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**The Hashemite Kingdom of Jordan
Government of Jordan**

United Nations Development Programme

**Building and Strengthening the Capacity for Improved Property Tax
Management and Collection in Jordan**

Project Number: JOR/03/005

Brief Description

The Project aims at developing an efficient, equitable and well functioning property tax system, contributing revenues for economic and social development in Jordan. To this end, the relevant laws, regulations, instructions and guidelines will be amended, or entirely revised, including the introduction of a court appeal mechanism. A property tax information system will be developed, including a requisite supporting information technology system. Necessary computer hardware will be provided. All relevant organizational, administrative and operational changes will be introduced and made functional. Extensive training and preparation of the staff will take place to enable them to work under a modern, computerized property tax system. To improve people's tax payment compliance, a public awareness campaign will be carried out. A number of activities yielding immediate effects in terms of lowered costs, increased revenue collection, better services and higher quality work will also be carried out to motivate staff and prepare them for changes. At the end of the project, property tax collection is estimated to have increased by approximately US\$ 7.5 million annually.

March 2003

Part I

Ia. Situation Analysis

With a GDP per capita of about Jordanian Dinar 1207 (equivalent to US\$ 1700) in 2001 with an estimated economic growth in 2001 of 4.5% and in 2002 of 5%, Jordan ranks amongst the middle income economies in the world. However, relative poverty remains high, in particular in the governorates outside Amman and Aqaba, where unemployment is increasing and people suffer from inadequate access to basic social services.

While the total revenue receipts in Jordan increased from 24% of GDP in 1988 to about 30% of GDP in 1994, the increase primarily reflected frequent discretionary revenue raising measures, since the structure of tax system remained inelastic with respect to income. The improvement in the tax situation was attributable to the tightening of the administrative procedures for collection of taxes and arrears. Since 1994, however, the share of Government revenues to GDP has remained virtually unchanged, amounting in 2001 to about 30%.

Compared to the GDP of Jordan at JD 6.2 Billion in 2001, the collection of JD 42 Million through property taxation in 2001 appears very insignificant and only accounts for about 2% of total central Government revenues. The collection of JD 42 Million was composed of collection of JD 27 million due in that particular year (about 60% of the total property tax due in that year) and JD 8 million of arrears from previous years. As of the end of 2001, total of arrears amounted to JD 108 million and are increasing by about JD 10 million per year.

Unlike most developing countries where property tax is levied and collected by municipalities, in Jordan the property tax is collected by the Ministry of Finance which retains 10% of the collection to cover costs of collection and municipalities re-distribute 90% of the collection. These revenues amount to 28% of the total revenues of the municipalities. Of this amount, about 20% is given to the Ministry of Water and Irrigation to maintain sewerage systems and 13.2% is given to the Ministry of Education for financing repairs and maintenance of schools. In 2001 the Greater Amman, Irbid and Zarqa municipalities were delegated the authority to collect the property tax within their jurisdictions and in accordance with the amendments to property tax law of 2001.

The most important problems associated with the property tax system in Jordan could be categorized in six categories and are summarized in the sections B.1.1 - 6 below. A more comprehensive inventory and analysis of the identified problems are included in the Technical Proposal Report prepared under project INT/94/R13. A brief analysis of the problems is attached under annex 1.

Ib. Strategy

Over the past few years, the Government has made sustained efforts in structural reform, emphasizing, *inter alia*, fiscal transparency, steps to raise efficiency in the public sector, lowering the public debt burden and reducing the fiscal deficit. A prudent fiscal stance is considered central for the achievement of the Government's macroeconomic objectives. It is, however, also mindful that an unduly rapid fiscal adjustment would have a negative effect on growth and employment. Taking these considerations into account, the Government's target is to reduce the budget deficit before grants from 7% of GDP in 2000 to 4.2% in 2003.

The Government also envisages that the pace of structural reform will intensify in the years ahead building on the foundation laid down since 1999. This will include, *inter alia*, the area of taxation. In 2000, Jordan became a member of the World Trade Organization (WTO) and has under its commitments to WTO harmonized the General Sales Tax (GST) rates on domestic and imported goods as well as lowered a number of import duty rates. Steps have also been taken to convert the GST into a full-fledged value added tax (VAT). The project regarding the property tax system is in line with the Government's overall objectives of tax system reform and structural adjustment.

The project is also in line with the Government's strategy to develop an E-government. This strategy includes a dedicated use of information and communication technologies by the Government and the implementation of the strategy is already on its way. The E-government has three dimensions, viz. Government to Citizens (G2C), Government to Businesses (G2B) and Government-to-Government (G2G). The E-government strategy is supposed to help the Government to become more efficient, and substantial gains have been made in other countries adopting the strategy.

There are currently four on-going related projects with three of them having in common with the present project the objective of improved revenue collection. Shared experience and, as required, coordination between the present project and these projects is desirable. The four projects are: (i) JOR/96/003 "Strengthening of the Income Tax Department for Improved Revenue Collection", (ii) JOR/96/004 "Computerization of Customs Procedures and Data for Improved Revenue Collection", "Second Step Sales Tax Project", funded by the Department for International Development (DFID) of the United Kingdom and capacity strengthening project with the Land and Survey Department funded by German GTZ.

UNDP has considerable experience in the fields of decentralization, poverty alleviation and employment creation and to the extent that the project relates to these fields, the involvement of UNDP can be seen as a guarantee that these issues are being given due consideration. UNDP in Amman also has good experience from working together with the Government by providing assistance in recruiting first class international institutions and expertise as well as assisting in transparent and efficient procurement of equipment. The project's implementation strategy is attached under Annex 2.

II. Results Framework

The result framework and annual output targets are attached as Annex 3.

III. Management Arrangements

The project will be executed by the "national execution" modality as per UNDP's standard definition of this concept. The Government's Co-operating Agency will be the Ministry of Planning. Ministry of Finance and the Ministry of Municipalities will be the Executing Agency. The Property Tax Directorate of the Ministry of Finance will be the Implementing Agency.

Co-implementing Agencies will be the Computer and Information Directorate, the Human Resource Directorate and the Land and Survey Department of the Ministry of Finance, the municipalities and the Financial Centers in the Governorates.

A Steering Committee will be established for the project with the following composition:

- Secretary General of the Ministry of Finance (Chairman)
- Representative of the Ministry of Municipalities (Vice Chairman)
- Director of the Property Tax Directorate, Ministry of Finance
- Director of the Computer and Information Directorate, Ministry of Finance
- Director of the Human Resources Directorate, Ministry of Finance
- Representative from the Land and Survey Department, Ministry of Finance
- Ministry of Planning
- Mayors of two Municipalities
- Head of two Financial Centers
- National Project Manager
- UNDP

The role of the Steering Committee is to provide overall guidance to the project and make decisions, as required, however without inflicting on the powers of the Tripartite Review mechanism (see below). The Steering Committee will meet two times every year, or more often, if required. All the above-mentioned members need not be permanent members, but may be called in as co-opted members to the Steering Committee for particular meetings, as required.

A National Project Manager with responsibility for day-to-day management of the project will be appointed. National expertise will be provided by direct recruitment or, if deemed required, partly through a sub-contract with a competent Jordanian information technology consulting firm (terms of reference for this sub-contract will be prepared during project implementation, if required).

SIGNATURE PAGE

Country: Jordan

UNDAF Outcome(s)/Indicator(s): Strengthening national institutions mandate to design, implement and monitor appropriate policies in selected areas.

Expected Outcome(s)/Indicator (s): Fostering democratic governance/ E-governance and Access to Information

Expected Output(s)/Indicator(s): Capacity Development for e-procurement in Jordan

Implementing partner: Ministry of Finance

Programme Period: Five Years
Programme Component: Governance
Project Title: Preparatory Assistance for e-procurement project
Project ID: 00039286
Project Duration: 11 Months
Management Arrangement: NEX

Budget: US\$ 256,158
General Management Support Fee
Total budget: US\$ 256,158
Allocated resources: US\$ 256,158

○ Donor: GTTF

- Government In kind contributions: Premises and operation cost

Agreed by (Government): Ministry of Planning and International cooperation

Agreed by (UNDP) United Nations Development Programme:

Mona Ki Hider
Resident Representative a.i.



27.12.2009

UNDP will provide support for the national execution by (i) procurement of the international consultants services; and, (ii) procurement of one vehicle and non-expendable equipment such as computer hardware/software. UNDP will also assist in recruitment of the national consultants, or sub-contracting of national consultants, as required.

PROJECT REVIEW, REPORTING AND EVALUATION

Within three months of the start of the project, the project management will prepare an inception report for consideration by the parties involved and, if required, amendments of the project document (for further details see PART I, Legal Context, below).

The project management will prepare semi-annual progress reports to the Steering Committee. The UNDP's standard Project Annual Report will be prepared once a year to be provided as an input for the annual Tripartite Review.

Annually, a Tripartite Review Meeting will be held. The Tripartite Review mechanism is the main instrument by the Government and UNDP for monitoring, evaluating and steering the project. At the end of the project, a Terminal Tripartite Review Meeting will be held.

Towards the end of the second year an in-depth evaluation of the project will be carried out. The evaluation mission will consist of three persons not being involved in the project, one from the Government, one from UNDP and one jointly appointed expert. Funds for the in-depth evaluation mission have been included in the project budget.

IV. LEGAL CONTEXT

The present project document shall be the instrument referred to as such in Article 1 of the Standard Basic Agreement between the Government of the Hashemite Kingdom of Jordan and the United Nations Development Programme (UNDP) signed by the parties on 12 January 1976. The government Implementing Agency shall, for the purpose of the Standard Basic Agreement, refer to the Government Co-operating Agency described in the Agreement.

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

- (i) Revisions which do not involve significant changes in the immediate objectives, outputs or activities or the project, but are caused by the rearrangement of inputs agreed to or cost increases due to inflation; and,

- (ii) Mandatory annual revisions, which re-phase the delivery of agreed inputs or increased expert or other costs due to inflation or take into account agency expenditure flexibility.

Provisions of services, procurement of equipment and sub-contracting shall follow the rules and regulations of UNDP.

Budget

The Government of Jordan will cost-share the project at a total amount of US\$ 1 M evenly divided between the Ministry of Finance and the Ministry of Municipalities (i.e. US\$ 500,000 each Ministry). UNDP will contribute the remaining balance from country's TRAC resources. Efforts will be exerted by UNDP and the Government to secure the shortage of US\$ 1 M from potential donors to cover the costs of international expertise as indicated in Annex 4. Timetable for the implementation of project's activities is attached as Annex 5. Budget is attached.

