

UNITED NATIONS DEVELOPMENT PROGRAMME

Project of the Government of the Hashemite Kingdom of Jordan

PROJECT DOCUMENT

Number : JOR/96/003/B/01/99

Title : Strengthening of the Income Tax Department for Improved Revenue Collection.

Duration : Two years

Starting Date : August 1996

Project Site : Amman, Jordan

UNDP Sector : Public Administration and Management (ACC Sector 0240)

Executing Agency : Government of Jordan (through the Ministry of Finance)

Cooperating Agency : U.N. Department for Development Support & Management Services

Government Inputs : JD 245,000 (in kind)

| <u>UNDP & Cost-sharing Financing</u> | |
|--|---------------------|
| UNDP / IPF | US\$ 215,766 |
| Government Cost-sharing | US\$ 514,234 |
| Total | <u>US\$ 730,000</u> |
| <u>Administrative & Operational Services</u> | |
| IPF subline | US\$ 9,765 |

Brief Description : JOR/96/003 aims to strengthen the capacity of the Government to generate revenue through improved management of the Ministry of Finance's Income Tax Department. This will be done by (a) the elaboration of a long-term strategic plan and a comprehensive information systems plan, (b) upgrading of the institutional capacity of the Department and the professional competence of its staff, and (c) acquisition of state-of-the-art computer hardware and software - all aimed at bringing about major improvements in voluntary taxpayer compliance and more efficient enforcement action against taxpayer non-compliance.

Signed:

Rima Khalaf Hunaidi
Minister of Planning on behalf of the
Hashemite Kingdom of Jordan

Date

Jorgen Lissner
Resident Representative on behalf of the
United Nations Development Programme

Date

United Nations official exchange rate at the date of signature of the project document: \$1.00 = JD 0.708

A. BACKGROUND

Income tax has existed as a source of government revenue in Jordan since the early 1930's, but its contribution to overall revenue remained very modest until the tax reforms of the early 1980's. The first Jordanian Income Tax Law, which was introduced in 1933, borrowed heavily from Ottoman Law - effectively the law of the land until that year. It covered a very narrow range of personal income and thus played a marginal role in the revenue strategy of the Government. In fact, at no point prior to the 1960's did income from direct taxes exceed 5 percent of the Government's total domestic revenues.

During the 1960's and until the oil crisis in 1974, the share of income taxes in total domestic revenue averaged a modest 7.3 percent, reflecting the Government's principal reliance on other sources of domestic revenue. In addition, Jordan benefitted from significant levels of official grants and concessional loans from the international donor community.

Jordan's long tradition of investing in the education of its people made it possible for Jordan, particularly in the period from 1974 onwards, to export tens of thousands of skilled people to the oil-rich Arab countries, and their remittances soon became the country's single largest source of foreign exchange. In this situation, it was natural for the Government to view customs and indirect taxes as its primary source of domestic revenue, with direct tax revenue trailing far behind.

For example, both the three-year Development Plan for 1973-1975 and the subsequent five-year Economic and Social Development Plan covering the 1976-1980 period aimed at increasing Government revenue from direct taxes - the former by 24 percent and the latter by 22.6 percent annually. Accordingly, income tax revenue more than tripled from 1973 to 1975 and again from 1976 to 1980, bringing income tax revenue up to of 10 percent of total domestic revenue.

The first year of Jordan's second five-year Economic and Social Development Plan (1981-1985) witnessed a significant increase in domestic revenues due to increased customs levies and the introduction of new tax legislation, including a new income tax law. Both overall domestic revenue and revenue derived specifically from income taxes doubled from 1980 to 1985.

This increase could not, however, be sustained; the economic slowdown that occurred in the mid 1980's in the neighbouring oil-producing countries also affected Jordan adversely and resulted in reduced levels of economic growth and a reduced revenue base. While direct taxes accounted for an average of 12.1 percent of domestic revenue in the 1981-1985 period, its share fell to an average of 8.7 percent in 1986-1989 - and this at a time of rapidly increasing Government expenditures.

To maintain public expenditure levels under these circumstances, the Government approved ever increasing budget deficits and took on new commercial debt leading to unsustainable internal and external deficits. Government expenditure increased in the second half of the 1980's at higher rates than revenue - with the result that the budget deficit went up from 15 percent to 24 percent.

In a policy move aimed at increasing domestic revenue generation, the Government introduced Income Tax Law No. 57 of 1985 which subjected personal and corporate incomes to tax under the source principle. Even so, as economic conditions worsened, the revenue originating from income tax declined both in absolute terms and as a percentage of overall domestic revenue.

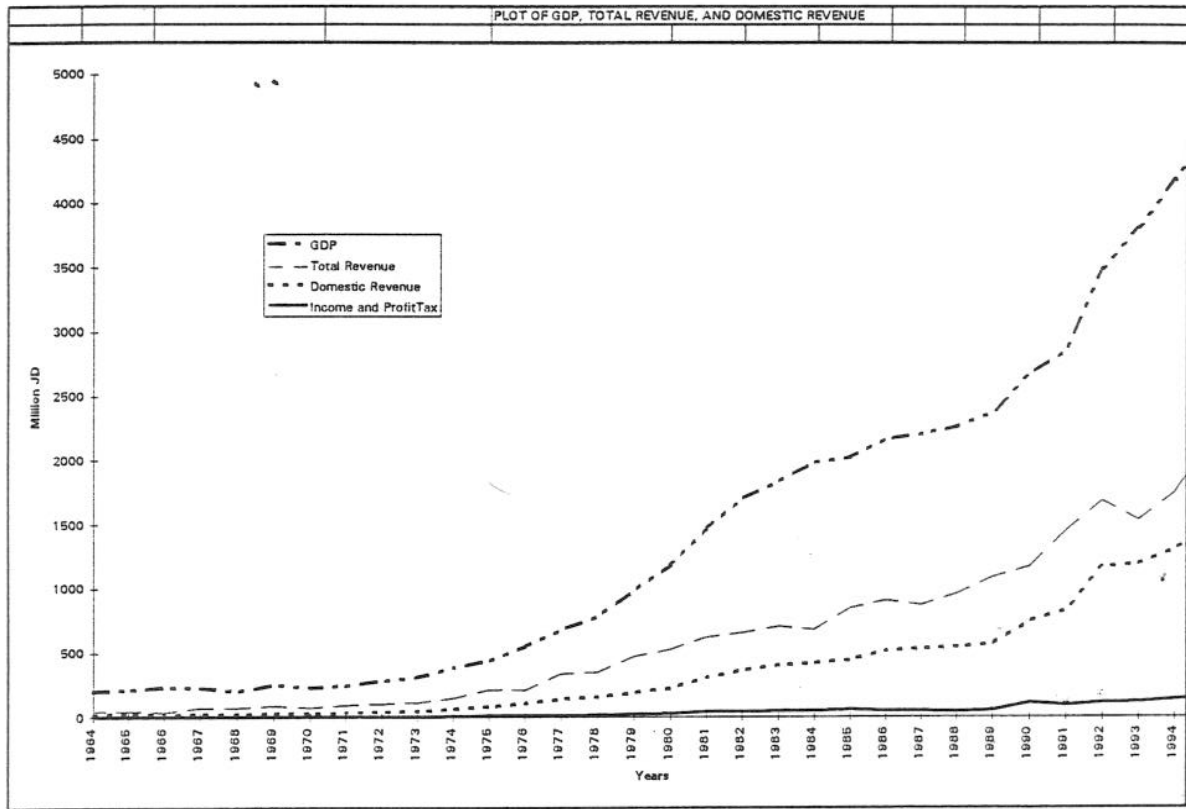
BREAKDOWN OF GOVERNMENT REVENUE : 1964 - 1995

