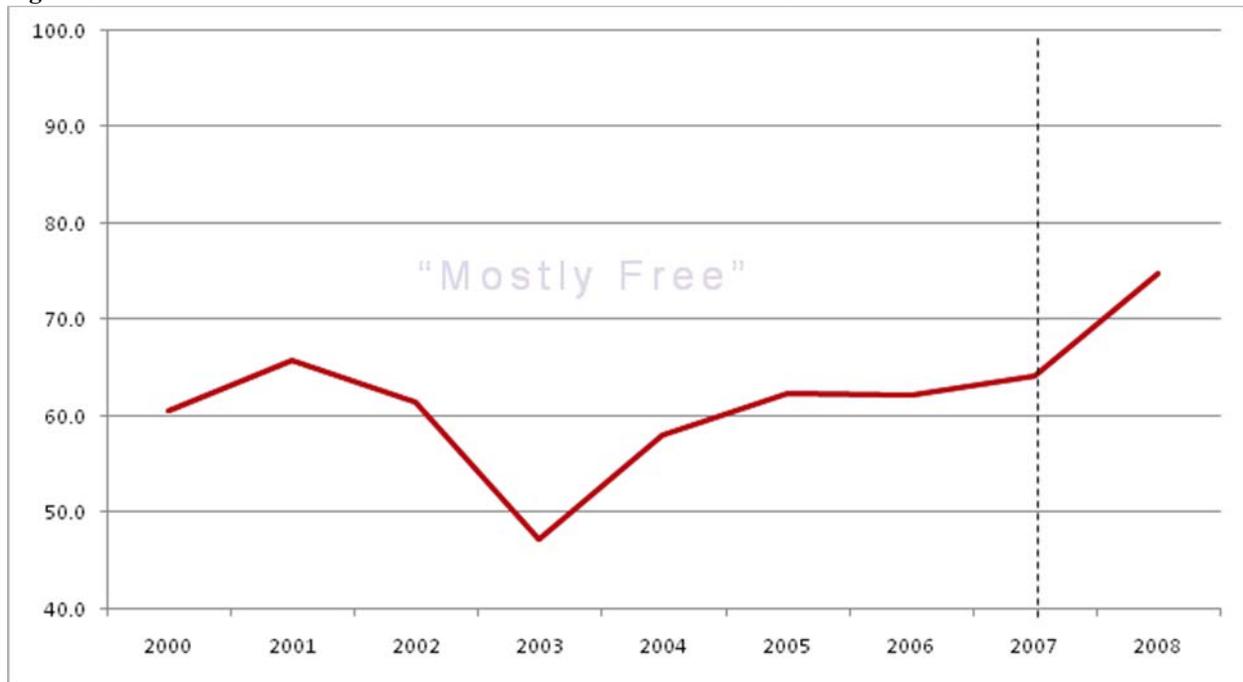
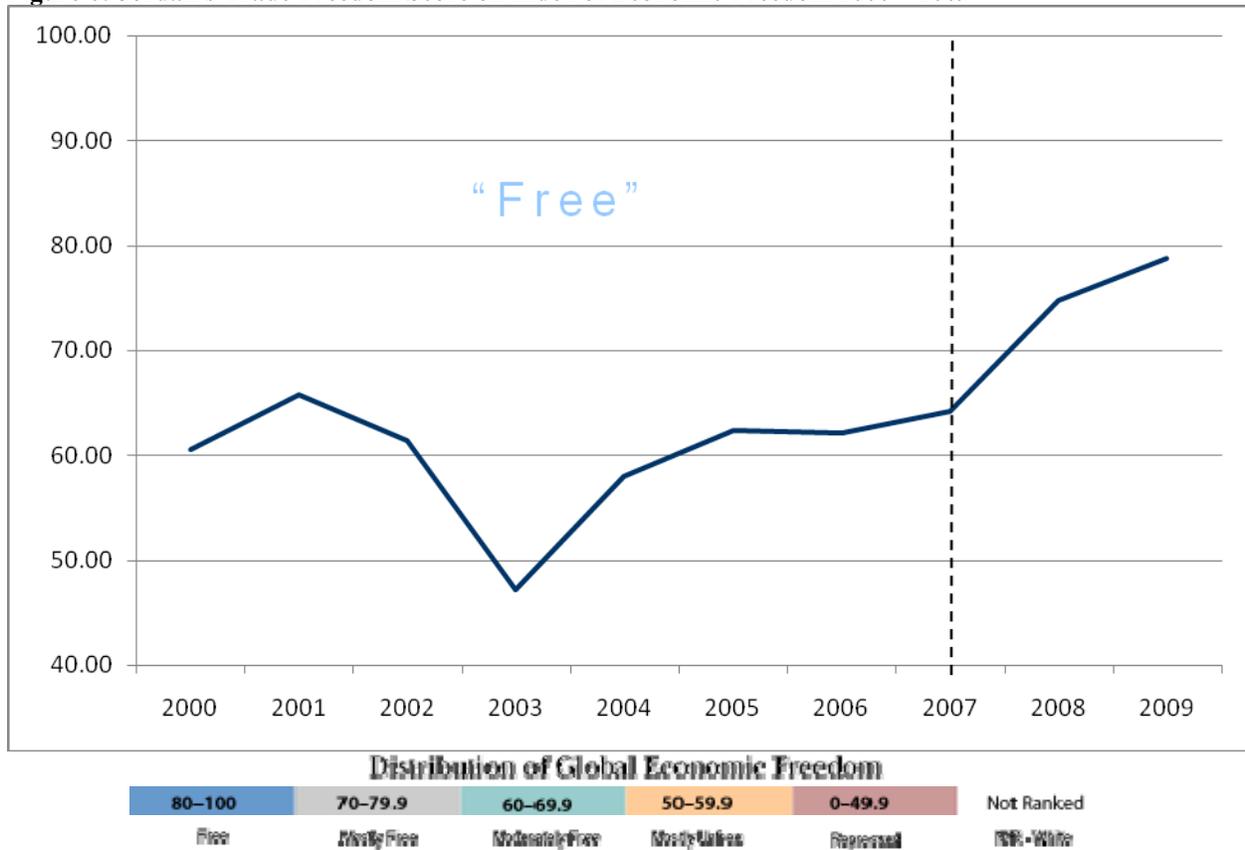


Figure 6 depicts Jordan's Trade Freedom score for 2009, released soon after the completion of the Program. The 5% increase in Trade Freedom has positioned Jordan quite close to the fully "Free" decile, which is particularly meaningful in the context of the country's climb from its characterization as "repressed" in 2003. As compared to Figure 4, which shows a trend line more or less stagnant at 60% on the border between "Mostly Unfree" and "Moderately Free," Jordan's performance over the past two years has showed clear and measurable progress in Trade Freedom.

Figure 6: Jordan's Trade Freedom Score on Index of Economic Freedom 2000 – 2009



A third measure of Program success is the Time Release Study. The Program conducted a baseline Time Release Study in 2007, and completed an end-of-project Time Release Study in December, 2008. The Time Release Study is based on World Customs Organization methodology and measures the time required to complete the 19 steps of the customs clearance process. Our survey team observed more than 400 transactions at seven Jordan Customs centers and seven ASEZ Customs centers.

Figure 7 presents the results for the Jordan Customs centers. The times for the seven centers are listed across the bottom, divided into the Green (G), Yellow (Y), and Red (R) lanes. The chart shows the time in minutes required to clear goods in 2007, indicated by the red bar, and in 2008, indicated by the black bar. The study shows that Jordan Customs, as a direct result of the Program’s technical assistance, has succeeded in cutting clearance times significantly across the country. For example, in 2007, yellow lane procedures at King Abdullah Industrial Estate (the Sahab Customs Center) required an average of 337 minutes; in 2008, the time was cut to just 32 minutes, representing a 90.5% reduction in the time required. Similarly, at the Queen Alia International Airport, green lane procedures in 2007 required 85 minutes. Today, green lane transactions average 10.27 minutes—an 87.9% reduction in the time required for clearance.

Figure 7: Time Release Study Results for Jordan Customs

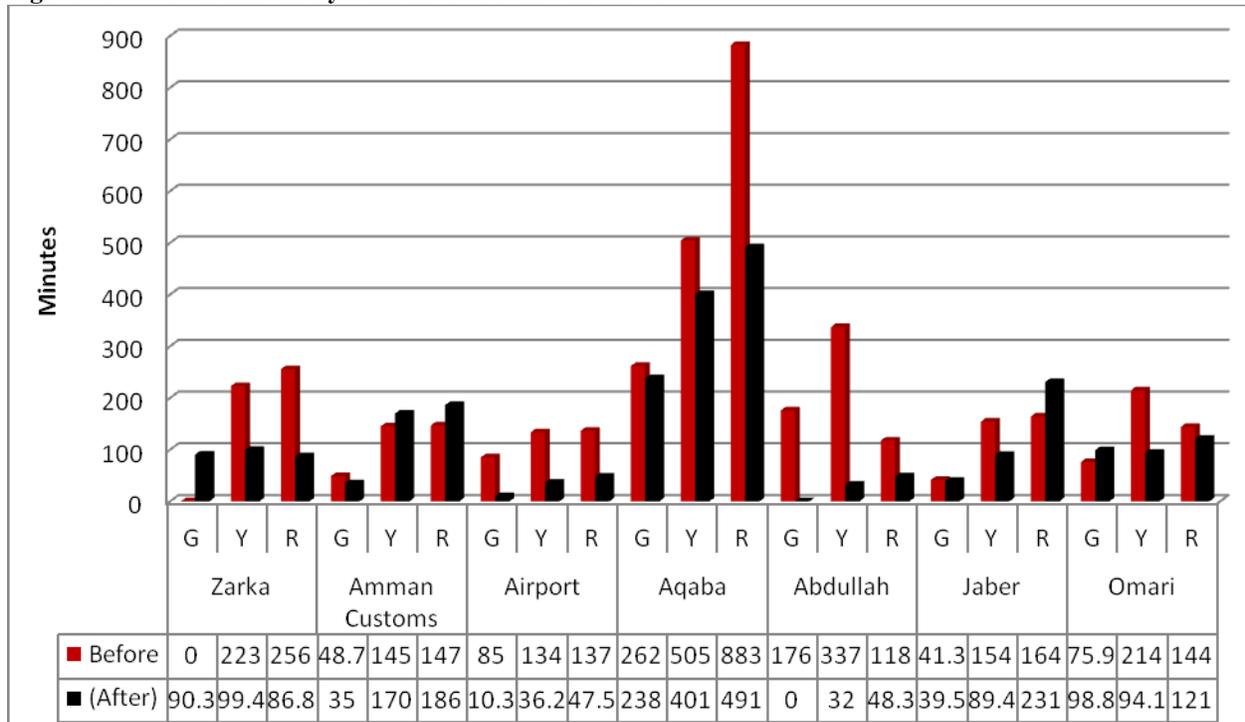


Figure 8 presents the weighted average reduction in time required for clearance at selected centers. Zarqa reduced processing times by 46%. As mentioned, the airport reduced average processing times by 61%. Aqaba reduced processing times by 39%, and the Sahab Customs Center at King Abdullah Industrial Estate reduced processing time by 49% in 18 months.

Figure 8: Percent Reduction in Clearance Times at Selected Jordan Customs Centers

	Zarqa	Airport	Aqaba	Abdullah
Minutes	-76.2377	-49.337	-255.358	-34.2519
Percent	-46%	-61%	-39%	-49%

In a few cases, processing times increased from 2007 to 2008. This is true of the yellow and green lanes at the Amman Customhouse, the red lane at Jaber, and the green lane at Omari. The Program team does not believe that an increase in processing times in the red lane is necessarily problematic if the time is spent conducting a thorough physical inspection. In fact, the Program has recommended to Jordan Customs that a thorough physical inspection should take two-to-four hours depending on the type of goods and considering other factors. Delays in the yellow lane at Amman Customhouse are due to overcrowded yards and a significant increase in the volume of trade at this center. The Government of Jordan is aware of the crowded yards at the Amman Customhouse and has already begun preparation for the construction of a larger customs center to replace the Amman Customhouse sometime in 2011.

Figure 9 below present similar information for the major centers for ASEZ Customs. Again, the red bar is from the baseline survey (which was completed early in 2008) and the black line is from the study completed in December 2008. As the figure illustrates, ASEZ Customs has made major reductions in the

time required to complete all customs clearance procedures. The only increase in time was recorded in the red lane at the Cargo Customs Center. Again, increases in time in the red lane may be appropriate if the time is used to conduct a thorough physical inspection.

Figure 9: Time Release Study Results for ASEZ Customs

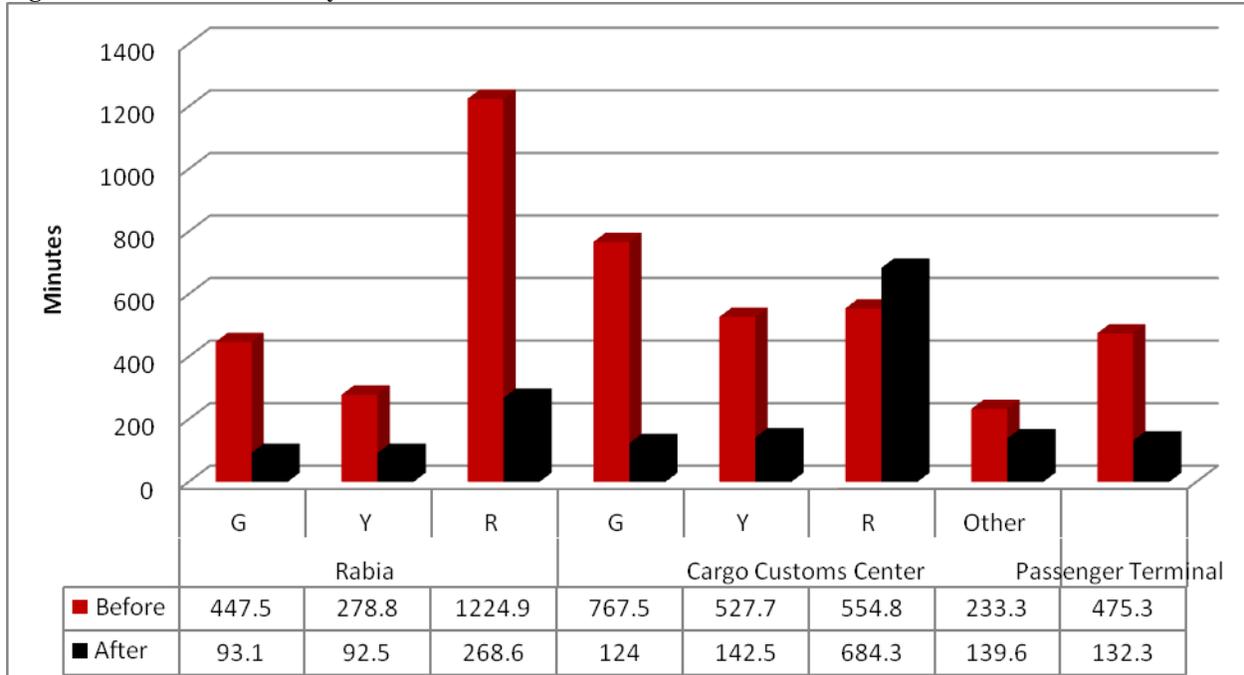


Figure 10 lays out the weighted average percentage change for ASEZ Customs centers. ASEZ Customs slashed the time required in the green lane at the Cargo Customs Center by 84%—a remarkable improvement in about one year.

Figure 10: Percent Reduction in Processing Times for ASEZ Customs Centers

	Rabia			Cargo Customs Center				Passenger Terminal
	G	Y	R	G	Y	R	Other	
Before	447.5	278.8	1224.9	767.5	527.7	554.8	233.3	475.3
After	93.1	92.5	268.6	124	142.5	684.3	139.6	132.3
% Change	-79.2%	-66.8%	-78.1%	-83.8%	-73%	+23.3%	-40.1%	-72.2%

7 RECOMMENDATIONS

Jordan Customs has made impressive progress over the past two years, but still has the capacity to grow and enhance the quality of service it provides to the private sector. The Customs Administration Modernization Program has identified the following areas for future work:

- **Reduction in Number of Documents:** The Doing Business team recommended that Jordan Customs adopt the use of four documents for import and export (in line with international best practices) eliminating the other documents required under the current Customs Law. In addition, the Doing Business team recommends eliminating the need to have certain documents certified or attested by Jordanian embassies abroad. The elimination of excessive paperwork and certification should significantly reduce the time spent on document preparation. We understand that Jordan Customs has formed a committee to study these recommendations and we encourage them to expedite the passage of all legal and regulatory changes to reduce the number of documents required.
- **Ensure that all red lane items are thoroughly inspected.** The Time Release Study revealed that average inspection times for red lane items fall between 10 and 20 minutes at many centers. International best practice is to devote two-to-four hours for a thorough physical inspection. Jordan Customs points out that inspectors generally do conduct thorough inspections on some red lane items. This means that a larger percentage of red lane items—those items designated by the ASYCUDA system to be high risk—are never inspected or subject to a cursory inspection. We recommend as an urgent matter of national security that 100% of all shipments sent to the red lane are subject to a thorough inspection. This will require deploying more inspectors to the borders and inland customs centers as well as reducing the percentage of shipments sent to the red lane.
- **Continue to modernize Jordan Customs’ approach to risk management.** This recommendation requires Jordan Customs to refine its risk criteria to limit the percentage of goods sent to the red lane. Ideally, the majority of shipments should move through the green lane, followed by the yellow lane. Only a small percentage of truly high risk shipments should be sent to the red lane for physical inspection. The Risk Management Department at Jordan Customs has made major advances over the past 12 months, but Jordan Customs should continue reforms to reduce the percentage of goods sent to the red lane.
- **Broker certification and broker training.** Our Program identified broker error and broker delay as the most time consuming bottleneck in the customs clearance process. We also have serious concerns about the potential for brokers to compromise national security at the borders. We have recommended changes to the broker certification process and broker training, and suggest that future technical assistance should include support for legal and regulatory changes to modify broker certification requirements, as well as training and capacity building support. Most importantly, every practicing broker should be required to pass a thorough examination before being certified to practice, and should be re-certified periodically. As things stand now, only principals of broker agencies need be certified, and these principals in practice can hire unqualified, uncertified, and un-vetted individuals to work as their employees at the customs centers.
- **Continue process improvements, reducing or eliminating excessive stamping and signing of paper documents:** We recommend continued technical assistance to streamline business processes, implement the ASYCUDAWorld workflow module, and generally adopt a more automated environment. We recommend providing technical assistance to reduce or eliminate manual processing, stamping, and signing of customs documents. This may involve, among other things, regulatory changes to facilitate a paperless environment.