Schedule of Payments of Government Cost-Sharing

Amount	Date
US\$ 500,000	Upon signature of the Project Document
US\$ 500,000	March 2004

Annex 1

Institutional Framework

The property tax administration is part of the *Ministry of Finance*. The principal departments and other units within the Ministry are shown in Figure 1 of Annex 4. The principal units which are in one way or another involved in the overall property tax administration system are the Planning and Coordination Committee (for overall planning activities), the General Budget Department (for budget allocations), and the Secretary of the Ministry of Finance, the latter being the direct responsible unit for the property tax activities.

The *Secretary of the Ministry of Finance* has a number of directorates and other units as shown in Figure 2 of Annex 4. The most important actors in the property tax administration are Legal Affairs Directorate (for legal matters), Computer and Information Directorate (for information technology support), Human Resources Directorate (for personnel and training matters) and Property Tax Directorate, the latter being the direct responsible unit for the operational activities related to the property tax.

The principal actors (organizational units) involved in the sub-systems of assessment and collection at operational level are the *Property Tax Directorate* and the regional *Financial Centers in the Governorates except for Amman, Irbid and Zarqa municipalities*. Their organizational structures are presented in Figure 3 and 4 of Annex 4.

Other units at operational level as to the information technology, human resources and training systems are the *Computer and Information Directorate* and the *Human Resources Directorate*.

Problems to be addressed

Problems Associated with the Legal Framework

Some changes in the design and operation of the property tax system in response to perceived problems will require amendments or changes in the legal framework in Jordan, including laws and ministerial instructions:

- Exemptions from paying the property tax as defined in the Building and Land Tax Law are in many cases justified, but are also extended to organizations that carry out activities on a commercial basis in competition with private sector organizations which distorts the competition in the market;
- There are three laws covering the property tax where the main substantive difference consists of the purpose for which the revenues should be used (repair and maintenance of schools, sewerage and other purposes), which appears to be a duplication which may be avoided by merging the laws;

- the minimum value of properties which make the owners eligible for tax payment dates back to 1954 and needs to be adjusted in the Building and Land Tax Law;
- There are two different sets of criteria used for assessing the value of buildings (depending on whether the building is let or used by the owner) which need to be unified in which case an amendment of the Building and Land Tax Law is required;
- There is no appropriate court appeal mechanism included in the present Building and Land Tax Law;
- The stipulated fines for non-payment of the property tax are too low and need to be raised in which case the relevant article of the Building and Land Tax Law needs to be amended; and,
- Discounts for prompt payment of the property tax are in practice too low to be an effective incentive and in the case that this discount system is changed an amendment in the Building and Land Tax Law is required.

B.1.2 Inefficient Property Tax Information System

There are several problems rendering the property tax system highly inefficient, viz.

- Lack of a basic efficient property information system;
- Manual routines which are cumbersome and need to be computerized;
- There are no consolidated records for those owning more than one property; and,
- There is no system in place for electronic exchange of information.

B.1.3 Organizational, Administrative and Operational Problems

Several problems are linked to organizational, administrative and operational issues, viz.

- Lack of a basic efficient property tax administration system;
- A highly centralized tax administration system, whereas decentralized functions would be more conducive to efficient tax collection;
- Lack of an efficient tax collection system;
- The collection of taxes is characterized by separate collection systems for each of the principal taxes and fees, customs duties, sales tax, income tax, property

tax, land registration and other fees, and an integration of two or more collection systems would be desirable; and,

- The property tax can only be paid to the Financial Centers within the jurisdiction where the property is situated.

Insufficient Education and Need for Training

Although there are many highly competent officials working in the concerned organizational units, the property tax administration as a whole is still hampered by a number of problems related to the staff as follows:

- In the Property Tax Directorate and 24 Financial Centers there are 370 employees out of which approximately one third only have an education at a more advanced level than high school, which is generally considered to constitute an overall too low educational level for the property tax administration;
- The majority of the property valuation staff have learnt their job by experience, but lack appropriate formal education and technical competence;
- There is a dearth of personnel with appropriate knowledge about information technology;
- Over the last few years more than 10 out of 20 employees with competence in the field of information technology have left the Computer and Information Directorate of the Secretary of the Ministry of Finance for the private sector where salaries are 2-4 times as high as in the Government administration; and,
- As a whole the staff needs to be trained for emerging working requirements under a new modernized property tax system.

Public Perceptions of the Property Tax System

Although the Ministry of Finance have made efforts to improve the public's knowledge about the property tax system, there are still major problems related to lack of public knowledge as well as to attitudes towards paying the tax, viz.

- Despite the availability of a leaflet with information about the property tax system, the public is not very well informed and frequently come up with questions causing unnecessary work for the staff and unnecessary misunderstandings;
- There are widespread negative attitudes towards paying the property tax with significant non-compliance in respect of tax payment (only about 60% of the due property tax is paid on time); and,
- Customer services are not up to a satisfactory level.

Problems Which Could be Immediately Attended To

Within the property tax administration there are many problems, which in fact could be rather easily solved if dealt with in an appropriate manner. This is a common problem in organizations, which are not on a continuous basis systematically reviewing and improving their routines. Each problem may appear small, but together these types of problems aggregate to a major issue causing losses in revenues and too high costs. Dealing with these problems prepares the staff for forthcoming major changes and increases the involvement and motivation by the staff. Examples are:

- Manual and cumbersome procedures and routines;
- Too slow processing of cases;
- Too much work, or too little work, for certain units or staff members, and bottlenecks in the process flows;
- No incentives for "excellence in work" or improved tax collection;
- Invisible cost leakages; and
- No real incentives to improve the situation.

Expected End-of-Project Situation

Towards the end of the project, the Government will have an efficient and equitable property tax system and administration in place, contributing revenues for economic and social development. Selected functions will have been decentralized to the municipalities and services to the customers will have been improved. The improvements, as compared to the current situation, will manifest themselves in terms of:

- Tax payment compliance in time will have gradually increased from 60% to 85-90% of due property taxes, increasing tax collection some 15%, equivalent to about JD 5 million annually; some of the impacts will accrue only beyond the project duration;
- Concerned laws, regulations, instructions or guidelines for the property tax in Jordan will have been amended or been more fundamentally changed;
- A fully operational property tax information system will be in place having been subject to satisfactory system test and pilot operation;

- A comprehensive manual covering all organizational, administrative and operational aspects related to the property tax system will have been formally adopted by all organizational units involved, including, but not limited to, the Land and Survey Department with its 24 local offices, the Property Tax Directorate with its 24 Financial Centers, 99 other municipalities (including Greater Amman Municipality) and the Civil Registration and Passport Department with its 70 local offices;
- 200 people, mainly from, but not limited to, the Property Tax Directorate, the Land and Survey Department, Financial Centers and the Civil Registration and Passport Department, will have been prepared and fully trained to adequately perform their duties under the new property tax administration system;
- As measured by surveys in the beginning and at the end of the project, the knowledge by the general public about the property tax system will have increased considerably, and the attitudes towards paying the property tax will have become more positive; and,
- A staff incentive and reward system for improvement proposals will be in place, 5-10 new simplified procedures will be operational and documented, 5-10 other activities will have been successfully carried out yielding positive effects in terms of lowered costs, increased revenue collection, better services, higher quality of work, etc. and public opinion of the property tax authorities' service will have been improved.

Annex 2

Project Strategy

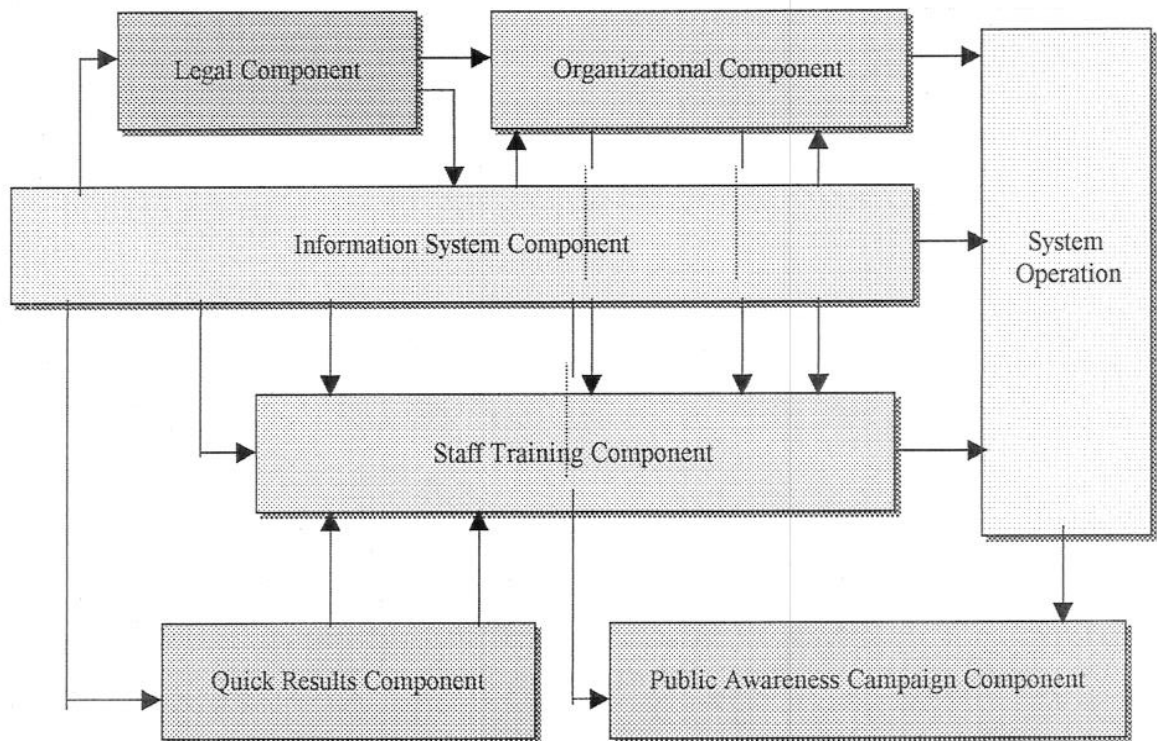
Project Structure

The project will consist of six principal components, viz.

- (i) Legal Component;
- (ii) Information System Component;
- (iii) Organizational Component;
- (iv) Staff Training Component;
- (v) Public Awareness Campaign Component; and,
- (vi) Quick Results Component.

The graph illustrates the principle relationships, conceptually and broadly time-wise, between the components.

Project Components Relationships



The picture only illustrates the principal relations, not the exact duration of the respective components. The arrows indicate certain logical dependencies between the components.

Components Contents and Orientation

The Legal Component will deal with issues like *appeals, exemptions, assessment* value criteria and *enforcement/encouragement* means to enhance compliance with the property tax obligations. Legal issues that are crucial for the development of the other components must be decided upon and be approved for implementation before the final design and construction is initiated. During the development of the other components, new regulatory decisions shall be postponed for application until the new property tax system has been put into operation. Subsequently, necessary system modifications may be introduced, but in a controlled manner. Regulatory changes affecting the system under development shall be avoided at all cost during the system development period in order to achieve a stable development environment.