(in Million Jordanian Dinars)

| YEAR | G D P | TOTAL REVENUE | DOMESTIC REVENUE | INCOME TAX REVENUE |
|------|---------|---------------|------------------|--------------------|
| 1964 | 200.8 | 46.2 | 23.8 | 1.4 |
| 1965 | 214.2 | 44.6 | 26.7 | 1.9 |
| 1966 | 235.0 | 35.4 | 23.3 | 1.8 |
| 1967 | 225.6 | 70.2 | 25.3 | 2.0 |
| 1968 | 200.4 | 71.0 | 26.3 | 1.8 |
| 1969 | 249.6 | 84.5 | 32.5 | 2.2 |
| 1970 | 228.4 | 72.8 | 30.3 | 2.5 |
| 1971 | 242.2 | 91.2 | 35.8 | 2.8 |
| 1972 | 281.6 | 100.7 | 42.6 | 3.2 |
| 1973 | 310.1 | 114.0 | 46.2 | 2.8 |
| 1974 | 385.7 | 148.9 | 65.8 | 5.4 |
| 1975 | 435.9 | 212.5 | 82.6 | 9.3 |
| 1976 | 547.4 | 206.7 | 107.6 | 9.3 |
| 1977 | 676.4 | 338.0 | 142.3 | 13.2 |
| 1978 | 779.3 | 346.9 | 158.5 | 18.6 |
| 1979 | 981.0 | 468.2 | 187.9 | 22.4 |
| 1980 | 1,180.3 | 525.0 | 226.1 | 26.8 |
| 1981 | 1,469.3 | 617.1 | 309.2 | 40.0 |
| 1982 | 1,701.1 | 655.2 | 362.2 | 43.7 |
| 1983 | 1,828.7 | 705.5 | 400.6 | 46.0 |
| 1984 | 1,981.4 | 678.4 | 415.0 | 48.7 |
| 1985 | 2,020.2 | 844.8 | 440.8 | 54.4 |
| 1986 | 2,163.6 | 905.4 | 514.4 | 47.9 |
| 1987 | 2,208.6 | 870.0 | 531.5 | 45.3 |
| 1988 | 2,264.4 | 953.8 | 544.4 | 43.3 |
| 1989 | 2,372.1 | 1,083.5 | 565.5 | 51.4 |
| 1990 | 2,668.3 | 1,169.7 | 744.0 | 114.0 |
| 1991 | 2,855.1 | 1,451.0 | 828.8 | 92.8 |
| 1992 | 3,493.0 | 1,687.1 | 1,168.9 | 109.5 |
| 1993 | 3,811.4 | 1,536.6 | 1,191.5 | 118.8 |
| 1994 | 4,190.6 | 1,745.4 | 1,306.4 | 136.6 |
| 1995 | 4,620.4 | 2,155.7 | 1,440.0 | 156.0 |

The chart above provides an overview of Jordan's Gross Domestic Product and the Government's revenue situation during the period from 1964 to 1995 broken down into (a) total Government revenue, covering both domestic revenue and receipts from foreign loans and grants, (b) domestic revenue, i.e. income from both direct and indirect sources of taxation, and (c) income and profit tax, i.e. revenue from direct taxes on both companies and private individuals.

The same data are plotted graphically in the chart on the top of the next page.



By 1989, Jordan's inability to meet its external obligations on time precipitated a crisis which led to the adoption of an IMF-supported stabilization programme and a major debt rescheduling exercise by the Paris Club. The subsequent devaluation of the Jordanian dinar and the accompanying prolonged economic recession reduced real per capita income to about half of the 1987 peak of 2,100 US dollars. Since 1989, with the help of the IMF and the World Bank, the Government has pursued an ambitious reform agenda in order to stabilize the economy.

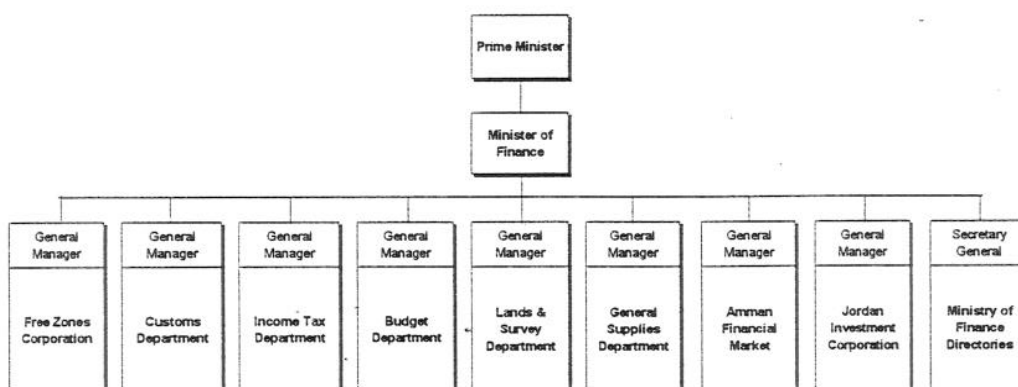
As part of this reform programme, a number of tax measures were introduced in 1989, including the replacement of excise duties with a general consumption tax (replaced in 1994 with a 10 percent flat rate consumption tax on selected goods and services). At the same time, several new amendments to the income tax law brought about more than a doubling of total collections for income tax from 51.4 mill. JD in 1989 to 114 mill. JD in 1990 and an increase in the contribution of income tax to overall revenue of an all-time high 15.3 percent.

However, the situation worsened again in 1991 as a result of the Gulf crisis which severely affected the Jordanian economy, not least through losses of exports and declines in remittances from Jordanians working abroad and in receipts from tourists. While overall revenue went up by 11.4 percent, in large measure because of the indirect taxes paid by the tens of thousands of Jordanian returnees from Kuwait and other countries in the Gulf region, income tax collections declined in 1991 to 92.8 mill. JD.

The Government has taken several steps towards strengthening the Ministry of Finance's Income Tax Department (ITD) and improving its operations. The Department was reorganized in 1981 and again in 1991, and several district offices were added to improve its services and outreach to the public. In 1982, a pre-payment withholding system was instituted on salaries and wages. In 1984, two other important steps were taken: a self-assessment system was introduced, and the first generation of computer equipment was introduced. In 1985, a new and more modern income tax law was drawn up and promulgated.

