

Comprehensive Reform of the Jordan's Public Financial Management

2014-2017

Introduction

The Public Financial Management reform efforts in Jordan are led by the Minister of Finance, who supervises the implementation of the financial reform projects and programs and makes sure they are in line with the national goals, the national agenda and royal initiatives designed to improve the performance of public finance and fiscal discipline, enhance the citizens' living standard and increase economic growth rates. Financial agencies periodically update their plans to deal with international developments and achieve the priorities of the Public Financial Management in order to contribute to the achievement of national goals. This strategy is based on previous reform strategies, which significantly contributed to the modernization of Public Financial Management in Jordan.

National Goals

- ✓ Develop the national economy in order to open up to regional and global markets.
- ✓ Strengthen government management to achieve financial stability and transparency and hold it accountable at the national and local levels.

1. General Description

The Public Financial Management at country level plays a crucial role in developing the national financial policy, supervising its implementation, and directing the government investments, in addition to managing the domestic and external public debt. The Public Financial Management also seeks to achieve integration between the public financial policy and the monetary policy to strengthen the national economy.

Among the basic activities of the entity responsible for financial management are collecting public revenue, preparing state budget, managing and controlling public expenditure and managing borrowing and debt. In addition, the Public Financial Management is responsible for managing accounts, overseeing cash flows,

studying and analyzing financial, monetary and economic positions, evaluating tax policies and procedures, managing civil and military pension affairs, studying cases that give rise to rights for government and drafting financial legislations related to public revenues and expenditures.

The beneficiary groups of the services of the Public Financial Management include retired military personnel, civil servants and citizens in general, other government departments, private sector institutions and local, regional and international institutions.

The Public Financial Management reform will address the following issues:

1. External evaluation of implementing the Public Financial Management reform.
2. Cooperation structure between donors on Public Financial Management tasks.
3. Comprehensive monitoring and evaluation from departments and the Public Financial Management.

2. Public Financial Management: Vision and Mission

Vision

“An excellent Public Financial Management at the regional level that contributes to enhancing economic and financial stability in the Kingdom and promoting the citizens' welfare.”

Mission

“Encouraging the mechanisms of the Public Financial Management, enhancing strategic allocation of scarce financial resources across the government and improving the efficiency of service delivery.”

3. Challenges

Jordan's Public Financial Management faces many challenges that require action, the most prominent of which are:

- Chronic public budget deficit
- Multiplicity of tax-related regulation
- High proportion of current expenditure within total public expenditure
- Contribute in the future growth of government capital investments

- The steady rise in pension costs of military and civil expenses.
- The increased (internal and external) public debt
- Structural fragility of Jordanian economy as a small and open economy in the wake of regional and global economic crises
- Impact of technological innovations on the fight against smuggling, evasion of customs duties and activities of commercial fraud
- The impact of the flow of Syrian refugees on the state budget in terms of providing support, care and necessary services
- The impact of the cut of Egyptian gas supplies on the cost of energy production and the increasing deficit of the National Electric Power company which forces the government to support the energy sector.

4. Strategy of Jordan's Public Financial Management Reform

The strategy of the Public Financial Management consists of two parts:

1. The comprehensive reports of the Public Financial Management (incorporating the role of the Audit Bureau in the Public Financial Management reform)
2. The detailed strategies of departments of the Minister of Finance.

The following document reviews the comprehensive strategy, which only covers issues directly related to the general performance of the Public Financial Management. Moreover, this document focuses on the performance of the Public Financial Management compared to the detailed inputs necessary for jobs and innovation of each department.

The comprehensive strategy begins by taking into account the expected results, as it deals with the Public Financial Management as a whole. The strategy uses indicators which accurately describe the multiple aspects of the performance of the Public Financial Management. These indicators –on the macro level- are in the form of parts of the framework of Public Expenditure and Financial Accountability (PEFA). This framework is the frame of reference used to evaluate the quality of the Public Financial Management by international institutions and third parties. The strategy allows to closely link the contribution of reform initiatives with aspects of the performance of the Public Financial Management. It also allows to measure the progress made in comparison with the standards of 2011 (mission of

Public Expenditure and Financial Accountability), and helps to locate the reform initiatives in a systematic way.

Strategic Objectives of the Comprehensive Reports of the Public Financial Management

This section first reviews the strategic objectives of Jordan's Public Financial Management; these objectives are derived from the National Agenda.