The Information System Component will be divided into two sub-components, one for *planning and construction* and one for *technical support*. The planning and construction sub-component will include the initial project planning, definition of staff requirements and assistance in recruitment of staff, the strategic planning and the design, construction and implementation of the information system. In the planning phase, due consideration shall be given to staff awareness preparation and the resistance to change aspects. The technical support sub-component will focus on the procurement and installation of hardware and software for operation of the information system.

The first version of the system and the objective of the project shall include the property tax part only, but be constructed in such a way that a future close integration with the Land and Survey system will be feasible and facilitated. The system design shall take into special consideration the definition of a basic common property record, a basic common property value and a common data capture procedure in order to secure an efficient integration of the two systems.

The system design shall also provide for electronic interchange of information between the property tax system and the systems for Land and Survey, Income Tax and Civil Registration. The information interchange with the Land and Survey system shall focus on the registration of basic information on land, buildings and owners, with the Income Tax System on the paid property tax to be deducted as a cost in the Income Tax System, and with the Civil Registration System shall focus on the basic information on taxpayers as to identification number, address and residence.

The E-government strategy will be implemented in the exchange of information between the Lands and Survey Department and the Property Tax Department by the use of shared data and electronic communications, and by implementing the facility for the tax payer of making tax payments on-line, i.e. using the Internet. These two features correspond to the dimensions Government to Government (G2G) respectively Government to Citizen (G2C) of the strategy.

The Organizational Component will tackle all relevant organizational, administrative and operational matters related to the property tax system, its development and operation.

The Staff Training Component will focus on the training needed to adequately develop and operate the new property tax system. The main beneficiaries of the training shall be the personnel of the Property Tax Directorate, but should also include relevant officers at other involved organizational units, such as the Land and Survey Department, the Civil Registration and Passports Department and the concerned computer directorates.

The Public Awareness Campaign Component will be limited to property tax issues and focus on awareness and knowledge of the property tax as such and the benefits accruing to the citizens by tax compliance.

The Quick Results Component will focus on simplification of procedures and introduction of limited changes activities with the aim to show immediate or short-term results and prepare the personnel for the major change undertakings that will follow from implementation of the new property tax system and its related actions. Techniques for change management will be introduced by the project.

Capacity Building

The project shall be a technical cooperation project with its inherent character of technology or knowledge transfer to establish enhanced competence in the beneficiary organizations and their staff. To this end, the project activities shall provide for extensive training in the form of formal courses, seminars and workshops as well as by means of on-the-job training. The training shall be based on the concept of *learning by doing*.

The ultimate goal of the capacity building efforts shall be to have established an environment of sustainability in order to ensure an appropriate operation, maintenance and further development of the Property Tax System in all its aspects.

The Quick Results Component will contribute to this capacity building through its dual purpose, firstly to introduce visible immediate results of the development project efforts and secondly to prepare the personnel for greater changes by means of execution of limited change activities, which will give experience to the staff in changing their work habits and to the managers as to managing change.

Municipal Connection

The Property Tax System has as its ultimate beneficiary the citizen in the form of municipal services and infrastructure, which to a great extent is financed by the resources emanating from the property tax. Thus, the municipalities will function as intermediate beneficiaries. In this context there are several aspects of municipal connection that have to be addressed as part of the development of the new Property Tax System.

The system design and construction shall take into consideration the possibility to have the municipalities take responsibility for the property tax collection as Amman,

Irbid and Zarqa. Other municipalities of a certain size and administrative strength might follow suit. Therefore, this aspect shall be taken into consideration. However, it shall also be considered that there should *not* be two different Property Tax Systems depending on the location of the tax collection administration.

The municipalities are an important source of information when it comes to especially buildings, their construction, modification and demolition. To the extent specific licenses are required, the corresponding information will be of utmost importance for the Property Tax System to form the basis for the assessment of the property value, either directly or indirectly through the Land and Survey System. This issue is even more important taking into consideration the decision to opt for a property value based on size and conditions for all property.

As the recipient of the property tax the municipalities shall be duly informed by means of the new Property Tax System of revenues collected and deposited in their respective banking accounts. This information shall be presented promptly to facilitate the municipal planning and expenditure management.

Target Beneficiaries

Primary target beneficiaries are the staff in selected central Government agencies, viz. the Property Tax Directorate (11 employees), the Land and Survey Department (1,408 employees), the Computer and Information Directorate (14 employees) and the Human Resource Directorate (50 employees), all of the Ministry and Finance, as well as the staff of the municipalities and 24 Financial Centers in the Governorates (370 employees).

Secondary target beneficiaries are the citizens and legal persons subject to property tax who will benefit from a more transparent and fair property tax, better information about the property tax system, simplified procedures and better services as compared to the current situation. Secondary target beneficiaries also include the public at large who will benefit from better municipal provided infrastructure and services made possible by increased revenue generation.

ANNEX 3

Results Frame Work

<i>Intended Outcome as stated in the Country Results Frameworks:</i> Accelerated progress towards e-governance	
<i>Applicable Strategic Area of Support (from SRF):</i> Globalization	
<i>Partnerships Strategy:</i> UNDP is the lead agency in introducing computerization and e-government activities to revenue collection and management systems in Jordan.	<i>Partners:</i> <u>Ministry of Finance, Ministry of Municipalities, Property Tax Department, Land and Survey Department and local Municipalities</u>
<i>Project Title & Number:</i> Building and Strengthening the Capacity for Improved Property Tax Management and Collection in Jordan. JOR/03/005/01/A/99	

<i>Intended Outputs</i>	<i>Targets</i>	<i>Indicative Activities</i>	<i>Inputs</i>
<p>1. Regulatory framework for the property tax in Jordan amended.</p> <p><i>Concerned laws, regulations, instructions or guidelines for the property tax in Jordan amended or changed within the first two years of the project duration.</i></p>	<p>Year 2003</p> <p>Output 1.1: A completed review and analysis of the existing regulatory framework for property tax in Jordan, with definition of the necessary modifications, and a new legislation having been adopted by the Parliament and ratified.</p>	<p>Activity 1.1.1 Review and analyze of the building and Land Tax Law within the Municipality Areas No. 11 of 1954 and as later amended.</p> <p>Activity 1.1.2 Review and analyze of the Tax Regulation No. 3 of 1988.</p> <p>Activity 1.1.3 Review and analyze of the public sewage laws, viz. laws No. 12 and 48 of 1977 and as later amended, and the Water Authority Law No. 18 of 1988.</p> <p>Activity 1.1.4 Organize three workshops with relevant stakeholders with a view to achieve maximum consensus on the analysis and proposed optional amendments or, if deemed necessary, more fundamental changes of the existing legal and regulatory framework.</p> <p>Activity 1.1.5 Draft a bill to be submitted for adoption by the Parliament and ratification by the King.</p> <p>Activity 1.1.6 Finalize the bill and submission of the bill through the relevant channels to the Parliament for adoption.</p> <p>Activity 1.1.7 Adopt the bill on property tax as a law by the Parliament and ratification of the law by the King.</p>	<p>The services of one National Legal Consultant for one man/month.</p> <p>The logistical support for the planned workshops.</p>

	<p>Output 1.2: Modified instructions, procedures and guidelines having been prepared and approved by the Minister of Finance or other competent authorities.</p>	<p>Activity 1.2.1 Prepare draft instructions, procedures and guidelines.</p> <p>Activity 1.2.2 Convene two workshops with relevant stakeholders with a view to achieve maximum consensus on the draft instructions, procedures and guidelines.</p> <p>Activity 1.2.3 Finalize the instructions, procedures and guidelines and submission of them through the relevant channels to the competent authorities for approval.</p> <p>Activity 1.2.4 Approve and adopt the instructions, procedures and guidelines.</p>	<p>The services of one National Consultant for one man/month.</p> <p>The logistical support for the planned workshops.</p>
	<p>Output 1.3: An established court appeals mechanism for property tax matters with the required regulatory framework in place.</p>	<p>Activity 1.3.1 Analyze and define the court appeals structure, organization and documentary support.</p> <p>Activity 1.3.2 Prepare the required laws, regulations, instructions and other documentary instruments.</p> <p>Activity 1.3.3 Approve the regulatory instruments by the corresponding and competent authorities.</p> <p>Activity 1.3.4 Implement of the court appeals procedures for property tax matters.</p>	<p>The services of one National Legal Consultant for one man/month</p>

<p>2 A functional property tax information system with a requisite supporting information technology component designed, constructed and implemented, including networking of the Financial Centers.</p> <p>A fully operational property tax information system, including networking of Financial Centers, in place, having been subject to satisfactory system test and pilot operation.</p>	<p>Output 2.1: An operational property tax information system in place.</p>	<p>Activity 2.1.1 Define the reform programme.</p> <p>Activity 2.1.2 Formulate a Strategic plan.</p> <p>Activity 2.1.3 Prepare the relevant action plans.</p> <p>Activity 2.1.4 Define the staff requirements and assistance in recruitment.</p> <p>Activity 2.1.5 Design the System.</p> <p>Activity 2.1.6 Construct the System.</p> <p>Activity 2.1.7 Test the System.</p>	<p>The services of one National System Analysis/ Design Consultant for one man/month.</p>
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	<p>Output 2.2: A fully operational technology component supporting the property tax information system, including electronic connection of the Financial Centers to the system.</p>	<p>Activity 2.2.1 Draw specification of the technical requirements.</p> <p>Activity 2.2.2 Prepare the tender documents.</p> <p>Activity 2.2.3 Evaluate the technical proposals.</p> <p>Activity 2.2.4 Procure equipment.</p> <p>Activity 2.2.5 Install and test equipment.</p> <p>Activity 2.2.6 Install applications and satisfactory test runs.</p> <p>Activity 2.2.7 Operation at a pilot scale.</p>	<p>Sub-contacting a national supplier.</p>
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<p>3 The organizational, administrative and operational matters related to the property tax system and its technological support duly implemented and in operation.</p> <p>A comprehensive manual covering all organizational, administrative and operational aspects related to the property tax information system having been formally adopted by all organizational units involved, including but not limited to the Land and Survey Department with its 33 local offices, the Property Tax Directorate with its 33 Financial Centers, the Municipality of Greater Amman, 326 other municipalities and the Civil Registration and Passport Department with its 70 local offices.</p>	<p>Output 3.1: The organizational unit to be the "system owner" responsible for system administration and operation having been identified and appointed, and the requisite resources to perform the function as "system owner" having been allocated.</p>	<p>Activity 3.1.1 Formulate specification of functions, responsibilities, duties and powers of the "system owner" in respect of the property tax information system and its technological support.</p> <p>Activity 3.1.2 Formulate specification of requisite staff (number, educational background, experience, etc.) to perform the functions of "system owner".</p> <p>Activity 3.1.3 Formulate specification of equipment and financial resources required to perform the functions of "system owner".</p> <p>Activity 3.1.4 Assist in the recruitment of additional staff.</p>	<p>The services of one National Consultant for one man/month</p>
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	<p>Output 3.2: Functions, responsibilities, duties and powers of the different organizational units involved in respect of data capture of property related information having been specified and decided upon, including the allocation of requisite resources.</p>	<p>Activity 3.2.1 Formulate specification of functions, responsibilities, duties and powers of the different organizational units involved in respect of data capture.</p> <p>Activity 3.2.2 Design formats to be used for the capture of different types of data.</p> <p>Activity 3.2.3 Formulate specifications of requisite staff (number, educational background, experience, etc.) to perform the data capture.</p> <p>Activity 3.2.4 Establish the specification of equipment and financial resources required to perform the data capture functions.</p>	<p>The services of one National Consultant for one man/month</p>
	<p>Output 3.3: A specification having been made regarding data base contents and use.</p>	<p>Activity 3.3.1 Formulate specification of data base contents, including contents of the Property Tax Department's website.</p> <p>Activity 3.3.2 Establish specification of data base contents shared with Financial Centers.</p> <p>Activity 3.3.3 Draw specification of authorized users, access limitations and security.</p>	<p>Sub-contracting of a National software supplier.</p>