- **Address valuation issues:** Jordan Customs is a signatory to a number of international conventions and agreements that deal with valuation of goods. Despite this, many importers continue to complain about unfair valuation practices at the borders and inland customs centers. We recommend providing technical assistance to help Jordan Customs apply valuation rules in a way that is consistent with international agreements. Further, once valuation practices are compliant with international norms, we suggest that Jordan Customs launch a public outreach campaign addressing this negative perception of its valuation practices.
- **Roll-out of integrated risk management system.** The MCC Customs Program began implementation of the integrated risk management system at Sahab and ASEZ Customs. Integrated risk management is at the heart of the automated Single Window. Technical assistance is needed to focus on the other government agencies, such as JFDA, the Ministry of Agriculture, and the Jordanian Institution for Standards and Metrology to help them prepare their risk criteria in the appropriate format, to train their staff in basic computer skills, and implement new procedures to streamline operations.
- **Continue work to update Human Resources policies, especially with regard to the incentive system.** The MCC Customs Program provided technical assistance to address succession planning, career paths, and merit-based promotions within Jordan Customs. Additional technical assistance is needed to roll-out recommendations to enhance these human resources (HR) policies. In addition, several outside observers have raised concerns with the incentive system at Jordan Customs through which Customs officers are awarded a percentage of fines or penalties levied against a trader or transporter. This creates perverse incentives to slow down the clearance process to catch even trivial offenses to generate fines. The MCC Customs Program supports incentive systems but recommends adjusting the Jordan Customs incentive system to reward more desirable behavior such as efficiency, effectiveness, accuracy, or teamwork.
- **Adopt a Customer Service Orientation across the organization.** With the launch of the Customer Service Center and recent public outreach activities, Jordan Customs has taken important steps forward to improve their relations with the private sector. However, private sector actors still report negative behavior in their interactions with Customs. Jordan Customs must continue to transition to a customer service orientation. This transition will require Jordan Customs to embrace a structured approach to changing mentalities and behaviors. We recommend engaging a Change Management specialist to assist Jordan Customs with the change process.
- **Criminalize Customs offenses.** Currently, several serious offenses such as fraud and even smuggling are punished with trivial fines. Strong border and consumer protection requires real incentives for voluntary compliance with Customs (like the Golden List Program) and severe penalties for violations. The Program recommends strengthening laws and regulations to criminalize customs offenses.
- **Enact all elements of the Jordan Customs Women’s Committee Gender Action Plan.** This involves the construction of women’s WCs at all customs centers and constructing dormitories for women Customs officers at more remote locations such as Jaber, Omari, and Modawara.
- **Strengthen the Golden List.** Jordan Customs has not delivered on all of the promised benefits of the Golden List. Many Golden List companies have indicated that the only benefit for membership is recognition from the United States under the Customs-Trade Partnership against Terrorism (C-TPAT). Jordan Customs should implement all promised benefits and quickly expand the number of companies on the Golden List to create a real incentive for voluntary compliance with Customs.

APPENDIX 1: SELECTED SUCCESS STORIES

Jordan Customs Launches Gate Control System at Amman Customhouse

New system improves the efficiency of exit procedures while ensuring appropriate security and control

4 August, 2008

QWEISMEH, JORDAN - Jordan Customs launched a new gate control system in a ceremony today at the Amman Customhouse. The gate control system speeds the flow of trade by automating key exit procedures while at the same time ensuring greater levels of security at the gate. The implementation of the gate control system was supported by the Customs Administration Modernization Program, an activity funded by the Millennium Challenge Corporation (MCC) and administered by the US Agency for International Development (USAID).



H.E. the Director General of Jordan Customs, Mr. Miteb Al-Zaben, Mr. Stephen Carpenter of the Customs Administration Modernization Program, and the Amman Customhouse Director, Mr. Firas Dabbas, launch the new gate control system.

The gate control system is linked to the Customs clearance computer system and automatically ensures that all documentation is complete, eliminating human error and human discretion at the last step in the clearance process. The system is a powerful new part of an increasingly modernized and automated Customs environment in Jordan. Jordan Customs, with the support of the MCC Customs Administration



A Jordan Customs officer utilizes a handheld computer and barcode scanner as part of the gate control system.

Modernization Program, is installing the gate control system at a total of six Customs centers. Amman Customhouse is the first to deploy the system, and will be followed by a launch at the Jaber Customs Center on the border with Syria. Jordan Customs is in the process of finalizing the system at the Zarqa Free Zone Customs Center, the Wadi Al-Youtum Customs Center in Aqaba, the Omari Customs Center, and the Modawara Customs Center. According to Ms. Sumaya Al-Wahhoush of the MCC Customs Administration Modernization Program, all installations at the six locations are on-target for completion by the end of August, 2008.

The Director of the MCC Customs Administration Modernization Program, Mr. Stephen Carpenter, remarked after the launching ceremony, "I am pleased that MCC funding and our Program's technical assistance are helping Jordan Customs realize their modernization goals. The gate control system will speed the clearance process reducing costs for traders and will enhance the competitiveness of Jordanian businesses in the global economy."

The Customs Administration Modernization Program is a two-year program funded by the US Government to enhance the efficiency and effectiveness of the Customs system in Jordan. Working closely with their counterparts in Jordan Customs, the Program has successfully upgraded nine Customs centers to a web-based automated Customs clearance system known as “ASYCUDAWorld.” Working together, the Program has streamlined business processes at numerous Customs centers around the country, and reduced processing times while strengthening the security environment. The Program has provided training for more than 1,000 people—including Customs officers, business users, and brokers—to utilize these new technologies and benefit from these new business processes.



The automated gates close after a truck exits the Amman Customhouse.

Computer Training Room handed over to Jordan Customs

New Computer Training Room will help Jordan Customs apply modern technologies to enhance the efficiency of border procedures

7 February, 2008

AMMAN, JORDAN - The Customs Administration Modernization Program, a project funded by the U.S. Millennium Challenge Corporation (MCC) and administered by the U.S. Agency for International Development (USAID), opened a state-of-the-art Computer Training Room at the Jordan Customs Training Center in Amman, Jordan, on February 7, 2008. The Customs Administration Modernization Program completed renovation work on this computer training room and equipped the room with the latest computer technology to accommodate 18 trainees plus instructor. Customs officers will use the training room to develop the skills needed to operate the new automated Customs clearance system known as "ASYCUDAWorld," as well as many other information and communications technology (ICT) systems to enhance the efficiency and effectiveness of border procedures, and reduce delays for Jordanian businesses.



Ms. Cybill Sigler of USAID, H.E. the Director General of Customs, Mr. Miteb Al-Zaben, and Mr. Stephen Carpenter of the Customs Administration Modernization Program exchange remarks during the handover ceremony.

The Customs Program Chief of Party, Mr. Stephen Carpenter, remarked during the handover ceremony on Thursday that, "The Computer Training Room will allow Customs officers to develop new skills in modern technologies for their day-to-day work. Jordanian importers and exporters will benefit from these new technologies through lower costs to trade and faster, more efficient processes at the border." Mr. Carpenter told attendees that "These new technologies and skills will enhance the competitiveness of Jordanian businesses in the global economy."



The new state-of-the-art Customs Computer Training Room accommodates 18 trainees.

The Director General for Jordan Customs, H.E. Mr. Miteb Al-Zaben, thanked the Customs Administration Modernization Program, the MCC, USAID, and the American people for the Computer Training Room and ongoing technical support to Jordan Customs. Ms. Cybill Sigler represented USAID in the handover ceremony. At the conclusion of the ceremony, the Director General presented Mr. Carpenter with the "Shield of Jordan Customs" award in thanks for the continued technical support of the Customs Administration Modernization Program to Jordan Customs.

The Customs Administration Modernization Program is designed to improve the efficiency and effectiveness of the Customs system in Jordan. The Program is helping to upgrade the automated Customs clearance system and introduce other improvements to the ICT infrastructure at Jordan Customs. The Program is developing a “single window” coordination mechanism among Customs and all other commercial (non-security) government agencies deployed at the border. In addition, the Program is improving relations between Customs and the private sector through a communications campaign. This technical assistance is designed to reduce the time required for import, export, or transit of goods and to improve the Government of Jordan’s “Trade Freedom” score on the Heritage Foundation’s *Index of Economic Freedom*.

Jordan Customs Launches Modernized Data Center

Cutting-edge data center a major component of the upgraded IT capabilities at Jordan Customs

21 August, 2008

AMMAN, JORDAN - Jordan Customs launched a new data center that houses computer equipment in a safe environment and protects data from environmental hazards and security breaches. Jordan Customs marked the opening of the data center with an official ceremony at the Jordan Customs Headquarters in Amman on Thursday, August 21, 2008. The implementation of the data center was supported by the Customs Administration Modernization Program, an activity funded by the US Millennium Challenge Corporation (MCC) and administered by the US Agency for International Development (USAID). The data center supports the use of cutting-edge technologies at the borders such as an automated exit gate control system and a web-based customs clearance system. To protect the computers and data, the data center features a redundant air conditioning system, an uninterruptible power supply (UPS), and a state-of-the-art fire abatement system, as well as many other security features. Jordan Customs completed the construction of a disaster recovery center at an off-site location outside of Amman to preserve a back-up of all data.



H.E. the Director General of Jordan Customs, Mr. Miteb Al-Zaben, and Mr. Stephen Carpenter of the Customs Administration Modernization Program take part in the launch of the new data center.



Mr. Nour Bani and Mr. Stephen Carpenter of the Customs Administration Modernization Program look on as a Jordan Customs officer accesses information at the new data center.

The Director of the MCC Customs Administration Modernization Program, Mr. Stephen Carpenter, commented, "I am pleased that MCC funding and our Program's technical assistance have helped Jordan Customs launch this impressive data center. The data center supports the use of many new technologies that will benefit Jordanian importers and exporters by speeding-up the clearance process and reducing bureaucratic obstacles at the borders."

The Customs Administration Modernization Program is a two-year program funded by the US Government to enhance the efficiency and effectiveness of the Customs system in Jordan. Working closely with their counterparts in Jordan Customs, the Program has successfully

upgraded 10 Customs centers to the web-based Customs clearance system known as “ASYCUDAWorld.” The Program has assisted Jordan Customs to streamline business processes at numerous Customs centers around the country, and to reduce processing times while strengthening the security environment. The Program has provided training for more than 1,000 people, including Customs officers, business users and brokers, to utilize these new technologies and benefit from these new business processes.



Before (left) and after (right) the upgrade of the data center.



Customs Officers Complete Computer Course in Advanced Java Programming

New in-house computer skills part of the overall program of modernization at Jordan Customs

25 August, 2008

AMMAN, JORDAN – On Monday, August 25th, 12 customs officers successfully completed an eight-week course in advanced Java, a computer software programming language that will enable Jordan Customs to expand the capabilities of their automated customs clearance system. 11 IT officers from Jordan Customs and one IT officer from Aqaba Special Economic Zone (ASEZ) Customs completed this rigorous training. The course was supported by the Customs Administration Modernization Program, an activity funded by the US Millennium Challenge Corporation (MCC) and administered by the US Agency for International Development (USAID).



H.E. the Director General of Jordan Customs, Mr. Miteb Al-Zaben, confers a certificate to one of the trainees at the final day of courses. Also pictured: Mr. Nasser Al-Zoubi, Director of the Jordan Customs Training Center, Ms. Sumaya Al-Wahoush of the Customs Administration Modernization Program, and Mr. Stephen Carpenter of the Customs Program.

Jordan's new automated system for customs data, "ASYCUDAWorld," is based on a Java platform. With these new in-house capabilities in Java programming, Jordan Customs and ASEZ Customs are now able to link the ASYCUDAWorld system with other IT systems in use by Customs and other government agencies involved in trade. This will result in a more fully integrated electronic environment at the borders and inland customs centers, reducing time delays, minimizing human error or human discretion, and eliminating other bottlenecks in the customs clearance process.



Jordan Customs and ASEZ Customs IT officers develop advanced Java programming skills at the Jordan Customs Training Center.

modernization. Mr. Carpenter remarked, "With upgraded IT capabilities, Jordan Customs and ASEZ

Jordan Customs marked the successful completion of the advanced Java training course with an official ceremony at the Jordan Customs Training Center in Amman. The Jordan Customs Director General, Mr. Miteb Al-Zaben, and the Customs Administration Modernization Program Team Leader, Mr. Stephen Carpenter, both provided comments at the graduation ceremony thanking the trainees for their dedication to customs

Customs are reducing bureaucratic obstacles at the borders and simplifying procedures for Jordanian businesses.” Mr. Carpenter emphasized that modernization efforts at Jordan Customs will strengthen the business environment in Jordan and benefit Jordanian importers and exporters. Trainees received certificates of completion for each of the five technical areas covered in the training.

The Customs Administration Modernization Program is a two-year program funded by the US Government to enhance the efficiency and effectiveness of the Customs system in Jordan. Working closely with their counterparts in Jordan Customs, the Program has successfully upgraded 10 Customs centers to the web-based Customs clearance system ASYCUDAWorld. The Program has assisted Jordan Customs to streamline business processes at numerous customs centers around the country and to reduce processing times while strengthening the security environment. The Program has provided training for more than 1,000 people— including Customs officers, business users, and brokers—to utilize these new technologies and benefit from these new business processes.



Three Jordan Customs IT experts newly empowered in advanced Java programming

APPENDIX 2: RESULTS REPORTING TABLE

The table below appeared as the Results Reporting Table in quarterly reports to the MCC. Below is the final Results Reporting Table from the 2nd Quarter of FY2009 (January 1, 2009 – March 31, 2009).

	Performance Indicator	Target / Actual	End Result	Base-line	2007 Jan. – March	2007 April - June	2007 July – Sept.	2007 Oct. – Dec.	2008 Jan. - March	2008 April - June	2008 July – Sept.	2008 Oct. – Dec.	2009 Jan. - March
					Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Activity Output Indicators													
1	Number of Customs centers with Single Window Facility	Target	5		0	0	0	0	1	1	2	4	5
		Actual		0	0	0	0	0	1	1	2	5	5
2	Number of Customs centers operating on ASYCUDAWorld	Target	14		0	0	2	4	6	8	10	12	14
		Actual		0	0	3	4	6	8	10	13	15	
Activity Outcome Indicators													
3	Number of bottlenecks eliminated out of those identified in Time Release Study	Target	21	0	0	0	0	0	7	10	14	18	21
		Actual		0	0	0	0	0	7	15	15	18	21
Program Outcome Indicators													
4.1	Number of Documents required for import (Doing Business)	Target	≤5.9		7	7	7	7	7	7	7	≤5.9	≤5.9
		Actual		12	7	7	7	7	7	7	7	7	7
4.2	Number of Documents required for export (Doing Business)	Target	≤4.8		7	7	7	7	7	7	7	≤4.8	≤4.8
		Actual		7	7	7	7	7	7	7	7	7	7
5.1	Number of days required for import (Doing Business)	Target	≤12.2		22	22	22	22	22	22	22	≤12.2	≤12.2
		Actual		28	22	22	22	22	22	22	22	22	22
5.2	Number of days required for export (Doing Business)	Target	≤10.5		19	19	19	19	19	19	19	≤10.5	≤10.5
		Actual		28	19	19	19	19	19	19	19	19	19
6.1	Total Value of Exports (in USD)	Target	3.5 b Jordanian Dinar (JD)		2.9 b JD	2.9 b JD	2.9 b JD	2.9 b JD	3.2 b JD	3.2 b JD	3.2 b JD	3.2 b JD	3.5 b JD
		Actual		2.9 b JD	2.9 b JD	2.9 b JD	2.9 b JD	2.9 b JD	3.18 b JD	3.18 b JD	3.18 b JD	3.37 b JD	TBD

	Performance Indicator	Target / Actual	End Result	Base-line	2007	2007	2007	2007	2008	2008	2008	2008	2009
					Jan. – March	April - June	July – Sept.	Oct. – Dec.	Jan. - March	April - June	July – Sept.	Oct. – Dec.	Jan. - March
					Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
6.2	Total Value of Imports (in USD)	Target	9.9 b JD		8.2 b JD	8.2 b JD	8.2 b JD	8.2 b JD	9 b JD	9 b JD	9 b JD	9 b JD	9.9 b JD
		Actual		8.2 b JD	8.2 b JD	8.2 b JD	8.2 b JD	8.2 b JD	9.75 b JD	9.75 b JD	9.75 b JD	10.3 b JD	TBD
Program Goal													
7	“Trade Freedom” score Heritage Foundation <i>Index of Economic Freedom</i>	Target	>63.2%		57.2%	57.2%	57.2%	57.2%	>63.2%	>63.2%	>63.2%	>63.2%	>63.2%
		Actual		57.2	57.2%	57.2%	64.2%	64.2%	74.8%	74.8%	74.8%	74.8%	78.8%

1. In agreement with Jordan Customs, the target number of centers operating manual or automated single window procedures was reduced to five. The automated system has been installed on the servers at Jordan Customs headquarters and is therefore available for use at any Customs center where ASYCUDAWorld is also installed. The rollout of the integrated risk management system will continue throughout 2009 after project completion at all Customs centers.
2. In agreement with Jordan Customs, the target number of centers upgraded to ASYCUDAWorld was reduced to 14. Overall implementation was delayed because of weaknesses in the telecommunications infrastructure and the subsequent need to upgrade the telecommunications lines for Customs. The Jordanian military had agreed to upgrade the lines but it was later determined that they were unable to upgrade the telecommunications infrastructure in an acceptable timeframe. Further, the EU had committed to delivering necessary ICT hardware and equipment but failed to deliver this equipment in a timely manner. As a result, the Customs Administration Modernization Program reprogrammed its ICT funds to pay for the upgrade of the telecommunications infrastructure and to procure the ICT hardware and equipment. Jordan Customs has modified its agreement with UNCTAD at no cost to the Program or Jordan Customs to extend the implementation timeframe through December, 2009. This will allow Jordan Customs to upgrade the remaining centers during 2009, after the two year threshold timeframe.
3. Using World Customs Organization (WCO) methodology to measure the time required to clear a good through Customs, the Program focused its study on seven Customs centers representing 85% of import, export, and transit of goods. The Program identified 21 major bottlenecks.
4. The figures for “*Number of Documents and days required for import / export*” are from the IFC “Doing Business” Country Report for Jordan.
6. Total value of export and imports is based on official Government of Jordan statistics and are expressed in terms of Jordanian Dinars (JD). 1 JD = US\$1.4 as of April 20, 2008. This indicator is a proxy for the increase in revenue targets listed in the SOAG. The October – December 2008 figures are based on figures provided by the Department of Statistics (DOS) as reported in the Jordan Times on Dec. 18, 2008. These figures cover the period January – October, 2008.
7. Indicator 7 measures progress against the goal for the Customs component—improvements in Jordan’s “Trade Freedom” score on the Heritage Foundation’s *Index of Economic Freedom*.

APPENDIX 3: PERCENT COMPLETION OF PROJECT ACTIVITIES

This table presents a complete list of “illustrative activities” from the Task Order award in the left-hand column, the percentage completion of that activity, a description of the specific tasks and sub-tasks that were carried out to address the illustrative activity, and any notes.