In the 1991 reorganization, a Data and Computer Directorate was established to meet the hardware and software needs of the ITD. However, the Department has not been provided with the necessary funds and expertise to take full advantage of available computer technology, and a number of the Department's procedures have not been adapted to modern data processing technology. The Data and Computer Directorate's technicians have created several useful computer programmes, but they have not had access to specialized revenue-related computer applications under a comprehensive, integrated tax master file system, and they are highly restrained by the limited capacity of their outmoded equipment. The current structure of the Ministry of Finance and the place of the Income Tax Department within it is shown in the organigramme below.

ORGANIGRAMME OF THE MINISTRY OF FINANCE



The ITD has undertaken various activities to inform the Jordanian public about the self-assessment law, such as television spot and radio announcements, etc. However, the ITD did not have at its disposal the substantial amount of resources required for such an effort to become effective, nor could it change its emphasis and practices to shift the obligation for complete and accurate preparation of tax returns and submission from the Department's assessors to the taxpayers, as stipulated in the income tax law and its regulations.

The ITD has tried to implement a number of important measures to encourage taxpayer compliance, such as simplifying the tax return form and providing education and public affairs programmes for small businesses and other self-employed persons. Those taxpayers comprise at least 40 percent of the taxpayer base and are most susceptible to errors in reporting income and expenses from their enterprises. But these efforts have been hampered by the ITD's heavy workload, limited staff resources, and inadequate systems and processes.

B. PROJECT JUSTIFICATION

The Government of Jordan has decided to seek UNDP assistance to strengthen the efficiency of its income tax administration for a variety of reasons, some of them based on considerations of a strategic nature, others related to more direct concerns with public sector efficiency :

1) The Government is firmly committed to an economic policy that combines the creation of an enabling environment for private sector development and improved quality of service delivery from all public sector institutions, particularly in fields such as health, education and urban/rural infrastructure. This policy involves substantial investment expenditures and recurring costs, the majority of which can only be met from domestic revenue. It is imperative, therefore, to strengthen the Government's revenue collection capacity in a sustainable manner and to ensure that those who derive the principal benefits from this policy, through higher income and better public services, also pay a fair share of the associated costs.

2) In addition to the modernization process within the Income Tax Department which this project is intended to support, parallel efforts are currently underway to modernize and streamline the Jordanian Customs Department. These efforts, spearheaded by the Ministry of Finance and supported by the German aid agency GTZ, are expected to be accelerated, when a new project JOR/96/004 "Computerization of Customs Procedures and Data" - executed by the U.N. Conference on Trade and Development (UNCTAD) and funded in part by UNDP - becomes operational in the early part of 1997. Considering that income from customs duties and import taxes amounted to 646.1 mill. JD in 1995 (equal to 41.4 percent of total Government revenue that year), significant improvements in the institutional capacity and operational efficiency of the Jordanian Customs Department are bound to have an important impact on the revenue situation in Jordan.

3) The Government's determination to strengthen the efficiency of its revenue-generating institutions is primarily motivated by the dual objective of increasing revenue (which is needed to sustain current levels of Government services for a growing population and to expand them further) without at the same time increasing duty and tax rates (which would have a detrimental effect on the country's economic environment). This can be accomplished by a combination of (a) higher levels of taxpayer compliance - as a result of more customer-friendly approaches and more efficient enforcement measures, and (b) lower expenditures and operating costs for each Dinar collected - as a result of computerization and other improvements in management practices and technology.

4) Widespread non-compliance by taxpayers is not only a serious problem because it deprives the Government of sorely needed revenue; equally importantly, it leaves law-abiding citizens with the impression that the tax system is unfair and arbitrary, and that there are few costs associated with ignoring and bypassing legislation passed by Parliament. Conversely, clear improvements in taxpayer compliance result in a win-win situation : when more taxpayers contribute, and when the cost of generating revenue for the Government is reduced, the Government will be able to provide all citizens with better services for less.

Against this background, the Government has committed itself to a comprehensive modernization of the Income Tax Department. Many steps in the right direction have already been taken : new and more modern tax legislation was introduced in 1995, an active outreach programme to encourage the public to cooperate with the tax authorities was initiated, the immediate computer hardware needs were identified, and funding was earmarked within the 1996 Government budget for a concerted reform effort. But much work remains to be done - with UNDP assistance - in the

course of the 1996-98 period, particularly in mapping out a medium-to-long-term vision of the Department's operational strategy and to determine its institutional, operational, manpower, hardware and software implications.

C. PROJECT STRATEGY

This project has been designed to enable the Ministry of Finance to modernize the management and administration of its income tax system in four distinct phases. The first phase - referred to as the "quick fix" stage - will be completed during the first four months of the project; it addresses the Income Tax Department's immediate institutional, logistic and hardware problems without introducing major changes in its existing procedures and modus operandi. The principal purpose of this phase is to prevent major systems breakdown and the build-up of a serious case load backlog as a result of the Department's outdated mainframe computer.

The second phase, planned to cover a period of eight months, will focus on the elaboration of an overall strategic plan for the Income Tax Department aimed at (a) bringing about a significant improvement in voluntary compliance by tax payers and (b) more efficient enforcement action to deter non-compliance. To support that objective, a Comprehensive Information System Plan (CISP) will be drawn up as a complement to the Department's strategic plan. These documents will address a range of operational and organizational aspects of Jordan's income tax administration and offer detailed proposals on how to implement each of the measures considered necessary, e.g. detailed costs-benefit analyses along with specific action plans and time tables, institutional and procedural changes required, and new computer systems and modern technologies needed.

The third phase, planned to cover a further period of six months, will focus on the essential preparatory work necessary to begin implementation of the CISP and other strategic plans. It focuses on such issues as study tours for key management personnel, training for operational staff, the establishment of a sound technical environment, and the piloting of key taxpayer services initiatives.

The fourth and most important stage, which is not covered by this project document, encompasses the progressive implementation of each component of the strategic plans and the CISP - assuming that they have been formally accepted by the Government, and the necessary funds are available for this purpose. This phase would cover the period 1997 through to the middle of the year 2000.

D. INSTITUTIONAL FRAMEWORK

The project will be executed by the Government of Jordan through the Department of Income Tax Administration within the Ministry of Finance. The United Nations Department for Development Support and Management Services (UN-DDSMS) will act as a Cooperating Agency in the implementation of specific project components as defined in the Letter of Agreement attached as Annex A to this project document.

A Project Steering Committee (PSC) - comprised of representatives from the Ministry of Finance (MoF), the Budget Directorate, the Supplies Directorate, the Bureau of Auditing, the Royal Scientific Society (RSS), the National Information Centre (NIC), and UNDP - will be established under the chairmanship of the ITD Director General. Additionally, a Technical Committee composed of representatives from the ITD will be set up to offer technical support to the international experts and the national professionals recruited under this project.

