
JORDAN

INTRODUCTION

JORDAN is a lower-middle income country with a gross national income (GNI) of USD 3 980 per capita in 2009 (WDI, 2011), which has grown at an average rate of 4.3% per annum since 2005 (WDI, 2011). It has a population of just over six million, with approximately 13% of the population living on less than USD 3 per person per day (GoJ data).

Since 2000, Jordan has experienced a significant improvement on the Human Development Index (UNDP, 2011). According to the government, progress has also been made in political reform at the municipal and national level, as well as in judicial reform. Additionally, significant reforms were undertaken on the economic front, particularly in opening up the economy, as well as improving the business and investment climate. However, Jordan continues to have a number of constraints, including high budget deficit, high outstanding public debt, high levels of poverty and unemployment, and challenges related to water and energy needs.

Net official development assistance (ODA) to Jordan in 2009 totalled USD 761 million (OECD, 2011a). According to the government, approximately two-thirds of this was allocated as grants, of which half was direct budget support. Since 2005, net ODA has averaged 4% of GNI (WDI, 2011), and the top five donors contributed to 84% of Jordan's core ODA (OECD, forthcoming). ■

SUMMARY OF PROGRESS

PROGRESS ON THE PARIS DECLARATION INDICATORS depends on improvements by both donors and partner governments. Jordan has met four of nine indicators with 2010 targets available, specifically in the areas of ownership, alignment and mutual accountability. Two indicators were either unchanged or the target was not met. All three harmonisation indicators saw setbacks compared to 2007. Of those indicators without targets, progress is strongest for indicators 5a and 5b (use of country systems).

Jordan's Ministry of Planning and International Co-operation is the focal point for all donors, international organisations, and financing institutions operating in the country. Jordan has initiated several programmes to increase the co-ordination of aid programmes and build capacity.

The Jordan Aid Information Management System (JAIMS), launched in 2010, provides a comprehensive account of all on-going projects and programmes funded through foreign aid in Jordan. It also serves as an important tool for increasing the transparency of aid information and for minimising the duplication of efforts. In June 2011 the second phase of JAIMS was completed; it will now capture donor assistance to regional projects and programmes, whilst providing support to civil society. ■

TABLE 1:
Baselines and targets
for 2010

INDICATORS		2005 REFERENCE	2007	2010 ACTUAL	2010 TARGET
1	Operational development strategies	--	--	B	'B' or 'A'
2a	Reliable public financial management (PFM) systems	--	--	--	No Target
2b	Reliable procurement systems	Not available	Not available	Not available	No Target
3	Aid flows are aligned on national priorities	--	60%	60%	85%
4	Strengthen capacity by co-ordinated support	--	95%	94%	50%
5a	Use of country PFM systems	--	26%	71%	No Target
5b	Use of country procurement systems	--	27%	82%	No Target
6	Strengthen capacity by avoiding parallel PIUs	--	2	92	No Target
7	Aid is more predictable	--	48%	47%	No Target
8	Aid is untied	97%	98%	98%	More than 97%
9	Use of common arrangements or procedures	--	78%	39%	66%
10a	Joint missions	--	25%	11%	40%
10b	Joint country analytic work	--	47%	20%	66%
11	Results-oriented frameworks	--	--	C	'B' or 'A'
12	Mutual accountability	Not available	N	Y	Y

TABLE 2:
Learning from success
and challenges

	ACHIEVEMENT OR CHALLENGE	LESSON OR PRIORITY ACTION
Ownership	Challenge: Use national development strategy as a basis for prioritising donor resources in the context of a significant budget deficit.	Lesson: When the government takes the lead in fostering government-donor dialogue there is greater country ownership and a foundation for progress on the remaining indicators.
Alignment	Achievement: Demonstrating improvements in country systems has led to significant increases in their use by donors.	Priority action: Develop framework agreements with donors to improve multi-year aid predictability.
Harmonisation	Challenge: Expand harmonisation activities beyond the top three donors and beyond budget support.	Lesson: A single focal point for co-ordination of donor activities is useful.
Managing for results	Achievement: The national development strategy supplies timely and comprehensive data for evaluating donor projects.	Priority action: Clarify institutional responsibilities and move beyond project level monitoring
Mutual accountability	Achievement: Implementation of a mutual accountability framework involving all appropriate national level institutions.	Priority action: Involve non-government stakeholders and demonstrate outcomes. Lesson: Place emphasis on monitoring and evaluation schemes to assess progress made at programme and project levels.

ABOUT THE SURVEY

This chapter assesses progress against the quantitative indicators provided by the Survey on Monitoring the Paris Declaration, drawing on data provided by the government and donors, the OECD and the World Bank. In addition to this, it draws on qualitative evidence submitted to the OECD by the national government which incorporates feedback from donors and other stakeholders. Stakeholders note that it is possible that in places definitions and concepts were interpreted differently by survey respondents in 2011 compared with previous years. A degree of caution should be taken when analysing the trends shown by some of the indicators.

The 2011 Survey responses cover 12 donors and 74% of Jordan's core ODA. Jordan participated in the Paris Declaration Monitoring Survey for the second time in 2011. ■

OWNERSHIP

AID IS MOST EFFECTIVE when it supports a country-owned approach to development. It is less effective when aid policies and approaches are driven by donors. In the context of the Paris Declaration, ownership concerns a country's ability to carry out two, inter-linked activities: exercise effective leadership over its development policies and strategies; and co-ordinate the efforts of various development actors working in the country.