	<p>Output 3.4: The organizational unit, or units, responsible for technological support, having been identified and decided upon, including requisite resources to perform these functions having been allocated.</p>	<p>Activity 3.4.1 Formulate specification of functions, responsibilities, duties and powers in respect of technological support.</p> <p>Activity 3.4.2 Formulate specification of requisite staff (number, educational background, experience, forms and levels of salaries, etc.) to perform the technological support function.</p> <p>Activity 3.4.3 Formulate specification of equipment and financial resources required to perform the technological support function.</p> <p>Activity 3.4.4 Assist in the recruitment of additional staff.</p>	<p>The services of one National Consultant for one man/month</p>
	<p>Output 3.5: A comprehensive manual covering organizational, administrative and operational matters related to the property tax system and its technical support having been prepared and formally approved and adopted by the involved organizational units.</p>	<p>Activity 3.5.1 Organize four workshops at different stages of the work focused on consultations with relevant stakeholders.</p> <p>Activity 3.5.2 Prepare the manual.</p> <p>Activity 3.5.3 Approve the manual.</p> <p>Activity 3.5.4 Adopt the manual in concerned organizational units.</p>	<p>The logistical support for the planned workshops.</p> <p>Sub-contracting of National supplier.</p>

<p>4 Staff of the concerned organizational units duly prepared and trained for new job requirements emerging as a consequence of the introduction of the new property tax administration system.</p> <p>200 persons, mainly from, but not limited to, the Property Tax Directorate, the Land and Survey Department, Financial Centers and the Civil Registration and Passport Department, having been prepared and fully trained to adequately perform their duties under the new property tax administration system.</p>	<p>Year 2004</p> <p>Output 4.1: A programme for awareness creation having been successfully carried out at all levels of the concerned organizational units.</p>	<p>Activity 4.1.1 Conduct a one-day workshop for 15 top-level officials regarding the property tax information system in the property tax administration with particular focus on new concepts to solve old problems.</p> <p>Activity 4.1.2 Conduct a one-day workshop for 50 high level officials regarding the property tax information system in the property tax administration with particular focus on new ways to organize the work routines.</p> <p>Activity 4.1.3 Conduct five three-days workshops for 25 specialized officials each, in total reaching 125 officials, regarding the property tax information system in the property tax administration with particular focus on new ways to organize the work routines.</p> <p>Activity 4.1.4 Organize feedback scheme, whereby participants prepare small working papers on the impact of the property tax information system on their own working situation.</p> <p>Activity 4.1.5 Organize study tours to countries with a well functioning property tax administration for a selected group of officials.</p>	<p>The logistical support for the planned workshops.</p> <p>Cost of study-tours</p>
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	<p>Output 4.2: A training programme prepared covering the duration of the project for officials from the Property Tax Directorate and other concerned organizational units.</p>	<p>Activity 4.2.1 Establish a Steering Committee and a Technical Reference Group for the training programme.</p> <p>Activity 4.2.2 Carryout training needs assessment.</p> <p>Activity 4.2.3 Develop the structure and the specifications of the training programme.</p> <p>Activity 4.2.4 Develop 80-hours training programme modules in fields such as auditing, accounting, assessment, computer literacy, property tax information system, tax collection and customer services at basic course and advanced course levels.</p> <p>Activity 4.2.5 Identify suitable training programmes and related universities and training institutions appropriate for external training.</p> <p>Activity 4.2.6 Enter into agreements highly specialized training institutions to deal with identified long term training needs of the staff.</p>	<p>The services of one National Human Development Consultant for two man/month</p>

	<p>Output 4.3: Each one of a total of 200 trainees from the concerned organizations having participated in at least one 80-hours training module, or longer, during the duration of the project.</p>	<p>Activity 4.3.1 Conduct of four training-of-trainers courses (including also other participants, in total 80 participants) with a view to create a cadre of eight competent internal trainers in selected key competence areas.</p> <p>Activity 4.3.2 Conduct short-term training programme involving 200 trainees, each one participating in at least one 80-hours training course.</p> <p>Activity 4.3.3 Evaluate specific training courses as well as the entire training programme.</p>	<p>The logistical support for the planned workshops.</p>
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<p>5 Improved people's knowledge about the property tax system, including its benefits to the society, and to have improved their attitudes towards paying the property tax</p> <p>A survey will be carried out before and after the two-year public awareness campaign with questions regarding people's knowledge about the property tax system, including its benefits to the society, and attitudes towards paying the property tax. Answers will be processed by quantitative indices to enable before-after comparisons in numerical terms. The objective is to have improved the knowledge about the property tax system, including its benefits to the society, and having significantly improved the attitudes towards paying the property tax.</p>	<p>Output 5.1: A two-year public awareness campaign having been designed fully funded and successfully implemented.</p>	<p>Activity 5.1.1 Design a public information campaign.</p> <p>Activity 5.1.2 Prepare a budget for the campaign and securing participation from the concerned ministries and authorities.</p> <p>Activity 5.1.3 Prepare a targeted distribution of an updated and modernized version of the leaflet with information about the property tax system.</p> <p>Activity 5.1.4 Prepare exposure of posters focusing on purposeful use of the property tax for e.g. education and sewerage.</p> <p>Activity 5.1.5 Conduct other campaign components through other channels such as radio, TV, a website, newspapers, magazines, press releases, etc.</p> <p>Activity 5.1.6 Organize public seminars providing information about the property tax system.</p>	<p>Sub-contracting of a national media services supplier.</p>
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	<p>Output 5.2: An evaluation of the impact and efficiency of the public awareness campaign having been carried out.</p>	<p>Activity 5.2.1 Carryout a survey regarding people's knowledge about the property tax system and their attitudes towards paying the property tax at the very beginning of the project.</p> <p>Activity 5.2.2 Conduct an after-campaign survey measuring the impact and efficiency of the public information campaign.</p> <p>Activity 5.2.3 Evaluate the results of the survey.</p>	<p>Sub-contracting of a national research institute.</p>
<p>6 Improved procedures and better services to the taxpayers.</p> <p>Five new simplified procedures being operational and documented. Five other activities having been successfully implemented yielding positive effects in terms of lowered costs, increased revenue collection, better services, higher quality of work, etc.</p>	<p>Year 2005</p> <p>Output 6.1: A staff incentive and reward system for improvement proposals being operational.</p>	<p>Activity 6.1.1 Design a staff incentive and reward system for improvement proposals.</p> <p>Activity 6.1.2 Allocate funding for incentives and rewards (in principle the staff incentive and reward system should yield a net financial benefit to the organization after compensations to the staff).</p>	<p>Project's steering committee.</p>

	<p>Output 6.2: Five new simplified operational and procedures being documented.</p>	<p>Activity 6.2.1 Select procedures. Activity 6.2.2 Analyze simplification options. Activity 6.2.3 Develop new procedures. Activity 6.2.4 Implement and document new procedures.</p>	<p>Project's steering committee.</p>
	<p>Output 6.3: Five activities having been successfully implemented yielding positive effects in terms of lowered costs, increased revenue collection, better services, higher quality of work, etc.</p>	<p>Activity 6.3.1 Define and select activities. Activity 6.3.2 Analyze subject matters. Activity 6.3.3 Develop improvement measures. Activity 6.3.4 Implement and document of improvement measures.</p>	<p>Project's steering committee.</p>

Annex 4. Terms of Reference for International Consultants Sub-contract

Introduction

This document presents the specific Terms of Reference (ToR) for the technical cooperation project proposed to develop a new system for the Property Tax in Jordan.

By Property Tax System is understood the complete undertaking of legal, administrative, organizational, technical, information and human resources related aspects of the Property Tax. By Property Tax Information System is understood the information and technical aspects of the total system. By Property Tax Administration System is understood the administrative, organizational and human resources related aspects of the total system. By Property Tax Legal System is understood the legal aspects of the total system.

The technical cooperation project is divided into six main components, viz.

- Legal Component;
- Information System Component;
- Organizational Component;
- Staff Training Component;
- Public Awareness Campaign Component; and,
- Quick Results Component.

The technical cooperation will cover all six components with partly international and partly local (national) consultants. The total project shall be nationally executed by the Ministry of Finance. The international part shall be executed by a sub-contract agreement with an international well experienced firm or organization. The national part shall be sub-contracted to a national firm or organization and/or complemented or substituted by individual consultant assignments.

The ToR presented in this document refer to the sub-contracting of the international part and gives a specification of the requirements of output, expertise, etc. judged needed to adequately perform the project activities. Together with the Technical Proposal dated 27 March, 2001, the Aide Memoire dated 7 June, 2001 and the corresponding basic laws governing the Property Tax these ToR constitute the Basic Documents to guide the tender preparation in the process of procuring the required technical services.

Background

Jordan's economic performance has been seriously affected by its limited resource base and also by policy-induced structural weaknesses in various sectors. Although effective in mobilizing resources for Government operations, the tax system in Jordan suffers from inefficiencies resulting from cascading, widespread exemptions and ineffective and inefficient tax administration. This description fairly applies also to the Property Tax Directorate (PTD) of Jordan. While the total revenue receipts in Jordan increased from 24% of GDP in 1988 to about 30% of GDP in 1994, the increase primarily reflected frequent discretionary revenue raising measures, since the structure of tax system remained inelastic with respect to income. The improvement in the tax situation was attributable to the tightening of the administrative procedures for collection of taxes and arrears. Since 1994, however, the share of Government revenues to GDP has remained virtually unchanged, amounting in 1999 to about 29%.