The PSC will oversee the implementation of JOR/96/003 and will have decision-making powers over all aspects of the project. It will assist the National Project Coordinator (NPC) in the formulation of major project initiatives and in periodically reviewing and evaluating key project activities. It will convene no later than three months after the initiation of the project and meet at regular intervals in the course of the project. On issues of urgency, the NPC will act on behalf of the Committee through the Chairman after communicating to other members by fax or mail. Decisions taken in this manner will be discussed in depth at the next PSC Meeting. The overall responsibilities of the PSC are to :

- a) coordinate national activities and ensure effective interministerial cooperation and cooperation between Government and the private sector within the framework of the project;
- b) review and approve the project's periodic work plans;
- c) review and approve the periodic reports prepared by the NPC on progress, achievements and future plans, and participate in all tripartite review meetings;
- d) periodically review the status of implementation and ensure that agreed upon activities are being implemented according to the project work plan; and
- e) explore opportunities to mobilize funds from domestic and foreign sources to finance the future cost of implementing the strategic plan and implementation measures emanating from this project.

E. DEVELOPMENT OBJECTIVE

The development objective of JOR/96/003 is to strengthen the Government's capacity to generate revenue and thereby enabling it, on a sustainable basis, to offer the Jordanian population at large services of better quality than at present. This will in turn reduce the Government's dependence on foreign assistance and borrowing as sources of public sector financing.

F. IMMEDIATE OBJECTIVES, OUTPUTS AND ACTIVITIES

The immediate objectives of JOR/96/003, the outputs to be achieved by the project, and the activities necessary to produce the desired outputs are as follows:

Objective 1 : To prevent - through a "quick fix" intervention - a major systems break down and the build-up of a serious case load backlog as a result of the ITD's outdated main frame computer

Output: An upgraded, expanded and modernized mainframe computer system functioning at the level necessary to handle existing volumes of data traffic at acceptable standards of reliability and speed; this will be accomplished without introducing major changes in ITD's existing procedures and modus operandi.

Activity 1.1: prepare specifications for the computer equipment required for the upgrade and expansion of the current mainframe computer system within ITD;

Activity 1.2: procure, install and operationalize the upgraded and expanded mainframe computer system within ITD;

Activity 1.3: update the current tax master file and improve the response time of the on-line taxpayer information service, and

Activity 1.4: increase the access time of existing work stations to the on-line taxpayer service.

Objective 2 : To clarify and articulate the long-term strategic objectives of the ITD and, on that basis, draw up a Comprehensive Information System Plan (CISP) aimed at bringing about (a) major improvements in voluntary compliance rates by taxpayers, and (b) more efficient enforcement to remedy and deter non-compliance.

Output: A long-term strategic plan with clearly stated strategic objectives for the institutional development of ITD and for its operational activities, followed by a Comprehensive Information System Plan (CISP) covering the period from 1997 up until 2000.

Activity 2.1 : recruit an international consultant capable of preparing ITD's long-term strategic plan and the subsequent Comprehensive Information Systems Plan (CISP);

Activity 2.2 : develop a high level Strategic Plan for the ITD which identifies its mission, goals and objectives for the period 1997 to 2000;

Activity 2.3 : develop supporting taxpayer services and enforcement strategic plans and action plans to encourage greater voluntary compliance by taxpayers and deter non-compliance; in developing these plans to ensure that (a) the plans support the Government's long term revenue and public sector reform objectives, (b) consultation takes place both within the ITD and with key external agencies and Government departments, and (c) the key risks to revenue are identified and addressed.

Activity 2.4 : review, in light of these strategic plans, all the categories of information which ITD requires to accomplish its tasks effectively, and design appropriate information systems that will allow ITD to organize, access, process and utilize such information efficiently and cost-effectively;

Activity 2.5 : incorporate the logical development of software system components which are based on the activities performed by tax administrations and designed around the inclusion into the system of all ITD-taxpayer relationships;

Activity 2.6 : assist in identifying and proposing for adoption by ITD a proven design methodology and appropriate case tools for software development which may be either custom-built software or customized packaged software;

Activity 2.7 : provide flexible, leading-edge technical solutions that have proven to be very successful elsewhere to remedy ITD's current difficulties in implementing an effective collection system; and

Activity 2.8 : undertake a capacity planning exercise to estimate and plan for growth in the work volumes and manpower requirements of the ITD and, in this context, examine the available options for outsourcing certain functions.

Objective 3 : To provide the Government with well-founded and detailed estimates both of the financial benefits and of the cost implications of the new measures recommended in the Comprehensive Information System Plan (CISP).

Output : A series of well-founded cost-benefit calculations with respect to the full spectrum of new measures being recommended in support of the Government's efforts to reform the administration of the country's income tax system.

Activity 3.1 : prepare a cost-benefit analysis and the necessary financial control schemes for all stages of the proposed reforms of ITD's institutional and procedural modus operandi;

Activity 3.2 : identify and estimate the costs of implementing the CISP and other strategic plans, including (a) the development costs of the new system, (b) the hardware and technology costs, (c) the supporting operational costs, and (d) the change management costs, e.g. staff training;

Activity 3.3 : assess in broad terms the total revenue benefits (i.e. increases in tax collection) likely to result from full implementation;

Activity 3.4 : estimate the cost of savings and other benefits to the ITD;

Activity 3.5 : identify the other tangible benefits arising from implementation of the CISP - such as reduction in compliance costs for taxpayers and better management information; and

Activity 3.6 : identify the intangible benefits likely to be brought about by the new systems such as improved staff morale, improved public image, etc.

Objective 4 : To pave the way, to the extent possible, for the full implementation of the proposed reforms (in phase 4, i.e. after the completion of JOR/96/003) by elaborating various plans for follow-up action in selected areas of activity and initiating efforts to mobilize the necessary funds.

Output : A collection of detailed action plans covering various aspects of the proposed reforms - with specifications as to the preferred time table, the institutional and procedural changes required, the hardware and software improvements needed, the (tentative) financial requirements, and other relevant facts;

Activity 4.1 : draw up a list of proposed reform efforts that can be introduced (a) without legislative changes, (b) at no cost or low cost, and (c) with existing ITD manpower resources, and make specific suggestions on how they can be implemented;

Activity 4.2 : recommend methodologies, standards and processes which should be adopted to help ITD management ensure that the approved plans are successfully implemented; this includes methods to ensure active involvement of ITD staff and “ownership” by ITD managers of the systems and other initiatives which are recommended in the plans; and

Activity 4.3 : undertake preliminary efforts to identify suitable sources of funds for the implementation of the proposed reforms, whether from government appropriations or from grants/loans from the international donor community.

***Objective 5** : To strengthen the institutional capacity of ITD and the professional competence of its staff in a variety of fields through a variety of skill-upgrading activities.*

Output : Consolidation of ITD’s in-house capacity to address and resolve both strategic policy issues and operational/technical problems in the future.

Activity 5.1 : upgrade the professional skills of senior and middle-level staff within ITD by exposing them through study tours to various “best practices” in other developed and/or developing countries with successful experiences in income tax administration;

Activity 5.2: identify the training needs of staff who will be responsible for implementing the CISP and other strategic plans. From that arrange in-service and external training programmes to address the priority issues;

Activity 5.3: designate one of ITD’s existing district offices as a “model office” and offer its staff a special capacity building programme which covers both managerial, procedural and technical know-how of relevance for improved income tax administration (if this turns out to be a successful exercise, it can be replicated in ITD’s other district offices in the course of phase 4); and

Activity 5.4 : strengthen the capacity of ITD’s staff to design and conduct public information campaigns by implementing a pilot public information exercise on the basis of e.g. newspaper ads, public service announcements on television, and user-friendly information pamphlets.

