FINAL

EVALUATION MISSION REPORT

Computerization of Income and Sales Tax Department
for
Improved Revenue Collection – Phase II
(JOR/96/003)

Prepared by:
Manal Assir

Prepared for:
UNDP Jordan

December 2005

TABLE OF CONTENTS

ACRONYMS

DG	Director General
GA	Governance Analyst
HLID	High Level Integrated Design
IS	Information Systems
ISP	Information Systems Plan
ISTD	Income and Sales Tax Department
IT	Information Technology
ITD	Information Technology Department
JTC	Jordanian Telecommunications Company
LTO	Large Taxpayers Office
MOF	Ministry of Finance
MTO	Medium Taxpayers Office
PD	Project Document
PETRA	Project of Electronic Tax Revenue Administration
PM	Project Manager
RR	Resident Representative
TIN	Tax Id Number
TOR	Terms of Reference
UNDP	United Nations Development Program

EXECUTIVE SUMMARY

This chapter summarizes the findings and recommendations of the evaluation exercise that was carried out for the Computerization of Income and Sales Tax Department for Improved Revenue Collection (JOR/96/003), called PETRA Project.

The PETRA Project was initiated in 1996. Phase one was completed in February 2000 and consisted of the drafting of the Project Document including the Information Systems Plan (ISP) and a proposed implementation timetable, and the design and partial implementation of the technical infrastructure. Phase two started in March 2000, following a revised version of the PD. The phase two was planned to be fully implemented by the end of 2004. It was extended for two additional years, and PETRA is therefore expected to be completed at the end of 2006.

The executing agency of PETRA Project is UNDP, the beneficiary agency is the Tax Administration of the Jordanian Ministry of Finance, and the funding of the Project is provided through cost-sharing between the Jordanian Government and UNDP.

The original PD identified the systems to be developed and implemented. They fall under four main categories: (1) Tax Processing Systems; (2) Tax Enforcement and Service Systems; (3) Tax Systems Support; (4) Technology Support Projects.

The evaluation of project performance was carried out by an independent consultant contracted by UNDP head office in Amman. It was conducted twelve months prior to the formal closure of the project, to assess outcomes and achievements of the Project. The comprehensive scope and objectives of the evaluation are stipulated in the TOR. According to the knowledge of the evaluation mission, no formal external evaluation of this Project was conducted in the past.
The Evaluation Mission was required to formulate recommendations for the consideration of UNDP. The Evaluation focused as much on process as on outcomes. It included review and analysis of the implementation mechanisms, tools used, institutional and managerial mechanisms, and roles played by various stakeholders in achieving the objectives of the Project. It is based on these reviews that recommendations have been given.

The Evaluation Mission found the following:

- *The overall rationale of the project and its design are considered to be sound, logical and consistent with the tax reform objectives.*
- *The Project Document is well prepared, functional, and conducive to efficient implementation.*
- *By and large, the deliverables stated in the ISP are relevant.*
- *The objectives stated in the ISP have been partially achieved. About half of the objectives are not yet fully achieved. This significant delay was due to the following factors:*
    - *Performing further developments on the existing systems. This deviation from the initial project scope led to a redirection of the momentum towards faster deliverables that can be obtained from the current systems, and resulted in accumulated delays in the implementation of the initial plan.*

- *The execution of unplanned activities, such as establishing the appropriate linkages with the existing systems, and getting involved in developing and implementing E-Government recent projects.*
- *The non implementation of the designed project structure, specially the functional analysis unit.*
- *The significant decrease of the project team members over the last three years.*
- *The absence of the "integration of tax types" concept from the initial design.*
- *The lack of revised work plans.*

- *The Project considerably contributed to capacity building and enhancement both in technical sense and in leading to a new mindset that is necessary for better fiscal management.*
- *In general, the outcomes are positive and conducive to fiscal reform that is set out to be accomplished by the Government.*
- *The Project is fairly managed and monitored. Annual Project reports are being elaborated, and yearly budget revisions are being conducted. But the Project suffers from a lack of periodical revisions, and a lack of detailed work plans.*
- *The number of the Project human resources is very limited and disproportional to the deliverables to be completed within the remaining twelve months.*
- *The sustainability of the Project is uncertain. The Project development team does not currently include ITD staff and the know-how of the systems being developed is hence restricted to the UNDP Project staff.*
- *There are strong evidence of Government's ownership of the Project, genuine commitment to support the Project team and general receptiveness to change.*

Based on these findings, the Evaluation Mission recommends the following:

- *Redirect efforts to complete the ISP deliverables before the end of the project.*
- *Issue an updated work plan and detailed time tables.*
- *Monitor the execution of the plan on weekly basis, and issue revised versions.*
- *Design the integrated system functionalities based on business requirements to be elaborated by functional analysts. The Design and Operations HQ department is a good candidate to undertake this activity, provided the department is activated.*
- *Develop strategies for increased collaboration between the tax administration and UNDP with regard to monitoring, evaluation and other common initiatives.*
- *Recruit additional programmers by end of 2005.*
- *Move the five ITD programmers to the project by end of 2005.*
- *Complete the training of the remaining 500 ISTD officers.*
- *Deploy more efforts towards directing ISTD middle management staff to extract and utilize system information.*
- *Develop a friendly report generator that can be easily used and customized by ISTD managers.*
- *Complete computer workstation installation, reaching a ratio of one workstation for each ISTD officer.*

- *Revise the taxpayer ledger module under development, and make sure that its technical architecture is viable should tax laws and policies be amended.*
- *Put emphasis on producing technical and operations manuals.*
- *Eliminate development weaknesses by attending advanced Oracle 9i and Developer 9i training courses.*
- *Consider utilizing the MTO districts, planned to start in the second quarter of 2006, as a pilot environment for the implementation of the integrated system.*
- *Organize frequent tripartite review meetings involving the DG, the PM and UNDP. Those meetings will deal with emerging problems and provide solutions based on appropriate preparations, rather than leaving pending issues to be dealt with outside the project framework at a later time.*

The Evaluation Mission highlights the following main lessons learned from the execution of the Project under evaluation:

- *For the reform to be successful, a very strong political commitment from the highest level of decision-making is a must. While technical assistance is by definition technical, it cannot reach the sought outcome and impact without being supported by key decisions throughout the implementation process.*
- *Pre-project consultation among the various concerned parties in the tax administration at the headquarters and the operational offices should have been more intensively conducted. This would have ensured that the strategies are understood and are appropriate to current and emerging needs. It would have also promoted the internal communication within the tax administration, and would have facilitated a univocal understanding of the role of the project and of UNDP by the various stakeholders.*
- *Radical reforms cannot be completed in a relatively short span of time. Reforms do not only entail changing laws, rules, tools or regulations; but also the mindset of the managers. The management of change requires hence a preparatory and a gestation period, in order for the recipients to absorb the various new concepts and tools of a modern organization.*
- *UNDP has always been successful in resource mobilization. Contributions of Governments to projects are not unusual. Co-financing of Government brings about a number of advantages, one of them being the strengthening of national ownership. This has been a particular plus-point in this project.*
- *The provided technical assistance should be well synchronized with the Government timetable of reforms. In other words, technical assistance needs must be articulated by the Government and must be demand driven. Otherwise, lot of efforts and resources might be wasted. This aspect is particularly perceived in the case of the PETRA project, when the creation of the ISTD did not generate essential revisions of the project deliverables and did not put enough stress on the "integration of taxes" concept.*
- *Project design should have further exposed some key issues, detailed the different ways to approach them, and set appropriate time estimation for their completion. This applies particularly to development matters such as building the standards for development and establishing data linkages with the existing systems.*
- *Verifiable and measurable indicators related to project outputs should be clearly identified.*

- *Project design should provide better understanding regarding the ways and means of mainstreaming participatory approach toward the effectiveness and sustainability of projects. In this regard, the project document did not schedule detailed transfer of know-how activities related to the implication of the ITD staff in the development process.*
- *Project design should identify milestones to facilitate project monitoring.*
- *Systems for effective monitoring of the project need to be clearly identified in the project design.*
- *The various quality assurance (QA) mechanisms (committees, reporting requirements and project management) should have been given proper importance. Appropriate QA practices and monitoring protocols should have been established at an early stage, and regularly reviewed and updated.*
- *When it is determined that a component cannot be implemented as designed, it should be reviewed and amended or even terminated by mutual agreement between the tax administration and UNDP.*
- *Risk assessment should be regularly conducted and appropriate response plans should be updated.*
- *Risk assessment needs to take into account the counterpart issues including locally available resources, and their professional skills and capabilities. Significant knowledge mismatch between UNDP and ITD staff is extremely detrimental to the project. In this respect, the intensive technical training that was provided to ITD staff was useful.*
- *It is important that the various team members form a homogenous team, to ensure delivery of sought results. The technical training that was provided to ITS staff was necessary and helpful, but other ways of education are still needed. The cultural disparities and the differing work practices need to be seriously tackled in order to better harmonize the work environment.*
- *Failing to implement the designed project structure has considerably affected the timeliness and efficiency of the project performance. While refraining from establishing essential functions at the commencement of the project (such as the functional analysts) might have been driven by a structure simplification concern or budgeting apprehension, it should be recognized that this omission has generated considerable costs at all levels.*
- *A project of similar complexity and scope should be externally reviewed and evaluated at least two times during its life time (mid term and terminal). The outcome of those reviews might likely engender the revision of specific design issues, and the update of work plans.*
- *UNDP, as the executing agency, should oversee the project performance more closely. It should monitor the quality and timeliness of the inputs and outputs, through implementing appropriate monitoring systems that are not restricted to the annual project reports (APR).*
- *Communication is a major tool that facilitates the implementation of the project deliverables. It should be conducted frequently, both internally and externally with the different stakeholders.*
- *Fiscal Reform also requires that taxpayers are fully informed and educated in order to achieve a high level of compliance and, in turn, they must be respected as tax paying citizens by the tax authorities.*