Compared to the GDP of Jordan at JD 5.4 billion in 1999, the collection of JD 35 million through property taxation in 1999 appears very insignificant and only accounts for about 2% of total central Government revenues. The collection of JD 35 million was composed of collection of JD 27 million due in that particular year (about 60% of the total property tax due in that year) and JD 8 million of arrears from previous years. As of the end of 1999, total of arrears amounted to JD 67 million and are increasing by about JD 10 million per year.

Unlike most developing countries where property tax is levied and collected by municipalities, in Jordan the property tax is collected by the Ministry of Finance which retains 10% of the collection to cover costs of collection and municipalities re-distribute 90% of the collection. These revenues amount to 28% of the total revenues of the municipalities. Of this amount, about 20% is given to the Ministry of Water and Irrigation to maintain sewerage systems and 13.2% is given to the Ministry of Education for financing repairs and maintenance of schools.

Problem areas

The most important problems associated with the property tax system in Jordan could be classified in six categories and are summarized in the following.

Problems associated with the legal framework

Some changes in the design and operation of the property tax system in response to perceived problems will require amendments or changes in the legal framework in Jordan, including laws and ministerial instructions:

- exemptions from paying the property tax as defined in the Building and Land Tax Law are in many cases justified, but are also extended to organizations that carry out activities on a commercial basis in competition with private sector organizations which distorts the competition in the market;
- there are three laws covering the property tax where the main substantive difference consists of the purpose for which the revenues should be used (repair and maintenance of schools, sewerage and other purposes), which appears to be a duplication which may be avoided by merging the laws;
- the minimum value of properties which make the owners eligible for tax payment dates back to 1954 and needs to be adjusted in the Building and Land Tax Law;
- there are two different sets of criteria used for assessing the value of buildings (depending on whether the building is let or used by the owner) which need to be unified in which case an amendment of the Building and Land Tax Law is required;
- there is no appropriate court appeal mechanism included in the present Building and Land Tax Law;
- the stipulated fines for non-payment of the property tax are too low and need to be raised in which case the relevant article of the Building and Land Tax Law needs to be amended; and,
- discounts for prompt payment of the property tax are in practice too low to be an effective incentive and in the case that this discount system is changed an amendment in the Building and Land Tax Law is required.

Problems related to an inefficient property tax information system

There are several problems rendering the property tax system highly inefficient, viz.

- lack of a basic efficient property information system;
- manual routines which are cumbersome and need to be computerized;
- there are no consolidated records for those owning more than one property; and,
- there is no system in place for electronic exchange of information.

Organizational, administrative and operational problems

Several problems are linked to organizational, administrative and operational issues, viz.

- lack of a basic efficient property tax administration system;
- a highly centralized tax administration system, whereas decentralized functions would be more conducive to efficient tax collection;
- lack of an efficient tax collection system;
- the collection of taxes is characterized by separate collection systems for each of the principal taxes and fees, customs duties, sales tax, income tax, property tax, land registration and other fees, and an integration of two or more collection systems would be desirable; and,
- the property tax can only be paid to the Financial Centres within the jurisdiction where the property is situated.

Insufficient education and need for training

Although there are many highly competent officials working in the concerned organizational units, the property tax administration as a whole is still hampered by a number of problems related to the staff as follows:

- in the Property Tax Directorate and 33 Financial Centres there are 507 employees out of which approximately one third only have an education at a more advanced level than high school, which is generally considered to constitute an overall too low educational level for the property tax administration;
- the majority of the property valuation staff have learnt their job by experience, but lack appropriate formal education and technical competence;
- there is a dearth of personnel with appropriate knowledge about information technology;
- over the last few years more than 10 out of 20 employees with competence in the field of information technology have left the Computer Directorate for the private sector where salaries are 2-4 times as high as in the Government administration; and,
- as a whole the staff needs to be trained for emerging working requirements under a new modernized property tax system.

Public perception of the property tax system

Although the Ministry of Finance have made efforts to improve the public's knowledge about the property tax system, there are still major problems related to lack of public knowledge as well as to attitudes towards paying the tax, viz.

- despite the availability of a leaflet with information about the property tax system, the public is not very well informed and frequently come up with questions causing unnecessary work for the staff and unnecessary misunderstandings;
- there are widespread negative attitudes towards paying the property tax with significant non-compliance in respect of tax payment (only about 60% of the due property tax is paid on time); and,
- customer services are not up to a satisfactory level.

Problems which could be immediately attended to

Within the property tax administration there are many problems which in fact should not be too hard to deal with. This is a common problem in organizations which are not on a continuous basis systematically reviewing and improving their routines. Each problem may appear small, but together these types of problems aggregate to a major issue causing losses in revenues and too high costs. Dealing with these problems prepares the staff for forthcoming major changes and increases the involvement and motivation by the staff. Examples are:

- manual and cumbersome procedures and routines;
- too slow processing of cases;
- too much work, or too little work, for certain units or staff members, and bottlenecks in the process flows;
- no incentives for “excellence in work” or improved tax collection;
- invisible cost leakages; and,
- no real incentives to improve the situation.

The Project

Components contents and orientation

The Legal Component will deal with issues like *appeals, exemptions, assessment* value criteria and *enforcement/encouragement* means to enhance compliance with the property tax obligations. Legal issues that are crucial for the development of the other components must be decided upon and be approved for implementation before the final design and construction is initiated. During the development of the other components, new regulatory decisions shall be postponed for application until the new property tax system has been put into operation. Subsequently, necessary system modifications may be introduced, but in a controlled manner. Regulatory changes affecting the system under development shall be avoided at all cost during the system development period in order to achieve a stable development environment.

The Information System Component will be divided into two sub-components, one for *planning and construction* and one for *technical support*. The planning and construction sub-component will include the initial project planning, definition of staff and national consultant requirements and assistance in recruitment of staff and national consultants, the strategic planning and the design, construction and implementation of the information system. In the planning phase, due consideration shall be given to staff awareness preparation and the resistance to change aspects. The technical support sub-component will focus on the procurement and installation of hardware and software for operation of the information system.

The first version of the system and the objective of the project shall include the property tax part only, but be constructed in such a way that a future close integration with the Land and Survey system will be feasible and facilitated. The system design shall take into special consideration the definition of a basic common property record, a basic common property value and a common data capture procedure in order to secure an efficient integration of the two systems.

The system design shall also provide for electronic interchange of information between the property tax system and the systems for Land and Survey, Income Tax and Civil Registration. The information interchange with the Land and Survey System shall focus on the registration of basic information on land, buildings and owners, with the Income Tax System on the paid property tax to be deducted as a cost in the Income Tax System, and with the Civil Registration System shall focus on the basic information on taxpayers as to identification number, address and residence.

The E-government strategy will be implemented in the exchange of information between the Lands and Survey Department and the Property Tax Department by the use of shared data and electronic communications, and by implementing the facility for the tax payer of making tax payments on-line, i.e. using the Internet. These two features correspond to the dimensions Government to Government (G2G) respectively Government to Citizen (G2C) of the strategy.

The Organizational Component will tackle all relevant organizational, administrative and operational matters related to the property tax system, its development and operation.

The Staff Training Component will focus on the training needed to adequately develop and operate the new property tax system. The main beneficiaries of the training shall be the personnel of the Property Tax Directorate, but should also include relevant officers at other involved organizational units, such as the Land and Survey Department, the Civil Registration and Passports Department and the concerned computer directorates.

The Public Awareness Campaign Component will be limited to property tax issues and focus on awareness and knowledge of the property tax as such and the benefits accruing to the citizens by tax compliance.

The Quick Results Component will focus on simplification of procedures and introduction of limited changes activities with the aim to show immediate or short term results and prepare the personnel for the major change undertakings that will follow from implementation of the new property tax system and its related actions.

Capacity building

The project shall be a technical cooperation project with its inherent character of technology or knowledge transfer to establish enhanced competence in the beneficiary organizations and their staff. To this end, the project activities shall provide for extensive training in the form of formal courses, seminars and workshops as well as by means of on-the-job training. The training shall be based on the concept of *learning by doing*.

The ultimate goal of the capacity building efforts shall be to have established an environment of sustainability in order to ensure an appropriate operation, maintenance and further development of the Property Tax System in all its aspects.

The Quick Results Component will contribute to this capacity building through its dual purpose, firstly to introduce visible immediate results of the development project efforts and secondly to prepare the personnel for greater changes by means of execution of limited change activities, which will give experience to the staff in changing their work habits and to the managers as to managing change.

Municipal connection

The Property Tax System has as its ultimate beneficiary the citizen in the form of municipal services and infrastructure, which to a great extent is financed by the resources emanating from the property tax. Thus, the municipalities will function as intermediate beneficiaries. In this context there are several aspects of municipal connection that have to be addressed as part of the development of the new Property Tax System.

The system design and construction shall take into consideration the possibility to have the municipalities take responsibility for the property tax collection. This issue has already been discussed with the Greater Amman Municipality. Other municipalities of a certain size and administrative strength might follow suit. Therefore, this aspect shall be taken into consideration. However, it shall also be considered that there should *not* be two different Property Tax Systems depending on the location of the tax collection administration.

The municipalities are an important source of information when it comes to especially buildings, their construction, modification and demolition. To the extent specific licenses are required, the corresponding information will be of utmost importance for the Property Tax

System to form the basis for the assessment of the property value, either directly or indirectly through the Land and Survey System. This issue is even more important taking into consideration the decision to opt for a property value based on size and conditions for all property.

As the recipient of the property tax the municipalities shall be duly informed by means of the new Property Tax System of revenues collected and deposited in their respective banking accounts. This information shall be presented promptly to facilitate the municipal planning and expenditure management.

Project Purpose and Structure

Expected end-of-project situation

Towards the end of the project, the Government will have an efficient and equitable property tax system and administration in place, contributing revenues for economic and social development. Selected functions will have been decentralized to the municipalities and services to the customers will have been improved. The improvements, as compared to the current situation, will manifest themselves in terms of:

- tax payment compliance in time will have gradually increased from 60% to 85-90% of due property taxes, increasing tax collection some 15%, equivalent to about JD 5 million annually. Some of the impacts will accrue only beyond the project duration;
- concerned laws, regulations, instructions or guidelines for the property tax in Jordan will have been amended or been more fundamentally changed;
- a fully operational property tax information system will be in place having been subject to satisfactory system test and pilot operation;
- a comprehensive manual covering all organizational, administrative and operational aspects related to the property tax system will have been formally adopted by all organizational units involved, including, but not limited to, the Land and Survey Department with its 33 local offices, the Property Tax Directorate with its 33 Financial Centers, the Municipality of Greater Amman, 326 other municipalities and the Civil Registration and Passport Department with its 70 local offices;
- 200 people, mainly from, but not limited to, the Property Tax Directorate, the Land and Survey Department, Financial Centers and the Civil Registration and Passport Department, will have been prepared and fully trained to adequately perform their duties under the new property tax administration system;
- as measured by surveys in the beginning and at the end of the project, the knowledge by the general public about the property tax system will have increased considerably, and the attitudes towards paying the property tax will have become more positive; and,
- a staff incentive and reward system for improvement proposals will be in place, 5 new simplified procedures will be operational and documented, 5 other activities will have been successfully carried out yielding positive effects in terms of lowered costs, increased revenue collection, better services, higher quality of work, etc. and public opinion of the property tax authorities' service will have been improved.