G. INPUTS

1. Government Inputs

The Government of Jordan will contribute to the implementation of the project’s activities by making available to it the time and expertise of its senior civil servants in the field of income tax administration and other relevant subjects (for details, see the “Government In-kind Contribution” budget in Annex C). More specifically, to support the international and national project staff, the Income Tax Department will offer the services of the following civil servants :

- A National Project Coordinator familiar with the technical assistance requirements and prevailing constraints within the Income Tax Department.

- An adviser on the design and operation of integrated master files for income tax computer systems, the design of tax forms, as well as on pre-computer/post-computer processing of income tax returns.
- An adviser on auditing, investigation, collection and other enforcement techniques, as well as in public information and other issues related to tax-payer service.

2. UNDP Inputs

UNDP will, in close consultation with the Ministry of Finance, provide the following inputs based upon a continuous assessment of the Income Tax Department's evolving technical needs (for details on the UN-DDSMS expert inputs, see the Letter of Agreement in Annex A , and for the terms of reference of all key project experts, see Annex B to this project document) :

BL-11:01 : An internationally-recruited Chief Adviser with extensive experience at a senior level in the administration of income tax systems and proven experience in the elaboration and implementation of both strategic planning and information systems development in a governmental revenue agency (total period of service : 6.5 work months).

BL-11:51 : An internationally-recruited Senior Technical Adviser with extensive experience at a senior level in all aspects of modern information technology as applied in the field of income tax administration (total period of service : 1.5 work months).

BL-11:52 : An internationally-recruited Quality Reviewer with extensive experience at a senior level in reviewing/appraising the progress of major change projects concerned with transforming organisations through the introduction of improved information technology (period of service : several split missions totalling 3.0 work months).

BL-13:01 : A nationally-recruited bilingual executive secretary to support the international and national project staff (total period of service : 16.0 work months).

BL-13:02 : A nationally-recruited Administrative and Finance Assistant with previous experience in day-to-day management of technical assistance (total period of service : 16.0 work months).

BL-15:00 : An allocation of US\$ 5,000 to cover in-country travel for project staff.

BL-16:00 : An allocation of US\$ 5,000 to cover the travel costs to Jordan for staff of the Cooperating Agency.

BL-17:00 : Three experienced nationally-recruited Advisers on Information Technology Systems (total period of service each : 12.0 work months).

BL-21:00 : An allocation of US\$ 238,500 for the procurement, under sub-contract, of high-quality expertise in the field of systems development and accompanying state-of-the-art hardware.

BL-32:01 : An allocation of US\$ 70,000 to cover the cost of study tours for senior officials of the Income Tax Department to other countries with advanced income tax administration systems.

BL-33:00 : An allocation of US\$ 55,000 to cover the cost of training of ITD staff who will be implementing the department's strategic and information system plans;

BL-35:00 : An allocation of US\$ 30,000 to meet part of the cost of a new public information campaign aimed at informing all tax payers of the improved services available from the Income Tax Department and encouraging higher levels of voluntary compliance.

BL-41:00 : An allocation of US\$ 155,000 for the purchase of (a) a new mainframe computer for the Income Tax Department with 30-40% higher capacity than the one currently used and (b) the following equipment for the JOR/96/003 project team : two desktop computers, one lap-top computer, one laser printer, and one photocopier; and

BL-53:01 : A US\$ 20,000 allocation to meet miscellaneous project expenses directly related to the activities of the project, e.g. telecommunications, printing of stationery, etc.

H. TARGET BENEFICIARIES

The immediate beneficiaries of the project are the management and technical staff of the Income Tax Department who at the end of the project will (a) operate in a more transparent and structured operational environment, (b) acquire improved planning and management skills, and (c) have access to new and more powerful computer equipment and systems. Another major beneficiary will be the Ministry of Finance which will be provided with a number of new tools to strengthen the efficiency of its revenue collection efforts. Ultimately, however, the project will also be of significant benefit to the Jordanian public at large, in as much as it paves the way for an income tax administration system that is (and is seen to be) more equitable and customer-friendly. This in turn will hopefully serve also as an incentive to potential domestic and foreign investors seeking a well-managed and predictable policy environment for their investments.

I. RISKS

While the JOR/96/003 project addresses a set of problems of vital importance to the future revenue base of the Government, it also touches on a number of issue of a highly sensitive nature. Among the risks which might affect the achievement of its objectives, the most important ones are :

1) failure of the Parliament and/or the Government to take speedy and appropriate action on key policy recommendations emanating from the project;

2) failure of the Ministry of Finance and/or the ITD to take appropriate action on key administrative/operational recommendations emanating from the project, or to make full use of all available administrative measures already at its disposal to ensure consistent enforcement of tax payer compliance;

3) failure of the Jordanian public to appreciate and accept the importance of having a consistent, efficient, and customer-friendly income tax administration - with the result that voluntary compliance remains at a low level; and

4) failure of the Ministry of Finance and/or the ITD, UN-DDSMS and/or UNDP to identify high-quality project inputs (expertise, equipment and training) and make them available on time.

J. PRIOR OBLIGATIONS AND PREREQUISITES

The sole prior obligation and prerequisite for the approval by the UNDP of this project document is the transfer into UNDP's bank account of the agreed Government cost-sharing contribution to the project in the amount of 375,000 JD equal to US\$ 529,661.

K. PROJECT REVIEW, REPORTING AND EVALUATION

The project will be subject to a total of three Tripartite Reviews in the course of its implementation : (a) the first will be held 3-4 months after the start-up of project activities for the purpose of reviewing the adequacy of the project document, the initial project work plan (attached here as Annex C), plus the first draft of the strategic plan and the Comprehensive Information Systems Plan, (b) the second will be held at the half-way point in the implementation of the project, i.e. after approximately 12 months, and (c) the third terminal review will be held three months before the completion of the project for the purpose of assessing the achievements/shortcomings of the project and the follow-up actions required. For the second and third of these reviews, the National Project Coordinator will prepare and submit a Project Performance Evaluation Report (PPER) along with any other background documentation considered appropriate.

L. LEGAL CONTEXT

This Project Document shall be the instrument referred to as such in Article I of the Standard Basic Assistance Agreement (SBAA) between the Government of Jordan and the United Nations Development Programme, signed by the parties on 12 January 1976. The host country implementing agency shall, for the purpose of the SBAA, refer to the Government Co-operating Agency described in that agreement.

The following types of revisions may be made to this project document with the signature of the UNDP Resident Representative only, provided he is assured that the other signatories of the project document have no objections to the proposed changes:

(1) revisions which do not involve significant changes in the immediate objectives, outputs or activities of the project, but are caused by the re-arrangement of input already agreed to or by cost increases due to inflation, and

(2) mandatory annual revisions which rephrase the delivery of agreed project activities, or reflect increases in the costs for experts or other inputs due to inflation, or take into Account agency expenditure flexibility.

M. BUDGET

A detailed breakdown of the resources made available by the Government of Jordan and UNDP for the implementation of the planned JOR/96/003 activities is provided in the attached project budget (Annex D).