Strategic Objectives of the Comprehensive Reports of the Public Financial Management

In order to achieve the above mentioned vision and mission of the Ministry of Finance, the Ministry has defined four objectives that will direct its activities during the next three years (2014-2017). These objectives reflect the commitment of the government to achieve the objectives outlined in the National Agenda, which include:

1. Secure long term aggregated fiscal discipline

One of the Kingdom's priorities is maintaining a strong and flexible economy. To achieve this, the Ministry of Finance will provide assistance to the government to maintain a competitive tax regime and help ministries to meet their budgets and strategic plan targets, thereby reducing the structural deficit. Once the budget is reduced, the Ministry will identify some opportunities to reduce total debt and debt service burden, which will help to decrease public debt, as a share of gross domestic product to the level specified in the debt law (review this paragraph)

2. Foster policy-based budgeting

The main purpose of this objective is to restore the Council of Ministers' ability to secure new funds for new initiatives. Despite the fact that the privatization program has come to an end and the government has abstained from direct intervention in economic activities, it is still the largest employer in the country, which led to increased current expenditure within total public expenditure, thereby undermining the Council of Ministers' ability to commit new funds for new initiatives that are of critical importance to maintain economic growth and attract investment.

The Ministry of Finance is well aware of the rising cost of the pension system, wage bill, support to the National Electric Power Company, and debt service, which will replace important expenses. To achieve this objective, the Ministry of

Finance will review and assess the feasibility of all existing, ongoing and future projects, and will take the right decisions about continuing these projects.

3. Enhance the role of the private sector as the main driving force of sustainable economic growth

The government cannot provide everything for all citizens. Therefore, the government should, in collaboration with the private sector, focus on clear priorities based on the Kingdom's most important needs. In this regard, the Ministry of Finance supports the achievement of the government's goal of increasing private sector participation and streamlining bureaucratic procedures to make it easier and more attractive for business to locate and invest in Jordan. The Ministry's initiatives include:

- The preparation of new transparent and efficient tax laws, which simplify exciting requirements and make it easier for business to operate.
- The review of legislation that regulate the real estate sector.
- The full adoption of private public partnership such as build-operate-transfer (BOT) future public projects.

4. Give due consideration to citizens' concerns

The Ministry of Finance should lead the efforts to ensure the provision of high quality public services. The Government is committed to developing a system to ensure preparing and maintaining policies and procedures in order to ensure services are provided accurately, timely and consistently. For example, the Ministry will play a leading role in finding solutions for e-government through electronic submission of tax declarations by companies and individuals, in addition to real estate registration services. A strong and effective system to provide public services contributes to greater accountability and effectiveness. To achieve this, the Ministry of Finance will use a decentralized approach to provide services in regions and governorates.

A general description of the performance of the Public Financial Management-
evolution over time

| | Strategic Objectives/ Minister | Actual Assessment | | | Predictions | | | |
|--|-----------------------------------|-------------------|------|------|-------------|------|------|------|
| Public Financial Management- areas- indicators | 2011-2014 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Budget credibility | | | | | | | | |
| PI-1: Aggregate expenses out-turn compared to original approved budget | 1 | A | A | A | A | A | A | A |
| PI-2: Composition of expense out-turn compared to original approved budget | 1 | A | A | A | A | A | A | A |
| PI-2-1: Extent of the variance in expenditure composition during the last three years, excluding contingency items | 1 | A | A | A | A | A | A | A |
| PI-2-2: Actual expenditure charged to the contingency items | 1 | A | A | A | A | A | A | A |
| PI-3: Aggregate revenue out-turn compared to original approved budget | 1 | A | A | A | A | A | A | A |
| PI 4: Stock and monitoring of expenditure payment arrears | 1 | NA | | | | | | |
| PI-4-1: Stock of expenditure payment arrears | 1 | NA | | | | | | |
| PI-4-2: Availability of data for monitoring the stock of expenditure payment arrears | 1 | D | C | C+ | B | B | B+ | B+ |
| Comprehensiveness and Transparency | | | | | | | | |
| PI-5: Classification of the budget | 4.3 | A | A | A | A | A | A | A |
| PI-6: Comprehensiveness of information included in budget documentation | 4.3 | A | A | A | A | A | A | A |
| PI-7: Extent of unreported government operations | | C | | | | | | |
| PI-7-1: The level of extra-budgetary expenditure | 4.3 | C | C | C | C | C | C | C |