I. INTRODUCTION

1.1. Background of the Project

As part of the revenue reforms in the Jordanian Ministry of Finance, the Income Tax Department is undergoing a reorganization and modernization program. The ultimate purpose of this modernization endeavor is to substantially increase tax collections through enabling the tax administration to efficiently process and manage information, provide high-quality taxpayer services, and improve voluntary and enforced compliance.

While effective tax operations rely, to a great extent, on effective information systems, the level of information technology in the Income Tax Department was considered to be a major obstruction to the improvement efforts. In fact, a powerful information system is the key driving tool towards the implementation of successful and modern tax operations. It should allow the tax administration to: (a) identify all its taxpayers and have a permanently updated and reliable taxpayer file; (b) integrate all taxpayers' tax information; (c) process all taxpayers' transactions; (d) control taxpayers compliance with their tax obligations, and detect and pursue delinquent taxpayers; (e) support collection procedures through voluntary and enforced collection; (f) assist in risk analysis and support audit activities; and (g) support management control of the different areas of the tax administration.

In this context, the PETRA project started in 1996, as part of the JOR/96/003 program that aims at the strengthening of the Jordanian Government's capacity to generate tax revenues through improved management of the Ministry of Finance's tax administrations. PETRA was therefore conceived to respond to the need of fiscal reform, and its funding was provided through cost-sharing between the Jordanian Government and UNDP.
The PETRA project was initiated in 1996. Phase one was completed in February 2000 and consisted of the drafting of the project document including the Information Systems Plan and a proposed implementation timetable, and the design and partial implementation of the technical infrastructure. Phase two started in March 2000, following a revised version of the project document. The phase two was planned to be fully implemented by the end of 2004. It was extended for two additional years, and PETRA project is therefore expected to be completed at the end of 2006.

1.2. Evolution and Status of the Project

The first Project Document was developed in 1996. It comprised a comprehensive Information Systems Plan and a proposed implementation timetable, providing a framework and an implementation strategy for the development of information systems over the next four years. The ISP was approved in December 1996. It defined the information system requirements and the technical infrastructure for the four years period, extending from 1997 to 2000.
The overall objective of the ISP was to define the strategy for implementing systems and technology in the Income Tax Department. It identified the current and future requirements, and determined how those requirements should be met. Based on these objectives, the project scope included the need for the Income Tax Department to develop new systems, in order to take advantage of new technologies in the Information Systems environment, and thus improve the overall efficiency and productivity of the department.

PETRA was designed to start on January 1997 and end by December 2000. However, funding shortcomings due to MOF budget constraints delayed the commencement of the project activities. The funding was approved and progressively disbursed between end of 1998 and early 1999. As a result of this delay, some of the strategies outlined in the ISP were no longer valid or relevant. In fact, technology had progressed at an increasing rate, and new ways of treating information were available, which were not able to be implemented in 1996.
Consequently, a revised technical plan was produced in March 1999, under the name of "High Level Integrated Design". The purpose of the HLID was to review the technology strategy outlined in the ISP and modify it where necessary, in order to determine the most appropriate technical environment that would enable the Income Tax Department to meet the ISP deliverables.
The HLID examined and refined the ISP technology and sizing recommendations and approximations, based on up to date and exhaustive technical analysis. It included recommendations on:

- Open systems strategy and client – server computing;
- Hardware (production, development, peripherals and data output hardware);
- Software (including programming languages and development tools);
- Database management systems;
- Communications network;
- Office automation environment;
- Migration strategies;
- Disaster recovery planning.

As a result of the HLID, a revised implementation plan was produced that planned the development of the project activities over the period extending from 2000 to the end of 2004.

Following the approval of the HLID and the disbursement of the related funds, preparations began for the set-up of the PETRA project team. A project manager was appointed in February 2000, and the local resources and experts were recruited progressively during year 2000.