Task Order Activity	% Completed	Description	Notes
Component 1: Implementation of Border Management Task Force (BMTF) Recommendations			
Undertake initial assessment and time release study to document the source of bottlenecks in the clearance process	100%	Time Release Study at 7 Jordan Customs Centers, July 2007 Time Release Study at 4 ASEZ Customs Centers, January, 2008	Final Time Release Study to be conducted October – November, 2008.
Re-convene the Border Management Task Force to design the structure of a single window facility	100%	Hold Single Window Stakeholders' Workshop with former BMTF representatives, December 2007 Establish Single Window Implementation Team, June, 2008	Regular meetings of Single Window Implementation Team in Amman and Aqaba.
Design the single window facility and develop the procurement plan	100%	<i>Single Window Roadmap to Success</i> , May 2008 <i>Single Window Implementation Progress</i> , July 2008 Agreement with UNCTAD for development of Integrated Risk Management System, June 2008	
Procure necessary commodities	100%	Integrated Risk Management System, developed by UNCTAD, June – September 2008 IT equipment for other government agencies at Sahab, Zarqa, Jaber, the airport, and Aqaba, September 2008	
Update existing process maps; including processes of other Government of Jordan (GOJ) agencies deployed at the border	100%	<i>Single Window Roadmap to Success</i> , May 2008 <i>Single Window Implementation Progress</i> , July 2008	
Draft “to-be” single window process maps based on findings of time release study, “as-is” process maps, recommendations from the Border Management Task Force	100%	<i>Single Window Roadmap to Success</i> , May 2008 <i>Single Window Implementation Progress</i> , July 2008	

Task Order Activity	% Completed	Description	Notes
Develop inter-agency coordination mechanisms for the single window facility; including information and communication technology infrastructure	100%	Manual procedures outlined in <i>Single Window Roadmap to Success</i> , May 2008 Development of Integrated Risk Management System, June 2008	
Facilitate the signing of memorandums of understanding (MOUs) with other agencies governing roles, responsibilities, and reporting requirements under the single window structure	0%	MOUs designating Jordan Customs as the supervising authority at the borders	Jordan Customs is taking the lead in executing these MOUs. Delays over the issue of overtime payments and payment of benefits to other government agencies.
Draft policies and procedures manuals that clearly outline risk-based clearance procedures, enforcement procedures, and procedures for the single window	100%	<i>Evaluation of Risk Management Practices</i> , January 2008 <i>Single Window Roadmap to Success</i> , May 2008 <i>Single Window Implementation Progress</i> , July 2008 <i>Integrity Assessment and Integrity Checklist</i> <i>Internal Investigations Final Report</i> <i>Evaluation of Transit Practices</i> , January 2008 <i>Single Window Business Process Improvement Guide</i> Developing manual for Single Window procedures October – December 2008	Jordan Customs already has in place policies and procedures for risk-based clearance and enforcement that meet international standards. Further, Jordan Customs has a training center with trainers qualified to teach in this area. Program has assessed risk-based clearance procedures and enforcement procedures and provided detailed recommendations to strengthen training.
Implement the system at all border points	100%	Implementation of manual single window procedures at: <ul style="list-style-type: none"> • Sahab, June – August 2008 • ASEZ Customs, June – August, 2008 • Jaber, October – November, 2008 • Zarqa, October – December 2008 • Airport, October – December 2008 Implementation of Integrated Risk Management Module at: <ul style="list-style-type: none"> • Sahab Customs in October 2008 • ASEZ Customs in November, 2008 	In coordination with Jordan Customs, set target for manual Single Window procedures at five Customs centers and implementation of integrated risk management system at two centers.
Component 2: Upgrading and Integration of Customs Infrastructure			
Review ASYCUDAWorld Business Case ASYCUDAWorld planning phase documents prepared by	100%	Review <i>ASYCUDAWorld Business Case</i> , January 2007	The GOJ signed an agreement with UNCTAD to implement ASYCUDAWorld per the recommendations of the AMIR Program <i>ASYCUDAWorld Business Case</i> document.

Task Order Activity	% Completed	Description	Notes
Achievement of market-friendly initiatives and results program (AMIR) to determine if any modifications need to be made prior to implementation			
Clarify what equipment will be procured by ASEZA using their own funds versus what needs to be covered by the project and determine how to coordinate procurement	100%	Discussions with Jordan Customs and ASEZ Customs, January 2007 – September 2008	Procuring approximately \$4.5 million in ICT upgrades.
Procure hardware, software, and equipment for the upgrade from ASYCUDA++ to ASYCUDAWorld	100%	Procurement of ASYCUDAWorld system from UNCTAD (\$1 million) Procurement of SOClass Software Oracle licenses Data Center Upgrade Telecommunications Infrastructure ICT Equipment and Hardware Procurement Gate Control System	
Rollout ASYCUDA upgrade	107%	Completed the upgrade at 15 of 14 target centers including at ASEZ Customs, Sahab, Al-Raqeem, Al-Hassan Industrial City, Cyber City in Irbid, King Hussein Bridge, Dulail Special Economic Zone, Kerak Industrial Zone Customs Center, Zarqa Free Zone Vehicles, Zarqa Free Zone Cargo, Sheikh Hussein Bridge, Al-Karamah	In coordination with Jordan Customs, set target for completion of upgrade at 14 centers by January 15, 2009.
Coordinate between the Jordan Customs Department (JCD) and ASEZA to ensure a smooth interface during implementation of the upgrade	100%	Coordination meetings with Jordan Customs and ASEZ Customs, January 2007 – December 2008 Regular technical support to ensure systems communicate effectively, January 2007 – January 2009	
Component 3: Capacity Strengthening and Training of Customs officials in both the JCD and at ASEZA			
Undertake a training needs assessment to identify how much training is feasible with project resources	100%	<i>Review of Jordan Customs Training Program, May 2007</i>	
Develop training manuals and procedures	100%	<i>Evaluation of Risk Management Practices, January 2008</i> <i>Single Window Roadmap to Success, May 2008</i> <i>Single Window Implementation Progress, July 2008</i>	

Task Order Activity	% Completed	Description	Notes
		<i>Integrity Assessment, July 2008</i> <i>Internal Investigations Assistance, December 2007</i> <i>Evaluation of Transit Practices, February 2008</i> <i>Change Management Plan for Single Window, June 2008</i> <i>Single Window Business Process Improvement Guide</i> Public relations manuals on press releases and managing relations with PR and media representatives	
Train trainers within JCD and ASEZA Customs	100%	Human Resources IT System Systems Approach to Training (SAT) IT system <i>Change Management Plan for Single Window, June 2008</i> Single Window Procedures Monitoring and Evaluation Multiple ICT training courses (see below)	
Conduct training programs on risk-based clearance procedures, enforcement procedures, and procedures for the single window	100%	Training on ASYCUDAWorld SAN Training Server Management Backup Management IT Project Management Training IT Security Training SOClass Software Training Advanced Java Training Advanced Interactive eXecutive (AIX) Operating System Linux Operating System Storage Area Network (SAN) training Server Management Training Tivoli Storage Manager Training Oracle Administration Tool for Customer Service Center Oracle BusinessIntelligence (BI) Dashboard for Customer Service Center Oracle Applications Server Administrator for Customer Service Center Extract, transform, and load (ETL) using Oracle Tool for Customer Service Center Sharepoint Development Gate Control System IT Training Gate Control System PDA and printer training Internal Investigations Evidence Collection Toolkit Training Training on Automated Case Management Database	Also training for IT hardware and software.

Task Order Activity	% Completed	Description	Notes
		Monitoring and Evaluation Training Integrity Workshops Risk Management Technical Assistance Transit Program Technical Assistance Customer Service Center IT Training Business Intelligence IT Certified Ethical Hacking IP Technology Change Management Single Window procedures Public Relations Capacity Building Developing and updating Risk Criteria Integrated Risk Management System	
Train on international best practices and Customs integrity so that the revised Arusha Declaration for Customs Integrity can be fully implemented	100%	<i>Integrity Assessment</i> , July 2008 Integrity Workshops June 2008 Internal Investigations Evidence Collection Toolkits Training	According to assessment, Jordan Customs is compliant with the revised Arusha Declaration.
Upgrade human resources systems and revise an incentive structure to motivate staff and align JCD and ASEZ HR systems to the extent possible	100%	Human Resources IT System Training Systems Approach to Training (SAT) IT system Human Resources Review Workshop on Succession Planning <i>Critical Human Resources Findings and Recommendations</i> , September 2008 Workshop on Succession Planning, November 2008	
Develop an internal training service that contributes to improved business performance through training and staff development	100%	Built and equipped Computer Training Room Systems Approach to Training (SAT) IT system	Jordan Customs has a training center in Amman and an active training program for customs officers. Jordan Customs is also developing a Customs Academy that will confer an accredited degree in customs administration.
Implement a method of planning, management, and communication that will support an effective and efficient customs administration	100%	Human Resources Review Workshop on Succession Planning <i>Critical Human Resources Findings and Recommendations</i> , September 2008	

Task Order Activity	% Completed	Description	Notes
Other internal administrative reforms to modernize JCD and ASEZA will be undertaken as required	100%	Broker Reform Technical Assistance IT Project Management Training Development of Single Window Implementation Team meetings Gender Assessment Jordan Customs Women's Committee Gender Awareness workshops (scheduled for November, 2008) Implementation of selected recommendations from the Jordan Customs Women's Committee Gender Action Plan – construct WC at Zarqa Free Zone Customs Center (scheduled for November, 2008)	
Component 4: External Trade Relations			
Develop appropriate policies and mechanisms that strengthen communication and cooperation between customs and the private sector and meet the private sector's legitimate need for customs information	100%	Customer Service Center Upgrade Jordan Customs website Change Management Technical Assistance Risk Management Technical Assistance (strengthen Golden List Program) Golden List Conference Broker Associations Meeting Public Outreach Plan Training and Capacity Building for PR Department	
Launching a communications campaign targeting internal stakeholders, external stakeholders including importers, exporters, and investors	100%	Public Service Announcements Public Outreach Campaign Customs Magazine Electronic newsletter Upgrade Jordan Customs website Jordan Customs Film Golden List Conference Broker Association Meeting Training and Capacity Building for PR Department	
Expected Results			
By the end of the program, customs administration in Jordan will have been fully modernized and JCD and ASEZA's systems and procedures will have been aligned.	✓	.	No defined measure for "modernization" but completion of Single Window, ASYCUDAWorld, and other IT upgrades contribute to a fully modernized customs administration.

Task Order Activity	% Completed	Description	Notes
Improved customs clearance procedures will be in place.	✓		Improvements demonstrated by the results of the final time release study.
There will be a significant reduction in delays at the border.	✓		Improvements demonstrated by the results of the final time release study.
Non-tariff barriers identified through the BMTF and MCC will also have decreased significantly.	✓		Improvements demonstrated by the results of the final time release study.
Jordan will achieve a score of 3.5 or better on the Heritage Foundation's Index of Economic Freedom Openness to International Trade indicator.	100%	Jordan's "Trade Freedom" score on the Heritage Foundation's Index of Economic Freedom increased from 64.2% in 2007 to 74.8% in 2008. Jordan's Trade Freedom is now classified as "Mostly Free" according to the Heritage Foundation classification system. This jump of more than 10% from last year reflects improvements to the efficiency and effectiveness of the Customs clearance process and the reduction of other non-tariff barriers.	In 2006, Heritage Foundation changed its scale from 0–5 to 0–100%. A score of 3.5 in 2005 is equal to 62.1% in 2006. Therefore, with a score of 74.8%, Jordan's Trade Freedom Score is well above the target of 3.5 (62.1%).
The single window facility will be fully operational.	100%	Manual procedures functioning at five locations; integrated risk management system operating at two centers.	In coordination with Jordan Customs, set target for manual Single Window procedures at five Customs centers and implementation of integrated risk management system at 2 centers.
The ASYCUDAWorld declaration system will be fully operational.	107%	Completed the upgrade at 15 centers, one more than the target of 14 centers by January 15, 2009.	In coordination with Jordan Customs, set target for completion of upgrade at 14 centers by January 15, 2009.
Both JCD and ASEZA customs administrations and staff will understand the evolving role of customs services in the modern world as one ensuring security and facilitating trade and not just as revenue generators.	✓		Not measured, however all components of this project contributed to the improved understanding of the role of a modernized customs administration to facilitate trade. Jordan Customs internal and external outreach messages emphasized trade facilitation.

APPENDIX 4: LIST OF PROJECT DOCUMENTS

1. Review of Jordan Customs Training Program
2. Gender Assessment
3. Human Resources Review
4. Time Release Study
5. Jordan Customs Integrity Assessment
6. Jordan Customs World Customs Organization (WCO) Integrity Checklist
7. Information Technology (IT) Plan
8. Public Perception Survey
9. Development of Jordan Customs Public Communication Strategy
10. Internal Investigations Assistance
11. Evaluation of Risk Management Practices
12. Evaluation of Transit Practices
13. Single Window Review
14. Single Window Roadmap to Success
15. Time Release Study for the Aqaba Special Economic Zone (ASEZ) Customs
16. Single Window Implementation Progress
17. Customs Broker Reform
18. Change Management Plan for Implementing the Single Window
19. Final Time Release Study
20. Single Window Implementation Review
21. Single Window Business Process Improvement Guidelines and Implementation Guide

APPENDIX 5: KEY RESULTS

Jordan Customs Administration Modernization Program

Key Results

(Updated: January 15, 2009)

Jordan's "Trade Policy" score increased by 22% in two years and has risen above the median for countries in Jordan's Lower Middle Income Country (LMIC) peer group on the MCC scorecard. Jordan's Trade Policy Score of 78.8% is above the median of 75.6%, and a major improvement from the baseline score of 57.2% in FY 2007. Jordan's MCC score for Trade Freedom changed from red to green.

Jordan's "Trade Freedom" score on the Heritage Foundation's *Index of Economic Freedom* increased from 64.2% in 2007 to 78.8% in 2009. Jordan's Trade Freedom is now classified as "Mostly Free" according to the Heritage Foundation classification system. This jump of approximately 15% from the baseline year reflects improvements to the efficiency and effectiveness of the Customs clearance process and the reduction of other non-tariff barriers.

Component 1: Implementation of Single Window

- **Pilot Implementation of Single Window at Sahab Customs Center:**
 - Introduced **new business processes** streamlining and integrating manual operations among Jordan Customs, Jordan Food and Drug Authority (JFDA), Jordanian Institution for Standards and Metrology, and the Ministry of Agriculture.
 - **Secured customs area**, stopping frequent **broker intrusions** into the back office.
 - Developed and installed an **Integrated Risk Management System** that allows all government agencies to use the ASYCUDA system to assign risk to shipments based on their own risk criteria. Uploaded risk criteria from three main agencies. Trained officers of other government agencies to update their own risk criteria.
 - **Procured, delivered, and installed IT equipment** for representatives of other government agencies at Sahab to support the use of the integrated risk management system.
 - **Automated the Inspection Act** allowing the inspector to enter his/her report directly into the ASYCUDA system. Using the automated Inspection Act, the system automatically prints the status and assignment of inspector on the red and yellow Customs declarations.
 - Completed **physical renovations** to support manual Single Window procedures and more efficient workflow.
 - Provided comprehensive **Change Management** training and **hosted Change Management presentation for key stakeholders** at Sahab. Active participants included the Sahab Customs Center Director, department heads, representatives from the other government agencies at Sahab, and the head of the broker syndicate at Sahab.
 - **Eliminated mandatory 45-minute waiting period** for green lane transactions.
 - **Reduced time required for green lane processing** from an average of 176 minutes in 2007 to an estimated five minutes now.
 - **Convened a Single Window Implementation Team** for regular meetings. Team includes representatives from Jordan Customs, JFDA, Ministry of Agriculture, Jordanian Institution for Standards and Metrology, and private sector brokers.
- **Pilot Implementation of Single Window at Aqaba Special Economic Zone (ASEZ) Customs:**
 - Introduced **new business processes** streamlining and integrating manual operations among Jordan Customs, Jordan Food and Drug Authority (JFDA), Jordanian Institution for Standards and Metrology, and the Ministry of Agriculture.

- Completed **physical renovations** to support manual Single Window procedures and more efficient workflow, including installation of a card access control system to **prevent broker intrusion into secured customs areas**.
- **Procured and delivered IT equipment** for representatives of other government agencies at ASEZ Customs to support the use of the integrated risk management system.
- Developed and installed an **Integrated Risk Management System** that allows all government agencies to use the ASYCUDA system to assign risk to shipments based on their own risk criteria.
- **Convened a Single Window Implementation Team** for regular meetings. Team includes representatives from ASEZ Customs, JFDA, the Ministry of Agriculture, and the Jordanian Institution for Standards and Metrology.
- **Rollout of Single Window to Zarqa, Jaber, and Queen Alia International Airport:**
 - Zarqa Customs Center **rearranged physical layout of units** to facilitate efficient workflow.
 - **Renovated space at Jaber Customs Center**, relocating Jordan Customs officers and Ministry of Agriculture officers in the same hall to support manual Single Window procedures and more efficient workflow.
 - **Procured and delivered IT equipment** for representatives of other government agencies at Jaber, Zarqa, and the airport to support Single Window procedures.
 - Jordan Customs civil engineer developed **plans for the physical renovation of space** at Zarqa and the airport to support Single Window procedures based on Program recommendations.

Component 2: Information and Communication Technology

- **Procured \$4.5 million** in Information and Communication Technology upgrades for Jordan Customs; IT Procurements completed include:
 - **Implementation of new automated Customs clearance system ASYCUDAWorld** at:
 1. Aqaba Special Economic Zone (ASEZ) Customs;
 2. Sahab Customs Center;
 3. Al-Raqeem Customs Center;
 4. Al-Hassan Industrial City, Irbid;
 5. Cyber City, Irbid;
 6. King Hussein Bridge (at the border with the Israeli administered Palestinian Territories);
 7. Dulail Special Economic Zone;
 8. Kerak Industrial Zone Customs Center;
 9. Zarqa Free Zone Customs Center for vehicles;
 10. Zarqa Free Zone Customs Center for cargo;
 11. Sheikh Hussein Bridge (at the border with Israel);
 12. Al-Karamah Customs Center (at the border with Iraq);
 13. Capital Post Office in Amman;
 14. Ferry Terminal in Aqaba; and
 15. Queen Alia International Airport.
 - **SOClass Software procurement.** This software is a necessary component of the new automated Customs clearance system ASYCUDAWorld.
 - Licenses for Strategy Object OOD SOClass e-Document Server v.2: 3 nodes – 1000 user per node;
 - Licenses for Strategy Object OOD SOClass e-Document Server v.2: 2 nodes – 500 user per node;
 - Licenses for Strategy Object OOD SOClass Developer v.2: 20 users.
 - **Supply of Oracle licenses** to support ASYCUDAWorld upgrade.
 - **Gate Control System:** The Program procured, installed, and integrated security gate equipment at Customs centers with a system that monitors and controls the movement of cargo trucks through customs center gates and yards. Gates are operational and in use at:
 7. Amman Customhouse
 8. Jaber at the border with Syria

9. Wadi Al-Youtum Customs center in Aqaba;
 10. Omari Customs Center (Saudi Arabia border);
 11. Modawara Customs Center (Saudi Arabia border); and
 12. Zarqa Free Zone Customs Center.
- **Data Center:** Completed construction of a state-of-the-art data center at Jordan Customs Headquarters and a disaster recovery center at an off-site location. The data center is designed to assure that IT systems—including the ASYCUDA servers and the data housed on them—are protected from environmental hazards and security breaches. The data center includes redundant air conditioning systems, an uninterruptible power supply, and an advanced fire abatement system based on international best practices.
 - **Telecommunications Infrastructure:** The Program upgraded the network infrastructure for Jordan Customs to support the high-speed networking needs of ASYCUDAWorld. Completed the upgrade at:
 - Jordan Customs Headquarters in Amman (two types of connectivity);
 - Zarqa Free Zone Customs Center – cargo;
 - Zarqa Free Zone Customs Center – vehicles;
 - Sahab (2 types of connectivity);
 - Al-Raqeem;
 - Cyber City;
 - Al-Hassan;
 - Queen Alia International Airport;
 - Al-Karamah;
 - Wadi Araba;
 - Wadi Al-Youtum;
 - Jaber (border with Syria);
 - Omari (border with Saudi Arabia);
 - King Hussein Bridge;
 - Sheikh Hussein Bridge; and
 - Jordan Customs Aqaba Directorate.
 - **ICT Equipment and Hardware Procurement:** The Program procured ICT hardware for Jordan Customs and ASEZ Customs to support the ASYCUDAWorld upgrade, including top-of-the-line servers, switches, PDAs, and a back-up solution. Delivered and installed all servers and other ICT equipment at Jordan Customs Headquarters, the disaster recovery location, and ASEZ Customs. Installed software and trained Customs officers on new systems and equipment.