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|--|-----|----|---|---|---|---|---|---|
| PI-7-2: Availability and integration of data on revenues and expenses of projects funded by extra-budgetary grants and loans | 4.3 | C | C | C | C | C | C | C |
| PI-8: Transparency of Inter-Governmental Fiscal Relations | | B | | | | | | |
| PI-8-1: Transparency and objectivity in the horizontal allocation amongst sub-national governments | 2 | A | A | A | A | A | A | A |
| PI-8-2: Timeliness of reliable information to sub-national governments on their allocations | 2 | A | A | A | A | A | A | A |
| PI-8-3: Consolidation of fiscal data of general government according to functional and sectoral categories | 2 | D | C | B | B | B | B | B |
| PI-9: Oversight of aggregate fiscal risk from other public sector entities | | D+ | | | | | | |
| PI-9-1: Extent of central government monitoring of autonomous government agencies and public enterprises | 2 | C | B | B | B | B | B | B |
| PI-9-2: Extent of central government monitoring of sub-national governments' fiscal position | 2 | D | C | C | C | C | B | B |
| PI-10: Public Access to key fiscal information | 4.3 | C | A | A | A | A | A | A |
| Policy-based budgeting | | | | | | | | |
| PI-11: Orderliness and participation in the annual budget process | | C+ | | | | | | |
| PI-11-1: Existence of and adherence to a fixed budget calendar | 2 | C | B | B | B | A | A | A |
| PI-11-2: Clarity and comprehensiveness the preparation of budget submissions for ministries and departments | 2 | A | A | A | A | A | A | A |
| PI-11-3: Timely budget approval by the legislature and publishing it in the official Gazette | 2 | D | C | C | C | C | C | C |
| PI-12: Multi-year perspective in fiscal planning, expenditure policy and budgeting | | A | | | | | | |

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|--|-----|----|----|----|----|----|----|----|
| PI-12-1: Preparation of multi -year fiscal forecasts and functional allocations according to functional classification | 2 | A | A | A | A | A | A | A |
| PI-12-2: Scope and frequency of debt sustainability analysis | 2 | A | A | A | A | A | A | A |
| PI-12-3: Existence of sector strategies with multi-year costing of recurrent and investment expenditure | 2 | A | A | A | A | A | A | A |
| PI-12-4: Linkages between investment projects in the budget and strategies of various national sectors | 2 | B | A | A | A | A | A | A |
| Predictability and Control in Budget Execution | | | | | | | | |
| PI-13: Transparency of taxpayer obligations and liabilities | | B+ | | | | | | |
| PI-13-1: Clarity and comprehensiveness of tax liabilities | 1 | B | B+ | B+ | A | A | A | A |
| PI-13-2: Taxpayer access to information on tax liabilities and administrative procedures | 4.3 | A | A | A+ | A+ | A+ | A+ | A+ |
| PI-13-3: Existence and functioning of a tax appeals mechanism | 4.3 | B | B+ | B+ | B+ | A | A | A |
| PI-14: Effectiveness of measures for taxpayer registration and tax assessment | | B | | | | | | |
| PI-14-1: Controls in the taxpayer registration system | 3 | B | B | B+ | B+ | A | A | A |
| PI-14-2: Effectiveness of penalties for non-compliance with registration and declaration obligations | 3 | B | B+ | B+ | A | A | A | A |
| PI-14-3: Planning and monitoring of tax audit and fraud investigation programs | 3 | C | C+ | B | B+ | B+ | B+ | A |
| PI-15: Effectiveness in collection of tax payments | | D+ | | | | | | |
| PI-15-1: Collection ratio for gross tax arrears, being the percentage of tax arrears | 1 | D | D+ | C | C+ | C+ | B | B |

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| PI-15-2: Effectiveness of transfer of tax collections to the Treasury | 1 | A | A+ | A+ | A+ | A+ | A+ | A+ |
| PI-15-3: Frequency of complete accounts reconciliation between tax assessments, collections, arrears records and receipts by the Treasury | 1 | A | A+ | A+ | A+ | A+ | A+ | A+ |
| PI-16: Predictability in the availability of funds for commitment of expenditures | | B+ | | | | | | |
| PI-16-1: Extent to which cash flows are forecast and monitored | 1 | B | A | A | A | A | A | A |
| PI-16-2: Reliability and horizon of periodic information to ministries and departments | 1 | A | A | A | A | A | A | A |
| PI-16-3: Frequency and transparency of adjustments to budget allocations | 1 | B | A | A | A | A | A | A |
| PI-17: Recording and management of cash balances, debt and guarantees | | | | | | | | |
| PI-17-1: Quality of debt data recording and reporting | 1 | A | A | A | A | A | A | A |
| PI-17-2: Consolidation of the government's cash balances | 1 | B | B+ | B+ | B+ | A | A | A |
| PI-17-3: Systems for contracting government loans and issuance of guarantees | 1 | A | A | A | A | A | A | A |
| PI-18: Effectiveness of payroll controls | | C+ | | | | | | |
| PI-18-1: Degree of integration and reconciliation between personnel records and payroll data | 4 | A | A | A | A | A | A | A+ |
| PI-18-2: Timeliness of changes to personnel records and the payroll | 4 | A | A | A | A | A | A+ | A+ |
| PI-18-3: Internal controls of changes to personnel records and the payroll | 4 | A | A | A | A | A | A | A |
| PI-18-4: Existence of payroll audits to identify control weaknesses and/or ghost workers | 4 | C | C+ | B | B | B+ | B+ | A |
| PI-19: Competition, value for money and | | C+ | | | | | | |