The project manager and his collaborators updated and refined the initial plan, based on the project documents and further data collection and analysis. As a result, a major new component was added to the PETRA plan, relating to the conversion of the existing systems to a more advanced and solid platform. Although the earlier plans have correctly assumed the necessity for those existing systems to be kept operational for the four years period during which the new applications will be developed, and the need to upgrade them, they did not elaborate the alternative conversion approaches. Similarly, the previous plans did not examine in much detail the technical architecture of the proposed systems, in terms of equipment, software, networking and other peripherals. And even if some of these topics were tackled in the previous project documents, there was a critical need to update the explored solutions in view of the major technology progress that took place in the mean time.

To this end, the project team explored the possible options in light of the best cost/benefit compromise and the national telecommunications infrastructure. It took also into account the major advances that had occurred recently in the computing sector within Jordan as well as world-wide. Key amongst those advances was the vastly improved range of networking services that were offered by JTC. The project team consulted widely with major computer vendors, software houses, JTC, and other Government organizations.
As a result of these technical researches and investigations, two documents were issued: (a) Technical architecture in July 2000; and (b) Review of the technical environment design in October 2000. Those documents defined the technical architecture of the PETRA environment, and outlined the conversion strategy of the existing systems. Accordingly, the ISP was refined and the implementation time table was updated. The revised plan re-scheduled the execution of the project activities over the next four years, ending in December 2004.

The project team started subsequently the execution of the planned activities. The first major implemented component was the installation of the new “Unix” development and production servers, and the conversion of the existing “Cobol” systems to “Oracle” platform. As for the development of the new applications, it started effectively in the beginning of 2001 by setting up the programming standards. Nevertheless, the development process did not meet the plan deadlines, due to various reasons and factors that are detailed in sections III and IV of this report. Accordingly, a request for extension for two additional years was approved in October 2003, and the PETRA project was extended till December 2006.

1.3. Evaluation Purpose and Methodology

The evaluation of the Computerization of Income and Sales Tax Department for Improved Revenue Collection – Phase II (JOR/96/003) was undertaken by an independent consultant engaged by UNDP, Ms. Manal Assir, between November 20 and December 1, 2005.

Purpose:

This evaluation exercise was conducted twelve months prior to the formal closure of the project (i.e. December 2006). The scope and objectives of the evaluation as stipulated in the TOR are comprehensive. According to the knowledge of the evaluation mission, no formal external evaluation of this project was conducted in the past.

Summarizing the contents of the evaluation TOR, the evaluation mission understands that the purpose of the evaluation was to: (1) assess the project's achievements against the project's original objectives and its corresponding outputs and indicators; (2) assess if the project has so far contributed to the broader fiscal reform and modernization efforts; (3) identify the factors that have facilitated or hindered the achievement of the outcomes; and (4) summarize the experiences and lessons learned from the execution of the project.

In this regard, the evaluation exercise examined the design of the project and its continued relevance, the efficacy of the management and implementation structure of the project, and perceived the impact of the project outputs and the capacity building endeavors. In addition, the various resource constraints and other challenges, including the absorptive capacities within the Government were also examined.

The TOR of the Evaluation exercise is comprehensive and provides a reasonable account of the genesis of the project. The evaluation mission feels that given the comprehensive scope and nature of the TOR, time allocation with regard to consultation - field visits - debriefing meetings - and report preparation have been rather unrealistic. However, the evaluation mission, while remaining allegiant to the TOR, has attempted to judiciously organize the time schedule and cover as many areas as possible in order to provide the UNDP and the ISTD management with a complete picture of the project's progress and shortcomings.

Methodology:

The evaluation mission largely followed the suggested methodology in the TOR. However, minor adjustments to the methodology were made as the mission progressed, taking into account the logistics and the availability of key stakeholders at various levels.

The following methods were used to conduct this evaluation:

- Pre-visit to UNDP office and review of the evaluation mission and TOR.
- Consultations and interviews with UNDP, the Project Manager, senior tax officers and officials, and relevant project team members.
- Field visits to six tax offices and departments: West Amman District Office, LTO, Processing Center, Taxpayer Services for Withholding Taxes on Salaries, Collection for Withholding Taxes on Salaries, and the Call Center.
- Review of relevant documents and records.

A draft report was prepared *in situ*, and was discussed with the stakeholders. In this regard, a debriefing meeting was held with the UNDP Deputy RR, the UNDP GA, the ISTD DG, the ISTD Deputy DG and the PETRA PM.
Finally, appropriate comments and feedbacks were taken into account in preparing the final report for submission to UNDP.

The evaluation report reflects the view of the consultant who is grateful to all persons with whom she interacted. Their names are listed with profound tanks in Annex B.
Special mention should be made of the support from the Project Manager, in the form of timely logistical arrangements, organizing relevant meetings, contribution in the consultation process, and making available the pertinent documents and records.

