

Concept Note

Jordan

Strengthening municipal financial management systems to sustain service delivery in municipalities affected by the refugee crisis (P1)

Created by Rama Krishnan Venkateswaran on 27-Apr-2016

Last Modified by Rama Krishnan Venkateswaran on 29-Apr-2016

Form Status: ARCHIVED

Basic Information

Product Line	Title	Country, Region or Global	Task Team Leader(s)
Technical Assistance (Non-lending)	Strengthening Municipal Finance Systems	Jordan	Rama Krishnan Venkateswaran
Legal Name	Report/Output Types	Practice Manager/Manager	
Strengthening municipal financial management systems to sustain service delivery in municipalities affected by the refugee crisis	Advisory Services Document	Hisham Ahmed Waly	
Responsible Cost Center	Requesting Cost Center	Completion Fiscal Year	Status
GGO23 (9311)	MNC02 (399)	2020	Active
Parent GPP	Associate Activity/ Task	Reimbursable Advisory Services	No

Development Objective

What is the development objective that this activity is seeking to achieve? What are the expected intermediate outcomes?

The objective of the technical assistance project is to strengthen the institutional systems and capacities of selected municipalities in Jordan to enable them to deliver local services in an accountable and financially sustainable manner. The proposal responds to the needs and challenges of crisis-affected Jordanian municipalities, in ways that both help alleviate municipalities' immediate crisis-related issues and simultaneously build long-term institutional resilience

Choose at least one intermediate outcome and at least one indicator from the list below that reflects the development objective and is expected to be achieved by the completion of the activity.

Intermediate Outcome(s)	Indicator(s)
Client capacity increased	Implementation capacity strengthened

Risks to Achieve Objective

Please rate and describe the principal risks to achieve the development objective within the time period envisaged and how they can be mitigated. Does the team seek any specific guidance?	Risk Rating	Explanation
	Moderate	The project includes a menu of technical advisory and capacity support activities which require significant technical inputs from the implementing entities. This is mitigated by the active involvement of the

		Bank task team in the design and implementation of the project
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Audience

Please describe the primary audience to be reached. Are there any secondary or indirect audiences? If yes, please explain.	Primary Audience Government	Explanation
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Dissemination / Outreach Strategy

Describe the dissemination strategy and other outreach activities to engage the principal audience. (e.g.: Will the product be: made available in the local language? made available on a website? discussed with senior policy-makers? presented at a workshop, conference, seminar or on-line discussion? covered in the general or specialized media?)

The proposed activities will be implemented in twenty municipalities affected by the refugee crisis. These municipalities are already receiving funds for implementing investment projects under the Multidonor Trust Fund financed "Emergency Services and Social Resilience Project" (ESSRP). The proposed projects intends to be complement the ESSRP through a set of targeted technical assistance and advisory services that will enhance the efficiency and accountability of public spending in municipalities by strengthening their insitutional systems for public financial management. The activities under the project will be addressed to each of the twenty municipalities as well as to the Ministry of Municipal Administration. The outputs of the activities such as participative plans, financial reports, audit reports and the Financial Recovery Plan will be uploaded into the Municipal website and shared with all key stakeholders. In addition targeted workshops on each of the technical areas will be organized as part of the capacity building activities under the project.

Is translation of some or all of the activity planned? No

Client Ownership

Has the client asked for this activity?
Yes

Has the client agreed to the concept/scope/design?
Yes

Will the client be substantially involved in carrying out the activity?
Yes

Will the client help finance the activity?
No

Comments

Activity and Client Contact Information

Activity title (Edit if needed to make the title recognizable to any clients identified below.)

Strengthening municipal financial management systems to sustain service delivery in municipalities affected by the refugee crisis

Organization Name		
Ministry of Planning and International Cooperation		
Organization Role	Organization Type	Country
	Central Ministry	Jordan
First Name	Last Name	Title
Zeina	Toukan	Director of International Cooperation
Preferred Language	Phone	Primary Email
English	0096264644466	Zeina.Toukan@mop.gov.jo
Include in Client Feedback Survey?		
Yes		

If the activity title provided above (just under the "Activity and Client Contact Information" bar) would be recognized by this client, please leave blank. Otherwise, provide an activity/output title recognizable to this client.

Partners/Others' Activities

Are other partners doing similar activities? If yes, have you ensured this activity is not duplicative and/or has value-added?