Indicator 1 assesses the operational value of a country's development strategy. In particular, it looks at the existence of an authoritative country-wide development policy (*i.e.* a unified strategic framework), the extent to which priorities are established, and whether these policies are costed and linked with the budget. All of these features are important to harness domestic resources for development, and to provide a basis for the alignment of aid to development priorities. Each country has provided evidence against these criteria, and this has been translated into a score by the World Bank using the same methodology as in the 2006 and 2008 surveys. A five-point scale runs from A (highest score) to E (lowest score). The Paris Declaration targets 75% of partner countries achieving a score of A or B by 2010.

Jordan received an overall score of B from the World Bank for indicator 1, meeting the 2010 target. This indicates an operational development strategy is in place, underpinned by sector strategies and prioritised targets, and linked to a long term vision and budget allocation processes.

Jordan's current national development strategy (NDS) is the Executive Development Programme 2011-2013 (formulated in 2010). This sets out objectives, policy actions, and projects tracked through over 600 key performance indicators. It is based on a formal long-term vision, the National Agenda (2006-2015) and builds on progress made under the 2007-2009 Executive Development Programme. The NDS and the longer-term agenda are linked in their focus on the shared objective of improving the social and economic well-being of Jordanian citizens.

The NDS incorporates 24 sector strategies, policies and action plans within seven key pillars, which comprise social welfare; employment and vocational support; education; enabling investment; infrastructure; financial and administrative reform; and legislative and judicial reform. The NDS serves as a reference point for setting annual priorities and as a tool for budget allocations by the Ministry of Finance in implementing sectoral priorities. The NDS has prioritised targets which guide the allocation of budget resources, which are monitored quarterly to ensure implementation. The following elements were taken into account while developing the NDS:

1. Integrating the Millennium Development Goals and their indicators
2. Incorporating the Population Opportunities Policy document
3. Integrating the Poverty Alleviation Strategy through the local development

INDICATOR 1

Do countries have operational development strategies?

4. Integrating the Comprehensive Financing Strategy to Combat Desertification
5. Mainstreaming gender issues in the different aspects of the program

The NDS is implemented in the context of both a medium term fiscal framework and a medium term expenditure framework. Both frameworks cover the period 2011-2013 and are formulated every three years. According to the Jordanian government, the NDS has been fully integrated into the budget process.

The NDS is bound by the medium term fiscal framework which aims at gradually lowering the budget deficit towards safe levels and providing for most needed capital expenditure in high priority programmes (regarding energy, water, transport, education, and health sectors, as well as social safety nets and youth targeted programmes).

The budget execution process benefits from a feedback loop via performance indicators for projects and sector strategy targets. Quarterly progress reports on the NDS are prepared and annual reports are sent to the Cabinet for review.

In developing the NDS, a steering committee comprising representatives from all concerned ministries and public institutions was established. Additionally, 14 task forces were formed to prepare the pillars of the programme, as well as ministerial committees to determine the programme's priorities from a sectoral perspective to ensure that each ministry's priorities are aligned with overarching sectoral prerogatives and goals. This process ensured effective alignment of goals between various partners and stakeholders, as well as between various projects in the same sector.

It is worth noting that the Government of Jordan is also in the process of establishing a decentralisation programme. This will aim to foster citizens' participation in the local decision making process over policies that affect their daily lives, while strengthening public accountability and transparency. ■

ALIGNMENT

AID THAT IS DONOR DRIVEN AND FRAGMENTED is less effective. For aid to be effective, it must make use of national development strategies and use and help strengthen capacity in national systems, such as those for procurement and public financial management. The Paris Declaration envisions donors basing their support fully on partner countries' aims and objectives. Indicators 2 through 8 of the Paris Declaration assess several different dimensions of alignment.

For the indicators on co-ordination of technical co-operation with national priorities and untying aid (4 and 8), Jordan has maintained strong results since 2007. All aid received is aligned to national priorities and based on the request made by the GoJ (indicator 3). The country performs favourably in relation to indicators on co-ordinated technical assistance and untied aid above target. On the remaining alignment indicators, in-year predictability and capture of disbursements on account has been static, but the government and donors are making efforts in other aspects of predictability that may not impact directly on indicator 7. Jordan has signed a number of framework agreements and MOUs with the main donors and financing institutions, which set allocations committed to Jordan over a specific period, while indentifying the sectors that will be supported and the various mechanisms through which such support will be channelled.

The use of country systems (indicators 5a and 5b), have both seen a considerable improvement since 2007. One explanation given for this increase in the use of country systems is the government's explicit encouragement of government-donor dialogue, transparency and improved planning techniques. Indicator 6, the number of parallel project implementation units (PIUs), has substantially worsened since the last survey.

Indicator 2 covers two aspects of country systems: public financial management (PFM) and procurement. Do these systems either adhere to good practices or are there plans for reform? If countries have reliable systems, donors are encouraged to use them for the delivery and management of aid. This helps to align aid more closely with national development strategies and enhances aid effectiveness.

Indicator 2a of the Paris Declaration assesses whether PFM systems meet broadly accepted good practices or whether credible reform programmes are in place. The assessment is based on the World Bank's Country Policy and Institutional Analysis (CPIA) score for the quality of PFM systems, which uses a scale running from 1 (very weak) to 6 (very strong).

To score highly, a country needs to perform well against all three of the following criteria: a comprehensive and credible budget linked to policy priorities; an effective financial management system to ensure that the budget is implemented as intended in a controlled and predictable way; and timely and accurate accounting and fiscal reporting, including timely and audited public accounts with effective arrangements for follow up. Meeting the global 2010 target requires half of partner countries to move up at least one measure (*i.e.* 0.5 points) between 2005 and 2010.