II. PROJECT CONCEPT AND DESIGN

2.1. Project Objectives

The ultimate objective of the PETRA project is the strengthening of the Jordanian Government's capacity to generate tax revenues through improved management of the Ministry of Finance's tax administration. This clearly entails providing the necessary tools and resources that would enable the tax administration to efficiently process and manage information, provide high-quality taxpayer services, and improve voluntary and enforced compliance.

At the time the project was conceived, the scope of its activities did not cover the whole tax administration, but was limited to the Income Tax department. In this regard, several broad objectives were highlighted, including:

- Support the business objectives and strategies of the income tax department through enhancing the taxpayer services as well as the department's enforcement activities.
- Foster increased effectiveness and efficiency among departmental staff.
- Allow the department to be in a position to more effectively respond to changes in Government policies and legislation.
- Ensure continued operation of computer systems to process, control and monitor the collection of taxes in the most efficient manner.
- Provide better management information to support the executive management and planning activities of the department.
- Enable the establishment of the necessary skills and disciplines internal to the department, in order to successfully develop and manage computer systems in future years.

2.2. Planned Systems

The project identified the systems to be developed and implemented. They fall under four main categories. These are:

A- **Tax Processing Systems**, consisting of the following systems which are basic to the assessment and collection of taxes:

1. Taxpayer registration;
2. Returns issuing;
3. Returns and payment processing;
4. Taxpayer and revenue accounting.

B- **Tax Enforcement and Service Systems**, consisting of the following systems which help detect non-compliers and improve voluntary compliance:

1. Return policing;
2. Employee income matching;
3. Other income and information matching;
4. Verification case selection and management;
5. Objections, disputes and appeals management;
6. Collections and recovery of overdue tax.

C- **Tax Systems Support**, consisting of the following systems which support the core tax systems:

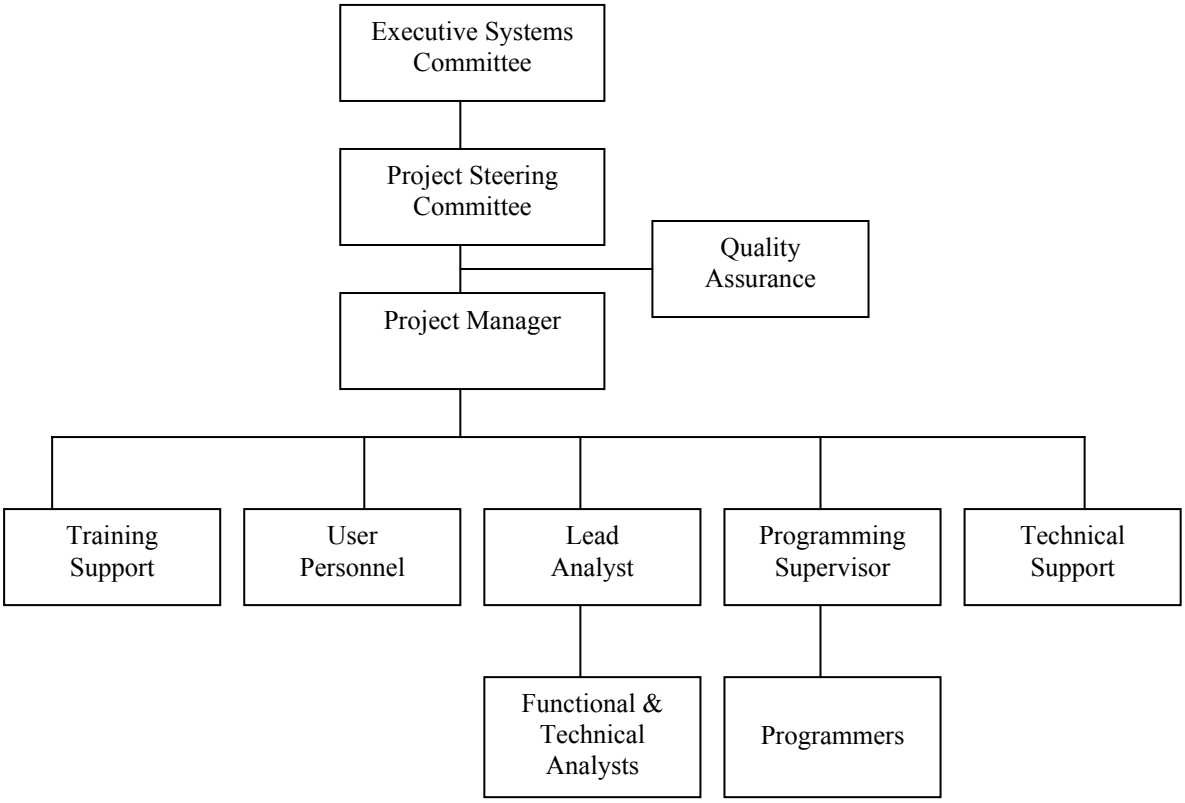
1. Taxpayer history;
2. File tracking;
3. Office automation;
4. Automated field support;
5. Centralized printing and dispatch;
6. On-line access control;
7. Executive information systems.