LETTER OF AGREEMENT
between the Government of Jordan and UNDDSMS

Dear Mr. Jin,

1. Reference is made to consultations between officials of the Government of Jordan (hereinafter referred to as "the Government") and officials of the United Nations Department for Development Support and Management Services (UNDDSMS) (hereinafter referred to as "the implementing agency") with respect to the participation of the agency in the implementation of UNDP assistance to project "JOR/96/003 - Strengthening of the Income Tax Department for Improved Revenue Collection", to be executed by the Government. The latter shall be represented for the purpose of such execution by the Ministry of Finance.
2. In accordance with the project document and with the following terms and conditions, we confirm our acceptance of the services to be provided by the implementing agency towards the implementation of this project. The terms of reference should include appropriate provisions for close consultations between the implementing agency and the Government on the implementation of all aspects of the services to be rendered by the implementing agency.
3. The implementing agency shall provide the services and facilities described in attachment 1, Description of services, of this letter of agreement and in accordance with the terms of reference included therein.
4. The Government shall retain overall responsibility for the implementation of UNDP assistance to the project through its designated project coordinator.
5. The personnel assigned by the implementing agency to the project shall work under the supervision of the project coordinator. They shall be provided with the appropriate technical guidance and administrative support by the implementing agency. While they will be accountable to the implementing agency for the manner in which they discharge their functions, they have an obligation to cooperate closely with government staff and assist in project implementation in accordance with the overall directives laid down by the Government in consultation with the implementing agency.
6. In the event of disagreement between the project coordinator and the project personnel of the implementing agency, the matter under dispute shall be referred by the project coordinator to the implementing agency for the purpose of finding a satisfactory solution. In the interim, the decisions of the project coordinator shall prevail.
7. Upon acceptance of this letter of agreement and pursuant to the project budget of the project document and the work plan, the Government agrees to the implementing agency requesting advances of funds directly from UNDP, incurring expenditure within the limits set out in attachment 2, Schedule of services and facilities, and making the necessary financial arrangements directly with UNDP for the reimbursement of expenditures incurred by the implementing agency as described in attachment 2, subject to the following:

Expenditures for personnel services, as may be provided in section 1 of attachment 2, are limited to salaries, allowances and other emoluments, including the reimbursement of income taxes due to the implementing agency's personnel under its rules and regulations and including travel costs on appointment to the project, duty travel within the project country or region, and repatriation costs.

The implementing agency shall budget for the costs of such experts on the basis of estimated actual costs. The implementing agency shall be reimbursed for the provision of such services on the basis of actual costs for category I cost elements and its average cost for category II cost elements effective at the time of provision of such services.

Adjustments in the expert months of services, referred to in attachment 2, may be made in consultation between the Government and the implementing agency, if this is found to be in the best interest of the project, and if such adjustments are in keeping with the provisions of the project document.

8. A cumulative statement of expenditure shall be submitted by the implementing agency at 30 June and 31 December. The statement, to be prepared in accordance with the format given in attachment 3, will be submitted to the Government through the UNDP Resident Representative within 30 days following those dates. The Government will include the reported expenditure in the project delivery report.

9. The implementing agency shall recast and rephrase the schedule of services and facilities (attachment 2) as necessary when submitting the statement of expenditure to the Government, subject to the expenditure flexibility provisions accorded by UNDP to the executing agency. The Government shall adjust its records and confirm the revision submitted by the implementing agency.

10. The implementing agency shall submit such reports relating to the project as may reasonably be required by the project coordinator in the exercise of his or her duties, as well as other reports required by the Government in connection with its obligations to submit reports to UNDP.

11. The implementing agency shall submit candidates for the posts foreseen in section 1 of attachment 2 and obtain clearance of the Government for the personnel to be assigned to the project.

12. The implementing agency shall provide the Government with job descriptions for the incumbents of the posts to be filled by the implementing agency and shall obtain the Government's clearance.

13. The implementing agency shall enjoy the privileges, immunities and facilities that are accorded to executing agencies and their personnel under the agreement concerning assistance concluded by the Government and UNDP. The privileges and immunities to which the implementing agency and its personnel are entitled may be waived only by Mr. Jin Yongjian, Under-Secretary-General, UNDDSMS.

14. Any changes to the project document which would affect the work being performed by the implementing agency in accordance with attachment 1 shall be recommended only after consultation with the implementing agency.

15. Any amendments to these arrangements shall be effected by mutual agreement through an appropriate supplementary letter of agreement.

16. For any matters not specifically covered by this arrangement, the appropriate provisions of the project document and revisions thereof and the appropriate provisions of the financial regulations and rules of the implementing agency shall, mutatis mutandis, apply.

17. All further correspondence regarding the implementation of this agreement, other than signed letters of agreement or amendments thereto, should be addressed to the Minister of Planning, Ministry of Planning, Amman, Jordan.

18. The Government and the implementing agency shall keep the UNDP Resident Representative fully informed of all actions undertaken by them in carrying out this agreement.

If you are in agreement with the provisions set forth above, would you kindly sign and return to this office two copies of this letter. Your acceptance shall thereby constitute the basis for your organization's participation in the execution of the project.

Yours sincerely,

For the Government of Jordan

Rima Khalaf Hunaidi
Minister of Planning
Ministry of Planning

Date: _____

Signed on behalf of UNDDSMS

Jin Yongjian
Under-Secretary-General

Date: _____

DESCRIPTION OF SERVICES

Project symbol: JOR/96/003

Project title: Strengthening of the Income Tax Department
for Improved Revenue Collection

Work to be performed by the implementing agency:

General description:

The UNDDSMS will assist the Jordanian Ministry of Finance/Income Tax Department (ITD) in the implementation of certain activities of Project JOR/96/003. UNDDSMS will provide its services for the recruitment of qualified international experts.

Terms of reference:

Recruitment of International Staff

- Identify most qualified international consultants for the posts of Chief Technical Adviser, Senior Technical Adviser and Quality Adviser.
- The submission of curricula vitae of at least three qualified international consultants to the Jordanian concerned authorities for their selection for the posts of Chief Technical Adviser, Senior Technical Adviser and Quality Adviser, to perform their duties as indicated in the job descriptions attached to the project document.
- Initiate recruitment and preparation of appropriate service contracts.
- Brief the selected consultants on their duties and tasks prior to their arrival in Jordan.
- Preparation and submission of end-of-mission reports of each consultant to the Jordanian authorities.