The reliability of Jordan's public financial management systems were not assessed according to the CPIA methodology in 2010, and as such, no score is presented for indicator 5a. However, the Government of Jordan reports that significant progress has been made in reforming and improving its public financial management systems in recent years in line with international best practices, for example in planning, monitoring, and transparency of its debt management. As an integral part of the Government's efforts towards reforming the public sector in Jordan and achieving long-term fiscal sustainability, the Ministry of Finance, since the last survey of 2008, has further enhanced its financial management reform, aiming to improve the budget process via four mechanisms:

1. Implementing a medium-term fiscal framework. This includes utilising modern methods in forecasting domestic revenues and public expenditures in the short and medium terms; setting a partial ceiling for the expenditure in each line ministry; preparing medium-term forecasts of current and capital expenditures for each line ministry; and deriving the fiscal space to be distributed to line ministries based on national priorities. This framework is prepared twice annually.
2. Establishing a single treasury account. The Ministry of Finance established a treasury single account at the Central Bank of Jordan by eliminating unnecessary governmental accounts.
3. Improving budget classification. The Ministry of Finance has transferred the allocation of some programmes from its budget to concerned ministries and a new chart of accounts was implemented according to international standards.
4. Setting up a government financial management information system (GFMIS), which is now operational in a number of ministries. This system produces relevant financial information to support decision-making across government. The GoJ says the system is transparent and covers all financial and monetary operations.

Indicator 2b was first measured in 2008 by 17 countries. The process is one of self-assessment, using the Methodology for the Assessment of National Procurement Systems developed by the OECD-DAC Task Force on Procurement. The methodology includes baseline indicators to compare a country's systems to international-accepted good practice, as well as a new set of indicators. These indicators assess overall performance of the system, compliance with national legislation and standards and whether there is a reform programme in place to promote improved practices. The results are expressed as grades on a four-point scale running from A (the highest) to D (the lowest). The 2010 target is for a third of partner countries to move up at least one measure (*i.e.* from D to C, C to B or B to A) although not all countries will perform an assessment.

INDICATOR 2
Building reliable
country systems

INDICATOR 2a
How reliable are
country public financial
management systems?

INDICATOR 2b
How reliable are country
procurement systems?

No formal assessment of Jordan's procurement systems was made in 2010 for the Paris Declaration Monitoring Survey. Nevertheless, the government reports recent efforts to improve the quality of the procurement system and related procedures. In the survey, the Government of Jordan indicated that the Jordanian public procurement system satisfies all procurement requirements, since the system is strict and ensures transparency and equal opportunity for all bidders. The system is also subject to outside auditing. The controlling mechanisms include: the Audit Bureau of Jordan, which is an independent entity responsible for public audit, reports on the violations of the procurement process to the financial committee of the Lower House of Parliament, and the Anti-Corruption Commission is mandated with investigating corruption in public procurement.

Efforts are being undertaken to merge the government three procurement agencies into a Unified Procurement Department. A new procurement act was drafted, which aims to ensure transparent purchases. This provides fair opportunities to all bidders, and prevents fraud, corruption and malpractice from distorting the procurement process. Amendment of the public procurement legislation will harmonise procurement procedures among all ministries and public entities. Once the new procurement act and its regulations are endorsed, the government will seek donor support to implement their provisions, and to build the capacities of procurement officers. The government is also in the process of making an e-procurement system operational.

Moreover, and in an effort to enhance the transparency of the procurement system, Jordan's Anti-Corruption Commission was mandated with investigation corruption in public procurement.

INDICATOR 3

Aligning aid flows on national priorities

Comprehensive and transparent reporting on aid, and its use, helps ensure that donors align aid flows with national development priorities. When aid directed to the government sector is fully and accurately reflected in the national budget it indicates that aid programmes are well connected with country policies and processes. This also allows partner country authorities to present accurate and comprehensive budget reports to their parliaments and citizens.

As a proxy for alignment, indicator 3 measures the percentage of aid disbursed by donors for the government sector that is included in the annual budget for the same fiscal year. The indicator reflects two components: the degree to which aid is aligned with government priorities, and the extent to which aid is captured in government's budget preparation process. Budget estimates can be higher or lower than disbursements by donors and are treated similarly for the purpose of measuring indicator 3 despite the different causes.

The 2010 target is to halve the proportion of aid flows that are not currently reported on government budgets, with at least 85% of aid reflected in the budget. In 2010, 60% of aid to Jordan was accurately estimated in the budget. This proportion is the same as was reported in 2007, and below the 2010 target of 85%. The two largest contributors to Jordan are the United States and the EU Institutions, the latter of which has substantially increased the accuracy of disbursements since 2007, while the former has registered roughly a 20 percentage point decrease. Grants received by the Government of Jordan are of two types: grants in the form of budget support and grants that are directly managed by the donors to finance priority developmental projects, in co-ordination with the relevant line ministry. All grants committed by donors in the form of budget support were recorded in the national budget, which represents more than 60% of grant assistance committed by donors. Discrepancies between estimates and disbursements therefore stem from those grants linked to project implementation by donors in co-ordination with line ministries. These grants are subject to the dynamics of project implementation, and may incur delays affecting levels of disbursement in any given year.

It should be noted that the Government of Jordan attaches high importance to enhancing the levels of direct budgetary support, specifically in the form of grants. This ensures that resources are available for development projects, and in a timely and predictable manner, without having to undermine ongoing efforts at fiscal consolidation.