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| controls in procurement | | | | | | | | |
| PI-19-1: Transparency, comprehensiveness and competition in the legal and regulatory framework | 4 | C | C | B | B | B | B+ | A |
| PI-19-2: Use of competitive procurement methods | 4 | A | A | A | A+ | A+ | A+ | A+ |
| PI-19-3: Public access to complete procurement information | 4 | C | B | B | B | B+ | B+ | A |
| PI-19-4: Existence of an independent complaints system | 4 | D | D | C | C | C+ | C+ | D |
| PI-20: Effectiveness of internal controls for non-salary expenditures | | C+ | | | | | | |
| PI-20-1: Effectiveness of expenditure commitment controls | 4 | C | C+ | C+ | B | B | B+ | B+ |
| PI-20-2: Comprehensiveness and understanding of other internal control rules | 4 | B | B+ | A | A | A | A | A+ |
| PI-20-3: Degree of compliance with rules for processing and recording transactions | 4 | A | A | A | A | A | A | A+ |
| PI-21: Effectiveness of internal audit | | D+ | | | | | | |
| PI-21-1: Coverage and quality of the internal audit function | 4 | D | C | C+ | B | A | A | A |
| PI-21-2: Frequency and distribution of reports | 4 | C | C+ | B | B+ | A | A | A |
| PI-21-3: Extent of management response to internal audit reports | 4 | C | C+ | B | B+ | A | A | A |
| Accounting, recording and reporting | | | | | | | | |
| PI-22: Timeliness and regularity of accounts reconciliation | | B+ | | | | | | |
| PI-22-1: Regularity of bank reconciliations | 4 | B | B+ | A | A | A | A | A+ |
| PI-22-2: Regularity of reconciliation and clearance of suspense accounts and advances | 4 | A | A | A | A | A | A | A |

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| PI-23: Availability of information on resources received by service delivery units | | D | | | | | | |
| PI-24: Quality and timeliness of in-year budget reports | | D+ | | | | | | |
| PI-24-1: Scope of reports in terms of coverage and compatibility with budget estimates | 4 | D | D+ | C | C+ | B | B | B+ |
| PI-24-2: Timeliness of the issue of reports | 4 | A | A | A | A | A | A | A |
| PI-24-3: Quality of information | 4 | B | B+ | A | A | A | A | A |
| PI-25: Quality and timeliness of annual financial statements | | C+ | | | | | | |
| PI-25-1: Completeness of the financial statements | 4 | C | C | C+ | C+ | C+ | C+ | B+ |
| PI-25-2: Timeliness of submission of the financial statements | 4 | A | A | A | A | A | A | A |
| PI-25-3: Accounting standards used | 4 | C | C | C | C | C | C | C |
| Donor Practices | | | | | | | | |
| DI: Predictability of Direct Budget Support for the last three years | | D+ | | | | | | |
| DI-1: Annual deviation of actual budget support from the forecast provided by the donor agencies | 1 | A | A | A | A | A | A | A |
| DI-2: In-year timeliness of donor disbursements (quarterly estimates) | 2 | D | C | C | C | C | C | C |
| D2: Financial information provided by donors for budgeting and reporting on project and program aid | | D+ | | | | | | |
| D2-1: Completeness and timeliness of budget estimates by donors for project support | 4 | D | D+ | D+ | D+ | D+ | D+ | D+ |
| D2-2: Frequency and coverage of reporting by donors on actual donor flows for project support | 4 | C | C+ | C+ | C+ | C+ | C+ | C+ |
| D3: Proportion of aid that is managed by use of national procedures | 4 | C | C | C+ | C+ | C+ | C+ | C+ |

A detailed description of the programs, projects and activities that achieve the objectives of the Minister's strategy and the Public Financial Management reform program of the Ministry of Finance and its departments:

First: the Ministry of Finance / Center

Second: General Budget Department

Third: Income and Sales Tax Department

Fourth: Customs Department

Fifth: General Supplies Department

Sixth: Department of Land and Survey

First: strategy of the Ministry of Finance - Head Office

The Ministry seeks to achieve strategic objectives by achieving the following goals:

| No. | Objectives of the comprehensive strategy | Strategic objective | Programs, projects and activities that meet the objectives |
|--------------------------|---|---|--|
| First/ second | Secure long term aggregated fiscal discipline and Foster policy-based budgeting | A fiscal policy that reinforces financial stability in the Kingdom, contributes to the improvement of the investment environment and stimulates growth of economic activity | <ol style="list-style-type: none"> 1. Project to provide the necessary infrastructure to build economic models to develop fiscal policies. 2. Medium-term Fiscal Framework Project (ongoing). 3. Preparing the public expenditure review study (periodic). 4. Updating the public debt management strategy. 5. Commitment to the national financial reform program. |
| | | <p>Improving the efficiency of monitoring and managing financial resources effectively.</p> <p>Increase the efficiency of financial audit</p> | <ol style="list-style-type: none"> 1. Project to develop internal audit units in the public sector in coordination with the Audit Bureau. 2. Expanding control over ministries, departments and government institutions to preserve public money. 3. Spreading the implementation of the government finance information system project (phase 2). 4. Improving the supervision mechanism on the contributions of the Ministry and the government in the companies in which the government has a share. 5. Activating the performance of ministry representatives in the boards of directors and management bodies of the companies in which the government has a share. |
| | | Increase the efficiency of financial resources management | <ol style="list-style-type: none"> 1. The government accountant project. 2. Implementing the single treasury account. 3. Developing the mechanism of preparing the cash flow plan. 4. Activating the civil and penal matters |

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| | | | <p>of the Treasury and resolving them once and for all.</p> <ol style="list-style-type: none"> 5. Issuing the annual final accounts for the public budget and the final accounts of government departments. 6. Managing and investing the money of social security fund and saving fund and the Provident Fund in the best way and with minimum risk. 7. Increasing the efficiency of public money collection. |
| | | Improving the principles of disclosure and transparency | <ol style="list-style-type: none"> 1. Special Data Dissemination Standard SDDS (ongoing). 2. Issuing monthly and periodic financial statements/ government finance statement, public debt statement, the periodic statement of the building and land tax system, statement of government finance information system project (ongoing). |
| Third | Enhance the role of the private sector as the main driving force of sustainable economic growth | A fiscal policy that reinforces financial stability in the Kingdom, contributes to the improvement of the investment environment and stimulates growth of economic activity | <ol style="list-style-type: none"> 1. Project to provide the necessary infrastructure to build economic models to develop fiscal policies. 2. Establishing the Partnership Project Unit and the Legal Advice Unit. 3. Project to develop the building and land tax. 4. Electronic payment project. |
| Fourth | Give due consideration to citizens' concerns | Improve the services provided to citizens and institutions benefiting from the Ministry's services | <ol style="list-style-type: none"> 1. Improving pension services and implementing pension decisions in less time. 2. Developing the systems used and electronically linking financial centers in the governorates to promote decentralization. 3. Electronic payment project. 4. Contributing to increase awareness of accounting and audit concepts and effective public financial management. 5. Developing the institutional performance system. 6. Promoting human resources. |

Second: General Budget Department

First: strategy of the Ministry of Finance/ General Budget Department 2014-2017

The General Budget Department seeks to achieve the comprehensive strategic objectives of the Minister of Finance by achieving the following Department's goals:

| No. | Comprehensive strategic objective | Goals of the General Budget Department | Programs, projects and activities that meet the objectives |
|-------|---|---|---|
| First | Secure long term aggregated fiscal discipline | Contribution to building a sound and stable financial position in the Kingdom | <ol style="list-style-type: none"> 1. Control, review, rationalize, direct and increase the efficiency of public expenditure and redefine its priorities in accordance with national priorities, and develop measures and procedures to enable fiscal policy to achieve efficient allocation of available financial resources. 2. Continue to work on the preparation of the general budget using a results-oriented budgeting approach according to international best practices based on strategic planning, national priorities, allocation and optimal use of financial resources available. 3. Promote the principles of transparency, disclosure and participation in general budget management and keep up with international best practices in public financial management, including the issuance of reports and dissemination of information and data to improve Jordan's position at the global level in this regard. 4. Develop a monitoring and evaluation system, prepare the Department's action plan in this regard and prepare reports on the follow-up and evaluation of the three leading ministries as a first stage. 5. Classify the current expenditure programs at the level of the activities of government units in the law of the budgets of governmental units. |