The project would complement and strengthen existing donor operations in Jordan, in several ways. First, by targeting subnational level governments, the project would complement the majority of donor-led public sector engagements which focus on the national level. Second, the project would amplify the impact of existing operations in Jordan's severely affected municipalities, which focus on providing emergency services and infrastructure. By strengthening the institutional capacities of municipalities for sound planning and transparent and accountable management of resources, the proposed engagement could ensure that the large amount of resources flowing to municipalities through GoJ and donor financed projects are efficiently managed enhancing both development effectiveness and value for money. Third, the project in addition to addressing some of the pressing operational challenges of municipalities in the short term, also intends to build their long-term institutional capacity for providing quality services in an accountable and sustainable manner. Finally, the project also seeks to enhance community ownership of local government programs by strengthening citizen engagement in local governance.

Are there one or more partners who are either funding this activity or contributing expertise?

No

Partners

Organization Name	Type	Contact	Title	Office Phone	Email
Is this a joint work with IFC?	No				

Strategic Relevance

Does the activity support (select all that apply):

A Country Strategy (e.g. CAS, CPS, ISN)

A Regional Strategy

A Global Strategy (e.g. Sector Strategy)

None of the Above

Why is this activity type (ESW or TA) being used to address the objective? Is it linked to other Bank activities or tasks? Explain

The project comes in response to multiple challenges faced by the Government of Jordan (GoJ), and Jordanian municipalities in particular, in the wake of the Syrian refugee crisis. The ongoing conflict in Syria since 2011 has caused a steady flow of refugees to Jordan over the past five years. According to UNHCR estimates, of the total 6 million Syrians that had fled their country by early 2016 at least 1.4 million crossed over to Jordan, overwhelming the small country whose pre-crisis population stood at just over 6 million. Although many of the Syrian arrivals were accommodated in specially set-up refugee camps, the overwhelming majority - approximately 80% of the 1.4 million - settled in Jordanian towns and cities, sharing basic services and scarce resources with the Jordanian host population. This has placed an extraordinary strain on municipalities, some of the most important front-line service providers, particularly in Jordan's northern governorates where most Syrians settled. The paralysis of the municipalities as a result of the refugee crisis has undermined their ability to provide vital public goods such as clean water or regular trash disposal and hence adversely affected the quality of life in the affected regions.

Given municipalities' current struggle to continue delivering vital public services in Jordan's crisis-affected urban areas, the proposed project aims to partner with the GoJ to strengthen the capacity of these critical local institutions both for the short- and longer term. Jordanian municipalities face a variety of challenges, but without doubt one of the key constraints is their weak capacity for financial planning and management – a constraint that existed before 2011 but was exacerbated by the refugee crisis. Many municipalities (especially those in second and third tier towns) still have manual bookkeeping and lack basic accounting systems for tracking revenues and expenditures, which makes it difficult for mayors and council members to plan and manage their resources. Many have weak capacity for local revenue-collection, are chronically underfunded, and severely indebted, which both reduces their fiscal space for development projects and exacerbates the country's mounting national debt (93.4% of GDP at the end of 2015). Even more important than funding constraints is the problem of inefficient management of financial resources: weak capacity for budget planning; weak controls on budget execution to ensure that actual expenditures mirror the planned; and lack of transparency and accountability in the planning and execution of actual projects. Thus even though significant resources are already flowing to municipalities for investment projects such as the Multidonor Trust funded and World Bank executed Emergency Services and Social Resilience project (ESSRP), weak financial management capacities of municipalities are preventing these resources from being utilized in an efficient and accountable manner. This results in capital investment projects not resulting in improved quality of services, but also weakens citizen trust in the state – a significant risk for the GoJ, in the context of the country's difficult economic and political situation after the Arab Spring.

The project responds directly to these challenges, by proposing technical assistance (TA) and capacity-

building in financial planning and management for municipalities that are most heavily affected by the refugee crisis thereby enabling the strengthening of their institutional systems to make efficient use of their financial resources which, in turn, would lead to improved service delivery and accountability. Enhanced institutional capacities will complement the donor and budgetary resources allocated for capital investments thereby producing a synergistic effect to improve service delivery at the local level.

Summary Task Description

Provide a brief description of the activity and briefly outline key issues expected to be addressed to meet the Development Objective.

The objective of the technical assistance project is to strengthen the institutional systems and capacities of selected municipalities in Jordan to enable them to deliver local services in an accountable and financially sustainable manner. The proposal responds to the needs and challenges of crisis-affected Jordanian municipalities, in ways that both help alleviate municipalities' immediate crisis-related issues and simultaneously build long-term institutional resilience. Substantively, the project will aim to strengthen municipal financial management systems and capacities, to enable them to provide better services in a more sustainable manner. Geographically, the project will focus on 20 municipal governments in Jordan's northern governorates that have seen the largest influx of refugees and that are also targeted by the Multi-Donor Trust Fund-financed "Emergency Services and Social Resilience Project" (ESSRP) implemented by the World Bank. While this proposal is confined to the 20 municipalities, some of the outputs and the learning from this project could potentially be scaled up to the rest of the municipalities