Component 3: Capacity Strengthening and Training

- **Built and equipped state-of-the-art Computer Training Room** at Jordan Customs Training Center. The training room has workstations for 18 trainees and one instructor.
- **Training on ASYCUDAWorld:**
 - 50 Customs officers at ASEZ Customs;
 - 100 brokers at Aqaba;
 - 50 shipping agents in Aqaba;
 - 54 brokers at Sahab;
 - 46 Customs officers at Sahab;
 - 12 Customs officers at Al-Hassan;
 - 12 brokers at Al-Hassan;
 - 8 brokers at Al-Raqeem;
 - 6 Customs officers at Al-Raqeem;
 - 2 Customs officers at Cyber City, Irbid;
 - 2 brokers at Cyber City, Irbid;

- 7 Customs officers at King Hussein Bridge;
- 8 brokers at King Hussein Bridge;
- 55 Customs officers at Zarqa;
- 184 brokers at Zarqa;
- 60 Customs officers at Jordan Customs Training Center;
- 180 brokers at Jordan Customs Training Center,
- 12 Customs officers at Dulail;
- 12 brokers at Dulail;
- 9 Customs officers at Al-Karak Industrial Zone;
- 2 brokers at Al-Karak Industrial Zone;
- 43 Customs officers at Sheikh Hussein Bridge;
- 48 brokers at Sheikh Hussein Bridge;
- 45 Customs at Al-Karamah;
- 54 brokers at Al-Karamah;
- 85 Customs officers at Queen Alia International Airport;
- 146 brokers at Queen Alia International Airport;
- 11 Customs officers at Capital Post Office; and
- 3 brokers at Capital Post Office.
- **IT Project Management Training.** Trained 18 Jordan Customs and two ASEZ Customs IT officers in the principles of IT project management to support ASYCUDA upgrade.
- **IT Security Training:** Trained 17 Jordan Customs and three ASEZ Customs officers in IT security.
- **SOClass Software Training:** Trained 10 Jordan Customs and two ASEZA Customs IT officers with both Intermediate and Advanced courses.
- **Advanced Java Training:** Trained 60 Jordan Customs IT officers and 12 ASEZ Customs officers on Advanced Java.
- **Advanced Interactive eXecutive (AIX) Operating System:** Trained five Jordan Customs IT officers and one ASEZ Customs IT officer.
- **Linux Operating System:** Trained five Jordan Customs IT officers and one ASEZ Customs IT officer.
- **Storage Area Network (SAN) Training:** Trained five Jordan Customs IT officers and one ASEZ Customs IT officer.
- **Server Management Training:** Trained five Jordan Customs IT officers and one ASEZ Customs IT officer.
- **Tivoli Storage Manager (TSM) Training:** Trained five Jordan Customs IT officers and one ASEZ Customs IT officer on the use of this enterprise backup software product from IBM.
- **IP Technology:** Seven Jordan Customs IT officers.
- **Business Intelligence IT:** 20 Jordan Customs IT and 10 business users.
- **Oracle Administration Tool for Customer Service Center:** Trained four Jordan Customs officers.
- **OracleBI Dashboard for Customer Service Center:** Trained 10 end users on this business intelligence database dashboard.
- **Oracle Applications Server Administrator for Customer Service Center:** Trained two Customs officers.
- **ETL Using Oracle Tools for Customer Service Center:** Trained two developers.
- **Customs Service Center IT System:** Trained 20 Jordan Customs IT and Quality Assurance officers, and 50 business users.
- **Certified Ethical Hacking:** Training six Jordan Customs IT officers.
- **Gate Control System:** Trained 27 Jordan Customs officers at Centers where a Gate Control System has been installed; trained 13 Jordan Customs officers on the use of hand-held PDAs and printers.

- **Share Point Development:** Trained 10 Jordan Customs IT officers.
- **Human Resources and Systems Approach to Training (SAT) Training:** Trained 14 Jordan Customs officers from the IT and Human Resources Departments, and six officers from the Training Center on the use of these computer-based management systems.
- **Internal Investigations:** Mentored six Jordan Customs officers in advanced internal investigation techniques.
- **Internal Investigations Seminar:** Trained eight Jordan Customs officers at seminar.
- **Evidence Collection Kits:** Procured eight Evidence Collection Kits (one Evidence Collection and Identification Kit, one Evidence Packaging Kit, and six Evidence Sealing and Identification Kits) for Jordan Customs internal investigators. Trained Customs investigators on the use of the kits.
- **Automated Case Management Database:** Developed case management database for internal investigators using Microsoft Access platform; trained five Jordan Customs officers on the use of the database.
- **Training Program Assessment:** Conducted an assessment of the Jordan Customs Training Program and made several recommendations for adjustments to and enhancements of the program.
- **Human Resources Program Assessment:** Conducted assessment of Jordan Customs' Human Resources operations and provided recommendations for improvement. Will hold workshops on the subjects of career paths, personnel rotation, and succession planning.
- **Integrity Program Assistance:** Conducted a World Customs Organization model integrity assessment. Provided technical assistance and training to implement a comprehensive integrity and internal investigations program at Jordan Customs based on the USAID Customs Integrity Handbook.
- **Time Release Study:** Conducted study of bottlenecks in the Customs clearance system using World Customs Organization (WCO) methodology. Presented findings to Jordan Customs and Directors of seven Customs centers featured in the study. Jordan Customs has successfully addressed all 21 major bottlenecks identified. Conducted similar study and follow-up for three Customs centers located in the Aqaba Special Economic Zone. Completed final Time Release Study for seven Jordan Customs centers and seven ASEZ Customs centers.
- **Training on Monitoring and Evaluation:** Provided comprehensive training to a team of 10 Jordan Customs officers on techniques for program monitoring and evaluation.
- **Risk Management Technical Assistance:** Assessed Jordan Customs' risk management system, identifying weaknesses and opportunities; provided detailed recommendations to strengthen the system to improve national security and enhance trade facilitation. Provided mentoring to six Jordan Customs Risk Management officers. Jordan Customs have implemented the following recommended reforms:
 - **Eliminated mandatory 30 minute waiting period** for green lane transactions;
 - Issued requirement that Customs officers **provide justification for switching green or yellow lane transactions** to the red lane and document the change;
 - Introduced new **“zero time” initiative for green lane transactions;**
 - Refined system to **reduce the percentage of red lane referrals;**
 - **Temporary imports** are now **subject to risk management selectivity criteria** to assign a lane; previously, all temporary imports were classified as red or high risk;
 - **Increased the number of companies qualifying for the “green list.”** Eased green list requirements from a history of 95% compliance to 90% total compliance;
 - **Assigned green lane status to 13 additional basic foodstuffs;**
 - **Signed an agreement with US Customs and Border Protection for recognition of Jordan Golden List companies by the US Customs-Trade Partnership against Terrorism (C-TPAT).**
- **Transit Program Technical Assistance:** Assessed Jordan Customs' transit procedures identifying weaknesses and opportunities; provided detailed recommendations to improve procedures to promote national security and facilitate trade. Jordan Customs has increased storage fees for goods

in transit at customs warehouses and has implemented the assessment recommendation to replace the convoy system with utilization of Global Positioning System (GPS) devices on transit vehicles to track their movement through the Kingdom.

- **Change Management Mentoring:** In support of Single Window implementation, provided change management mentoring to 30 Jordan Customs officers at Headquarters and to 20 Officers at Sahab (the pilot Single Window implementation site).
- **Broker Reform Assistance:** Evaluated broker performance and detailed recommendations to update the broker training curriculum. Recommended imposing more stringent certification requirements for brokers. Customs has drafted legal articles that will, if approved, strengthen Jordan Customs' authority when dealing with brokers and enable Jordan Customs to impose stiffer penalties for broker error.
- **Gender Action Plan:** Created a Jordan Customs Women's Committee that has now become active on its own. Committee developed Gender Action Plan to address barriers to women Customs officers working at certain locations. Identified issue of lack of WC facilities for women at remote locations. Sahab Customs Center completed construction of women's WC.
- **Gender Awareness Training:** Completed two gender awareness sessions for Jordan Customs officers.
- **Human Resources Career Paths and Succession Planning:** Completed workshop for 30 Directors in career paths and succession planning.
- **Customer Service Center Training:** Trained 80 users on Customer Service Center operations. Trained Customer Service Center employees on the use of the Business Intelligence Module and Document Management System.

Component 4: Improve Relations with the Trade Sector

- **Customer Service Center:** Launched Customer Service Center at the Jordan Customs Headquarters. Customers are now able to meet with customer service agents at the Center for enquiries or for resolution of issues. The Center features an automated queuing system and a software and hardware solution integrated with ASYCUDAWorld to improve the quality of services and responsiveness of Jordan Customs to the private sector. The IT solution allows the customer to track responses to enquiries through the internet, through interactive voice recordings, or in person at the Jordan Customs Headquarters. Jordan Customs completed renovation of a room at the entrance of the Headquarters to house the Customer Service Center, and has staffed the Center with 60 officers. The Customer Service Center is currently able to address enquiries through 53 automated processes.
- **Public Service Announcements:** Developed, produced, and aired three public service announcements on Jordan Television that inform the public of steps they can take to minimize delays at the border, such as preparing full documentation in advance.
- **Public Outreach Campaign:** Published advertisements in major newspapers and business magazines. Printed and disseminated posters and flyers.
- **Jordan Customs Website:** Upgraded web-site features a portal for the Jordan Customs ASYCUDAWorld system and contains a series of new e-features such as the ability to transmit information to traders by text messaging. Web-site is now live at: <http://www.customs.gov.jo/English/default.shtm>.
- **Customs Video:** Finalized video detailing recent modernization activities at Jordan Customs. Premiered video at Program closing event.
- **Public Perception Survey:** Conducted baseline and end-of-project survey of more than 300 private sector actors engaged in trade. Survey focused on private sector perception of the efficiency and effectiveness of Jordan Customs.
- **Public Outreach Capacity Strengthening:** Providing technical assistance on the organizational structure and job descriptions for PR staff and drafted Customs PR, Communication, and Media

Plan. Conducted on-the-job training for PR staff at Jordan Customs on media relations and press releases. Activities completed include:

- **Formal and on-the-job training** for Jordan Customs PR Department with a total of six staff including the Head of the PR and International Relations Department and the PR Manager in the following areas:
 - Writing for effective communications;
 - Media relations;
 - Developing content of communications materials;
 - Standard operating procedures;
 - Event planning;
 - Development of communication tools; and
 - Crisis management.
- **Training manuals:**
 - How to write press releases; and
 - How to coordinate and manage relations with PR and media representatives.
- **Standard Forms:**
 - Media report and media report procedures;
 - Media analysis;
 - Press release form; and
 - Event management preparations.
- **Procured Laser Printer / Scanner / Copier:** For the Jordan Customs PR Department.
- **Conducted a Communications Workshop** for 60 heads of departments and directorates in Jordan Customs as an introduction to the importance of internal and external communications.
- **Conducted Media Relations Workshop** for 50 Jordan Customs officers.
- **Conducted Workshop for the Customs Communication Focal Points** on implementation of the communication messages agreed to in prior workshops.
- **E-newsletter:** Procured and installed electronic newsletter software at Jordan Customs Headquarters. Trained Jordan Customs PR Department. Helped Jordan Customs issue first e-newsletter.
- **Customs Magazine:** Assisted Jordan Customs to produce edition of Jordan Customs magazine.
- **Golden List Program Conference:** Held conference with 55 Jordan Customs officers, officers from other government agencies, and representatives from the 17 current companies on the Golden List to discuss strengths and weaknesses of the Program, identified actions that will help Jordan Customs enhance benefits for Golden List companies.
- **Broker Association Meeting:** Held meeting with 12 brokers from the Broker Association and 10 Jordan Customs officers to discuss new procedures, time delays in clearance, and broker training and certification requirements. Customs and Broker Association agreed to meet on regular basis to discuss ongoing issues.

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JORDAN THRESHOLD COUNTRY PLAN

JUNE 2006

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ACRONYMS AND ABBREVIATIONS

AFD:	<i>Agence Française de Développement</i>
AMIR:	Achievement of Market-Friendly Initiatives and Results Program
ASEZA:	Aqaba Special Economic Zone Authority
ASYCUDA:	Automated System for Customs Data
CBO:	Community Based Organization
CMAA:	Customs Mutual Assistance Agreement
COOPSC:	Cooperative Service Center
CSC:	Customer Service Center
CSO:	Civil Society Organization
CVDB:	Cities and Village Development Bank
EBRD:	European Bank for Reconstruction and Development
EJADA:	Euro-Jordanian Action for the Development of Enterprise
EU:	European Union
FATF:	Financial Action Task Force (Jordanian)
FIU:	Financial Intelligence Unit (Jordanian)
FTA:	Free Trade Agreement
GDP:	Gross Domestic Product
GFMS:	Government Financial Management Information System
GOJ:	Government of Jordan
GTZ:	<i>Deutsche Gesellschaft für Technische Zusammenarbeit</i> German Agency for Technical Cooperation
HMC:	Higher Media Council
ICT:	Information, Communications and Technology Directorate
IFC:	International Finance Corporation
IMF:	International Monetary Fund
JCD:	Jordan Customs Department
JD:	Jordanian Dinar
JIJ:	Judicial Institute of Jordan
LDD:	Local Development Department
LMI:	Lower-Middle Income
MCA:	Millennium Challenge Account
MCC:	Millennium Challenge Corporation
MOF:	Ministry of Finance
MOI:	Ministry of Interior
MOJ:	Ministry of Justice
MOMA:	Ministry of Municipal Affairs
MOPD:	Ministry of Political Development
MOSD:	Ministry of Social Development

MPPIC:	Ministry of Planning and International Cooperation
MOU:	Memorandum of Understanding
MP:	Member of Parliament
MTFF:	Medium-Term Fiscal Framework
NAFES	National Fund for Enterprise Support
NCHR:	National Center for Human Rights
NDS:	National Decentralization Strategy
NGO:	Non-Governmental Organization
OECD:	Organization for Economic Cooperation and Development
PDU:	Participation and Development Unit
PIU:	Project Implementation Unit
PMU:	Project Monitoring Unit
SABEQ:	Sustainable Achievement of Business Expansion and Quality
SIF:	Special Incentive Fund
TCP:	Threshold Country Plan
TIN:	Taxpayer Identification Number
UNCTAD:	United Nations Conference on Trade and Development
UNDP:	United Nations Development Program
USAID:	United States Agency for International Development
WB:	World Bank
WCO:	World Customs Organization

1.0 EXECUTIVE SUMMARY

The Government of Jordan is pleased to present its proposed Threshold Country Plan to the Millennium Challenge Corporation (MCC). Jordan's vision is to develop a modern, tolerant democratic society responsive to its citizens and to transform Jordan into a knowledge-based economy built on the vast potential of its people. This vision is based on minimizing government intervention in the economy, enhancing the competitiveness of Jordanian firms, and integrating Jordan into the global economy. The Government of Jordan has outlined a comprehensive public sector reform program that includes legislative, administrative and judicial reforms to enhance public sector efficiency, the investment environment, and the strict and transparent implementation of the rule of law.

Jordan is moving towards a fully democratic society that respects diversity, a society where majority rule is coupled with minority rights, and where personal and public freedoms are upheld. The 2005 National Agenda, developed through broad consultations with political parties, civil society, and the private sector, reiterates the GOJ's commitment to transform Jordan into a modern, tolerant and democratic society built around a free-market economy.

The MCC Threshold Program is designed to assist countries that are Ruling Justly, Investing in their People, and Encouraging Economic Freedom, as measured by 16 policy indicators that have a demonstrated link to poverty reduction and growth. Jordan scores as well as or better than the median among the grouping of Lower-Middle Income (LMI) countries in ten of the 16 indicators. This TCP reflects Jordan's commitment to address specific policy deficiencies indicated by its ratings in the areas of Political Rights, Civil Liberties, Voice and Accountability, Cost of Starting a Business, Trade Policy, and Fiscal Policy.

As part of Jordan's TCP, the Government of Jordan (GOJ) has identified specific policy interventions and legislative changes to improve its ratings, and has proposed a \$25 million Threshold budget to undertake two programs of technical assistance: Strengthen Local Councils at the municipal level (\$16.5 million) and an integrated Customs Modernization Program (\$8.5 million).

Jordan's TCP will improve its performance through specific activities that will broaden public participation and representation in the political and electoral process, increase government transparency and accountability, and enhance the business climate. The GOJ will give priority to the following activities in the area of Ruling Justly:

Political Rights

- Reform the Electoral System
 - Provide for free and fair elections based on universal suffrage to permit citizens to elect mayors and all members of municipal councils;
 - Continue the national dialogue to build broad consensus on electoral reform.
- Strengthen Political Parties
 - Pass Political Parties Law facilitating the formation of new political parties;
 - Increase party membership and funding of national political parties.
- Strengthen Parliament and the Judiciary
 - Enhance the ability of Parliament to execute their duties and adequately address the needs of their constituents;
 - Revise policies and legislation to provide enhanced authority to the Higher Judicial Council to appoint judges
- Empower Local Councils
 - Gain financial independence and control over budgets;
 - Transfer control over municipal executive and legislative branches to elected mayors and local council members;
 - Transfer regulatory and management authority to provide public services to elected mayors as heads of the executive branch;

- Implement an innovative pilot project aimed at transforming targeted municipalities into more efficient, transparent, and accountable local government institutions with the participation and collaboration of civil society and the private sector.

Voice and Accountability

- Establish a public website displaying draft laws, existing laws, and MP voting records;
- Revise Judicial appointment procedures;
- Publicize judicial appointments;
- Ratify Ombudsman Law and establish Ombudsman office;
- Strengthen National Center for Human Rights (NCHR);
- Ratify financial disclosure laws and mandate full financial disclosure of public officials.

Civil Liberties

- Revise Law on Public Gatherings to ease restrictions and simplify permitting procedures for peaceful assembly;
- Ratify Press and Publications Law enhancing freedoms of the press, repealing jail sentences for journalists, and eliminating capital requirements for the press;
- Revise 1966 Law 33 to modernize and streamline regulations concerning registration and supervision of CSOs and NGOs.