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| | | | <ol style="list-style-type: none"> 6. Classify current and capital expenditures at the lower level of job classification in the General Budget Law. 7. Classify the budget at the directorate level in accordance with the regulatory classification. 8. Develop the law of the annual budgets of governmental units in terms of form and content to comply with the advanced stages of implementing the results-based budgeting in order to develop the law of general budgets of governmental units according to the new perception. 9. Encourage the trend towards gender and child budgeting of government units. 10. Examine the possibility of including the expenses of the Social Security Corporation in the General Budget Law. 11. The inclusion of information about the exchange rate of Jordanian Dinar in the Budget Statement and the Budget Speech. 12. Continue to transfer investment projects from the Ministry of Planning and International Cooperation's budget to the ministries concerned. 13. Continue to transfer current expenditure which is still in capital expenditures, especially those related to ongoing expenses such as maintenance and operational sustainability relating to capital assets. 14. Continue to work on the implementation of the comprehensive reform process in the field of government financial management, most notably the decentralization process since it is a development tool that enables citizens to participate in making the decisions related to identify priority projects that meet their needs in the Kingdom's governorates. To achieve this, procedures that help improving the capabilities of workers in the governorates in |
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| | | | <p>financial, administrative, legal and other aspects should be taken, to enable them to efficiently deal with requirements of the decentralized approach.</p> <p>15. Issue the “Budget Summary document” and the “Citizen's Guide to the general budget”.</p> <p>16. Require government units to include in their annual financial reports an analysis of the financial situation, the risks related to indebtedness, losses and payment arrears, and send these reports to the Ministry of Finance and the General Budget Department.</p> <p>17. Reduce the deviation of actual budget support from the forecast for the year preceding the budget year by one percentage point per year.</p> <p>18. Update budget models.</p> |
| Second | Foster policy-based budgeting | Keep up with contemporary international best practices in budget management | <p>1. Develop institutional work in the Department by establishing the Institutional Performance Development Unit that shall be responsible for the monitoring and evaluation process as well as strategic planning.</p> <p>2. Encourage the implementing the results-based budgeting by preparing and issuing the budget guide booklet.</p> <p>3. Support and promote institutional capacity and offer training programs for budget analysts in the General Budget Department on the principles, techniques and procedures for evaluating program performance.</p> <p>4. Study the possible opportunities to achieve expenditure savings in order to find the necessary funding for capital projects.</p> <p>5. Pay more attention to the analytical side of public spending by conducting public expenditure review for all sectors in the General Budget Law.</p> <p>6. Deepen the application of results-based budgeting by evaluating the performance of a number of ministries, departments and government units according to targeted</p> |

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| | | | <p>performance measure indicators and determine the extent of deviation thereof.</p> <ol style="list-style-type: none"> 7. Consolidate and develop the approach of preparing the general budget and the budgets of government units within a medium-term framework. 8. Review the schedule for the preparation of the general budget. 9. Prepare a paper on the government's priorities and policies. 10. Review the law regulating the General Budget No. 58 of 2008. 11. Enhance the transparency of government departments' budgets through conducting an analysis of the budget of one government department in 2015, while analysis will be conducted on two additional government departments in each of 2016 and 2017. 12. Expand ing in the application of the map accounts in the budgets of government departments through classifying expenses of governmentdepartments according to the functional classification per section and occupation groups in 2015, and three additional sectors in 2016, and 4 four additional sections in 2017. |
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Third: Income and Sales Tax Department

The Income and Sales Tax Department seeks to achieve the comprehensive strategic objectives of the Minister of Finance by achieving the following Department's goals:

| National goals | Objectives of the Ministry of Finance | Objectives of the Income and Sales Tax Department | Programs, projects and activities that meet the objectives |
|--|--|--|--|
| Develop a prosperous national economy and open to regional and international markets | Promote the mechanism of developing the fiscal policy | Create a financial resource for the government to feed the treasury with sufficient funds to enable it to exercise its functions | <ol style="list-style-type: none"> 1. Increase the contribution of revenue from income and sales tax in local revenues by updating tax legislation and policies. 2. Increase the efficiency of income and sales tax audits by: <ol style="list-style-type: none"> 1. Reducing the cost of collecting the Dinar. 2. Increase acceptance rate according to sampling based on risk factors. 3. Raise the level of completion of audit sample during the year. 4. Increase the collection rate of newly levied taxes. 5. Improve the efficiency of tax payment collections by reducing annual tax arrears. |
| Enhance government administration to be financially stable, transparent and accountable at both central and local levels | Improve the efficiency of controlling and managing financial resources | | <ol style="list-style-type: none"> 1. Increase tax compliance and taxpayer voluntary compliance by <ol style="list-style-type: none"> 1. Increase the effectiveness of measures for taxpayer registration and electronic linkage 2. Increase the effectiveness of data collection 3. Increase the effectiveness of tax information |
| | Improve the principles of disclosure and transparency | | <ol style="list-style-type: none"> 2. Improve the quality of service and |

