



USAID | JORDAN

Economic Growth Sector PROJECT PROFILE

April 2012

Fiscal Reform II

BACKGROUND

A thriving modern economy requires certain fundamental conditions and support from key national institutions. USAID supports the Government of Jordan (GOJ) in enhancing the macroeconomic foundations for growth by improving government spending, taxation, and fiscal policy, helping to create a results-oriented government and facilitating trade. The project works towards five objectives:

1. More efficient use of public resources through stronger public financial management, including work with the Government Financial Management Information System (GFMIS)
2. Results-oriented government
3. Enhanced revenue mobilization through better revenue administration
4. Adoption of resource-saving reforms in selected government programs based on sound policy analysis
5. Increased efficiency in trading across borders

Collectively, these improvements will enhance government effectiveness, improve the business environment and create the conditions necessary to attract new investments, create jobs, spur economic growth, and improve Jordanians' standard of living.

ACTIVITIES

- Building the capacity of GOJ staff to more efficiently and effectively carry out their core functions
- Contributing to more rigorous policy analysis in the Ministry of Finance by partnering with the Studies and Economic Policy Department to produce analytical reports and papers
- Developing a performance audit function in the Audit Bureau to improve Results-Oriented Budgeting and to hold government departments and units responsible for achieving targets, raising performance and improving effectiveness
- Helping the GOJ to achieve sustained savings in budget resources through better public investment efficiency, by contributing to feasibility studies and cost benefit analyses for a number of capital and mega projects



Staff at the Ministry of Finance use a macro-econometric model created by the project to draft white papers exploring the consequences of various policy scenarios or external factors that affect the Jordanian economy.

PROJECT SNAPSHOT

Implemented by: Development Alternatives Inc.

Duration: 2009 – 2013

Total Funding: \$38.5 million

Beneficiaries: Government of Jordan institutions

Geographic Coverage: Nationwide

[http:// www.frp2.org](http://www.frp2.org)



USAID | JORDAN

FROM THE AMERICAN PEOPLE



USAID works to improve taxpayer services and encourage voluntary compliance. Here, taxpayers wait in line at an Income and Sales Tax Department facility in Amman.

PROGRESS & ACHIEVEMENTS

- Rolled out the GFMIS to six pilot agencies, four of which now use the system as their primary financial management system, a step towards more transparent, consistent and real-time budget preparation and execution across all spending agencies
- Conducted a total of 159 capacity-building events, training 4,138 professionals on topics ranging from audit techniques to use of a medium-term debt strategy tool and customs commodity classifications
- Built a macro-econometric model capable of forecasting the main macroeconomic and fiscal aggregates of Jordan's economy and exploring the consequences of policy scenarios and/or external shocks to the economy, an essential tool for future policy papers and the Ministry of Finance's medium-term fiscal framework; produced a dozen analytical reports and policy papers
- Harmonized data requirements among Jordan Customs and six partner government border agencies, which were presented to the World Customs Organization (WCO) as the Jordan Single Window Data Set; the WCO will likely adopt these, establishing Jordan as a leader in the global data reform process
- Suggested immediate actions to alleviate poverty and create jobs, assisting the GOJ in taking a proactive, fiscally responsible approach to addressing citizens' concerns
- Partnered with the Harvard University Law and International Development Society to assess 23 of Jordan's international tax treaties, providing 45 suggestions to more advantageously negotiate future double taxation treaties

PARTNERS

- Development Alternatives Inc.
- Prime Ministry
- Ministry of Finance – General Budget Department, Income and Sales Tax Department, Jordan Customs
- Audit Bureau
- Ministry of Public Sector Development
- King Abdullah II Center for Excellence

CONTACT:

Office of Program Management
USAID, c/o American Embassy
P.O. Box 354
Amman 11118, Jordan
Tel: 962-6-590-6000
jordan.usaid.gov