	Government's budget estimates of aid flows in 2010 (USD m) a	Aid disbursed by donors for government sector in 2010 (USD m) b	2005		2007		2010*		Total aid disbursed through other donors (USD m)
			(for reference)		(for reference)		(%)		
							c = a / b	c = b / a	
Canada	0	1	--	--	0%	--	0%	--	0
EU Institutions	110	123	--	--	45%	--	89%	--	0
France	--	--	--	--	0%	--	--	--	0
Germany	0	50	--	--	0%	--	0%	--	0
Global Fund	0	1	--	--	--	--	0%	--	0
Greece	--	--	--	--	0%	--	--	--	0
Italy	0	3	--	--	--	--	0%	--	0
Japan	--	--	--	--	80%	--	--	--	0
Netherlands	0	0	--	--	--	--	0%	--	0
Spain	0	1	--	--	0%	--	0%	--	0
Switzerland	0	0	--	--	--	--	0%	--	0
United Nations	0	6	--	--	0%	--	0%	--	0
United States	153	212	--	--	--	91%	72%	--	0
World Bank	0	37	--	--	0%	--	0%	--	0
Average donor ratio			--	--	22%	--	15%	--	
Total	263	435	--	--	60%	--	60%	--	0

* Ratio is $c = a / b$ except where government's budget estimates are greater than disbursements ($c = b / a$).

TABLE 3:
Are Government budget estimates comprehensive and realistic?

For many countries, aid is a vital source of revenue and resources. Being able to predict aid disbursements – both in terms of how much aid will be delivered and when – is important to enable countries to manage public finances and undertake realistic planning for development. The Paris Declaration calls on donors to provide reliable, indicative commitments of aid over a multi-year framework, and to disburse aid in a timely and predictable manner according to agreed schedules.

Indicator 7 examines the in-year predictability of aid for the government sector by measuring the proportion of planned disbursements (as reported by donors) that are recorded by governments in their accounting system as having been disbursed. Indicator 7 therefore assesses two aspects of predictability. The first is the ability of donors to disburse aid according to schedule. The second is the ability of government to record disbursements for the government sector as received in its accounting system. Indicator 7 is designed to encourage progress in relation to both, with the aim of halving the proportion of aid not disbursed (and not captured in the government's accounting system) within the fiscal year for which it was scheduled by 2010. The ultimate goal is to improve not only the predictability of disbursements, but also the accuracy with which they are recorded in government systems – an important element to support ownership, accountability and transparency.

There was a minor reduction in the share of scheduled aid disbursed and recorded in government accounting systems, from 48% in 2007 to 47% in 2010. This suggests that some challenges remain regarding the recording of donor flows and the predictable disbursement of aid. Donors reported disbursing 85% of their estimated disbursements. Of the major donors to Jordan, the EU Institutions score highest at 82%, followed by Germany at 59%, while the World Bank and the United States score substantially lower. In order to increase the predictability of aid, the Government of Jordan intends to co-ordinate aid on a multi-year basis. Therefore, the government has discussed concluding framework agreements in order to ensure improve the predictability of aid and better link financing to project priorities, as well as better predict aid extended as direct budget support.

The framework agreements will help to make aid more predictable where commitments are set by identifying sectors and projects for support, and agreeing on the modalities for channelling aid over a specified period of time in line with the Government Executive Development Programme, which currently covers the period

INDICATOR 7
Providing more predictable aid

2011-13. These agreements will have similar objectives to the National Indicative Programme 2011-13 that was renewed with the European Union in 2010; the Country Partnership Strategy 2011-15 with the World Bank; and a number of other MOU signed with various donors. In the case of budget support, medium-term predictions are usually made based on MOU signed with donors that are revised on a quarterly basis.

TABLE 4:
Are disbursements on schedule and recorded by government?

	Disbursements recorded by government in 2010 (USD m) a	Aid scheduled by donors for disbursement in 2010 (USD m) b	2005 (for reference)		2007 (for reference)		2010* (%)		For reference: Aid disbursed by donors for government sector in 2010 (USD m) d	For reference: % of scheduled aid disbursements reported as disbursed by donors in 2010** (%)	
							c = a / b	c = b / a		e = d / b	e = b / d
Canada	20	0	--	--	--	--			1		0%
EU Institutions	86	104	--	32%	--	82%		123		85%	
France	--	--	--	--	--	--		--	--	--	
Germany	29	49	--	87%	--	59%		50		97%	
Global Fund	0	1	--	--	--	0%		1	80%		
Greece	--	--	--	--	--	--		--	--	--	
Italy	1	2	--	--	--	62%		3		65%	
Japan	--	--	--	24%	--	--		--	--	--	
Netherlands	0	0	--	--	--	--		0		0%	
Spain	0	6	--	--	--	0%		1	21%		
Switzerland	8	0	--	--	--	4%		0	100%		
United Nations	7	7	--	0%	--	99%		6	92%		
United States	635	163	--	46%	--	26%		212		77%	
World Bank	0	39	--	79%	--	1%		37	97%		
Average donor ratio			--	45%	--	33%				65%	
Total	786	371	--	48%	--	47%		435		85%	

* Ratio is c=a/b except where disbursements recorded by government are greater than aid scheduled for disbursement (c=b/a).

** Ratio is e=d/b except where disbursements recorded by donors are greater than aid scheduled for disbursement (e=b/d).

INDICATOR 4
Co-ordinating support to strengthen capacity

Capacity constraints present significant challenges to development and poverty reduction efforts and their sustainability. These relate both to aid management capacities (the ability of the government to capture, co-ordinate and utilise aid flows more effectively) and also to broader capacities for the design and implementation of policies and service delivery.

Under the Paris Declaration donors committed to providing technical co-operation that is co-ordinated with partner country strategies and programmes. This approach aims to strengthen capacities while also responding to the needs of partner countries. Successful capacity development is led by the partner country.

Indicator 4 focuses on the extent to which donor technical co-operation (an important input into capacity development) is country-led and well co-ordinated. It captures the extent to which technical co-operation is aligned with objectives articulated by country authorities, whether country authorities have control over this assistance, and whether arrangements are in place to co-ordinate support provided by different donors. The Paris Declaration target is for 50% of technical co-operation flows to be implemented through co-ordinated programmes that are consistent with national development strategies by 2010.