Objectives and outputs

Development Objective: *An efficient, equitable and well functioning property tax system in place, contributing revenues for economic and social development in Jordan.*

Immediate Objective 1: *The regulatory framework for the property tax in Jordan amended or, if deemed necessary, more radically changed.*

Output 1.1: A completed review and analysis of the existing regulatory framework for property tax in Jordan, with definition of the necessary modifications, and a new legislation having been adopted by the Parliament and ratified.

Output 1.2: Modified instructions, procedures and guidelines having been prepared and approved by the Minister for Finance or other competent authorities.

Output 1.3: An established court appeals mechanism for property tax matters with the required regulatory framework in place.

Immediate Objective 2: *A functional property tax information system with a requisite supporting information technology component designed, constructed and implemented, including networking of the Financial Centers.*

Output 2.1: An operational property tax information system in place.

Output 2.2: A fully operational information technology component supporting the property tax information system, including electronic connection of the Financial Centers to the system.

Immediate Objective 3: *The organizational, administrative and operational matters related to the property tax system and its technological support duly implemented and in operation.*

Output 3.1: The organizational unit to be the “system owner” responsible for system administration and operation having been identified and appointed, and the requisite resources to perform the function as “system owner” having been allocated.

Output 3.2: Functions, responsibilities, duties and powers of the different organizational units involved in respect of data capture of property related information having been specified and decided upon, including the allocation of requisite resources.

Output 3.3: A specification having been made regarding data base contents and use.

Output 3.4: The organizational unit, or units, responsible for technological support, having been identified and decided upon, including requisite resources to perform these functions having been allocated.

Output 3.5: A comprehensive manual covering organizational, administrative and operational matters related to the property tax system and its technical support having been prepared and formally approved and adopted by the involved organizational units.

Immediate Objective 4: *The staff of the concerned organizational units duly prepared and trained for new job requirements emerging as a consequence of the introduction of the new property tax administration system.*

Output 4.1: A program for awareness creation having been successfully carried out at all levels of the concerned organizational units.

Output 4.2: A training program prepared covering the first three years of the project for officials from the Property Tax Directorate and other concerned organizational units.

Output 4.3: Each one of a total of 300 trainees having participated in at least one 80-hours training module, or longer, during the first three years of the project.

Immediate Objective 5: *Improved people's knowledge about the property tax system, including its benefits to the society, and to have improved their attitudes towards paying the property tax.*

Output 5.1: A two-year public awareness campaign having been designed, fully funded and successfully implemented.

Output 5.2: An evaluation of the impact and efficiency of the public awareness campaign having been carried out.

Immediate Objective 6: *Achieved immediate, short term results of improved procedures and better services to the taxpayers.*

Output 6.1: A staff incentive and reward system for improvement proposals being operational.

Output 6.2: 5 new simplified procedures being operational and documented.

Output 6.3: 5 activities having been successfully implemented yielding positive effects in terms of lowered costs, increased revenue collection, better services, higher quality of work, etc.

Human Resources

The following time estimation for international short and long term experts has been judged reasonable to assure a timely execution of the project.

Category	Long term person months	Short term person months
Senior Technical Adviser	12	
Information Technology Expert	12	
Institutional Development Expert	12	
Strategic Planning Expert		1
Resistance to Change Expert		1
Legal Expert		1
Network and Security Expert		2
Object Oriented Analysis Expert		1
Training Expert		2
Work Simplification Expert		2
Change Projects Expert		2
TOTAL	36	12

Among the long term experts it might be possible to reduce the total expert time if the Senior Technical Adviser could be combined with either the Information Technology Expert or the Institutional Development Expert. This should be an issue for the offering organization to address.

The short term experts time, 12 person months, is recommended to assign to a "pool of experts" leaving to the offering organization to propose the most favorable mix of short term experts.

Project Execution

The project will be executed by the "national execution" modality as per UNDP's standard definition of this concept.

The Government's Co-operating Agency will be the Ministry of Planning.

Ministry of Finance will be the Executing Agency.

The Property Tax Directorate of the Ministry of Finance will be the Implementing Agency.

Co-implementing Agencies will be the Computer and Information Directorate, the Human Resource Directorate and the Land and Survey Department of the Ministry of Finance, municipalities and the Financial Centers in the Governorates, and the Ministry of Justice.

A Steering Committee will be established for the project. The role of the Steering Committee is to provide overall guidance to the project and make decisions, as required, however without inflicting on the powers of the Tripartite Review mechanism (see below). The Steering Committee will meet two times every year, or more often, if required. All the above mentioned members need not be permanent members, but may be called in as co-opted members to the Steering Committee for particular meetings, as required.

The Secretary General Assistant of the Ministry of Finance will be appointed National Project Director with overall managerial responsibility for the project.

A National Project Manager with responsibility for day-to-day management of the project will be appointed.

For each major component of the project, corresponding to each of the six immediate objectives, a technical reference group will be established with the requisite expertise.

National expertise will be provided by direct recruitment or, if deemed required, partly through a sub-contract with a competent Jordanian information technology consulting firm (terms of reference for this sub-contract will be prepared during project implementation, if required).

UNDP will provide support for the national execution by (i) procurement of the international consultants sub-contract; and, (ii) procurement of one vehicles and non-expendable equipment such as computer hardware/software. UNDP will also assist in recruitment of the national consultants, or sub-contracting of national consultants, as required.

Project Reporting and Evaluation

Within three months of the start of the project, the project management will prepare an inception report for consideration by the parties involved and, if required, amendments of the project document.

The project management will prepare semi-annual progress reports to the Steering Committee. The UNDP's standard Project Performance Evaluation Report (PPER) will be prepared once a year to be provided as an input for the annual Tripartite Review.

Annually, a Tripartite Review Meeting will be held with participants from the Government, the Executing Agency (the Ministry of Finance) and UNDP. The Tripartite Review mechanism is the main instrument by the Government and UNDP for monitoring, evaluating and steering the project. At the end of the project, a Terminal Tripartite Review Meeting will be held.

Towards the end of the second year an in-depth evaluation of the project will be carried out. The evaluation mission will consist of three persons not being involved in the project, one appointed by and from the Government, one by and from UNDP and one independent appointed jointly by the Government and the UNDP.

Experts Qualifications

International consultants – long term (one year or more)

Senior Technical Adviser	At least 10 years experience from management of public sector development projects in developing countries, preferably including Arab countries. Relevant academic education. Experience from multidisciplinary projects with components for information system, training and institutional development. Experience from tax administration development projects desirable. Proven leadership capability in a multicultural setting. Good communications skills both orally and in writing. Fluent in English, and preferably also in Arabic.
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Institutional Development Expert	<p>At least 10 years experience from institutional development work in developing countries, preferably including the Arab countries.</p> <p>Relevant academic education.</p> <p>Experience from strategic planning in public organizations, work simplification and change management issues.</p> <p>Experience from tax administration development desirable.</p> <p>Proven working capability in a multicultural setting.</p> <p>Good communications skills both orally and in writing.</p> <p>Fluent in English, and preferably also in Arabic.</p>
Information Technology Expert	<p>At least 10 years experience from information systems (IS) development and at least 5 years experience in project management, in the IS area..</p> <p>Full knowledge of Object Oriented (OO) Analysis & Design and of the Unified Modeling Language (UML).</p> <p>Experience from using Internet features in systems development.</p> <p>Experience from designing both technical and user training programs in connection with IS implementations.</p> <p>Experience from property tax systems desirable.</p> <p>Experience from work in developing countries and preferably in the Arab world.</p> <p>Good knowledge of a computerized planning tool (as M/S Project).</p> <p>Proven working capability in a multicultural setting.</p> <p>Fluent in English, and preferably also in Arabic.</p>

International consultants – short term (less than one year)

Training Expert	<p>At least 10 years experience from training analysis, curriculum development and training program development.</p> <p>Experience from training of trainers.</p> <p>Experience from work in developing countries, preferable including the Arab world.</p> <p>Experience from tax administration development desirable.</p> <p>Proven working capability in a multicultural setting.</p> <p>Good communications skills both orally and in writing.</p> <p>Fluent in English, and preferably also in Arabic.</p>
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Object Oriented Analysis Expert	At least 10 years experience from information systems (IS) development and at least 5 years experience with Object Oriented Analysis, Design and Programming and the Unified Modeling Language (UML). Experience from training of technical staff. Experience from work in developing countries and preferably in the Arab world. Fluent in English, and preferably also in Arabic, language.
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ANNUAL INPUT-OUTPUT BUDGET

ANNUAL OUTPUT TARGETS

WORK PLAN FOR YEAR 2003

ACTIVITY DESCRIPTION	INPUTS DESCRIPTION	BUDGET LINE	BUDGET US\$
Activity 1.1.1 Review and analyze of the building and Land Tax Law within the Municipality Areas No. 11 of 1954 and as later amended.	The services of one National Legal Consultant for one man/month.	17-51	10,000
Activity 1.1.2 Review and analyze of the Tax Regulation No. 3 of 1988.			
Activity 1.1.3 Review and analyze of the public sewage laws, viz. laws No. 12 and 48 of 1977 and as later amended, and the Water Authority Law No. 18 of 1988.			
Activity 1.1.4 Organize three workshops with relevant stakeholders with a view to achieve maximum consensus on the analysis and proposed optional amendments or, if deemed necessary, more fundamental changes of the existing legal and regulatory framework.	The logistical support for the planned workshops.	33-01	5,000

<p>Activity 1.1.5 Draft a bill to be submitted for adoption by the Parliament and ratification by the King.</p>	<p>The services of one National Legal Consultant for one man/month.</p>		
<p>Activity 1.1.6 Finalize the bill and submission of the bill through the relevant channels to the Parliament for adoption.</p>			
<p>Activity 1.1.7 Adopt the bill on property tax as a law by the Parliament and ratification of the law by the King.</p>			
<p>Total for Output 1.1</p>			<p>15,000</p>