The Government of Jordan is committed to enhancing the business climate and has begun implementing sweeping reforms to rationalize the government’s role as a facilitator of trade and investment. Jordan’s TCP will address deficiencies identified in the Cost of Starting a Business, Trade Policy, and Fiscal Policy through the following policies and programs:

Cost of Starting a Business

- Ratify new Companies Laws that will eliminate the paid-in minimum capital requirements for entrepreneurs;
- Streamline business registrations procedures to reduce the number of days required to register a business;

Trade Policy

- Improve customs clearances procedures and implement a “single window” facility to reduce the number of days required for import, export, or transit goods;
- Upgrade automated customs clearance system and other IT to enhance the efficiency and effectiveness of the Jordan Customs Department.

Fiscal Policy

- Eliminate fuel subsidies in order to reduce the fiscal deficit;
- Improve management of public expenditures, strengthen budgeting; and continue program of tax reform.

The GOJ is firmly committed to building democracy from the bottom up and will focus its efforts under this Threshold Country Plan on democratic reform at the municipal level. The proposed \$16.5 million Local Councils Program will establish mechanisms to increase citizen participation in local governance, strengthen local council transparency and accountability, build municipal capacity to promote decentralization, and help local governments develop partnerships with civil society and the private sector

to improve performance. The second component of Jordan's MCC program is an \$8.5 technical assistance program to enhance trade flows by improving the administration of its national customs authority. The Government of Jordan will launch an integrated program to improve the efficiency of the Customs Department, implement a single window facility, and upgrade the ASYCUDA declaration system. This program will also align and harmonize Jordan Customs systems and procedures with Aqaba Special Economic Zone Authority (ASEZA) Customs, facilitating import, export, and transit of goods between the National and ASEZA customs frontiers.

The Ministry of Planning and International Cooperation (MOPIC) has been the lead GOJ agency responsible for coordinating donor efforts. Activities under the TCP will be coordinated with ongoing and planned donor programs. The United States Agency for International Development (USAID) is currently providing technical assistance in a number of related areas, including legislative and judicial reform, economic reform, and civil society strengthening. USAID will oversee implementation of the Local Councils Program and the Customs Modernization Program detailed in this Threshold Country Plan. By the end of the two-year Threshold Program, the GOJ will significantly raise Jordan's rankings in the areas of Political Rights, Civil Liberties, Voice and Accountability, the Cost of Starting a Business, Trade Policy, and Fiscal Policy.

2.0 BROADEN PUBLIC PARTICIPATION AND REPRESENTATION

The Government of Jordan is committed to strengthening the electoral process and broadening public representation. Despite the demonstrated will for reform and a broad consensus achieved in the National Agenda on electoral reform, Jordan continues to score below other Lower Middle-Income (LMI) countries in its MCC peer group in the area of Political Rights. In 2005, Jordan received a score of five (one = best, seven = worst) on the Freedom House Index of Freedom in the World, which measures country performance on the quality of the electoral process, political pluralism and participation, government corruption and transparency, and fair political treatment of ethnic groups. The Freedom House Index highlighted the need to strengthen public participation in Jordan through revisions to the electoral system and Political Parties Law. The Government of Jordan has developed a series of specific activities to address these areas, including launching a national dialogue on revisions to the electoral system and embarking on a sweeping program of reform at the municipal level. The Government of Jordan plans to ratify a new Municipalities Law that will lead to municipal elections. The GOJ will launch a broad program of training and technical assistance at the municipal level to strengthen the capacity of local councils.

Strategic Goals: To broaden public participation and representation in the electoral process in Jordan by reforming the electoral system, strengthening political parties, building the operational capacity of the Parliament and Judiciary, and empowering local councils across the country.

Tactical Goals / Outputs: The Government of Jordan has outlined a number of specific policy interventions to achieve the strategic goals above, such as:

- Begin national discussion on revision to Elections Law;
- Pass Political Parties Law that will establish a representative, multi-party system and funding for national political parties;
- Continue programs to strengthen the institutional capacity of Parliament and the Judiciary; and
- Enact new Municipalities Law leading to municipal elections and undertake a new program of technical assistance to strengthen the capacity of local councils.

2.1 Political Rights

The Government of Jordan is committed to **increasing citizen participation in political decision making**. An initial dialogue on electoral reform has taken place as part of the formation of the National Agenda. The National Agenda recommends a new Election Law that “regulates political activity in Jordan, based on Constitutional principles. The law shall guarantee the freedom of political activity and ensure the protection of individuals and groups engaging in such activity.” Jordan believes that it is now essential to broaden dialogue on this issue in order to obtain wider consensus on the improvements that need to be made to the current electoral system. Part of the current debate on a new law involves the issue of district boundaries, how they should be defined, and what type of voting system would be most beneficial for Jordan. Since 1993, Jordan has maintained a single-non-transferable voting system (i.e., “one-person, one-vote”) in which Jordanians cast votes for only one candidate in multimember districts for Parliamentary elections. The GOJ will initiate a broad public dialogue on the legislative election law and consider whether to abolish the one-person, one-vote electoral system in favor of a system that would strengthen political parties. The National Agenda recommends adopting “A mixed electoral system that combines both district and proportional (party) lists.” The GOJ will hold broader consultations with political parties, non-governmental organizations and community groups.

The Government of Jordan will introduce legislation to **encourage political party development** and allow new parties to register, operate freely, enjoy freedom of assembly, develop party platforms, and put forward candidates. Jordan is currently engaged in dialogue on the development of a new Political Parties Law with key stakeholders, including existing political parties, civil society organizations, and other governmental and non-governmental bodies. The draft Political Parties Law is on the agenda for the

summer 2006 extraordinary session. The law will promote the establishment of larger, representative, national parties and provide basic funding to those who qualify. Funds will be disbursed by the Ministry of Political Development (MOPD) based on annual work plans submitted by registered parties. The Ministry will provide oversight and accountability for monies spent. By ratifying this law, Jordan will move towards a more representative system of structured parties that are accountable to the people of Jordan.

Jordan is committed to **improving the efficiency and transparency of the legislative process** and is presently engaged in a focused program of capacity building with technical assistance provided by its implementing partner, USAID. This activity supports and strengthens the capacity of political parties and parliamentary blocs through a series of consultations and training workshops that address such topics as policy research and development with a focus on constituency outreach, articulation of policy positions and platforms, and media development and media relations. This program provides technical skills training to Members of Parliament and as a result, fosters a more professional, effective and accountable government. The GOJ will continue working with USAID on this program during the two-year Threshold period.

The GOJ is working with the donor community to **modernize the judicial system** and make it more compatible with international standards. The USAID Judicial Reform Program is designed to improve the overall effectiveness of the judiciary (Council of Judges, Ministry of Justice, Jordanian Bar Association, legal education institutions, Ministry of Higher Education and the Judicial Institute of Jordan). The GOJ and USAID will continue these activities during the Threshold period. Current law stipulates that the Minister of Justice nominates judges to the Higher Judicial Council who then review candidates for all other judicial positions. The GOJ will review the appointment procedure by a board comprised of ministerial and other government bodies with the goal of making recommendations to improve the transparency of the procedure. Included in the revised procedures will be criteria for widely publicizing the lists of nominees for public notice. The GOJ expects the procedures to be reviewed and revised by the end of 2006.

The GOJ is firmly committed to building public participation at the local level **by strengthening local councils**. Over the past five years, Jordan has steadily moved in this direction, undertaking extensive efforts to improve the structure and performance of local councils in amalgamating 328 municipalities into 99 municipalities. In 2004, with support from the European Union, GTZ, the World Bank, USAID and other donors, Jordan began to elaborate local development programs stressing greater citizen participation in local development planning. This step reflected a national consensus that defined local development as “a participatory planning effort directed to mobilize all efforts in society, and mobilizing its potential to create a better standard of living for the citizens in their localities.” In 2005, a Royal Committee was established to elaborate a National Decentralization Strategy. The cornerstone for realizing Jordan’s vision of strengthened local councils will be passage of an amended Municipalities Law. The amended Municipalities Law, which is to be presented to the Lower House this July, addresses many of the perceived deficiencies of the present system in which the mayors and half the council members are appointed by the government. The amended law stipulates that:

- The mayor and all council members will be elected by universal suffrage in fair and open elections and 20% of the local council seats reserved for women;
- The mayor will head the executive branch and have the same budgetary and regulatory authority as the appointed mayors did under the old system, while the municipal council will serve as the legislative branch of local government;
- The municipality will be financially independent (Article 3);
- The municipality will have extensive regulatory powers and responsibility for providing public services in 30 areas from garbage collection to zoning (Article 41).

The amended Municipalities Law is likely to be approved in July 2006. As the National Decentralization Strategy (NDS) unfolds, the GOJ is determined to transfer more financial resources and authority to the

municipalities. The GOJ's principal TCP program to strengthen local councils goes well beyond building local government technical capacity and initiating a participatory local development planning process. Traditional capacity-building for local councils constitutes only one out of eight components of the program. Jordan believes that local councils are the key to the process of broadening political participation and representation at the local level. Accordingly, it has designed a multi-faceted innovative pilot project to accelerate the implementation of the GOJ's policy to build democracy from the bottom up. Other critical national-level political reforms, like the national elections laws, are still being debated, whereas the Municipalities Law is expected to be passed in July. The passage of the amended Municipalities Law will be followed by country-wide municipal elections towards the end of 2006 or the beginning of 2007. The GOJ has made the strategic choice to put a strong effort to intervene where institutional reforms are already or nearly in place. This explains why strengthening local councils are the focal point of the GOJ's TCP investment program.

The project will be implemented in nine Jordanian municipalities with a total population of close to 1.1 million inhabitants. The municipalities vary in size from less than 20,000 to over 400,000 and are spread throughout the country to ensure equitable geographic distribution. Targeted municipalities have been selected on the basis of their demonstrated commitment to participatory development processes. At the end of the two-year program, the targeted municipalities will achieve the following results:

- A more informed electorate and more women participating in electoral politics;
- Better communications between the municipalities and the public and greater satisfaction with local government services;
- Greater civic involvement in municipal affairs and citizen confidence in local government;
- Mechanisms in place within municipal government to ensure greater transparency, accountability, and responsiveness to the public;
- More skilled elected officials and professional staff trained to be responsive and accountable to the public;
- Municipal associations in place that will advocate for decentralization and defense of municipal interests;
- Greater public-private partnerships in providing public services;
- More realistic local development plans reflecting local priorities; and
- Tangible benefits to the community through improvements in the delivery and quality of municipal services.

The proposed project to stimulate public participation and representation in the electoral process and local governance will significantly improve Jordan's position on the Political Rights and Voice and Accountability ratings.

2.1.1 Operational Goals / Activities

The Government of Jordan will **begin national discussion on a new Election Law**, and in particular, review the status of electoral boundaries. The GOJ will discuss a representational system based on population and proportionality and **launch a public information campaign on proposed changes to the electoral system**.

The Government of Jordan will make its best efforts to **ratify and enact a Political Parties Law** during the July 2006 Extraordinary Session of Parliament that will establish a framework for the establishment of larger, representative national political parties and provide for the basic funding of qualifying political parties.

The GOJ will **continue ongoing programs to enhance the ability of Parliament to execute their duties and adequately address the needs of their constituents**. Current activities, including the USAID-funded Parliamentary Capacity Building Project includes the following sub-components:

- Strengthen operating systems of committees;
- Improve research and information technology capability;
- Promote the role of women in Parliament;

- Implement cooperation mechanisms between Members of Parliament, civic leaders, NGOs, and the media to enhance public participation;
- Continue media skills training relative to Parliamentary reforms;
- Launch constituent outreach training program; and
- Establish an automated voting and transcription system that can record members' voting records.

The Government of Jordan will **revise policies and legislation to provide enhanced authority to the Higher Judicial Council to appoint judges**. In addition, the GOJ will build on successes of the USAID-funded Judicial Reform Program and continue activities in the following areas:

- Develop a judicial code of conduct and mechanisms for enforcement;
- Promote judicial independence and integrity;
- Strengthen legal education through modernization;
- Decrease demand of courts by promoting alternative dispute resolution; and
- Implement modernized systems of case management.

The Government of Jordan will make its best effort to **ratify and enact a new Municipalities Law** during the July 2006 extraordinary session of Parliament. Following ratification of the Municipalities Law, local municipalities will **hold local elections**. The Government of Jordan plans to **launch a \$16.5 million program of training and technical assistance** funded through the MCC Threshold Country Plan to **strengthen the capacity of local councils**. A detailed breakdown of activities and projected costs is presented below in section 2.1.6. The main activities of this program will:

1. **Increase Public Participation and Representation in the Electoral Process** by holding free and fair elections.
2. **Increase Participation of Women in Electoral Politics:** The local councils project will encourage more women to run and provide them with training in campaign skills; increase the number of women voting; and get more women involved in voter education.
3. **Increase Citizen Awareness of Local Government:** Surveys indicate that citizens are not well informed about the functioning of local government and who is responsible for which services provided at the local level. Project activities seek to increase citizens' understanding of the legal framework defining municipal government's powers, functions, and organization; the range of services provided by municipal government; local government's relationships with the central authorities; and constraints on delivery of public services.
4. **Increase Capacity of Citizens to Advocate for their Interests and Hold Local Government Accountable:** The GOJ sees greater interaction and collaboration between the community and local government as vital to strengthening local government and local democracy. This issue will be addressed by mobilizing neighborhood committees, local cooperatives, CBOs, CSOs, women's and youth associations to organize and attend town meetings to express views, ask questions and receive answers from elected local government officials and staff. The main activities for this component consist of establishing processes to increase citizen interaction with local government, providing platforms for advocating community interests, and creating mechanisms for holding municipal government accountable.
5. **Increase Partnerships between Private Sector and Local Government:** The GOJ is increasingly seeking to promote public-private sector partnerships. The private sector has the potential to become a valuable partner in local development planning and implementation. Cooperatives also have the potential to become an important partner with local government in local development planning and by setting up cooperatives in areas of underdeveloped public services such as kindergartens, old age homes, and health centers. They can also serve as a model for the rest of the country for private-local government partnerships.

6. **Increase Responsiveness of Municipalities to Citizen Concerns:** The GOJ regards this activity as essential because mechanisms to increase responsiveness of municipalities to citizens directly address the Voice and Accountability indicators. Community groups will be given a voice concerning the kinds of transparency and accountability mechanisms to be installed and their accessibility to public scrutiny.
7. **Increase Capacity to Improve Performance and Delivery of Public Services:** For several years, the GOJ has sought to improve the skill levels of municipal employees and the quality of public services at the local level. To install better financial, fiscal, and management systems; upgrade skills of mayors, elected officials, and staff; and increase the capacity of the municipality to mobilize local, national, and international resources for local development purposes requires a comprehensive capacity-building program.
8. **Increase the Capacity of Municipalities to Advocate for Decentralization and Municipality Interests through Municipal Associations:** At the present time, municipalities account for only two percent of Jordan's public expenditures. For municipalities to fully play their role in the decentralization process, they will need to develop advocacy skills vis-à-vis the central government to negotiate the transfer of more resources to the local level. This objective can be obtained by winning support in each of the targeted municipalities for the creation of local municipal associations and a national-level Association of Municipalities based in Amman. Municipal associations at the local level would build *esprit de corps* and facilitate the exchange of experiences and best practices. The national Association of Municipalities will have an office and staff in Amman and will lobby to gain more support for municipalities and decentralization.

2.1.2 Results and Performance Indicators

National discussions on **electoral reform** will promote increased participation by civil society groups and general citizenry. Draft law recommending revisions to the districting system will be presented for review during the Threshold Period.

Ratification of the **new Political Parties Law** will lead to the formation of new political parties with an increased membership base. Funding for the establishment of new political parties will be provided by the GOJ through the Ministry of Political Development (MOPD). New political parties will be able to articulate policy objectives to their constituencies and will effectively utilize the media as a platform for communication. Parties will have increased capacity to launch a comprehensive national election campaign. Increased percentages of women will be active in party leadership.

Legislative capacity building activities will lead to full adoption by Parliamentary committees of new operating system facilitating their ability to address constituent needs and input from civil society. Parliament will be able to conduct basic public relations programs. Research and information capacity of Parliament improved. 100% of MP voting records captured and stored by automated voting and transcription system. Citizenry are able to freely obtain information recorded by the automated voting and transcription system. Percentage increase of constituents who report MPs are accountable (through polling).

Review of judicial appointment leads to recommendations on new procedures, promoting greater transparency and accountability in the Judiciary. Ongoing **Judicial Reform Program** leads to reduced number of complaints of judicial misconduct. 100% of judges signatories on new judicial code of conduct. Increase in the efficiency and effectiveness of judges through use of automated case management system measured by an increased number of cases processed and diminished waiting time for trials.

Ratification of new **Municipalities Law** leads to municipal elections in which 100% of Municipal Boards will be elected. Further results include:

1. **Increase participation in local and national elections:** 10% increase in voter participation in elections. 200 young people trained in voter education techniques. Involvement of 20 neighborhood committees trained in voter education techniques in disseminating voter information. Creation of one municipality-wide citizen's voter registration and monitoring committee in at least five of the nine targeted municipalities.
2. **Increase participation of women in electoral politics:** 10% increase in the number of women registered for elections. 10% increase in the number of women voting in elections. Training of 200 women in voter education techniques. Creating at least one women's voter education committee in each municipality.
3. **Increase citizen awareness of local government operations:** Functioning of at least two neighborhood committees in the larger municipalities and at least one neighborhood committee in the smaller municipalities. Establishment of at least five municipal-level local development committees. 10% increase in the number of citizens willing to participate in local government decision making process.
4. **Increase capacity of citizens to advocate for their interests and hold local government accountable:** Functioning participatory local development planning committees in each of the targeted municipalities. At least three town meetings or question-and-answer events held in each of the targeted municipalities. The establishment of at least three joint citizen-municipal government committees to improve and monitor local government transparency and accountability mechanisms.
5. **Increase partnership between local government and private sector:** At least one new private sector-public sector development project per municipality. At least five cooperatives in areas of underdeveloped public services like kindergarten, old aged homes, health centers, employment creation, etc. 10% increase in cooperative membership.
6. **Increase responsiveness of municipalities to citizens concerns:** Preparation of participatory local development plans acceptable to the community and municipal government in each of the nine targeted municipalities. More effective transparency and accountability mechanisms accessible to the public in six targeted municipalities. Provision of timely financial reports to the public and the media in each of the nine targeted municipalities. Improved financial, fiscal, and human resource management systems installed in at least six of the targeted municipalities.
7. **Increase capacity to improve municipal performance and delivery of public services:** 10% increase in municipal investments in public services. 10% increase in tax recovery rates in at least six of the targeted municipalities. 10% increase in the level of citizen satisfaction with the delivery of services in at least six of the targeted municipalities.
8. **Increase capacity of municipalities to advocate for democratic decentralization and municipality interests:** 30% of municipalities acknowledge the need for a national Municipalities Association. GOJ approval to establish a national Municipalities Association.