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| | Improve the services provided to citizens and institutions benefiting from the Ministry's services | services | transparency by: A. Resource development and training B. Raising the efficiency of administrative affairs C. Improving the efficiency of information technology D. Improving the efficiency of the Department's services and simplifying procedures E. Updating laws and regulations and maintaining legislative stability |
| | Enhance human capacities and knowledge of the Ministry's staff | | |

Fourth: Customs Department

The Customs Department seeks to achieve the comprehensive strategic objectives of the Minister of Finance by achieving the following Department's goals:

| No. | Strategic objectives of the financial management | Objectives of Customs Department | Programs, projects and activities that meet the objectives |
|--------|--|--|--|
| First | Secure long term aggregated fiscal discipline | Increase the effectiveness of anti-smuggling and illegal business activities by 5% per year (new) Increase the rate of seizing dangerous and environmentally harmful materials by 5% per year (new) | Television monitoring system (ongoing) Telecommunication Directorate |
| | | | Providing centers with x-ray scanning equipment (in progress) Telecommunication Directorate |
| | | | Simulation system for training on container inspection (in progress) Telecommunication Directorate |
| | | | Electronic linkage with Customs departments in neighboring countries (in progress) Directorate of Information Technology |
| | | | Automatic control using Radio-frequency identification (RFID) (e-portals)- phase 2 (postponed) Directorate of Information Technology |
| | | Increase customs revenue by 5% per year (new) | The efficiency of revenue collection financial Affairs Directorate |
| Second | Foster policy-based budgeting | Increase customs revenue by 5% per year (new) | The efficiency of revenue collection financial Affairs Directorate |
| Third | Enhance the role of the | Reduce the time of the | Golden list |

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| | private sector as the main driving force of sustainable economic growth | release of the goods by 5% per year (new) | Risk Directorate |
| | | | Customer service/ electronic customs project- phase 3 (in progress) Directorate of Information Technology |
| | | | Project of expanding the electronic tracking system- phase 2 Telecommunication Directorate |
| | | | Electronic linkage with public and private sectors (in progress- phase 2) Directorate of Information Technology |
| | | | Completing the international ASYCUDA system/ computerizing customs data system Directorate of Information Technology |
| | | | Information bank project and Decision Support Systems - Phase 2 / electronic Customs project (in progress) Electronic Directorate of Information Technology |
| | | | One-stop shop project- phase 2 (in progress) Directorate of Information Technology |
| | | | Integrated Tariff (CITS) (postponed) Directorate of Information Technology |
| fourth | Give due consideration to citizens' concerns | Increase the effectiveness of work procedures by 5% per year (new) | Development of computerized financial systems in customs- phase 2 (in progress) Directorate of Information Technology |
| | | Increase the effectiveness of human resources by 3% per year (new) | Updating various legislation and regulations Legal Affairs Directorate |
| | | Reduce service recipients' complaints by 5% per year | Standardizing and simplifying customs procedures in the centers |

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| | | <p>(new)</p> <p>Increase service recipients' satisfaction by 5% per year</p> <p>(new)</p> <p>Increase community initiatives by 5% per year</p> <p>(new)</p> | <p>- Phase 2</p> <p>Directorate of Information Technology</p> |
| | | | <p>Document Management system (DMS)- electronic archiving- electronic customs- phase 3 (in progress)</p> <p>Directorate of Information Technology</p> |

Fifth: General Supplies Department

The General Supplies Department seeks to achieve the comprehensive strategic objectives of the Minister of Finance by achieving the following Department's goals:

| No. | Comprehensive strategic objective | Goals of the General Supplies Department | Programs, projects and activities that meet the objectives |
|--------------|--|--|---|
| First | Secure long term aggregated fiscal discipline | <ol style="list-style-type: none"> 1. Developing the legislation and policy of the General Supplies Department in line with the latest local, regional and international development 2. Managing and organizing government inventory/ monitor supplies and ensure good use by ministries and government departments by recycling excess and reducing purchase expenses | <ol style="list-style-type: none"> 1- Participating in preparing a legislative system for Joint Procurement, preparing related instructions and regulations that will be issued in accordance with international practices while creating a competitive environment, achieving value for money and having control over purchases. 2- Developing work procedures and mechanisms, models, technical manuals for procurement process of projects funded by grants, loans and general budget, and capacity building of the Department's employees in line with local, regional and international developments according to international practices. 3- Implementing the electronic inventory management system in government agencies. |
| Third | Enhance the role of the private sector as the main driving force of sustainable economic growth | Managing and organizing government procurement/ meeting the needs of ministries and government institutions and departments of supplies, maintenance and insurance, with high quality and affordable prices and in a | <ol style="list-style-type: none"> 1. Continuing to implement the system of government financial information management in the Department. 2. Continuing to develop and improve, sustain and update the Department's website. 3. Developing and implementing an electronic national procurement system |