In 2010, 94% of technical co-operation was co-ordinated with country programmes, down only one percentage point since 2007. This remained substantially above the 2010 target of 50%. This strong score can be attributed to the establishment of clear mechanisms to co-ordinate and direct donor assistance to respond to national policies and development strategies. In this regard, government-donor co-ordination working groups serve as an opportunity to establish a structured dialogue with the donor community over technical and financial support. It is of particular importance to Jordan to build the capacity of public bodies and their staff. Therefore, the government has co-ordinated technical co-operation programmes and initiatives with donors with the objective of building the capacities of public institutions in various fields.

	Co-ordinated technical co-operation (USD m) a	Total technical co-operation (USD m) b	2005 (for reference)	2007 (for reference)	2010 (%) c = a / b
Canada	5	5	--	100%	87%
EU Institutions	0	6	--	100%	0%
France	--	--	--	0%	--
Germany	7	7	--	100%	100%
Global Fund	0	0	--	--	--
Greece	--	--	--	95%	--
Italy	0	1	--	--	0%
Japan	--	--	--	100%	--
Netherlands	0	1	--	--	0%
Spain	1	1	--	--	74%
Switzerland	0	4	--	--	9%
United Nations	2	8	--	0%	23%
United States	278	278	--	100%	100%
World Bank	6	6	--	100%	100%
Total	298	316	--	95%	94%

TABLE 5:
How much technical co-operation is co-ordinated with country programmes?

Donor use of a partner country's established institutions and systems increases aid effectiveness by strengthening the government's long-term capacity to develop, implement and account for its policies to both its citizens and its parliament. The Paris Declaration commits donors to increase their use of country systems that are of sufficient quality, and to work with partner countries to strengthen systems that are currently weak. Indicator 5 is directly linked to Indicator 2 on the quality of public financial management (PFM) and procurement systems.

INDICATOR 5
Using country systems

	Aid disbursed by donors for government sector (USD m) a	Public financial management						Procurement			
		Budget execution (USD m) b	Financial reporting (USD m) c	Auditing (USD m) d	2005 (for reference)	2007 (for reference)	2010 (%) avg(b,c,d) / a	Proc. systems (USD m) e	2005 (for reference)	2007 (for reference)	2010 (%) e / a
Canada	1	0	0	0	--	0%	0%	0	--	100%	0%
EU Institutions	123	98	98	98	--	0%	79%	98	--	0%	79%
France	--	--	--	--	--	19%	--	--	--	28%	--
Germany	50	44	36	36	--	0%	77%	44	--	81%	87%
Global Fund	1	0	0	0	--	67%	0%	1	--	44%	100%
Greece	--	--	--	--	--	69%	--	--	--	37%	--
Italy	3	0	0	0	--	--	0%	0	--	--	0%
Japan	--	--	--	--	--	20%	--	--	--	20%	--
Netherlands	0	0	0	0	--	--	0%	0	--	--	0%
Spain	1	0	0	1	--	--	18%	1	--	57%	100%
Switzerland	0	0	0	0	--	--	0%	0	--	--	0%
United Nations	6	1	0	0	--	0%	7%	1	--	17%	13%
United States	212	163	163	163	--	51%	77%	212	--	26%	100%
World Bank	37	33	0	0	--	28%	29%	0	--	31%	0%
Total	435	337	297	298	--	26%	71%	356	--	27%	82%

TABLE 6:
How much aid for the government sector uses country systems?

Indicator 5a measures the extent to which donors use partner country PFM systems when providing funding for the government sector. It measures the volume of aid that uses partner country PFM systems (budget execution, financial reporting and auditing) as a proportion of total aid disbursed for the Government sector. The 2010 target is set relative to indicator 2a on the quality of PFM systems. For partner countries with a

INDICATOR 5a
Use of country public financial management systems

score of 5 or above on indicator 2a scale the target is for a two-thirds reduction in the proportion of aid to the public sector not using the partner country's PFM systems. For partner countries with a score between 3.5 and 4.5 on indicator 2a, the target is a one-third reduction in the proportion of aid to the public sector not using partner country's PFM systems. There is no target for countries scoring less than 3.5.

The use of Jordan's public financial management (PFM) systems by donors has seen a significant increase from 26% in 2007 to 71% in 2010. Of major donors to Jordan, the EU Institutions score most highly at 79%, followed closely by Germany and the United States. The World Bank scores considerably lower at 29%. The relatively high overall score comes as a result of donors' recognition of the progress that Jordan has made in developing its management capacity and financial accountability, as well as procurement and audit systems. These efforts have also helped in strengthening the development co-operation process.

According to the information available, internal controls and internal audit arrangements established in the country apply to project expenditures. There are no additional internal control procedures required for project expenditures. Donor funds are transferred to the bank account held and operated by the central bank. Project expenditures are recorded and accounted for in the Government account system. Line ministries maintain separate accounting records for tracking project expenditures, which are subject to audit by the Audit Bureau. However, separate sub-accounts in the budget help to keep track of project expenditures. Project financial statements are also audited by private auditors based on some donors' regulations.

INDICATOR 5b
Use of country
procurement systems

Indicator 5b follows a similar graduated target to indicator 5a which is set relative to Indicator 2b on the quality of procurement systems. For partner countries with a Procurement score of 'A', a two-thirds reduction in the proportion of aid for the public sector not using the country's procurement systems and for partner countries with a procurement score of 'B' to reduce the gap by one-third.

Similarly to indicator 5a, Jordan has seen a significant increase in the use of their procurement systems. In 2007 only 27% of aid used Jordan's procurement system. By 2010, that number had increased to 82%. Notably, Jordan's largest donor, the United States, moved from 26% to 100% usage of country procurement systems. This has undoubtedly had a large impact on the overall figures. As noted above, this increase can partly be attributed to assessments among donors that Jordan has increased the reliability of procurement systems. Jordan continues to develop its procurement systems. However, Jordan finds that donors continue to use their own procurement guidelines. Using national systems will enhance Jordan's ownership over the aid process and ensure the skills development of local staff.