The activities above will improve the GOJ's ratings on the Freedom House Index of Freedom in the World from a baseline score of five (22-28%) in 2005, to three or better by 2008. See Appendix 1 for more details on Performance Indicators in the area of Political Rights.

2.1.3 Sustainability

Many of the proposed legislative changes in the area of Political Rights have been developed in consultation with Civil Society Organizations (CSOs) and Jordanian citizens, creating strong and informed stakeholders who will ensure the reform process moves forward. Continued donor assistance, and in particular USAID's Judicial Reform Program and the Parliamentary Reform Program, will

continue to transfer skills and know-how to Jordanian counterparts so that efforts will continue after project activities are concluded. One of the main objectives of the local councils activity is to establish mechanisms for sustainability. During the course of the two-year program, technical assistance will be provided to train and organize citizens to establish processes and mechanisms for insuring their participation and representation. With the support of the donor community, the GOJ has embarked on a broad program to strengthen the capacity of NGOs, CSOs, and CBOs throughout the country and to provide them with the tools for reducing their dependency on external funding.

2.1.4 Management Team and Implementing Partners

The Ministry of Political Development (MOPD) will lead the national dialogue on electoral reform, involving Civil Society Organizations, Non-Government Organizations, and Governmental agencies. MOPD will also take the lead in regulating the formation of new political parties. The Parliament and Judiciary are working with implementing partner USAID on ongoing programs of technical assistance and capacity building. In the area of local council development, MOPIC will establish a Performance Monitoring Unit (PMU) with its Local Development Department (LDD) to oversee and track the activities of the nine targeted municipalities. The PMU will collect and record data at the local level, commission studies, document results, facilitate exchanges between selected municipalities, record success stories, and track project expenditures. Activities related to ensuring greater participation in the electoral processes will be overseen by MOPIC/LDD in collaboration with MOMA, MOI, and MOPD. National and local NGOs concerned with women's rights may also be involved as implementing partners in the women's participation component. MOPIC/LDD will oversee the targeted activities related to public participation and municipal development in coordination with MOMA.

2.1.5 Donor Coordination

Since 2003, the Government of Jordan has been working with the US Government in the area of political party development, targeting women and youth. Through this activity, the Government of Jordan is establishing a more representative multi-party system and strengthening women's political participation. A national forum for women in politics has been established, which fosters national-level discussions regarding the role of women in politics and how they can be integrated into a party's leadership structure. USAID is currently implementing a two-year program to strengthen the capacity of Parliament. This program provides skills training to Members of Parliament and as a result, foster a more professional, effective, and accountable government. USAID is funding a three-year program to improve the overall effectiveness of the Judiciary including the Council of Judges, Ministry of Justice, Jordanian Bar Association, legal education institutions, Ministry of Higher Education and the Judicial Institute of Jordan. USAID is implementing a second Judicial Development Program that is introducing a modern system of case management and operational procedures, thus fostering a more professional and effective judiciary. The EU will provide technical support to the Judicial Institute of Jordan (JIJ) for integration of international human rights law into their curriculum. The EU is providing technical assistance to the MOJ through the "EU-Jordan Association Agreement Programme." Specific objectives include strengthening the organizational structure of the MOJ, developing coordination between the MOJ and the judiciary and making progress towards the EU-Jordan Action plan.

The World Bank is supporting the development of a new cooperative law at the local level and is assisting in the design of the new cooperative apex structure. USAID/Jordan's AMIR project is organizing private sector business enterprises at the national and local levels and promoting public-private partnerships. The EU has established participatory local development plans providing technical assistance to build capacity of municipal employees in 18 municipalities and will continue to support local development in these areas. GTZ is working in three of the smaller municipalities and has also incorporated participatory local development plans in its program. The World Bank and the AFD are providing technical assistance to streamline and modernize the Ministry of Municipal Affairs. The World Bank is providing funding for

major infrastructure projects at the local level and planning to provide capacity-building technical assistance to the municipalities. USAID/Jordan’s strategy statement also envisages interventions to strengthen local government and facilitate citizen participation. Denmark has launched a \$500,000 pilot project to support decentralization and women’s participation in local government decision-making.

2.1.6 Final Budget

No funds have been requested to reform the electoral system, strengthen political parties, or to strengthen Parliament and the Judiciary, as major reforms involve ongoing legislative change and roll-out of activities currently funded by the Government of Jordan and international donors. The Government of Jordan has requested \$16.5 million from the MCC to implement a detailed program to strengthen local councils. The proposed budget is as follows:

Technical Areas	Operational Goals	Activities	Budget (Year 1)	Budget (Year 2)
Election Participation and Gender Integration	1. Increase participation in local and national elections	Collect voting baseline data	\$50,000	-
		Launch local media campaign	\$75,000	\$50,000
		Identify key issues and hold public forums	\$25,000	\$25,000
		Identify and train volunteers, local civic groups, NGOs, and political parties	\$50,000	\$50,000
		Distribute materials to voters, candidates, and political parties	\$75,000	\$50,000
		Train group leaders in proposal writing	\$50,000	\$50,000
		Collaborate with local officials charged with organizing and monitoring local and national elections	\$75,000	\$25,000
		Conduct training sessions and work shops for women candidates	\$50,000	-
	2. Increase participation of women in electoral politics	Collect voting baseline data on women	\$25,000	-
		Conduct training sessions for women candidates in electoral campaigning techniques	\$50,000	-
		Enlist prominent women civic leaders, government officials, university professors to become active in campaign	\$25,000	-
		Identify key issues of particular interest to women and holding public forums	\$50,000	\$50,000
		Identify and train women's associations interested in disseminating election information, mobilizing voters	\$125,000	\$125,000
		Integrate women's component into media campaign	\$35,000	\$25,000
Community Organization	3. Increase citizen awareness of local govt. operations	Gather baseline data concerning the level of citizen awareness of how local government operates	\$50,000	-
		Identify existing and neighborhood committees and organize workshops to explain the functioning of local government	\$40,000	\$15,000
		Identify and train interested local CSOs, cooperatives, NGO, private sector firms and women's organizations	\$80,000	\$120,000
		Establish community radio stations in 2-3 municipalities as a pilot project	\$150,000	\$150,000

Technical Areas	Operational Goals	Activities	Budget (Year 1)	Budget (Year 2)
		Facilitate the organization of local development committees	\$130,000	\$70,000
		Organize forums and invite mayors and local councilors	\$50,000	\$50,000
		Use local media to disseminate information about local government	\$100,000	\$150,000
		Provide training in grant proposal writing	\$50,000	\$50,000
	4. Increase capacity of citizens to advocate for their interests and hold local government accountable	Institute town meetings, question and answer sessions	\$75,000	\$75,000
		Conduct rapid assessment of existing municipal transparency and accountability mechanisms	\$100,000	
		Train on advocacy techniques	\$75,000	\$75,000
		Establish participatory local development planning committees	\$175,000	\$75,000
		Create joint citizen-local government committees	\$100,000	\$100,000
	Cooperative Development and Private Sector	5. Increase partnership between local government and private sector	Assess private sector enterprises/associations and cooperatives	\$75,000
Identify private sector enterprises, business associations, and cooperatives interested in working with the municipal government			\$30,000	\$25,000
Ensure private sector and cooperative representation on participatory local development planning committees			\$75,000	\$40,000
Establish a municipal government-private sector committee			\$200,000	\$150,000
Establish a Cooperative Service Center(COOPSC)			\$200,000	\$175,000
Foster the development of cooperative services			\$125,000	\$150,000
Municipal Local Government	6. Increase responsiveness of municipalities to citizens concerns	Conduct preliminary assessment of the organization of municipal government	\$125,000	-
		Set up a Participation and Development Unit (PDU) within each of the targeted municipalities	\$275,000	\$275,000
		Set up Customer Service Centers (CSCs)	\$200,000	\$150,000
		Establish a Special Incentive Fund (SIF)	\$2,500,000	\$2,500,000
		Provide training to local government officials	\$125,000	\$125,000
		Provide training in conflict resolution	\$50,000	\$50,000
		Provide training in grant writing to selected municipal staff	\$37,500	\$37,500
		Hold regular meetings of the participatory local development planning committees	\$50,000	\$50,000
		Invite representatives of the community to attend budgetary sessions	\$25,000	\$25,000
	Meet regularly with the neighborhood committees, local development committees, women's associations, business associations	\$25,000	\$25,000	
7. Increase capacity to improve municipal	Assess quality of existing services, the capacity of the mayors and elected officials, etc.	\$50,000	\$50,000	

Technical Areas	Operational Goals	Activities	Budget (Year 1)	Budget (Year 2)
	performance and delivery of public services	Install improved financial, fiscal, and human resource management systems	\$600,000	\$300,000
		Train mayors and elected officials	\$125,000	\$125,000
		Rationalize personnel policy and retrain personnel	\$260,000	\$175,000
		Establish job descriptions and criteria for hiring personnel	\$200,000	
		Train on grant proposal writing	\$37,500	\$37,500
		Assess effectiveness of current tax collection systems and elaboration of mechanisms and incentives to increase tax revenues	\$150,000	\$150,000
	8. Increase capacity of municipalities to advocate for democratic decentralization and defend municipality interests	Conduct rapid assessment of the 9 municipal governments	\$180,000	-
		Identify policy issues	\$12,500	\$12,500
		Organize workshops in each of the target municipalities	\$45,000	\$45,000
		Arrange visits of selected mayors to meet with leaders of municipal associations in other countries	\$50,000	\$50,000
		Build support for creating a national association of municipalities	\$250,000	\$250,000
Project Management	Project management, contingency funding, PIU	Establish PIU, Project Management, Monitoring & Evaluation, Project Mobilization, and Contingency Funding	\$1,135,000	\$1,000,000
		TOTAL	\$9,147,500	\$7,352,500
				\$16,500,000

3.0 INCREASE GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY

The Government of Jordan is committed to enhancing the voice of Jordanian citizens and promoting greater accountability of government. The National Agenda outlines the government's desire to "Build trust between citizens and institutions and adopt principles of transparency, good governance and accountability." Despite recent reforms and clear political commitment in the area of Voice and Accountability, Jordan scores below the median of other LMI countries. According to the World Bank Institute, Jordan received a score of -0.68 for Voice and Accountability, where -2.5 is the lowest score and 2.5 is the highest. This index measures country performance on the ability of institutions to protect civil liberties, the extent to which citizens of a country are able to participate in selection of governments, and the independence of the media. Key points identified by the World Bank Institute and Freedom House's Countries at the Crossroads Report, include the need to:

- Make draft legislation publicly available to Jordanian citizens;
- Strengthen the capacity of the government to investigate allegations of corruption and financial crimes;
- Strengthen the legislative foundation of the National Center for Human Rights, and authorize the Center to conduct investigations; and
- Guarantee greater freedom of the press.

The Jordanian Constitution guarantees citizens the freedom to express their views through all available means, provided that the exercising of those rights does not violate the law. The National Agenda clearly articulates the government's vision of a society that guarantees "Basic Rights and Freedoms" including the Freedom of Assembly. The National Agenda outlines the government's goal to "Guarantee the freedom to establish NGOs by facilitating the creation of organizations and civil society institutions....These institutions shall be ensured the freedom to practice their activities." Despite the government's clear commitment to the principles of Civil Liberties, the GOJ scores below other LMI countries in this area, as measured by the Freedom House assessment of Civil Liberties. This index measures country performance on freedom of expression and belief, association and organization rights, rule of law and human rights, personal autonomy and economic rights, and the independence of the media and judiciary. Jordan received a score of four in 2005, where seven is the worst and one is the best. The LMI median score is three. In setting Jordan's 2005 score, Freedom House noted that the Public Rallies Law bans demonstrations lacking written consent from the government and highlighted other constraints on citizens' ability to engage in peaceful free speech. The Government of Jordan has outlined a program to strengthen laws guaranteeing Freedom of Assembly and Freedom of the Press that will address the Freedom House Civil Liberties indicators.

Strategic Goals: Increase government transparency and accountability by improving public access to legislation; combating corruption within government; establishing mechanisms to make government officials more accountable to citizens; and strengthening laws guaranteeing Freedoms of the Press and Freedom of Assembly.

Tactical Goals / Outputs: The Government of Jordan has outlined a number of specific policy interventions to achieve the strategic goals above, such as:

- Mandating full financial disclosure of public officials;
- Establishing an Ombudsman and Anti-Corruption Commission to prevent, detect, and investigate allegations of corruption;
- Ratify a Press and Publications Laws that protects journalists and promotes freedoms of the press; and
- Ratify new Freedom of Assembly and Law on Public Gatherings facilitating the peaceful assembly of citizens.

3.1 Voice and Accountability

Civil society organizations (CSOs), the private sector, and individual Jordanian citizens have noted that draft laws are often inaccessible, hampering the ability of civil society to engage with government in a collaborative manner to shape legislation. In order to make draft laws more accessible to civil society, the Prime Minister's office will **establish a website containing all draft laws** in a readily accessible format. The website will contain an archive of existing laws in force as well as the voting records of Members of Parliament. This will provide Jordanians not only with a transparent view of government policy-making but also how their elected leadership responds to issues of interest to their constituencies. The Prime Minister's office expects the website to go online by the end of 2006.

The Government of Jordan is committed to increasing the accountability and transparency of government, and has recently submitted a **Financial Disclosure Law** to the Parliament that would establish a mechanism for full public review of GOJ officials. The government will continue to lobby for the expedited enactment of this important law while also expediting the enactment of a new "Anti-Corruption Law" for **establishing an independent Anti-Corruption Commission**. Although incidences of administrative corruption are limited, the GOJ is developing this new law to minimize abuses of political authority, grand corruption, and "influence peddling." In addition, recent political and security incidents in the Kingdom and globally have raised the need to implement a strong **Anti-Money Laundering Law**. The government's Financial Action Task Force (FATF) has presented a series of recommendations to strengthen the ability of the government to detect, prosecute, and prevent money laundering. A new Anti-Money Laundering Law is currently under review and is expected to pass Parliament in 2006.

The **National Center for Human Rights (NCHR)** is a government entity that has the legal authority to investigate allegations of human rights abuses. The law that created the NCHR is a temporary law, however, and the Government of Jordan is currently developing legislation to permanently enshrine the NCHR as an investigative arm of the government. The NCHR publishes annual reports that deal with cases of human rights violations. In response to the Center's investigations, the GOJ has formed a Ministerial Committee to track and respond to allegations of human rights abuse. In an effort to protect the rights of Jordanians at all levels and act as an agent of accountability for the government, the GOJ will establish an **Ombudsman** by the end of 2006. While the office will receive government funding to establish itself, the act specifies that the office "...shall not receive orders or instructions from any party or authority." The establishment of an Ombudsman is being implemented with assistance from the Danish government.

The Government of Jordan is committed to increasing **freedoms of the press**. The National Agenda notes the importance of legislation that will help "Prevent state censorship of the media and interference in its work....Prevent detention of journalists and refer all cases to the courts. Also, prevent the closure or license withdrawal of media organizations for any reason until their cases had been settled in court." A draft Press and Publications Law is on the agenda for the 2006 extraordinary session of Parliament. The law is expected to receive approval and ratification from Parliament in 2006. The draft law will include provisions that will repeal jail sentences in the case of press crimes, eliminate capital requirements for the registration of newspapers, and may include language abolishing mandatory membership in the Jordan Press Association. The law will clarify what speech is protected and what speech constitutes defamation, particularly with regard to alleged insult or defamation of public officials. Legislators will consider abolishing the Higher Media Council and encouraging media representatives to form their own council; however, there is not clear consensus on this last point. Passage of the new Press and Publications Law should raise the Government of Jordan's country ranking in the Worldwide Press Freedom Index. Jordan is currently ranked 96th of 167 countries measured.

3.1.1 Operational Goals / Activities

The GOJ will **establish a publicly available website to archive and present existing and draft laws, as well as voting records of members of Parliament.**

In the area of financial accountability and anti-corruption, the GOJ will approve, enact, and **enforce new Financial Disclosure Law**; draft, review, approve, and **enact Law establishing Anti-Corruption Commission**; **build capacity of Anti-Corruption Commission**; and approve and **enact Anti-Money Laundering Law**.

The GOJ will **enact law to permanently establish the National Center for Human Rights (NCHR)** and strengthen its operations by:

- Incorporating international human rights best practices into the Law;
- Implementing best practices in case analysis;
- Strengthening the institutional capacity of the NCHR; and
- Reforming Penal Legislation.

The GOJ will **ratify and enact Ombudsman Act of 2006**, establishing Ombudsman office.

The GOJ will ratify and **enact Press and Publications Law** during the 2006 Extraordinary Session of Parliament that will:

- Eliminate capital requirements for newspaper registration;
- De-criminalize criticism of public officials; and
- Potentially eliminate mandatory membership in the Jordan Press Association.

3.1.2 Results and Performance Indicators

Introduction of the **legislative website** will make 100% of laws, draft laws, and voting record accessible to general citizenry. The percentage of firms stating that information on laws is easy to obtain, as measured by the EBRD/World Bank Business Environment and Enterprise Performance Survey will increase from the 2004 baseline of 66% to 90% or better.

In the area of **financial accountability and anti-corruption**, the Financial Disclosure Law will be enacted. All public officials will disclose financial information pursuant to the new Financial Disclosure Law. Citizens and civil society organizations will be able to freely obtain information on financial disclosure in a timely manner. The Anti-Corruption Law will be enacted and the Anti-Corruption Commission established. As a result, there will be an increase in the number of cases of corruption brought to trial. The government will put in place policies, procedures and regulations required for full implementation of the Anti-Money Laundering Law (Law expected to pass Parliament in 2006). The Financial Intelligence Unit at the Central Bank of Jordan will be fully operational and will work to prevent money laundering. This will result in an increase in the number of cases of money laundering detected. The **Ombudsman office** will be created and the **National Center for Human Rights** will be permanently established and able to function independently of other government agencies. This will lead to an increase in the number of allegations of human rights abuses investigated.

Passage of the new **Press and Publications Law** will improve the Government of Jordan's country ranking in the Worldwide Press Freedom Index.

The above results will improve GOJ's ratings on the World Bank Governance Indicators from -0.75 (23%) in 2004 to zero or better in 2008. See Appendix 1 for more information on results for Voice and Accountability.

3.1.3 Sustainability

Many of the activities in this technical area involve passage of new legislation and the establishment of new offices, such as the Anti-Corruption Commission. The Government of Jordan will ensure that laws are enacted and enforced. In addition, the government will engage civil society organizations and watchdog groups throughout the reform process, creating an engaged group of civil society stakeholders pushing for increased governmental transparency and accountability. These steps are being carried out as GOJ initiatives, and are not funded by outside donors, demonstrating both the political commitment of the government as well as its ability to sustain reforms after the MCC Threshold Program is complete.

3.1.4 Management Team and Implementing Partners

GOJ implementing partners will include the Prime Minister's Office, Ministry of Finance, the Central Bank of Jordan, the Financial Action Task Force, staff at the National Center for Human Rights and new staff at the Anti Corruption Commission and Ombudsman office. A Ministerial Committee will follow-up on NCHR investigations. The Ministry of Political Development (MOPD) will manage the legislative-web-site. The Government of Jordan will work closely with their implementation partner USAID to establish a Financial Intelligence Unit at the Central Bank.