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| | | timely manner. | <p>and linking with the Government Financial Management Information System and the government inventory management system by creating an electronic portal and an interactive website for purchases made through the Department; special screens will be devoted for bidders to use the portal (private sector) and an interactive website for the Department's employees, in addition to a portal for ministries and government departments.</p> <p>4. Offering capacity building and training for government employees working in the government procurement department and the government inventory management department.</p> |
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**Sixth: Department of Land and Survey
2014-2017**

The Department of Land and Survey seeks to achieve the comprehensive strategic objectives of the Minister of Finance by achieving the following Department's goals

| No. | Comprehensive strategic objective | Goals of the Department of Land and Survey | Programs, projects and activities that meet the objectives |
|-------|---|--|---|
| First | Secure long term aggregated fiscal discipline | 1. Determining the value assessment system and implementing it in a transparent and fair manner. | <ul style="list-style-type: none"> – Updating a fixed base price and linking it with the electronic value assessment system. – Posting base price tables on the Department's website. – Rate of objection on the estimated value. – Coordinating with concerned authorities to update the cost of building square meter price (Engineers Association). – Coordinating with concerned authorities to calculate property rental values. – Expanding the experience of licensed real estate appraisers to include all registration directorates. <p>Note: all the above-mentioned activities are still ongoing.</p> |

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| | | 2. Updating, reviewing and developing revenue collection methods | <ul style="list-style-type: none"> – Expanding the experience of electronic payment means to include all registration directorates Visa Cart. – Determining an upper ceiling for paying registration fees in cash so as not to exceed 1.000 Jordanian dinars. – Paying registration fees that exceed 1.000 Jordanian dinars through approved banks (bank deposit slip). <p>Note: all the above-mentioned activities are still ongoing.</p> |
| | | Managing financial resources efficiently and effectively | <ul style="list-style-type: none"> – Increase the rate of amount collected to amounts owed by 10% per year against the base year. – Addressing all debtors to repay their dues. – Monitoring collection rates and providing the Financial Management and senior management of collection rates and results on a quarterly basis. – Sustaining the list of state property leases. – Following up the collection of annual rent allowances. – Auditing the dates of contracts and implementing the procedures for renewal or suspension. – Providing the financial management and the senior management of all the necessary reports. – Maintaining the ratio of expenses by: <ul style="list-style-type: none"> – Monitoring all maintenance contracts concluded with the Department and organizing the dues of parties of the contracts. |

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| | | | <ul style="list-style-type: none"> – Organizing energy conservation operations “fuel, water, electricity...” and maintaining the approved financial ceilings. – Relying on internal maintenance teams to sustain and operate work requirements. <p>Note: all the above-mentioned activities are still ongoing.</p> |
| Second | Enhance the role of the private sector as the main driving force of sustainable economic growth | Providing comprehensive, updated, accurate and safe real estate information that meet the needs of service recipients | <ul style="list-style-type: none"> – Following up with the Legislation and Opinion Bureau to implement the procedures of the consolidated land law. – Posting amended regulations, laws and instructions on the website and electronic library and the means available to the Department. – Activating the partnership with the private sector and relevant institutions (registration, maps, estimation...). – Updating real estate information on a regular basis to produce computerized, accurate and comprehensive information. – Forming committees of both the public and private sectors to achieve mutual benefit. – Following up the assessments of Doing Business report and make the necessary adjustments to improve the level of work in general. <p>Note: all the above-mentioned activities are still ongoing.</p> |
| Third | Give due consideration to citizens' concerns | Improving the level and methods of providing services. | <ul style="list-style-type: none"> – Clarifying and facilitating the Department’s work procedures and determining their criteria. – Providing electronic services. – Activating and improving the concept of customer service by implementing the plan for improving customer service offices in all registration directorates. |

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| | | | <ul style="list-style-type: none"> – Encouraging the use of automatic line system in all registration directorates. – Providing the appropriate work tools and equipment. – Preparing, motivating and distributing human skills according to work needs. <p>Note: all the above-mentioned activities are still ongoing.</p> |
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