INDICATOR 6
Avoiding parallel
implementation
structures

When providing development assistance, some donors establish dedicated project management units or implementation units (PIUs) – to support development projects or programmes. A PIU is said to be “parallel” when it is created by the donor and operates outside existing country institutional and administrative structures. In the short term, parallel PIUs can play a useful role in establishing good practice and promoting effective project management. However, in the long run, parallel PIUs often tend to undermine national capacity development efforts, distort salaries and weaken accountability for development.

To make aid more effective, the Paris Declaration encourages donors to “avoid, to the maximum extent possible, creating dedicated structures for day-to-day management and implementation of aid-financed projects and programmes.” Indicator 6 counts the number of parallel PIUs being used in partner countries. The target is to reduce by two-thirds the number of parallel PIUs in each partner country between 2005 and 2010.

Figures for indicator 6 reflect a significant number of parallel PIUs, instituted primarily by two major providers of aid – the United Nations and the United States. While the figures suggest that there has been a major increase on previous years (from two PIUs in 2007 to 92 in 2010), it is likely that this is due in large part to donors under-reporting on this indicator in the 2008 Survey. The accuracy of reporting has since improved

extensively. Generally, aid projects in Jordan financed by multiple donors tend to be managed by programme management units, established within the line ministries, on the basis that this improves impact and co-ordination among stakeholders.

	Parallel PIUs		
	2005 (for reference)	2007 (for reference)	2010 (units)
Canada	--	1	1
EU Institutions	--	0	1
France	--	0	--
Germany	--	0	0
Global Fund	--	--	0
Greece	--	1	--
Italy	--	--	0
Japan	--	0	--
Netherlands	--	--	0
Spain	--	0	1
Switzerland	--	--	0
United Nations	--	0	19
United States	--	--	70
World Bank	--	0	0
Total	--	2	92

TABLE 7:
How many PIUs are parallel to country structures?

Aid is “tied” when restrictions are placed on the countries that goods and services may be purchased from, typically including the donor country and/or another narrowly specified group of countries. Untied aid not only improves value for money and decreases administrative burdens, but also supports the use of local resources, country systems and the harmonisation of donor support provided through pooled or joint aid instruments and approaches.

INDICATOR 8
Untying aid

	Total bilateral aid as reported to the DAC in 2009	Untied aid	2005 (for reference)	2007 (for reference)	Share of untied aid
Australia	0.0	0.0	0%	--	100%
Austria	0.0	0.0	0%	0%	100%
Belgium	0.0	0.0	0%	100%	--
Canada	0.8	0.8	0%	91%	100%
Denmark	6.0	6.0	100%	100%	100%
Finland	0.0	0.0	--	--	--
France	89.5	89.0	100%	99%	99%
Germany	73.4	73.4	99%	100%	100%
Greece	1.0	1.0	--	6%	100%
Ireland	0.1	0.1	100%	100%	100%
Italy	5.2	2.0	0%	0%	38%
Japan	35.3	35.3	100%	100%	100%
Korea	0.1	0.1	--	0%	100%
Netherlands	0.3	0.3	1%	--	100%
Norway	0.7	0.7	100%	100%	100%
Spain	0.3	0.3	95%	94%	80%
Sweden	0.2	0.2	100%	100%	100%
Switzerland	2.7	2.7	100%	100%	100%
United Kingdom	1.5	1.5	--	100%	100%
United States	553.0	544.0	97%	98%	98%
Total	770	757	97%	98%	98%

TABLE 8:
How much bilateral aid is untied?

Source: OECD Creditor Reporting System.

Data on the extent to which aid is tied are based on voluntary self-reporting by donors that are members of the OECD's Development Assistance Committee (DAC). The Paris Declaration target is to continue progress towards untying all aid between 2005 and 2010.

With the exception of Italy and Spain, all donors reported that at least 98% of their aid was untied in 2010. Overall figures were also 98%, remaining consistent with those in 2007. Among donors who still tie aid, the government reports that no substantial efforts have been undertaken to untie their aid. This has made project implementation difficult at times, particularly for major infrastructure projects that require not only the supply of goods but also services from donor countries.

However, because this statistic relies entirely on self-reporting, the degree to which untied aid is monitored accurately is unreliable at best. Additionally, this reporting is only done by OECD-DAC members, which excludes a large number of aid programmes from non-DAC donors. ■

HARMONISATION

POOR CO-ORDINATION OF AID increases the cost to both donors and partner countries and significantly reduces the real value of aid. Harmonisation of aid delivery procedures and the adoption of common arrangements help reduce duplication of effort and lower the transaction costs associated with aid management. The Paris Declaration focuses on two dimensions of aid as a proxy for assessing overall harmonisation: the use of common arrangements within programme-based approaches (PBAs) and the extent to which donors and partner countries conduct joint missions and co-ordinate analytic work.

Aid effectiveness is enhanced when donors use common arrangements to manage and deliver aid in support of partner country priorities. A good mechanism for aid co-ordination can be described as one that has shared objectives and integrates the various interests of stakeholders. Indicator 9 assesses the degree to which donors work together – and with partner governments and organisations – by measuring the proportion of total ODA disbursed within programme-based approaches (PBAs). In practice, there are many different approaches and modalities which can use PBAs and harmonisation takes place at various levels.