3.1.5 Donor Coordination

The USAID SABEQ project will provide technical assistance in the area of Anti-Money Laundering, working with the Central Bank of Jordan. SABEQ may provide other technical assistance for institutional strengthening, touching on financial disclosure and the Anti-Corruption Commission. USAID will assist the government to assess corruption, and, if appropriate, develop an action plan and program to combat corruption through public sector reform. In accordance with the EU-Jordan Association Agreement, the EU is currently designing a technical assistance program to enhance the capacity of the Anti-Corruption Directorate of the Intelligence Department to combat money laundering, forgery, tax/customs evasion, terrorism and organized crime.

USAID will launch a three-year civil society development program that will involve media strengthening. The program will help the GOJ build a professional media sector, promote media business development, and strengthen the enabling environment for media reform. The European Union will assist the GOJ in fostering a more independent and professional media under the Human Rights and Good Governance Program. The Danish Government has provided considerable support to the GOJ in drafting the Ombudsman Law and putting the groundwork in place to establish the Office of the Ombudsman. The EU is helping the NCHR to integrate international human rights standards into their regulatory framework and strengthen the institutional capacity of the body.

3.1.6 Final Budget

No funds have been requested to implement reforms in the area of Voice and Accountability, as major activities involve ongoing legislative change, and roll-out of activities currently funded by the Government of Jordan and international donors.

3.2 Civil Liberties

The Government of Jordan is engaged in a number of activities to ensure the rights of citizens and facilitate peaceful public gatherings. The National Agenda outlines the government's plans to "**revisit the Public Association Law** and abolish prior approval to hold public gatherings, while recognizing the executive authority's right to ensure peace and security." The existing law requires that organizations or individuals must apply for permits from the Ministry of Interior three days prior to the scheduled event. The state may disperse gatherings that deviate from the stated purpose. The GOJ is in the process of revising a draft Public Gatherings Law that will provide for a "no objection" clause. The revised law would require individuals or organizations to file a request with the Ministry at least 48 hours in advance of a planned gathering after which the Ministry can accept the request, reject the request, or not respond. Lack of response will constitute a "no objection" from the government and the requestor may then legally carry out the planned activity. In the case that the Ministry rejects the request, the new law will outline avenues for appeal to the Ministry or to the appropriate court of law. In order to further **enhance Jordanians' right to assembly and expression**, the GOJ proposes establishing "Freedom Squares," designated open-air forums where Jordanians can freely gather and speak about issues of the day. The government will not require pre-approval for gatherings held within the confines of the Freedom Squares.

The National Agenda recommends **revisions to the 1966 Civil Society Law 33** and the elimination of compulsory membership in Jordan's professional associations in order to strengthen Civil Liberties in

Jordan. The 1966 Civil Society Law 33 requires social and charitable organizations to register with the Ministry of Social Development (MOSD) and grants the MOSD broad powers to supervise and regulate the nearly 1,000 non-governmental organizations (NGOs) and civil society organizations (CSOs) registered under its auspices. The Government of Jordan is currently engaged in a policy dialogue with civil society organizations regarding proposed revisions to the 1966 Law 33. A group of CSOs has drafted a model Civil Society Law and will present this to the Ministry of Political Development for consideration. Jordan's professional associations are currently registered under the Ministry of the Interior (MOI). Regulations require compulsory membership in the appropriate professional association for all individuals practicing a profession. Some representatives of civil society have suggested that the membership requirement be eliminated because of its restrictions on freedom of association. The GOJ will engage the different parties involved in this debate in an effort to develop consensus before finalizing legislation to eliminate compulsory membership in the professional associations. By passing a revised Law on Public Gatherings and implementing the proposed "Freedom Squares," the Government of Jordan will guarantee freer expression, with the target of raising the country's overall Civil Liberty score to three or better on the Freedom House index by the end of 2008.

3.2.1 Operational Goals / Activities

The GOJ will make its best efforts to **ratify and enact a revised Law on Public Gatherings** that will include a "no objections" clause.

The Government of Jordan will **establish a "Freedom Square" in Amman**, where Jordanian's may peacefully assemble and enjoy freedom of expression without prior government approvals. Following this, the government will **establish Freedom Squares in all municipalities** outside of Amman.

The GOJ will make its best efforts to **ratify and enact revision of the 1966 Law 33 on Civil Society Organizations** and consider **abolishing compulsory membership in professional associations**.

3.2.2 Results and Performance Indicators

Once ratified, the new legislation will enable individuals and organizations to peacefully congregate more readily. Gatherings can take place if there is "no objection" from the government. Freedom squares will be established in Amman and throughout the country, allowing citizens to congregate and engage in free speech activities peacefully without prior government approval. Civil society organizations will be able to register and operate with fewer government restrictions and controls. Professionals will be able to practice their trade without mandatory membership in professional associations. These results will improve GOJ's ratings on the Freedom House Index of Freedom in the World from baseline score of four (22-31%) in 2005, to three or better. See Appendix 1 for more information about results for Civil Liberties.

3.2.3 Sustainability

Activities in the Civil Liberties area involve legislative change consistent with the vision of the National Agenda and reflect the commitment of the Government of Jordan to the reform process in this area. Civil Society Organizations will be engaged stakeholders in developments in this area, and through collaborative consultative mechanisms with the Government of Jordan, will ensure that reform activities move forward.

3.2.4 Management Team and Implementing Partners

Parliament will be responsible for passage of legislation leading to key reforms. The Ministry of the Interior will be responsible for changes in procedures on public gatherings, including developing new procedures around the "no objections" clause. The Ministry of Social Development is responsible for regulating Civil Society Organizations (CSOs). CSOs will be a key partner to the government in implementing reforms and, as discussed above, are currently engaged in a policy dialogue with the Ministry of Political Development (MOPD) about a model Civil Society Law. The Ministry of the

Interior, working in coordination with municipal authorities, will be responsible for establishing Freedom Squares.

3.2.5 Donor Coordination

The EU currently supports a pilot program designed to build effective communications between municipal government and civil society and is planning to provide technical assistance to the MOPD to strengthen central government ties and communications with civil society. USAID is currently in the process of designing a large-scale civil society program. The EU has a program to promote human rights and democratization (*Sharaka*) which funds five major organizations active in this area. Germany's Frederick Naumann and Frederick Ebert Foundations are engaged in human rights, women's rights, and civil society development. Canada provides grants to NGOs promoting human rights activities. In 2005, the donor community organized a Civil Society Donor Group which meets on a regular basis.

3.2.6 Final Budget

No funds have been requested to promote the freedom of assembly as major reforms involve ongoing legislative change, and roll-out of activities currently funded by the Government of Jordan and international donors.

4.0 ENHANCE THE BUSINESS CLIMATE

The Government of Jordan is committed to enhancing the business climate and has begun implementing sweeping reforms to rationalize the government's role as a facilitator and regulator of trade and investment. The National Agenda asserts that the goal for the Government of Jordan is to "Harmonize and integrate laws and regulations with the aim of facilitating, rather than controlling business activities." Reforms include reducing barriers to starting a new business, reducing barriers to trade, and increasing fiscal discipline. In recent years, Jordan has achieved significant results in the area of economic and trade liberalization, in addition to reinforcing mechanisms and functioning of a market-oriented economy. However, the government has identified several areas for further reform. For example, entrepreneurs still face significant barriers to new business registration, such as an unusually high capital requirement and complex bureaucratic registration procedures. During the two-year MCC Threshold period, the Government of Jordan will eliminate the paid-in minimum capital requirement and implement policies and procedures simplifying and rationalizing business registration.

In the area of foreign trade, Jordan has demonstrated its commitment to economic openness and integration into the global economy. A major achievement in this regard was accession to the World Trade Organization in 2000. Jordan also entered into a Free Trade Agreement with the United States and an Association Agreement with the EU. As a consequence, Jordan is engaged in a scheduled reduction in tariff barriers, aligning and harmonizing the Kingdom's trade policy with international norms of openness and integration. Despite these impressive accomplishments, the trade sector continues to report inefficiencies and delays in clearing import, export, or transit goods. The Government of Jordan has developed a plan to address these administrative delays and non-tariff barriers at the border by implementing a "single window" facility, through which the Jordan Customs Department would act as the single face of all government agencies at the border, collecting information and levying all fees, thus drastically reducing the amount of time spent at the border waiting for signatures or approvals from a variety of government agencies.

The Government of Jordan has highlighted the high fiscal deficit as a major burden on the business climate and is engaged in addressing this issue. The National Agenda points out that the "Government has consistently run large budget deficits, which have led to soaring levels of debt, thereby hampering its ability to invest in development enablers." The increasing budget deficit has made the country highly vulnerable to fluctuations in oil prices, and recent increases in the global prices have driven up the cost of oil subsidies. To address this issue, the Government of Jordan has developed a timetable to eliminate all oil subsidies by the end of 2007. In addition, the government, working with its implementing partner USAID, has begun a Fiscal Reform Program addressing tax policy, tax administration, and budgeting assistance. These reforms will help reduce the fiscal deficit from its level of 5.2% of GDP in 2005 to 3.6% of GDP by 2008.

The Government of Jordan has developed this proposal to the MCC to address the deficiencies discussed above, laying out tangible goals and performance indicators. Through this Threshold program, the government will develop policies, procedures, and a commercial legal framework to enhance, not restrict, the business environment.

Strategic Goals: To improve the economic environment in Jordan by reducing the cost of starting a business, minimizing barriers to trade, and implementing fiscal reforms.

Tactical Goals/Outputs: The Government of Jordan has outlined a number of specific policy interventions to achieve the strategic goals above, such as:

- Revise legislation and procedures to reduce the time and expense associated with business registration;
- Revise legislation to reduce non-tariff barriers and thus promote increased trade and investment;
- Improve efficiency of the customs administration and modernize customs clearance procedures;

- Implement a “single window” facility at the border to significantly speed movement of import, export, and transit goods, while at the same time ensuring security at the borders; and
- Reduce subsidies, tighten government expenditure, and implement tax reforms.

4.1 Cost of Starting a Business

The Government of Jordan, working with international donor agencies, has taken a number of steps to rationalize the business registration process and minimize barriers to entry. Despite major reforms in recent years, new businesses continue to face two major obstacles: an unusually high paid-in minimum capital requirement and complex administrative procedures for business registration. The National Agenda aptly states that “Administrative hurdles and system inefficiencies are ... delaying creation of start-ups and discouraging potential investors.” In 2005, Jordan fell below other Lower-Middle Income (LMI) countries for the Cost of Starting a Business indicator measured by the IFC’s *Doing Business* Report. According to the Report, new businesses must pay 45.9% of an average citizen’s annual income to register a business compared to a median of 21% for other MCC candidate countries in the LMI group. The main factor affecting this indicator is the high paid-in minimum capital requirement. The entrepreneur must deposit at least 1,011.6% of per capita income in a bank account to obtain a business registration number. This is the seventh highest capital requirement of the 155 countries assessed by *Doing Business*. Capital requirements were originally designed to protect investors and creditors, however, empirical evidence has shown that capital requirements fail to achieve this objective and serve as barriers to entry. The IFC *Doing Business* Team has pointed out that high capital requirements disproportionately hurt young entrepreneurs since these entrepreneurs tend to be more capital constrained. Thus, high capital requirements are counterproductive for countries like Jordan struggling to spur entrepreneurship and reduce youth unemployment rates. High capital requirements also promote inefficient resource allocation and can be replaced by more efficient market mechanisms.

The IFC *Doing Business* Report also points out that it requires 36 days on average to start a business. It should be noted that the Minister of Industry and Trade believes this figure to be inaccurate, and as of June, 2006, an IFC Verification Mission is in Jordan collecting new data. Nevertheless, there are significant administrative barriers to business registration that can be minimized over the two-year Threshold period. GOJ is committed to undertake all necessary measures to streamline business registration and operation requirements in order to further encourage and promote enterprise development. The government, in consultation with private investors and business operators, and in cooperation with USAID, the World Bank, and other donors, will develop the required policy measures to further facilitate business establishment and operations.

The USAID AMIR project has been a major partner for enhancing the business climate in Jordan over the past five years. The AMIR project worked with the GOJ to streamline business registration and reduce other barriers to entry in the pilot municipality of Madaba. The average number of signatures required to start a business was reduced from 50 to seven. The time for business registration was reduced from three weeks to two days. The AMIR project helped the Municipality of Madaba develop software to automate the business registration process. This software is available for use in other municipalities at no cost to the government, as the successes of the Madaba pilot are rolled out to other municipalities. The EU is providing technical support for drafting and implementing legislation through EJADA. Additional support has gone towards designing the Jordan Upgrading and Modernization Program (JUMP), which will soon become a professional organization. JUMP provides skills training in management, marketing, production and human resources. The Government of Japan will continue to provide training to SMEs through the National Fund for Enterprise Support (NAFES). Through this fund, Business Service Organizations deliver management training to SMEs.

4.1.1 Operational Goals / Activities

The Government of Jordan will revise the Companies Law to **eliminate the paid-in minimum capital requirement**. The proposed legislation abolishing the paid-in minimum capital requirement will be

included in the new Companies Law that is being drafted, and will be vetted for public comment and go to Parliament in the fall of 2006.

The Government of Jordan will **ratify legislation strengthening the Collateral Law** and ensure that the new Collateral Law is fully implemented. Implementing a well-designed collateral law is one of the best ways to protect creditors, which was the original intent of the paid-in minimum capital requirement. In addition, the Government of Jordan will **include other investor protections such as Insolvency and Corporate Governance Laws in the draft of the new Companies Law**. Through these measures, the government will protect investors and encouraging growth of new businesses.

The Government of Jordan will modify the Companies Law and other business registration procedures to **simplify the fees and steps required to start-up a business**. These fees and administrative bottlenecks include a notary fee, filing fee, registration form fee, registration certificate stamp, stamp duty, registration fee, fee for publication in the official gazette, fees required by the chamber of industry/commerce, and fees necessary to obtain a vocational license from the municipality. As discussed above, the AMIR project has successfully streamlined business registration procedures in the pilot municipality of Madaba. The reform program will be rolled-out to other municipalities during the Threshold period.

The Government of Jordan will continue to **revise and streamline business renewal procedures**. In particular, the Government of Jordan will:

- Revise Companies Law to allow for renewal period of between 3-5 years;
- Revise Companies Law to allow renewal any time during the year, not just during the first three months of the calendar year as currently required;
- Set a maximum ceiling of fees paid based on the cost of services rendered, not a percentage of the company's revenue;
- Allow on-line renewal of business registration.

4.1.2 Results and Performance Indicators

The paid-in minimum capital requirement will be eliminated upon passage of the new Companies Law. The number of days required to register a business will drop from 36 to a target of less than 15 days. See Appendix 1 for more information on proposed Performance Indicators for Enhancing the Business Climate. The IFC *Doing Business* Team asserts that eliminating the paid-in minimum capital requirement would raise Jordan's overall *Doing Business* ranking by seven places, and would have a dramatic effect on the country's rank in the *Starting a Business* Index, lifting it to from 119th out of 155 countries to 69th place. Reforming the Collateral, Insolvency and Corporate Governance Laws as discussed above would further improve Jordan's *Doing Business* indicators.

4.1.3 Sustainability

Activities to reduce the Cost of Starting a Business will be carried forward through the combination of GOJ initiatives and donor technical assistance, including assistance from USAID's AMIR Project and assistance from the anticipated USAID SABEQ Project. Officials within the Madaba municipality were trained as trainers under the business registration activities, and can in turn provide training in other municipalities. In addition, the private sector has a strong motivation to ensure that the cost of starting or renewing a business is minimized. The Government of Jordan has developed consultation mechanisms with the private sector and will involve Civil Society Organizations in the design, implementation, and monitoring of any reform program, thus empowering non-governmental stakeholders to sustain the momentum of reform.

4.1.4 Management Team and Implementing Partners

The Minister of Industry and Trade will pilot reforms. Municipal governments will also take responsibility for driving reforms of the business registration processes, in coordination with donor technical assistance.

4.1.5 Donor Coordination

The USAID AMIR Project has started roll-out of the Madaba business registration successes. Software developed by AMIR for business registration in Madaba can be disseminated free to other municipalities, and Madaba municipal staff trained under the project are taking part in roll-out to other municipalities as trainers. The new USAID SABEQ project will take over many of the activities of the AMIR project in this technical area. The IFC has a Verification Team on the ground, confirming the accuracy of the *Doing Business* Report. Additionally, the IFC is planning a licensing and inspection activity. The EU will mobilize a Capacity Building Team to help government institutions meet the requirements of the EU Association Agreement. This will involve technical assistance to streamline business registration and remove other barriers to businesses.

4.1.6 Final Budget

No funds have been requested for the Cost of Starting a Business, as major reforms involve ongoing legislative change, and roll-out of activities currently funded by donors.

4.2 Trade Policy

Jordan's foreign trade policy is based on economic openness and integration into the rapidly globalizing economy. Jordan nurtured economic ties with its neighboring countries, entered into an Association Agreement with the EU, and signed a Free Trade Agreement (FTA) with the US soon after successfully joining the World Trade Organization in 2000. As a condition of entry into these trade agreements, Jordan has established a schedule for reducing its tariffs through 2010. In 2005, Jordan's simple average tariff rate was 9% and by 2010, the simple average will be reduced to 7%. Although tariff rates are now aligned with international norms, Jordan's score for *Openness to International Trade*, based on the Heritage Foundation's *Index of Economic Freedom* was still lower than the median for Jordan's LMI peer group due to the prevalence of non-tariff barriers, including reported inefficiencies in Customs clearance procedures.

The USAID AMIR Project has provided technical assistance to the Government of Jordan over the past five years to improve Trade Policy and the performance of the Jordan Customs Department (JCD). Working together with AMIR, the JCD has focused on institutional development and information technology solutions to improve the efficiency and effectiveness of the JCD. Selected initiatives include:

- **Strategic plans for key areas of customs related to risk and facilitation** – JCD has developed a “Golden List Program,” with AMIR assistance, to document and reward the lowest risk companies.
- **Intelligence and border security** – AMIR technical experts have assisted the JCD in drafting a Customs Mutual Assistance Agreement (CMAA) that will lead to better information exchange between Jordan and the United States.
- **Legislation** – Working with AMIR technical experts, JCD is transforming itself into an organization based on international best practices, as defined by the International Convention on the Simplification and Harmonization of Customs Procedures (revised Kyoto Convention) of the World Customs Organization (WCO).
- **Tariff classification** – The JCD Tariff Directorate is undergoing a substantial business process development to build a Comprehensive Integrated Tariff System that is reorganizing all government border related regulations into a single database.
- **The adoption and implementation of the ASYCUDA declaration system** - Goods entering Jordan are now cleared through Customs in as little as one day, as opposed to weeks in the past. (However, this system in itself does not address the requirements of other agencies deployed at the border, such as the Jordanian Institution for Standards and Metrology, Ministry of Health, or Minister of Agriculture). Supplementary modules have been added to this basic declaration processing system,

including a comprehensive Customs-wide Intranet and the Customs Encyclopedia for knowledge management.

- **The development of a comprehensive integrated tariff system** – The system will identify, in a single web-based database, all import, export and transit requirements for goods crossing Jordan's borders.