D- **Technology Support Projects**, consisting of the following computer projects to ensure an environment which provides reliable and consistent services:

1. Computer equipment evaluation and implementation;
2. Systems software evaluation;
3. Disaster recovery plan;
4. Communication network plan;
5. establishing technical environment;
6. Migration of current systems.

2.3. Planned Project Structure

At the time the project was designed, the following project structure was designed and recommended.



The above organizational chart implies the following roles and functions:

- The role of the ***Executive Systems Committee*** is to participate in the planning process, monitor the project progress and ensure adequate user commitment. It acts as the "Board of Directors" for the ISP implementation.
- A ***Project Steering Committee*** should be established for all major system development projects. It consists of management personnel from the functional areas affected by the system under development, and its responsibilities include: (a) reviewing work plans; (b) ensuring the compliance of the execution with the plans; (c) resolving policy and/or design issues.
- ***Quality Assurance*** reviews should occur periodically during the system development process, and must be undertaken by a party outside the project team to ensure an objective opinion.
- The ***Project Manager*** is responsible for the day to day management of the project. The team members report to him, and his responsibilities include: (a) developing work plans and suggesting appropriate revisions; (b) organizing the project work, distributing the work load, and ensuring the overall project activities are documented and understood; (c) providing periodic project status

reports; (d) ensuring that the ISP is properly executed; (e) identifying problems and recommending specific solutions and actions.

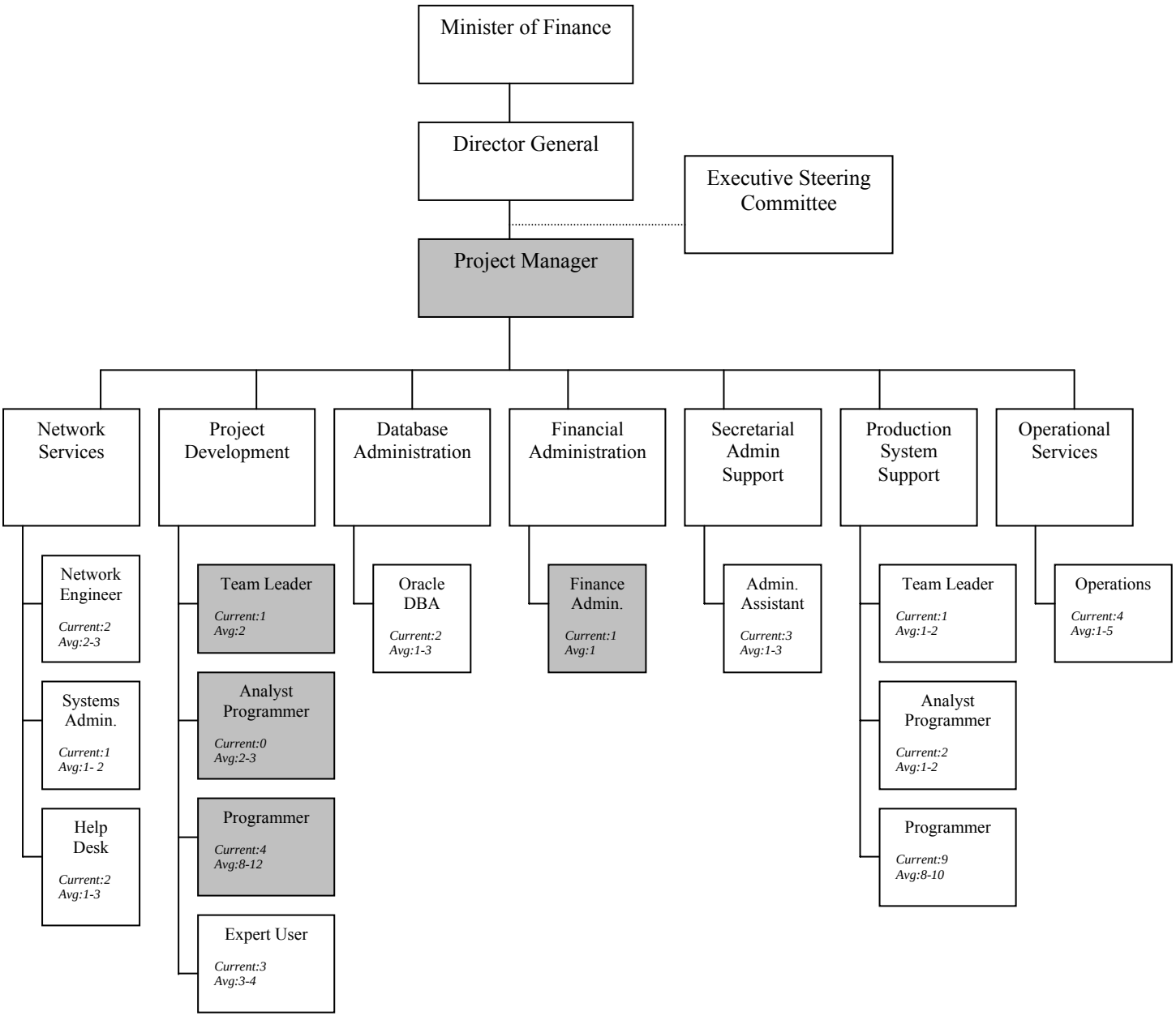
- The ***Training Support*** group is responsible for developing the training procedures for each system and supervising the training activities.
- The ***User Personnel*** group consists of users' representatives, and is involved in the design and implementation processes. These users would come from the functional areas most affected by the system. They are concerned with ensuring that the correct issues are being addressed and that the resulting systems are workable within the department.
- The ***Analysts*** group falls into two categories: Functional and technical. The ***Functional Analysts*** are responsible for supplying the detailed knowledge of the business functions that the project is addressing and for ensuring that the user requirements are understood and met. The ***Technical Analysts*** are responsible for supplying the detailed knowledge of systems design and implementation issues. They should ensure that the functional requirements are adequately incorporated into the technical design and the final implemented solution.
- The ***Programming Supervisor*** and ***Programmers*** are responsible for conducting programming and coding tasks, and performing unit and integrated testing.
- The ***Technical Support*** personnel are responsible for: (a) providing the technical environment to enable system development in an efficient manner; (b) preparing for the upload of the system into production mode; (c) providing ad hoc technical advice to the team members.