Under the broad umbrella objective of helping to improve municipalities' financial management capabilities, the project sets out four specific goals: to improve the effectiveness and impact of municipal spending; to improve municipalities' transparency and accountability to local communities-beneficiaries; to strengthen municipalities' capacity to mobilize own revenues; and to improve municipalities' debt management and (in the longer term) solvency. The proposed TA project is aimed to complement the investment project financing provided by donors through the ESSRP and ensure that all investment funds flowing to municipalities are utilized in an efficient and accountable manner. Therefore, the proposed Technical Assistance (TA) program is designed as a World Bank executed activity so that high quality technical support can be delivered within a short period of time and thereby enabling the benefits of the TA to influence the management of ongoing projects as well.

The project has strong country ownership and is fully aligned with Jordan's national strategies. First, by working to improve the financial transparency and accountability of municipal authorities, the project supports the Government's long-standing commitment to political and economic reforms, to transparency in line with the country's modern Access to Information Law, and to improved management and accountability of public institutions. Second, the proposed project backs the Government's effort under the national 2016-2018 Jordan Response Plan (JRP) to strengthen the resilience of vital public institutions in the face of the country's current economic challenges and the Syrian refugee crisis. Municipalities, which play an important role in the social and economic development of local communities and which shoulder a disproportionate burden of the refugee crisis, are in particular need of resilience- and capacity building. Third, by helping municipalities tackle their severe indebtedness and building their long-term capacity for sound financial management, revenue generation, and debt management, the project directly advances the Government's goal of improving local governance and containing the national debt, which by the end of 2015 reached a staggering 93.4% of GDP. Finally, by focusing on aspects of local governance that are most likely to improve

municipalities' service delivery and relationship with the communities, the project advances the Government's policy of enhancing the quality of public services and bringing the government closer to the communities, as encapsulated in its recent draft Municipalities and Decentralization Laws.

Practice Area Mapping

Practice Area (Lead)

Governance

Contributing Practice Areas

Cross Cutting Topics

Cross Cutting Topics

- Climate Change
- Fragile, Conflict & Violence
- Gender
- Jobs
- Public Private Partnership

Sectors

Sector (Maximum 5 and total % must equal 100)

Major Sector	Sector	%
Public Administration, Law, and Justice	Sub-national government administration	100
Total		100

Themes

Theme (Maximum 5 and total % must equal 100)

Major Theme	Theme	%
Public sector governance	Decentralization	20
Public sector governance	Public expenditure, financial management and procurement	40
Public sector governance	Tax policy and administration	40
Total		100

Climate Change

Did the activity address adaptation, mitigation or both through:

	Adaptation	Mitigation	Explanation
Diagnostic and Policy Advice	No	No	
Tools and Data	No	No	
Knowledge Management	No	No	

Gender Tag

Does the activity support (select all that apply)

Analysis and/or consultation on gender related issues

No

Specific actions to address the distinct needs of women and girls, or men and boys, or positive impacts on gender gaps

No

Mechanisms to monitor gender impact to facilitate gender-disaggregated analysis

No

Team Composition

Bank Staff

Name	Role	Title	Specialization	Unit	Office Phone	Location
Rama Krishnan Venkateswaran	Team Leader <input checked="" type="checkbox"/> ADM Responsible	Lead Financial Management Spec		GGO23	473-5646	WASHINGTON, DC

Extended Team

Name	Title	Office Phone	Location

Budget & Funding (Amount in USD)

Note: Please make sure the budget includes estimated cost of dissemination/communication of final output as described in Objectives Section. Only include direct costs in this 'Budget and Funding' section.

Expenses to Date: 0.00

Funding

FY	Bank Budget		Bank-executed Trust Fund		Other		Total
	Total	Of which Variable	Total	Of which Variable	Total	Of which Variable	
2017			1,000,000.00	75,000.00	50,000.00	50,000.00	1,050,000.00
2018			1,000,000.00	100,000.00			1,000,000.00
2019			1,000,000.00	75,000.00			1,000,000.00
Total	0.00	0.00	3,000,000.00	250,000.00	50,000.00	50,000.00	3,050,000.00

Preparation Schedule

Milestone	Original	Forecast	Actual
AIS Sign-off	27-Apr-2016		27-Apr-2016
Concept Review	28-Apr-2016		
Management Approval of Concept *	29-Apr-2016		29-Apr-2016
Decision Review	31-Jan-2019		
Management Endorsement of Deliverable *	01-Mar-2019		
Deliver Output to Client/Stakeholders	30-Apr-2019		
Final Delivery/Completion Summary *	30-Sep-2019		