The Government of Jordan convened a multi-agency Border Management Task Force in 2005 to study the delays in clearance of goods at the borders. The Task Force recommended amending more than 40 laws and regulations to allow for establishment of a “single window” where customs would operate on behalf of all agencies deployed at the border (with the exception of security) and facilitate data exchange between agencies. Customs will be empowered to collect fees and duties on behalf of other agencies, such as for the Jordanian Institution of Standards and Metrology, Ministry of Agriculture, Ministry of Health, etc. The Government of Jordan has outlined an integrated program of training and technical assistance to implement this single window facility, and has linked it to a proposed upgrading of the ASYCUDA declaration system.

The JCD and the Aqaba Special Economic Zone Authority (ASEZA) Customs Department have been using the ASYCUDA++ customs clearance application since 1999. ASYCUDA++ is not able to communicate with other IT applications and has several other problems that the JCD would like to address by upgrading to ASYCUDAWorld. Upgrading the clearance system will increase the efficiency of customs clearance processes, and can be integrated with the single window implementation to capture further economies of scale and scope.

4.2.1 Operational Goals / Activities

The Government of Jordan will **launch an integrated program to improve the efficiency of the Customs Department, implement a single window facility, and upgrade the ASYCUDA declaration system**. This program will also **align and harmonize** JCD systems and procedures with ASEZA Customs, facilitating import, export, and transit of goods between the National and ASEZA customs frontiers. The program will include the following elements:

1. **Conduct an assessment and time release study** to determine the source of bottlenecks in the clearance process.
2. **Update existing process maps**, including processes of other GOJ agencies deployed at the border.
3. **Re-convene Border Management Task Force** to design structure of single window facility.
4. **Design single window and develop procurement plan**.
5. **Draft “to-be” single window process maps** based on findings of time release study, “as-is” process maps, and recommendations of the Border Management Task Force.
6. **Develop inter-agency coordination mechanisms** for the single window facility, including information and communication technology infrastructure.
7. **Sign MOUs with other agencies** governing roles, responsibilities, and reporting requirements under the single window structure.
8. **Draft policies and procedures manuals** that clearly outline risk-based clearance procedures, enforcement procedures, and procedures for the single window.
9. **Train trainers** within the JCD and **conduct training program** on risk-based clearance procedures, enforcement procedures, and procedures for the single window.
10. **Train on international best practices and Customs integrity** utilizing a train-the-trainers methodology; **fully implement the revised Arusha Declaration** for Customs Integrity.

11. **Procure hardware, software, equipment for the upgrade from ASYCUDA++ to ASYCUDAWorld.**
12. **Rollout ASYCUDA upgrade.**
13. **Upgrade Human Resources** and revise incentive structure, develop a training service that contributes to improved business performance through training and staff development.
14. **Launch communications campaign** targeting internal stakeholders, external stakeholders including trade, and investors.

The JCD will also continue with ongoing activities in the following areas:

- **External Trade Relations** – Develop appropriate policies and mechanisms that strengthen communication and cooperation between customs and trade community and meet the trade’s legitimate need for customs information.
- **Planning and Organization** – Implement a method of planning, management, and communication that will support an effective and efficient customs administration.

4.2.2 Results and Performance Indicators

Once implemented, the integrated Customs Modernization Program will result in improved customs clearance procedures, significantly reduced delays at the border, and a reduction in non-tariff barriers, leading to a score of 3.5 or better on the Heritage Foundation’s *Index of Economic Freedom* Openness to International Trade indicator. See Appendix 1 for more details.

4.2.3 Sustainability

Under the Trade Policy activities, consultation with the trade sector will ensure that all stakeholders are engaged. Under the Customs Modernization Program, the GOJ has proposed adoption of a train-the-trainers methodology. Technical advisors on the Customs Modernization Program will leave behind comprehensive procedures manuals. The Jordan Customs Department will upgrade its human resources function and develop an in-house training capability to ensure that customs officers develop the know-how and technical expertise to carry out their professional responsibilities efficiently and effectively. The Customs Modernization Program will rely on input and recommendations from the Border Management Task Force, an inter-agency task force of engaged stakeholders, and ensure that they are active in leading the direction of reform. Technical advisors will coordinate with working groups comprised of JCD staff to collaboratively implement reforms and transfer technical know-how at the same time.

4.2.4 Management Team and Implementing Partners

Primary implementing partners will include Jordan Customs Department, ASEZA Customs, the Border Management Task Force, other coordinating agencies (such as Immigration, Security, Ministry of Agriculture, Ministry of Health, Jordanian Institution of Standards and Metrology, etc.), and the MCC Threshold Program in Customs Modernization. The EU has also pledged funding to support Customs Modernization activities.

The Government of Jordan has proposed to the MCC an \$8.5 million budget for a comprehensive Customs Modernization Program, outlined below. If approved, USAID would likely serve as the implementing agency and contract technical assistance for these activities.

4.2.5 Donor Coordination

The USAID AMIR program will continue to provide technical assistance until close-down of project activities in the fall of 2006. The new USAID SABEQ project will have a “productivity” component that

will cover removal of government restraints on business development and may provide some direct technical assistance to the Jordan Customs Department to facilitate trade and investment.

The EU EJADA Project supports trade and investment promotion. The Jordan Business Partnership and EJADA will be merged into a new entity known as JUMP, which will focus on upgrading SMEs, and touches on promoting trade and investment. The EU will begin a customs reform project through the EU-Jordan Association Agreement Program in July 2006. This program, implemented by the Italian Customs Department, will strengthen the administrative and operational capacity of the Jordan Customs Department.

4.2.6 Budget

The Customs Modernization Program, including components to improve clearance procedures, procure and implement upgrades to ASYCUDA, and improve the efficiency of the Customs Department, is estimated at \$8.5 million. The proposed budget broken down by activity is presented below:

Tactical Goals	Activities	Budget (Year 1)	Budget (Year 2)
Improve efficiency of the customs administration and modernize customs clearance procedures, implement a "single window" facility to significantly speed flows of import, export, and transit goods, while at the same time ensuring security at the borders.	Assessment and time release study	\$50,000	-
	Update existing process maps	\$100,000	-
	Convene Border Management Task Force	\$25,000	\$25,000
	Design single window, procurement plan	\$150,000	-
	Draft single window process maps	\$100,000	-
	Develop inter-agency coordination mechanisms	\$50,000	\$50,000
	Sign MOUs with other agencies	\$25,000	\$25,000
	Draft policies and procedures manual	\$50,000	-
	Train trainers	\$25,000	\$25,000
	Train Customs staff on new risk-based clearance procedures, enforcement procedures, and single window procedures	\$50,000	\$150,000
	Train on Customs integrity and fully implement Arusha Declaration	\$100,000	\$200,000
	Procure hardware, software, equipment (including one-time UNCTAD fee)	\$4,000,000	\$700,000
	Rollout ASYCUDA upgrade	\$250,000	\$250,000
	Upgrade Human Resources	\$50,000	\$50,000
	Communications Campaign	\$250,000	\$250,000
Project Management	Project Management and Contingency	\$500,000	\$500,000
	Project Implementation Unit	\$250,000	\$250,000
	TOTAL	\$6,025,000	\$2,475,000
			\$8,500,000

4.3 Fiscal Policy

The National Agenda points out that the “Government has consistently run large budget deficits, which have led to soaring levels of debt, thereby hampering its ability to invest in development enablers.” The increasing budget deficit is mainly due to the growth in government expenditures which continue to be driven by capital expenditures, defense and security, public sector salaries and pensions. Furthermore, the unexpected decrease in foreign grants, coupled with a high increase of oil prices, which led to the jump of oil subsidies, has made the budget extremely vulnerable to external shocks. The 2005 budget assumed \$42/barrel of oil, with an estimated cost for oil subsidies of 310 million JD. In actuality, the price of oil averaged \$55/barrel, and necessitated paying an oil subsidy of 700 million JD. In July 2005 and September 2005, the government increased domestic oil prices and decreased oil subsidies from 700 million JD to 530 million JD. In April, 2006, the GOJ chose to bundle two subsidy reductions into one step, increasing the prices of oil products by a weighted average of 25%. 2007 will see the elimination of the last fuel subsidy. Thereafter, market forces will fully determine the price of gas.

The Government of Jordan is engaged in a number of activities to control government expenditures, introduce improved budgeting methodologies, and improve revenue collection. The Ministry of Finance (MOF) has recently integrated multiple Treasury accounts into a single Treasury account, developed expenditure limits per Ministry based on strict adherence to the annual budget, and adopted IMF standards for budget classification. In addition, the Income Tax Department and the General Sales Tax Department have recently been integrated into one department. Taxpayers now have a single Taxpayer’s Identification Number (TIN), and a Large Taxpayer’s Unit has been established.

In the National Agenda, the GOJ has set the target to reduce the public deficit which reached 5.2 % of GDP in 2005 to 3.6% of GDP (after grants) by 2008.

4.3.1 Operational Goals / Activities

The GOJ will **eliminate all remaining fuel subsidies during 2007 and reduce other government subsidy programs (such as food subsidies).**

The GOJ will **continue tax reforms and improve public expenditure management.**

4.3.2 Results and Performance Indicators

Fiscal deficit will be reduced to 3.6% of GDP in 2008. See Appendix 1 for more details on Performance Indicators in the area of Fiscal Policy.

4.3.3 Sustainability

The Government of Jordan has demonstrated a strong commitment to reducing subsidies and reducing the fiscal deficit. Continued donor assistance, and in particular USAID’s recently awarded Fiscal Reform Project, will build on GOJ momentum. The GOJ will develop consultation mechanisms with Civil Society Organizations (CSOs) and the private sector, and establish CSO “watchdogs” through participatory mechanisms to ensure that there is sufficient public oversight of government budgeting and expenditure.

4.3.4 Management Team and Implementing Partners

The Ministry of Finance is taking the lead in implementing fiscal policy reform. USAID has recently awarded a Fiscal Reform Project that will provide technical assistance to the Government of Jordan in the areas of tax administration, tax policy, and budgeting assistance. These activities will help the Government of Jordan improve the fiscal deficit indicator over the two-year Threshold period.

4.3.5 Donor Coordination

GTZ has been providing assistance to the GOJ in the area of budget preparation and revenue forecasting through the Medium-Term Fiscal Framework (MTFF). The MTFF has set budget ceilings per Ministry which have been adapted into the 2005 and 2006 budgets. The MTFF has also championed a law preventing ministries from exceeding current expenditure limits unless there is an approval from Parliament. The World Bank has convened several task forces within the MOF and other line ministries as part of the Public Expenditure Review to analyze expenditures, including public salaries. The IMF is providing technical support on Budget Execution, and has been instrumental in implementing a single treasury account. The IMF has completed its evaluation for the potential implementation of a Government Financial Management Information System (GFMIS). The government anticipates donor support for the implementation of a GFMIS in 2007-2009 through the USAID Fiscal Reform Program.

4.3.6 Final Budget

No funds have been requested for the Fiscal Policy component, as major reforms involve ongoing policy change, and continuation of activities currently funded by donors.

APPENDIX 1: JORDAN MCC PERFORMANCE INDICATORS AND PERFORMANCE TARGETS

	Performance Measure and Year	Jordan Scoring (Baseline Score)	MCA Median for Lower Middle Income Countries or OECD Average	GOJ Target	Activities to Achieve Target
Broaden Public Participation and Representation in the Electoral Process					
Political Rights	Freedom House Index of Freedom in the World 2005 http://www.freedomhouse.org/	5 (22-28%)	3	3 or better	<ul style="list-style-type: none"> • Begin national discussion on new Election Law • Launch public information campaign on changes to electoral system • Ratify Political Parties Law • Continue programs to enhance Parliament and Judiciary • Ratify Municipalities Law and hold local elections
Increased Government Transparency and Accountability					
Voice and Accountability	World Bank Governance Indicators 2004 http://www.worldbank.org/wbi/governance/govdata/	-0.75 (23%)	0	0 or greater	<ul style="list-style-type: none"> • Enforce new Financial Disclosure Law • Enact Law establishing Anti-Corruption Commission; build capacity of Anti-Corruption Commission • Ratify Anti-Money Laundering Law • Enact law to permanently establish the National Center for Human Rights (NCHR) • Ratify Ombudsman Act, establish Ombudsman Office

	Performance Measure and Year	Jordan Scoring (Baseline Score)	MCA Median for Lower Middle Income Countries or OECD Average	GOJ Target	Activities to Achieve Target
	Percent of firms stating that information on laws is easy to obtain (Source: EBRD/World Bank Business Environment and Enterprise Performance Survey, 2002) http://www.ebrd.com/pubs/econo/beeps.htm	66%	-	Increased percentage to 90% or better	<ul style="list-style-type: none"> Establish a publicly available website to present existing and draft laws, voting records of members of Parliament
	Freedom of the Press as measured by World Economic Survey Questions http://www.un.org/esa/policy/wess/	98 th out of 117 countries measured in 2005	-	Improved ranking	<ul style="list-style-type: none"> Eliminate capital requirements for newspaper registration; De-criminalize criticism of public officials; and Potentially eliminate mandatory membership in the Jordan Press Association
	Country Ranking in Worldwide Press Freedom (Source: Worldwide Press Freedom Index) http://www.rsf.org/article.php?id_article=11715	96 th of 167 countries	-	Improved ranking	<ul style="list-style-type: none"> Eliminate capital requirements for newspaper registration; De-criminalize criticism of public officials; and Potentially eliminate mandatory membership in the Jordan Press Association
Civil Liberties	Freedom House Index of Freedom in the World 2005 http://www.freedomhouse.org	4 (22-31%) (7=worst, 1=best)	3	3 or better	<ul style="list-style-type: none"> Enact revised Law on Public Gatherings that includes "no objections" clause Establish "Freedom Squares" in all

	Performance Measure and Year	Jordan Scoring (Baseline Score)	MCA Median for Lower Middle Income Countries or OECD Average	GOJ Target	Activities to Achieve Target
	org/research/index.htm				<ul style="list-style-type: none"> municipalities Enact revision of the 1966 Civil Society Law No. 33 to abolish compulsory membership in professional associations
Enhance the Business Climate					
Cost of Starting a Business	Cost of Starting a Business (Source: IFC Doing Business Report, 2005) http://www.doingbusiness.org/	45.9% of average citizen's annual income to register a business. They must deposit at least 1011.6% of GNI per capita in a bank to obtain a business registration number.	41% deposit of GNI per capita in bank to obtain business registration	paid-in minimum capital requirement eliminated	<ul style="list-style-type: none"> Pass new legislation abolishing paid-in minimum capital requirement
	Number of days to start a business (Source: IFC Doing Business Report, 2005) http://www.doingbusiness.org/	36 (figure being evaluated by IFC verification mission)	OECD - 19.5 days	Less than 15 days	<ul style="list-style-type: none"> Streamline business registration procedures
Trade Policy	Openness to International Trade based on tariff rates and non-tariff barriers (Source: Heritage Foundation's Index of Economic Freedom,	Score of 4. Attributable to inefficiency in the customs clearance process and significant non-	Score of 3.5. (Average tariff in the range of 12.5-15%)	Score of 3.5 or lower	<ul style="list-style-type: none"> Improve customs clearance processes Upgrade to ASYCUDA World customs system Implement "single window"

	Performance Measure and Year	Jordan Scoring (Baseline Score)	MCA Median for Lower Middle Income Countries or OECD Average	GOJ Target	Activities to Achieve Target
	2006) http://www.heritage.org/research/features/index/country.cfm?id=Jordan	tariff barriers.			
	The number of documents and signatures required for import (Source: IFC Doing Business Report, 2005) http://www.doingbusiness.org/	Docs: 12 Signatures: 5	OECD - Docs: 6.9 Signatures: 3.3	# documents reduced # signatures reduced	<ul style="list-style-type: none"> • Improve customs clearance processes • implement “single window”
	The number of documents and signatures required for export (Source: IFC Doing Business Report, 2005) http://www.doingbusiness.org/	Docs: 7 Signatures: 6	OECD - Docs: 5.3 Signatures: 3.2	# documents reduced # signatures reduced	<ul style="list-style-type: none"> • Improve customs clearance processes • implement “single window”
	The number of days to import (Source: IFC Doing Business Report, 2005) http://www.doingbusiness.org/	28 days (figure being evaluated by IFC verification mission)	OECD – 14 days	# days reduced	<ul style="list-style-type: none"> • Improve customs clearance processes • implement “single window”
	The number of days to export ((Source: IFC Doing Business Report, 2005) http://www.doingbusiness.org/	28 days (figure being evaluated by IFC verification mission)	OECD - 5.3 days	# days reduced	<ul style="list-style-type: none"> • Improve customs clearance processes • implement “single window”

	Performance Measure and Year	Jordan Scoring (Baseline Score)	MCA Median for Lower Middle Income Countries or OECD Average	GOJ Target	Activities to Achieve Target
	ness.org/				
Fiscal Policy	Overall budget deficit divided by GDP, averaged over a three-year period. (Source: National sources and IMF country report, 2005) www.imf.org/external/pubs/ft/scr/2005/cr05100.pdf	fiscal deficit of 5.2 % of GDP in 2005	Fiscal deficit of 2.02% of GDP	Fiscal deficit of 4.3% in 2007, 3.6% in 2008	<ul style="list-style-type: none"> • eliminate fuel subsidies • rein in government spending • continue tax reforms • improve public expenditure management

APPENDIX 2: IMPLEMENTATION PLAN AND TIMELINE

Jordan MCC Timeline	2007								2008			
	Jan	Feb	Mar	Apr	May	Jun	Q3	Q4	Q1	Q2	Q3	Q4
Political Rights												
Begin national discussion on new Election Law												
Launch public information campaign on changes to electoral system												
Ratify Political Parties Law												
Continue programs to enhance Parliament and Judiciary												
Ratify Municipalities Law and hold local elections												
Increase participation in local and national elections (n.b. Timeline may be adjusted according to election schedule for local and national elections.)												
Collect baseline voting data												
Launch local media campaign												
Identify key issues and hold public forums												
Identify and train volunteers, local civic groups, NGOs, and political parties												
Distribute materials to voters, candidates, and political parties												
Train group leaders in proposal writing												
Collaborate with local officials charged with organizing and monitoring elections												
Conduct training sessions and workshops for women candidates												
Increase Participation of women in electoral politics												
Collect voting baseline data on women												
Conduct training sessions for women candidates in electoral campaigning techniques												
Enlist prominent women civic leaders, government officials, university professors to become active in campaign												
Identify key issues of particular interest to women and holding public forums												
Identify and train women's associations interested in disseminating election information, mobilizing voters												
Integrate women's component into media campaign												
Increase citizen awareness of local government operations												
Gather baseline data concerning the level of citizen awareness of how local government operates												
Identify existing and neighborhood committees and organize workshops to explain the functioning of local government												
Identify and train interested local CSOs, cooperatives, NGO, private sector firms and women's organizations												
Establish community radio stations in 2-3 municipalities as a pilot project												
Facilitate the organization of local development committees												
Organize forums and invite mayors and local councilors												
Use local media to disseminate information about local government												

Fiscal Reform											
Eliminate remaining fuel subsidies											
Tighten Government expenditure											
Continue tax reforms											