ATTACHMENT 2

SCHEDULE OF SERVICES AND FACILITIES
TO BE PROVIDED BY THE COOPERATING AGENCY
(IN U.S. DOLLARS)

| | Budget Line | Total Work Months | Total Costs | 1996 | 1997 | Total AOS |
|---------------------------------|-------------|-------------------|-------------|--------|--------|-----------|
| Chief Adviser | 11:01 | 6.5 | 58,500 | 44,000 | 14,500 | 5,265 |
| Senior Technical Adviser | 11:51 | 1.5 | 15,000 | - | 15,000 | 1,350 |
| Senior Adviser (Quality Review) | 11:52 | 3.0 | 30,000 | - | 30,000 | 2,700 |
| Mission Costs | 16:12 | - | 5,000 | - | 5,000 | 450 |
| Grand Total | 99:00 | 11.0 | 108,500 | 44,000 | 64,500 | 9,765 |

**STATEMENT OF EXPENDITURE
FOR THE PERIOD _____**

Project number: JOR/96/003/B/01/99

Project title: Strengthening of the Income Tax Department for Improved Revenue Collection

| Budget component and line | Description | Disbursements | | Unliquidated obligations at end of period | | Expenditures year-to-date | |
|---------------------------|-------------------------------------|---------------|----|---|----|---------------------------|----|
| | | w/m | \$ | w/m | \$ | w/m | \$ |
| | International Professionals: | | | | | | |
| 11.01 | Chief Adviser | | | | | | |
| 11.51 | Senior Technical Adviser | | | | | | |
| 11.52 | Senior Adviser (Quality Review) | | | | | | |
| 16.00 | Mission Costs | | | | | | |
| 99:00 | PROJECT TOTAL | | | | | | |

| JOB DESCRIPTION | |
|------------------------|----------------------|
| Post Title : | Chief Adviser |
| Duration : | 6.5 Months |
| Date Required : | August 1996 |
| Duty Station : | Amman, Jordan |

Duties:

The Chief Adviser will be responsible, under the supervision of the Director-General of the Income Tax Department, for preparing a Comprehensive Information System (and Change Management Plan) which will enable the Income Tax Department to substantially increase tax collections through increasing voluntary compliance by taxpayers. (This in line with government plans for modernisation of the public sector.) The plan will initially cover the period 1997-2000 and will incorporate statements of strategic intent as well as detailed statements concerning systems which will be developed and their costs/benefits. The Chief Adviser will work closely with the Director-General and his staff, and with other stake holders so that the Plan will meet the needs of taxpayers, the Income Tax Department, and the Government.

Qualifications:

Degree in public finance, accounting, economics, public administration, business management or equivalent. Substantial experience as a senior manager in tax administration, advanced in the use of information technology. Specific experience in the development and/or implementation of comprehensive and integrated Information Systems Plans including change management aspects. Exposure to international trends in tax administration and to related issues arising in developing countries is highly desirable.

Languages:

English, knowledge of Arabic desirable.

Background:

The Income Tax Department, part of the Ministry of Finance, is undergoing reorganisation and modernisation as part of revenue and public sector reform. The aim is to substantially increase tax collections through more effective management and administration, efficient processing of information, better taxpayer service and enforcement, all leading to increased voluntary compliance. The current level of information technology is a barrier to improvement. Development and implementation of the Comprehensive Information Systems Plan will be a catalyst for widespread change in the Department and is intended to serve as a flagship for public service reform.

JOB DESCRIPTION

| | | |
|----------------------|---|---------------------------------|
| Post Title | : | Senior Technical Adviser |
| Duration | : | 6 weeks |
| Date Required | : | 1 October 1996 |
| Duty Station | : | Amman, Jordan |

Duties:

The Senior Technical Adviser will assist the Director-General of the Income Tax Department with technical aspects of implementing the Comprehensive Information Systems Plan developed in Phase 2 of this project. The Senior Technical Adviser will provide assistance in the specification of all aspects of hardware, software, communication networks, database management necessary to commence the implementation of the systems and proposals recommended in the Plan.

Qualifications:

Relevant degree in computer science, business management or equivalent. Experience at a senior level in the technical and management aspects of Information Systems planning/ implementation is essential. Experience of advanced revenue systems highly desirable.

Languages:

English, knowledge of Arabic desirable.

Background:

The Income Tax Department, part of the Ministry of Finance, is undergoing reorganisation and modernisation as part of revenue and public sector reform. The aim is to substantially increase tax collections through more effective management and administration, efficient processing of information, better taxpayer service and enforcement, all leading to increased voluntary compliance. The current level of information technology is a barrier to improvement. Development and implementation of the Comprehensive Information Systems Plan will be a catalyst for widespread change in the Department and is intended to serve as a flagship for public service reform.

JOB DESCRIPTION

| | | |
|----------------------|---|---|
| Post Title | : | Senior Adviser (Quality Review) |
| Duration | : | 1997 - 3 visits of 1 month duration each |
| Date Required | : | May 1997, September 1997, December 1997 |
| Duty Station | : | Amman, Jordan |

The Senior Adviser (Quality Review) will assist the Director-General of the Income Tax Department and the Chief Adviser by providing independent reviews of the progress made in implementing the comprehensive Information System (and Change Management Plan). The plan will enable the Income Tax Department to substantially increase tax collections, through increasing voluntary compliance by taxpayers. (This in line with the Government plans for modernisation of the public sector.) The plan will initially cover the period 1997-2000 and will incorporate statements of strategic intent as well as detailed statements concerning systems which will be developed and their costs/benefits.

Qualifications:

Relevant degree in business management computer science or equivalent. Experience at a senior level in the management and technical aspects of Information Systems planning/ implementation is essential. Previous experience conducting quality reviews for major revenue systems development is highly desirable.

Languages:

English, knowledge of Arabic desirable.

Background:

The Income Tax Department, part of the Ministry of Finance, is undergoing reorganisation and modernisation as part of revenue and public sector reform. The aim is to substantially increase tax collections through more effective management and administration, efficient processing of information, better taxpayer service and enforcement, all leading to increased voluntary compliance. The current level of information technology is a barrier to improvement. Development and implementation of the Comprehensive Information Systems Plan will be a catalyst for widespread change in the Department and is intended to serve as a flagship for public service reform.

Government In-kind Contribution

In Jordanian Dinars

| | TOTAL | | 1996 | | 1997 | |
|---|--------------|----------------|-------------|----------------|-------------|----------------|
| | w/m | JD | w/m | JD | w/m | JD |
| A. Government Staff | | | | | | |
| Project Coordinator & four (4) systems tech. | 80.0 | 120,000 | 40.0 | 60,000 | 40.0 | 60,000 |
| Support Staff | | | | | | |
| Typists & PC Inputs Operators | 32.0 | 16,000 | 16.0 | 8,000 | 16.0 | 8,000 |
| Driver | 16.0 | 8,000 | 8.0 | 4,000 | 8.0 | 4,000 |
| Component Total | 128.0 | 144,000 | 64.0 | 72,000 | 64.0 | 72,000 |
| B. Premises, office equipment & supplies | | 50,000 | | 25,000 | | 25,000 |
| C. Local Travel | | 9,000 | | 3,000 | | 6,000 |
| D. Training | | 26,000 | | 10,000 | | 16,000 |
| E. Sundry Expenses | | 16,000 | | 6,000 | | 10,000 |
| GRAND TOTAL | 128.0 | 245,000 | 64.0 | 116,000 | 64.0 | 129,000 |