ACTIVITY DESCRIPTION	INPUTS DESCRIPTION	BUDGET LINE	BUDGET US\$
<p>Activity 1.2.1 Prepare draft instructions, procedures and guidelines.</p>	<p>The services of one National Consultant for one man/month.</p>	<p>17-52</p>	<p>10,000</p>
<p>Activity 1.2.2 Convene two workshops with relevant stakeholders with a view to achieve maximum consensus on the draft instructions, procedures and guidelines.</p>	<p>The logistical support for the planned workshops.</p>	<p>33-01</p>	<p>5,000</p>

<p>Activity 1.2.3 Finalize the instructions, procedures and guidelines and submission of them through the relevant channels to the competent authorities for approval.</p>			
<p>Activity 1.2.4 Approve and adopt the instructions, procedures and guidelines.</p>			
<p>Total for Output 1.2</p>			<p>15,000</p>

<p>ACTIVITY DESCRIPTION</p>	<p>INPUTS DESCRIPTION</p>	<p>BUDGET LINE</p>	<p>BUDGET US\$</p>
<p>Activity 1.3.1 Analyze and define the court appeals structure, organization and documentary support.</p>	<p>The services of one National Legal Consultant for one man/month.</p>	<p>17-51</p>	<p>10,000</p>
<p>Activity 1.3.2 Prepare the required laws, regulations, instructions and other documentary instruments.</p>			
<p>Activity 1.3.3 Approve the regulatory instruments by the corresponding and competent authorities.</p>			

Activity 1.3.4	Implement the court appeals procedures for property tax matters.			
Total for Output 1.3				10,000

ACTIVITY DESCRIPTION	INPUTS DESCRIPTION	BUDGET LINE	BUDGET US\$
Activity 2.1.1 Define the reform programme.	One National System Analysis/ Design Consultant for one man/month.	17-53	15,000
Activity 2.1.2 Formulate a Strategic plan.			
Activity 2.1.3 Prepare the relevant action plans.			
Activity 2.1.4 Define staff requirements and assistance in recruitment.			
Activity 2.1.5 Design the system.			
Activity 2.1.6 Construct the system.			

Activity 2.1.7	Test the System.			
Total for Output 2.1				15,000

	ACTIVITY DESCRIPTION	INPUTS DESCRIPTION	BUDGET LINE	BUDGET US\$
Activity 2.2.1	Draw specification of technical requirements.			
Activity 2.2.2	Prepare the tender documents.			
Activity 2.2.3	Evaluate the technical proposals.			
Activity 2.2.4	Procure equipment.	national equipment supplier.	45-01	100,000
Activity 2.2.5	Install and test of equipment.			
Activity 2.2.6	Install applications and satisfactory test runs.			

Activity 2.2.7	Operation at a pilot scale.			
Total for Output 2.2				100,000

ACTIVITY DESCRIPTION		INPUTS DESCRIPTION	BUDGET LINE	BUDGET US\$
Activity 3.1.1	Formulate specification of functions, responsibilities, duties and powers of the "system owner" in respect of the property tax information system and its technological support.	One National Consultant for one man/month	17-54	10,000
Activity 3.1.2	Formulate specification of requisite staff (number, educational background, experience, etc.) to perform the functions of "system owner".			
Activity 3.1.3	Formulate specification of equipment and financial resources required to perform the functions of "system owner".			
Activity 3.1.4	Assist in the recruitment of additional staff.			
Total for Output 3.1				10,000

ACTIVITY DESCRIPTION	INPUTS DESCRIPTION	BUDGET LINE	BUDGET US\$
<p>Activity 3.2.1 Formulate specification of functions, responsibilities, duties and powers of the different organizational units involved in respect of data capture.</p>	<p>One National Consultant for man/month</p>	<p>17-54</p>	<p>10,000</p>
<p>Activity 3.2.2 Design formats to be used for the capture of different types of data.</p>			
<p>Activity 3.2.3 Formulate specifications of requisite staff (number, educational background, experience, etc.) to perform the data capture.</p>			
<p>Activity 3.2.4 Establish the specification of equipment and financial resources required to perform the data capture functions.</p>			
<p>Total for Output 3.2</p>			<p>10,000</p>

ACTIVITY DESCRIPTION	INPUTS DESCRIPTION	BUDGET LINE	BUDGET US\$
Activity 3.3.1 Formulate specification of data base contents, including contents of the Property Tax Department's website.	*Sub-contract with a National software development firm.	21-01	100,000
Activity 3.3.1 Establish specification of data base contents shared with Financial Centers.			
Activity 3.3.3 Draw specification of authorized users, access limitations and security.			
Total for Output 3.3			100,000

ACTIVITY DESCRIPTION	INPUTS DESCRIPTION	BUDGET LINE	BUDGET US\$
Activity 3.4.1 Formulate specification of functions, responsibilities, duties and powers in respect of technological support.	One National Consultant for man/month	17-55	10,000
Activity 3.4.2 Formulate specification of requisite staff (number, educational background, experience, forms and levels of salaries, etc.) to perform the technological support function.			

Activity 3.4.3 Formulate specification of equipment and financial resources required to perform the technological support function.			
Activity 3.4.4 Assist in the recruitment of additional staff.			
Total for Output 3.4			10,000

ACTIVITY DESCRIPTION	INPUTS DESCRIPTION	BUDGET LINE	BUDGET US\$
Activity 3.5.1 Organize four workshops at different stages of the work focused on consultations with relevant stakeholders.	The logistical support for the planned workshops.	33-01	10,000
Activity 3.5.2 Prepare the manual.	Sub-contract with a National printing firm.	21-02	20,000
Activity 3.5.3 Approve the manual.			
Activity 3.5.4 Adopt the manual in concerned organizational units.			
Total for Output 3.5			30,000

WORK PLAN FOR YEAR 2004

ACTIVITY DESCRIPTION	INPUTS DESCRIPTION	BUDGET LINE	BUDGET US\$
<p>Activity 4.1.1 Conduct a one-day workshop for 15 top-level officials regarding the property tax information system in the property tax administration with particular focus on new concepts to solve old problems.</p>	<p>The logistical support for the planned workshops.</p>	33-01	15,000
<p>Activity 4.1.2 Conduct a one-day workshop for 50 high level officials regarding the property tax information system in the property tax administration with particular focus on new ways to organize the work routines.</p>			
<p>Activity 4.1.3 Conduct five three-days workshops for 25 specialized officials each, in total reaching 125 officials, regarding the property tax information system in the property tax administration with particular focus on new ways to organize the work routines.</p>			
<p>Activity 4.1.4 Organize feedback scheme, whereby participants prepare small working papers on the impact of the property tax information system on their own working situation.</p>			
<p>Activity 4.1.5 Study tours to countries with a well functioning property tax administration for a selected group of officials.</p>	<p>Cost of study-tours</p>	32-01	30,000
<p>Total for Output 4.1</p>			45,000

ACTIVITY DESCRIPTION	INPUTS DESCRIPTION	BUDGET LINE	BUDGET US\$
Activity 4.2.1 Establish a Steering Committee and a Technical Reference Group for the training programme.	The services of one National HRD Consultant for two man/month	17-56	30,000
Activity 4.2.2 Carryout training needs assessment.			
Activity 4.2.3 Develop of the structure and the specifications of the training programme.			
Activity 4.2.4 Develop 80-hours training programme modules in fields such as auditing, accounting, assessment, computer literacy, property tax information system, tax collection and customer services at basic course and advanced course levels.			
Activity 4.2.5 Identify suitable training programmes and related universities and training institutions appropriate for external training.			
Activity 4.2.6 Enter into agreements with highly specialized training institutions to deal with identified long-term training needs of the staff.			
Total for Output 4.2			30,000

ACTIVITY DESCRIPTION	INPUTS DESCRIPTION	BUDGET LINE	BUDGET US\$
<p>Activity 4.3.1 Conduct four training-of-trainers courses (including also other participants, in total 80 participants) with a view to create a cadre of eight competent internal trainers in selected key competence areas.</p>	<p>The logistical support for the planned workshops.</p>	33-01	40,000
<p>Activity 4.3.2 Conduct short-term training programme involving 200 trainees, each one participating in at least one 80-hours training course.</p>	<p>The logistical support for the planned workshops.</p>	33-01	40,000
<p>Activity 4.3.3 Evaluate specific training courses as well as the entire training programme.</p>			
<p>Total for Output 4.3</p>			80,000

WORK PLAN FOR YEAR 2005

ACTIVITY DESCRIPTION	INPUTS DESCRIPTION	BUDGET LINE	BUDGET US\$
Activity 5.1.1 Design a public information campaign.	Sub-contracting of a national media services supplier.	21-03	50,000
Activity 5.1.2 Prepare a budget for the campaign and securing participation from the concerned ministries and authorities (Ministry of Finance, Ministry of Education, Ministry of Information and the municipalities).			
Activity 5.1.3 Prepare a targeted distribution of an updated and modernized version of the leaflet with information about the property tax system.			
Activity 5.1.4 Prepare exposure of posters focusing on purposeful use of the property tax for e.g. education and sewerage.			
Activity 5.1.5 Conduct other campaign components through other channels such as radio, TV, a website, newspapers, magazines, press releases, etc.			
Activity 5.1.6 Organize of public seminars providing information about the property tax system.			
Total for Output 5.1			50,000

ACTIVITY DESCRIPTION	INPUTS DESCRIPTION	BUDGET LINE	BUDGET US\$
Activity 5.2.1 Carryout a survey regarding people's knowledge about the property tax system and their attitudes towards paying the property tax at the very beginning of the project.	Sub-contracting of a national research institute.	21-05	30,000
Activity 5.2.2 Conduct an after-campaign survey measuring the impact and efficiency of the public information campaign.			
Activity 5.2.3 Evaluate the results of the survey.			
Total for Output 5.2			30,000

ACTIVITY DESCRIPTION	INPUTS DESCRIPTION	BUDGET LINE	BUDGET US\$
Activity 6.1.1 Design a staff incentive and reward system for improvement proposals.	Project's Steering Committee		

<p>Activity 6.1.2 Allocate funding for incentives and rewards (in principle the staff incentive and reward system should yield a net financial benefit to the organization after compensations to the staff).</p>			
<p>Total for Output 6.1</p>			

<p>ACTIVITY DESCRIPTION</p>	<p>INPUTS DESCRIPTION</p>	<p>BUDGET LINE</p>	<p>BUDGET US\$</p>
<p>Activity 6.2.1 Select procedures.</p>	<p>Project's Steering Committee</p>		
<p>Activity 6.2.2 Analyze simplification options.</p>			
<p>Activity 6.2.3 Develop new procedures.</p>			
<p>Activity 6.2.4 Implement and document new procedures.</p>			
<p>Total for Output 6.2</p>			

ACTIVITY DESCRIPTION	INPUTS DESCRIPTION	BUDGET LINE	BUDGET US\$
Activity 6.3.1 Define and select activities.	Project's Steering Committee		
Activity 6.3.2 Analyze subject matters.			
Activity 6.3.3 Develop improvement measures.			
Activity 6.3.4 Implement and document improvement measures.			
Total for Output 6.3			