III. PROJECT IMPLEMENTATION

3.1. Executing Modality and Operational Project Structure

Executing Modality:
The project is being executed by UNDP national office in Jordan. The Jordanian Ministry of Finance and its tax administration are the implementing agencies. Financial resources are being provided by UNDP and MOF through a cost-sharing modality. As the executing agency, UNDP office in Amman is responsible for the selection and recruitment of the Project Manager as well as the remaining project members. UNDP is also responsible for the monitoring of the project. It carries out those monitoring functions through keeping the project accounts up-to-date, and performing a year-end project review via annual project reports (APR) submitted by the project manager.

Operational Project Structure:
The following project structure has been implemented for the PETRA project.



The following annotations mentioned in the above organizational chart have to be pointed out:

- The shaded functions refer to the UNDP staff hired for the project. The other non-shaded boxes reflect ISTD employees allocated for the project.
- The numbers noted at the bottom of each function correspond to: (a) the current number of staff of the related function, as of the producing date of this report; (b) the average number of staff of the related function, throughout the execution of the project.

Based on the above illustrated operational structure of the project, a clear deviation from the designed project structure is observed. Following is a succinct listing of the main deviating structural elements that played a major role in the malfunctioning of the project, and negatively impacted its execution path:

- The functional analysts who were envisaged in the PD were omitted from the actual structure. The functions that they were intended to carry out are therefore missing, particularly the supply of the functional specifications, the quality control and the coordination with the end users.
- The training unit initially planned was not implemented. This led to additional work loads on some of the remaining team members, and resulted in flawed training outputs.
- The quality assurance function was never undertaken by an independent party. This has deprived the project from a major mechanism of auditing that would have adjusted the project tasks execution, and would have contributed to the preservation of the project scope and the timely execution of the planned activities.
- The decrease of the project team members throughout the execution of the project is significant. This phenomenon can be clearly detected when comparing the average staff number to the current one. Such an indication can be obviously perceived as a major risk factor for the ISP implementation. Furthermore, it reflects a rather peculiar and atypical symptom in the course of the execution path of similar projects. In fact, an increase of the project personnel would have been expected instead, in view of the growth of the ISP implementation curve and the rising pressure to deliver the systems according to the work plans.

3.2. Implementation of the Information Systems Plan

The following section presents the implementation of the ISP. It highlights all related activities and outputs in a matrix fashion, and it follows the same classification as the Project Document (refer to Section II.2 above).