At one level, the partner country is responsible for defining clear, country-owned programmes (*e.g.* a sector programme or strategy) and establishing a single budgetary framework that captures all resources (both domestic and external). At another level, donors are responsible for taking steps to use local systems for programme design and implementation, financial management, monitoring and evaluation. Finally, partner countries and donors are jointly responsible for donor co-ordination and harmonisation of donor procedures. The 2010 target is that two-thirds of aid flows are provided in the context of PBAs.

In 2010, 39% of aid utilised programme based approaches, leaving the 66% 2010 target unmet. A significant proportion of the reduction since 2007 can be attributed to a substantial scaling down in the use of programme-based approaches among Jordan's two largest donors, the EU Institutions and the United States. This is partly offset by the fact the World Bank now channels 100% of its aid through PBAs.

The government states that it works closely with donor countries in terms of programme design, implementation, financial management as well as monitoring and evaluation. Jordan has established a formal process of co-ordination in order to ensure that donors adopt complementary efforts in their programming in Jordan. These include the establishment of donor working groups which allow for strong co-ordination and ensure that donors are kept well abreast of policies in the different sectors and areas of support. Moreover, projects supported by donors have tended in large part to include the establishment of steering committees that allow for ongoing exchange of information regarding the project's implementation.

INDICATOR 9 Using common arrangements

	Programme-based approaches			Total aid disbursed (USD m) d	2005 (for reference)	2007 (for reference)	2010 (%) e = c / d
	Budget support (USD m)	Other PBAs (USD m)	Total (USD m)				
	a	b	c = a + b				
Canada	0	4	4	6	--	45%	65%
EU Institutions	0	0	0	125	--	92%	0%
France	--	--	--	--	--	0%	--
Germany	0	8	8	50	--	19%	15%
Global Fund	0	1	1	1	--	100%	100%
Greece	--	--	--	--	--	74%	--
Italy	0	0	0	3	--	--	0%
Japan	--	--	--	--	--	77%	--
Netherlands	0	0	0	1	--	--	0%
Spain	0	0	0	4	--	32%	0%
Switzerland	0	0	0	6	--	--	0%
United Nations	2	0	2	12	--	11%	19%
United States	163	10	173	337	--	100%	51%
World Bank	0	37	37	37	--	0%	100%
Total	165	60	225	583	--	78%	39%

TABLE 9:
How much aid is
programme based?

A common complaint of partner countries is that donors make too many demands on their limited resources: country authorities spend too much time meeting with donor officials and responding to their many requests. The Paris Declaration recognises that donors have a responsibility to ensure that, to the greatest extent possible, the missions and analytical work they commission are undertaken jointly – *i.e.* that the burden of such work is shared. The 2010 target is that 40% of donor missions to the field are conducted jointly.

INDICATOR 10a
Joint missions

	Co-ordinated donor missions*	Total donor missions	2005* (for reference)	2007* (for reference)	2010* (%) c = a / b
	(missions)	(missions)			
	a	b			
Canada	0	4	--	0%	0%
EU Institutions	1	10	--	--	10%
France	--	--	--	8%	--
Germany	10	16	--	100%	63%
Global Fund	0	0	--	0%	--
Greece	--	--	--	0%	--
Italy	0	6	--	--	0%
Japan	--	--	--	0%	--
Netherlands	0	0	--	--	--
Spain	0	3	--	100%	0%
Switzerland	3	3	--	--	100%
United Nations	10	45	--	100%	22%
United States	3	13	--	--	23%
World Bank	2	74	--	58%	3%
Total	19	174	--	25%	11%

TABLE 10:
How many donor
missions are
co-ordinated?

* The total of coordinated missions has been adjusted to avoid double counting. A discount factor of 35% is applied.

The share of co-ordinated donor missions decreased from 25% in 2007 to 11% in 2010. Of the 174 missions conducted in the country, only 19 were co-ordinated. The government notes that the Ministry of Planning and International Co-operation (MOPIC) co-ordinates all donor missions to Jordan, including the preparation of mission agendas, organisation of meetings, facilitation of work, and the approval and review process for each mission report. All of these tasks are undertaken in co-ordination with the implementing institutions to reduce duplication and align similar missions on target. There is a recognised and increasing effort to further improve the co-ordination of donor missions. However, the target of 40% is currently far from reach.

INDICATOR 10b
Joint country
analytic work

Country analytic work is the analysis and advice necessary to strengthen policy dialogue, and to develop and implement country strategies. It includes country or sector studies and strategies, country evaluations and discussion papers. The Paris Declaration foresees that donors should conduct analytic work jointly where possible as it helps curb transaction costs for partner authorities, avoids unnecessary duplicative work and helps to foster common understanding. Indicator 10b measures the proportion of country analytic work that is undertaken jointly. The 2010 target is that 66% of country analytic work is carried out jointly.

TABLE 11:
How much country
analytic work is
co-ordinated?

	Co-ordinated donor analytic work * (units) a	Total donor analytic work (units) b	2005* (for reference)	2007* (for reference)	2010* (%) c = a / b
Canada	0	0	--	--	--
EU Institutions	0	2	--	23%	0%
France	--	--	--	--	--
Germany	2	2	--	100%	100%
Global Fund	0	0	--	67%	--
Greece	--	--	--	0%	--
Italy	0	0	--	--	--
Japan	--	--	--	--	--
Netherlands	0	0	--	--	--
Spain	0	1	--	100%	0%
Switzerland	0	0	--	--	--
United Nations	18	54	--	75%	33%
United States	1	15	--	100%	7%
World Bank	0	6	--	0%	0%
Total	16	80	--	47%	20%

* The total of coordinated missions has been adjusted to avoid double counting.
A discount factor of 25% is applied.

