

Public sector reform key to Jordan's economic growth

Over the past two decades, Jordan has undertaken a number of economic reforms. In the past five years, a growth rate of between 3 and 5 per cent has been sustained and although Jordan is a small, middle-income country, with a population of approximately 4.7 million people, the GDP per capita is about £1,200. Jordan attracts high levels of donor funding due to its strategic significance and vulnerability to external shocks. The US provided about US\$450 million in 2002 and US\$1.350 billion in 2003 (of which US\$1.1bn was exceptional support following the war in Iraq), while the EU contributed approximately 50 million Euros.

Governance systems and structures have not evolved as quickly as the macro-economic setting in creating an enabling environment for market-led growth, or delivering services effectively and efficiently to people. There is general agreement that continued economic progress depends on tackling public service reforms.

A new government was formed in Jordan on 25 October 2003 under a new Prime Minister. Dr Fawwaz Zu'bi was appointed Minister for Administrative Development and also holds the portfolio for the Ministry of Information, Communication and Technology. He has been tasked with leading public sector reform in Jordan and is under pressure to demonstrate quick results in the first year of the new government.

DFID has agreed to support the government of Jordan in its effort to strengthen service delivery. In April 2003, DFID contracted PricewaterhouseCoopers to execute a £3 million pound project to reform the public sector in Jordan. The inception phase (Phase 1) started in July 2003 and the implementation phase (Phase 2) in January 2004. In December 2003, DFID added a further £1.5 million to the project, bringing the total to £4.5 million. The project is scheduled to end in March 2005 when DFID withdraws its bilateral aid from Jordan and other middle income countries (MICs).

The PwC team undertook institutional appraisals in three different ministries: Education, Health and Social Development. Some of the weaknesses included:

- Strategic objectives were frequently unclear or not well understood
- Ministries often took a project rather than a programme approach
- The time and effort needed for reform was often seriously underestimated, compromising the quality of the work undertaken
- The respective roles of the MoAD and partner institutions were frequently unclear
- Reform leadership was generally lacking in MoAD and partner institutions
- There was a general failure to build on previous or even ongoing initiatives

All three ministries were found to be handicapped in improving their performance by systemic problems which affect all ministries and over which they have no control. The PwC team therefore concluded that addressing all of the issues in a coherent fashion would require action to be taken at the centre of government.

In order to build central capabilities, the main emphasis during Phase 1 was to assist the Government of Jordan in developing and refining cross-cutting policies and reform strategies. A paper on a revised strategy, identifying a limited number of priorities to be tackled in 2004, was prepared for Minister Zu'bi to present to Cabinet.

Because of the short duration of the project, the main emphasis of Phase 2 will be placed on laying the foundations for the creation of an effective public service. The main focus will be on strengthening the capability of key central agencies (including the Cabinet) to lead and

support public sector reform, as well as advising on the establishment of an appropriate structure of the ministries, departments and public institutions consistent with a new vision of the role of government. In large measure, central capability will be built through working directly with a select number of ministries and institutions, especially those which provide services directly to citizens, to enhance their performance and service orientation.

The project has five outputs:

- Central institutions provide clear and consistent leadership for Public Sector Reform, both at policy and operational levels, around an agreed medium-term strategy.
- Proposals for restructuring of ministries, departments and public institutions adopted by the Government of Jordan
- Enhanced processes for recruiting, promoting and deploying staff on ability and merit, and improved Government of Jordan ability to attract and retain essential skills
- Enhanced results-orientation, accountability, transparency and client focus in four line ministries
- Improved budget execution and external oversight

We are now in the process of mobilising local and international expertise to deliver the outputs outlined above. By the time DFID withdraws its bilateral aid to Jordan in 2005, we will have helped establish a firm foundation for an effective and efficient public service.

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