PROJECT BUDGET COVERING UNDP CONTRIBUTION

Country: Jordan

Project Number: JOR/96/003/B/01/99

Project Title: Strengthening of the Income Tax Department for Improved Revenue Collection

| Line Number | Line Description | Agency | w/m | Total AOS | Total | w/m | AOS | 1996 | w/m | AOS | 1997 |
|-------------|-----------------------------------|---------|------|-----------|-----------|------|---------|----------|------|---------|-----------|
| BL-10:00 | PROJECT PERSONNEL | | | | | | | | | | |
| BL-11:00 | International Experts | | | | | | | | | | |
| BL-11:01 | Chief Adviser | UNDDSMS | 6.5 | \$5,265 | \$58,500 | 5.0 | \$3,960 | \$44,000 | 1.5 | \$1,305 | \$14,500 |
| BL-11:50 | Consultants | | | | | | | | | | |
| BL-11:51 | Senior Technical Adviser | UNDDSMS | 1.5 | \$1,350 | \$15,000 | | | | | | \$15,000 |
| BL-11:52 | Senior Adviser (Quality Review) | UNDDSMS | 3.0 | \$2,700 | \$30,000 | | | | | | \$30,000 |
| BL-11:99 | Sub-Total: Experts/Consultants | | 11.0 | \$9,315 | \$103,500 | 5.0 | \$3,960 | \$44,000 | 6.0 | \$5,355 | \$59,500 |
| BL-13:00 | Administrative Support Staff | | | | | | | | | | |
| BL-13:01 | Secretary | GOVT | 16.0 | \$0 | \$7,300 | 4.0 | \$0 | \$1,500 | 12.0 | \$0 | \$5,800 |
| BL-13:02 | Admin/Finance Assistant | GOVT | 16.0 | \$0 | \$10,700 | 4.0 | \$0 | \$2,300 | 12.0 | \$0 | \$8,400 |
| BL-13:99 | Sub-Total: Admin Support | | 32.0 | \$0 | \$18,000 | 8.0 | \$0 | \$3,800 | 24.0 | \$0 | \$14,200 |
| BL-15:00 | Official Travel | | | | | | | | | | |
| BL-15:01 | Duty Travel | GOVT | | \$0 | \$5,000 | | \$0 | \$50 | | \$0 | \$4,950 |
| BL-15:99 | Sub-Total: Official Travel | | | \$0 | \$5,000 | | \$0 | \$50 | | \$0 | \$4,950 |
| BL-16:00 | Mission Costs | | | | | | | | | | |
| BL-16:12 | Mission Costs | UNDDSMS | | \$450 | \$5,000 | | \$0 | \$0 | | \$450 | \$5,000 |
| BL-16:99 | Sub-Total: Mission Costs | | | \$450 | \$5,000 | | \$0 | \$0 | | \$450 | \$5,000 |
| BL-17:00 | National Professionals | | | | | | | | | | |
| BL-17:01 | Info Tech System's Adviser1 | GOVT | 12.0 | \$0 | \$10,000 | | \$0 | \$0 | 12.0 | \$0 | \$10,000 |
| BL-17:02 | Info Tech System's Adviser2 | GOVT | 12.0 | \$0 | \$10,000 | | \$0 | \$0 | 12.0 | \$0 | \$10,000 |
| BL-17:03 | Info Tech System's Adviser3 | GOVT | 12.0 | \$0 | \$10,000 | | \$0 | \$0 | 12.0 | \$0 | \$10,000 |
| BL-17:99 | Sub-Total: National Professionals | | 36.0 | \$0 | \$30,000 | | \$0 | \$0 | 36.0 | \$0 | \$30,000 |
| BL-19:99 | Personnel Component Total | | 79.0 | \$9,765 | \$161,500 | 13.0 | \$3,960 | \$47,850 | 66.0 | \$5,805 | \$113,650 |
| BL-20:00 | SUB-CONTRACTS | | | | | | | | | | |
| BL-21:00 | Sub-Contracts | | | | | | | | | | |
| BL-21:01 | Systems Development & Equip | GOVT | | \$0 | \$238,500 | | \$0 | \$0 | | \$0 | \$238,500 |
| BL-29:99 | Sub-Total: Sub-Contracts | | | \$0 | \$238,500 | | \$0 | \$0 | | \$0 | \$238,500 |

| Line Number | Line Description | Agency | w/m | Total AOS | Total | w/m | AOS | 1996 | w/m | AOS | 1997 |
|-------------|-------------------------------|--------|------|-----------|-------------|------|---------|-------------|------|---------|-----------|
| BL-30:00 | TRAINING | | | | | | | | | | |
| BL-32:01 | Study Tours | GOVT | | \$0 | \$70,000 | | \$0 | \$0 | | \$0 | \$70,000 |
| BL-33:00 | In-Service Training | GOVT | | \$0 | \$55,000 | | \$0 | \$0 | | \$0 | \$55,000 |
| BL-35:00 | Public Information | GOVT | | \$0 | \$30,000 | | \$0 | \$0 | | \$0 | \$30,000 |
| BL-39:99 | Training Component Total | | | \$0 | \$155,000 | | \$0 | \$0 | | \$0 | \$155,000 |
| BL-40:00 | EQUIPMENT | | | | | | | | | | |
| BL-41:00 | Local Procurement | | | | | | | | | | |
| BL-41:01 | Local Procurement | GOVT | | \$0 | \$155,000 | | \$0 | \$155,000 | | \$0 | \$0 |
| BL-49:99 | Equipment Component Total | | | \$0 | \$155,000 | | \$0 | \$155,000 | | \$0 | \$0 |
| BL-50:00 | MISCELLANEOUS | | | | | | | | | | |
| BL-53:01 | Sundry | GOVT | | \$0 | \$20,000 | | \$0 | \$5,000 | | \$0 | \$15,000 |
| BL-59:99 | Miscellaneous Component Total | | | \$0 | \$20,000 | | \$0 | \$5,000 | | \$0 | \$15,000 |
| BL-99:00 | PROJECT TOTAL | | 79.0 | \$9,765 | \$730,000 | 13.0 | \$3,960 | \$207,850 | 66.0 | \$5,805 | \$522,150 |
| BL-100:00 | COST-SHARING | | | | | | | | | | |
| BL-101:00 | Government Cost-Sharing | | | | (\$514,234) | | | (\$514,234) | | | |
| BL-999:00 | NET UNDP CONTRIBUTION | | | \$9,765 | \$215,766 | | \$3,960 | (\$306,384) | | \$5,805 | \$522,150 |

| Line Number | Line Description | Agency | w/m | Total AOS | Total | w/m | AOS | 1996 | w/m | AOS | 1997 |
|-------------|-------------------------|--------|-----|-----------|-----------|-----|-----|-----------|-----|-----|------|
| BL-100:00 | COST-SHARING | | | | | | | | | | |
| BL-101:00 | Government Cost-Sharing | | | | \$514,234 | | | \$514,234 | | | |
| BL-109:00 | Component Total | | | | \$514,234 | | | \$514,234 | | | |
| BL-150:00 | UNDP SUPPORT COST | | | | | | | | | | |
| BL-158:00 | UNDP Field Admin Costs | | | | \$15,427 | | | \$15,427 | | | |
| BL-159:00 | Component Total | | | | \$15,427 | | | \$15,427 | | | |
| BL-199:00 | TOTAL COST-SHARING | | | | \$529,661 | | | \$529,661 | | | |