In 2010, the amount of co-ordinated country analytical work has also decreased since 2007 levels. In 2007, 47% of analytical work in Jordan was undertaken jointly. By 2010, that number had decreased to 20%. The Government notes the use of government-donor working groups as an important step towards facilitating greater shared analytical work. However, Jordan is significantly below the 66% target for 2010. ■

AID FRAGMENTATION

Fragmented aid – aid that comes in many small slices from a large number of donors – creates high transaction costs and makes it difficult for partner countries effectively to manage their own development. Aid fragmentation also increases the risk of duplication and inefficient aid allocation among donors. A pilot analysis on fragmentation of country programmable aid carried out at the country level by the OECD in collaboration with Deutsche Gesellschaft für Internationale Zusammenarbeit reveals that overall aid fragmentation increased between 2005 and 2009. Overall, Jordan's ODA displays an increase in fragmentation. The average number of donors per sector has increased from 8.5 in 2005 to 10.3 in 2009. Moreover, the average number of small donor contributions has increased by 50% (OECD, 2011b). ■

MANAGING FOR RESULTS

BOTH DONORS AND PARTNER COUNTRIES should manage resources according to well-defined, desired results, measuring progress toward them and using information on results to improve decision making and performance. Achieving this implies strengthening capacity to undertake such management and emphasising a focus on results. Countries are expected to develop cost-effective and results-oriented reporting and performance assessment frameworks, while donors commit to use them and refrain from requiring separate reporting.

Indicator 11 assesses the quality of a country's results-oriented frameworks. In particular, it considers the quality of the information generated, stakeholder access to information, and the extent to which the information is utilised within a country level monitoring and evaluation system. The government provides evidence against these criteria through the survey, and this is translated by the World Bank into a score running from A (highest score) to E (lowest score).

The Paris Declaration 2010 global target is to reduce the proportion of countries without transparent and monitorable performance assessment frameworks by one-third. Jordan's overall score regarding the status of results-based monitoring frameworks was rated as a C by the World Bank in 2010, below the global target of an A or B. According to the Government, Jordan has made efforts to ensure the implementation of a monitoring and evaluation framework for its development efforts. The NDS sets out 600 key performance indicators to measure targeted outcomes and implementation, and quarterly and annual progress reports will be produced. Key performance indicators for monitoring the impact of the reforms on development priorities and objectives were adopted, and specialised units were created in a number of ministries. A range of improvements have also been made in the gathering of statistics.

Jordan has taken further steps in institutionalising monitoring and evaluation schemes, as well as impact assessments to assess progress made at programs and projects levels, including those funded by foreign aid. To this end, key performance indicators for monitoring the impact of the reforms on development priorities and objectives were adopted, and specialized units were created in various ministries.

The strengths of the M&E framework lie in the robust and comprehensive data systems which improve stakeholder access to information; and in the use of M&E reports to influence the design of sector strategies and support policies and programmes. In this context, it remains important to ensure that an M&E framework is upheld for all projects and that institutional responsibilities are clearly outlined.

Specifically, Jordan received a C for quality of development information, which is deemed to be comprehensive in its coverage of sectors, as well as cross-sectoral programmes. Furthermore, 100% of the quantitative indicators for the NDS have baseline data. Jordan's national data system encompasses measures of population, household, GDP, poverty, and labour surveys at relatively high frequencies. There are indications that data now available are of the quality and reliability to meet current M&E demands.

However, the usefulness of this data is largely contingent upon the M&E framework being fully operational. The government has undergone extensive efforts to improve stakeholder access to information relating to the NDS. As a result, Jordan received a B for making both Arabic and English versions of information available electronically as well as in hardcopy.

Jordan was given a C for co-ordination of country-level monitoring and evaluation. This score was given largely because of the M&E framework's partial usability and vague outlining of institutional responsibilities. In this regard, the M&E framework reflects a project-based system and, although this level of focus is well covered, there is a need to expand to higher levels. ■

INDICATOR 11

Do countries have results-oriented frameworks?

MUTUAL ACCOUNTABILITY

INDICATOR 12

Mutual accountability

STRONG AND BALANCED MECHANISMS that support accountability are required at all levels for aid to be most effective. Donors and partner country governments should be accountable to their respective publics and to each other for implementing their commitments on aid, its effectiveness, and the results to which it contributes.

Indicator 12 examines whether there is a country-level mechanism for mutual assessment of progress on partnership commitments, including on aid effectiveness. There are three criteria that must all be met: the existence of an aid policy or strategy agreed between the partner country government and donors; specific country-level aid effectiveness targets for both the partner country government and donors; an assessment towards these targets undertaken by both partner and donors in the last two years, and discussed in a forum for broad-based dialogue.

The 2010 target is for all partner countries to have mutual assessment reviews meeting these criteria in place. In 2010, Jordan was deemed to have a mutual accountability mechanism in place with donors. Jordan has placed important emphasis on monitoring and evaluation schemes to assess progress made at programme and project levels, including those funded by foreign aid. To this end, key performance indicators for monitoring the impact of the reforms on development priorities and objectives have been adopted. The mutual assessment is conducted at national level, with all the line ministries and governmental institutions involved, including the Ministry of Finance as the party in charge of preparing the national budget.

In 2007, the government-donor co-ordination working groups were created (at a technical level) in 10 priority sectors, explicitly to encourage dialogue between the government and donors, and to ensure that donor-funded projects are complementary and in line with Jordan's development priorities. In 2009, an eleventh group was created to focus on public financial management. Further to this, the government of Jordan maintains constant dialogue with donors, either through donors' meetings chaired by the Minister of Planning and International Co-operation, or through structured bilateral dialogues. These address donor assistance programmes and priorities for support that align with the government's plans and with the country's key developmental needs. ■

NOTES

The quantitative information presented in the chapter is taken from data provided by national co-ordinators up to 31 July 2011, following the data validation process with stakeholders at the country level. It was not possible to modify or correct any data received after this date.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

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