United Nations Development Programme
JOR/03/005 - Property Tax

Budget " A "

Main Source of Funds: 01 - UNDP-IPF / TRAC - (Trac 1.1.1 & 1
Executing Agency: NEX - National Execution

SBLN	Description	Implementing	Funding	Total	2003	2004	2005
010.	PERSONNEL						
013.	Administrative Support						
013.01	Admin/Finance officer	NEX		19,800	5,100	7,200	7,500
				W/M	9.0	12.0	12.0
				Total	5,100	7,200	7,500
013.02	Secretary	NEX		14,300	3,800	5,000	5,500
				W/M	9.0	12.0	12.0
				Total	3,800	5,000	5,500
013.03	Driver	NEX		14,300	3,800	5,000	5,500
				W/M	9.0	12.0	12.0
				Total	3,800	5,000	5,500
013.04	Data Entry Personnel	NEX		140,000	35,000	70,000	35,000
				W/M	175.0	350.0	175.0
				Total	35,000	70,000	35,000
013.99	Line Total			188,400	47,700	87,200	53,500
				W/M	202.0	386.0	211.0
				Total	47,700	87,200	53,500
015.	Monitoring and Evaluation						
015.01	Evaluation	NEX		33,000		33,000	
				Total		33,000	
015.99	Line Total			33,000		33,000	
				Total		33,000	
017.	National Consultants						
017.01	National Project Coordinator	NEX		66,000	18,000	24,000	24,000
				W/M	9.0	12.0	12.0
				Total	18,000	24,000	24,000
017.02	Programme Analyst	NEX		66,000	9,000	12,000	12,000
				W/M	9.0	12.0	12.0
				Total	9,000	12,000	12,000
017.03	Network Engineer	NEX		33,000	9,000	12,000	12,000
				W/M	9.0	12.0	12.0
				Total	9,000	12,000	12,000
				W/M	33.0	12.0	12.0
				Total	9,000	12,000	12,000



United Nations Development Programme
JOR/03/005 - Property Tax

Budget "A"

Main Source of Funds: 01 - UNDP-IPF / TRAC - (Trac 1.1.1 & 1
Executing Agency: NEX - National Execution

SBLN	Description	Implementing	Funding		Total	2003	2004	2005
017.04	Systems Programmer	NEX		Net Amount	33,000	9,000	12,000	12,000
				W/M	33.0	9.0	12.0	12.0
				Total	33,000	9,000	12,000	12,000
017.05	Programmer	NEX		Net Amount	33,000	9,000	12,000	12,000
				W/M	33.0	9.0	12.0	12.0
				Total	33,000	9,000	12,000	12,000
017.06	Programmer	NEX		Net Amount	33,000	9,000	12,000	12,000
				W/M	33.0	9.0	12.0	12.0
				Total	33,000	9,000	12,000	12,000
017.07	Programmer	NEX		Net Amount	33,000	9,000	12,000	12,000
				W/M	33.0	9.0	12.0	12.0
				Total	33,000	9,000	12,000	12,000
017.51	Legal Consultant	NEX		Net Amount	15,000	10,000	5,000	
				W/M	3.0	2.0	1.0	
				Total	15,000	10,000	5,000	
017.52	Administrative and HRD Consultant	NEX		Net Amount	25,000	5,000	15,000	5,000
				W/M	4.0	1.0	2.0	1.0
				Total	25,000	5,000	15,000	5,000
017.53	System Designe/Analyst	NEX		Net Amount	30,000	20,000	10,000	
				W/M	3.0	2.0	1.0	
				Total	30,000	20,000	10,000	
017.54	System Development Consultant	NEX		Net Amount	30,000	20,000	10,000	
				W/M	3.0	2.0	1.0	
				Total	30,000	20,000	10,000	
017.99	Line Total			Net Amount	364,000	127,000	136,000	101,000
				W/M	244.0	70.0	89.0	85.0
				Total	364,000	127,000	136,000	101,000
019.	PROJECT PERSONNEL TOTAL			Net Amount	585,400	174,700	256,200	154,500
				W/M	***.*	272.0	475.0	296.0
				Total	585,400	174,700	256,200	154,500



United Nations Development Programme
 JOR/03/005 - Property Tax
 Budget " A"
 Main Source of Funds: 01 - UNDP-IPF / TRAC - (Trac 1.1.1 & 1
 Executing Agency: NEX - National Execution

SBLN	Description	Implementing	Funding	Total	2003	2004	2005
020.	CONTRACTS						
021. Contract A							
021.01	Software Development	NEX		Net Amount 180,000 Total	150,000	30,000	
021.02	Printing	NEX		Net Amount 10,000 Total		10,000	
021.03	Media Campaigne Development	NEX		Net Amount 20,000 Total		20,000	
021.04	National Resaerch Institute	NEX		Net Amount 30,000 Total			30,000
021.99 Line Total				Net Amount 240,000 Total	150,000	60,000	30,000
029. SUBCONTRACTS TOTAL				Net Amount 240,000 Total	150,000	60,000	30,000
030. TRAINING							
032. Other Training							
032.01	Study Tours	NEX		Net Amount 40,000 Total	30,000	10,000	
032.99 Line Total				Net Amount 40,000 Total	30,000	10,000	
033. In-Service Training							
033.01	National Workshops	NEX		Net Amount 100,000 Total	20,000	50,000	30,000
033.02	In-service Training	NEX		Net Amount 50,000 Total	10,000	20,000	20,000
033.99 Line Total				Net Amount 150,000 Total	30,000	70,000	50,000



United Nations Development Programme
 JOR/03/005 - Property Tax
 Budget "A"

Main Source of Funds: 01 - UNDP-IPF / TRAC - (Trac 1.1.1 & 1
 Executing Agency: NEX - National Execution

SBLN	Description	Implementing	Funding		Total	2003	2004	2005
039.	TRAINING TOTAL			Net Amount	190,000	60,000	80,000	50,000
				Total	190,000	60,000	80,000	50,000
040.	EQUIPMENT							
045. Equipment		NEX		Net Amount	196,400	150,000	46,400	
045.01	Computer Equipment			Total	196,400	150,000	46,400	
045.02	Networking Equipment	NEX		Net Amount	30,000	10,000	20,000	
				Total	30,000	10,000	20,000	
045.03	Project Vehical	NEX		Net Amount	20,000	20,000		
				Total	20,000	20,000		
045.04	Operation and Maintenance	NEX		Net Amount	35,000	5,000	10,000	20,000
				Total	35,000	5,000	10,000	20,000
045.99	Line Total			Net Amount	281,400	185,000	76,400	20,000
				Total	281,400	185,000	76,400	20,000
049.	EQUIPMENT TOTAL			Net Amount	281,400	185,000	76,400	20,000
				Total	281,400	185,000	76,400	20,000
050.	MISCELLANEOUS							
052. Reporting Costs		NEX		Net Amount	15,000	5,000	5,000	5,000
052.01	Reporting Costs			Total	15,000	5,000	5,000	5,000
052.99	Line Total			Net Amount	15,000	5,000	5,000	5,000
				Total	15,000	5,000	5,000	5,000
053. Sundries		NEX		Net Amount	15,000	5,000	5,000	5,000
053.01	Sundries			Total	15,000	5,000	5,000	5,000
053.99	Line Total			Net Amount	15,000	5,000	5,000	5,000
				Total	15,000	5,000	5,000	5,000



United Nations Development Programme
 JOR/03/005 - Property Tax
 Budget "A"

Main Source of Funds: 01 - UNDP-IPF / TRAC - (Trac 1.1.1 & 1
 Executing Agency: NEX - National Execution

SBLN	Description	Implementing	Funding		Total	2003	2004	2005
059.	MISCELLANEOUS TOTAL			Net Amount Total	30,000 30,000	10,000 10,000	10,000 10,000	10,000 10,000
099.	BUDGET TOTAL			Net Amount W/M Total	1,326,800 ***.* 1,326,800	579,700 272.0 579,700	482,600 475.0 482,600	264,500 296.0 264,500



United Nations Development Programme
 JOR/03/005 - Property Tax
 Budget "A"

Main Source of Funds: 01 - UNDP-IPF / TRAC - (Trac 1.1.1 & 1
 Executing Agency: NEX - National Execution

SBLN	Donor	Funding	Total	2003	2004	2005
101.	Government cost-sharing					
101.01	JOR	JOR	Net Contrib. CO Adm. % CO Adm.	485,000 3.09 15,000	400,000 3.00 12,000	85,000 3.53 3,000
			Total	500,000	412,000	88,000
101.99	Line Total		Net Contrib. CO Adm. % CO Adm. Total	485,000 3.09 15,000 500,000	400,000 3.00 12,000 412,000	85,000 3.53 3,000 88,000
			Total	500,000	412,000	88,000
109.	COST SHARING TOTAL		Net Contrib. CO Adm. % CO Adm. Total	485,000 3.09 15,000 500,000	400,000 3.00 12,000 412,000	85,000 3.53 3,000 88,000
			Total	500,000	412,000	88,000
999.	NET CONTRIBUTION		Net Contrib. Total	94,700 94,700	82,600 82,600	179,500 179,500

Project Number: JOR/03/005
Title: Building and Strengthening the Capacity for Improved Property Tax Management and Collection in Jordan.
Government Co-operating Agency: Ministry of Planning.
Executing Agency: Ministry of Finance (MOF), Ministry of Municipalities
Implementing Agency: Property Tax Directorate, MOF.
Management Arrangement: National Execution.
Estimated Starting Date: 1 April 2003.
Estimated End Date: 31 December 2005.
Planned Duration: Three years.

Classification Information

DCAS Sector and Sub-sector: Public administration and management.
ACC Sector and Sub-sector: Public administration and management.
Primary Area of Focus/Sub-focus: Promoting sound governance; improvement of governing institutions.
Type of intervention: Institution-building.
Primary Target Beneficiaries: Central Government Agencies; Financial Centres in the Governorates.
Secondary Target Beneficiaries: Tax payers; public at large benefitting from improved municipal infrastructure and services.

Funding Summary

UNDP:		
TRAC (1+2)	\$	356,800
Cost-sharing:		
Government	\$	1,000,000
UNDP & Cost-sharing:	\$	1,356,800
Administrative and Operational services	\$	30,000
Parallel Financing:		
Donor	\$	1,000,000
Grand Total:	\$	2,356,800

Government Inputs (Local Currency)

In kind: JD 465,600

On behalf of:	Signature	Date	Name/Title
Government of Jordan:	<i>[Signature]</i>	6-5-2003	B. AWADANAH
UNDP:	<i>[Signature]</i>	18-5-2003	C. McNAB UNDP-RR