A- Tax Processing Systems

System	Objective	Delivery (Yes / Partial / No)	Output	Planned Delivery Date	Actual Delivery Date	Implem. Date	Status
1. Taxpayer Registration	• Centralized recording and maintenance of taxpayer information. • Allocation of unique Tax Id Number (TIN). • Standard usage of the centralized taxpayer information across all other tax systems.	Y	• Unique TIN allocated for taxpayers. • Registration certificate. • Operational and Management Reports.	Apr 2001	Aug 2002, Apr 2005	Nov 2005	The first version, designed for income tax needs only, was delivered on August 2002. The integrated version, incorporating sales tax needs, was delivered on April 2005.
2. Returns Issuing	• Issue individual tax returns to taxpayers. • Label identification data. • Prompt taxpayers to file tax returns. • Ensure the correct quotation of the TIN.	P	• Printed tax return • Printed label. • Operational and Management Reports.	Sep 2001	Jul 2002		Not Implemented. Requires testing and simulation.
3. Returns and Payment Processing	• Capture tax returns. • Capture payments. • Validate tax returns. • Reassess and recalculate tax	P	• Validated tax return. • Recalculated tax liabilities. • Generated transactions.	Dec 2002	Mar 2003, Jan 2004, Jun 2005	Nov 2005	Payment processing not delivered. It is under development. The 3 delivered versions:

System	Objective	Delivery (Yes / Partial / No)	Output	Planned Delivery Date	Actual Delivery Date	Implem. Date	Status
	liabilities. • Assist in the selection of assessment verification or audit.		• Assessment notice. • Operational and Management Reports.				Income tax only (Mar 03), income tax plus link to migrated system (Jan 04), integrated (Jun 05).
4. Taxpayer and Revenue Accounting	• Maintain taxpayer account. • Post liabilities by debiting the account. • Post payments by crediting the account. • Post miscellaneous financial adjustments. • Reconcile liabilities and refunds. • Automatic calculation of penalties and interests. • Transfers between accounts. • Support banking and reconciliation procedures. • Assist recoveries.	N		Dec 2002			The system is under development.

B- Tax Enforcement and Service Systems

System	Objective	Delivery (Yes / Partial / No)	Output	Planned Delivery Date	Actual Delivery Date	Implem. Date	Status
1. Return Policing	• Identify non filers.	N		Apr 2002			Development not started.

System	Objective	Delivery (Yes / Partial / No)	Output	Planned Delivery Date	Actual Delivery Date	Implem. Date	Status
	• Identify and record extension of filing deadline. • Automatic calculation and issuance of default assessments.						
2. Employee Income Matching	• Match third party information against employer / employee returns. • Match / reconcile tax returns against payments made of PAYE deductions. • Produce discrepancies reports.	N					Delivery date not stated in the ISP. Development not started.
3. Income and Information Matching	• Match tax returns against external information. • Identify hidden taxpayers. • Update taxpayer information.	N					Delivery date not stated in the ISP. Development not started.
4. Audit / Verification Case selection and Management	• Assist in case selection. • Improve audit efficiency. • Improve the quality and timeliness of audit information and activities. • Issue reassessment notices.	N					Delivery date not stated in the ISP. Development not started.
5. Objections, Disputes and Appeals	• Schedule cases under objection and cases subject to dispute. • Monitor progress. • Follow-up results.	N		May 2003			Development not started.
6. Collections and Recoveries	• Identify taxpayers in arrears. • Generate correspondence. • Manage enforcement. • Manage special arrangements with taxpayers such as	N		May 2003			Development not started.

System	Objective	Delivery (Yes / Partial / No)	Output	Planned Delivery Date	Actual Delivery Date	Implem. Date	Status
	installments.						

C- Tax Systems Support

System	Objective	Delivery (Yes / Partial / No)	Output	Planned Delivery Date	Actual Delivery Date	Implem. Date	Status
1. Taxpayer History	• Archive historical information. • Process requests to retrieve information.	N					Delivery date not stated in the ISP. Development not started.
2. File Tracking	• Monitor and track the location of files. • Track all documents related to those files. • Track requests and internal exchange.	N		Mar 2002			Development not started.
3. Office Automation	• Implement office automation facilities, such as: World Processing, Electronic Mail, on-line information, office support.	Y	• Standardized office automation tools.	Jul 2001	Starting 2002		On-going activity.
4. Automated Field Support	• Provide field staff (mainly auditors) with laptops and automated tools capable of	N					Delivery date not stated in the ISP. Laptops purchase process

System	Objective	Delivery (Yes / Partial / No)	Output	Planned Delivery Date	Actual Delivery Date	Implem. Date	Status
	accessing information from ISTD central servers.						started.
5. Printing and Dispatch	• Selection of hardware and set-up of operations system to print and dispatch miscellaneous forms to taxpayers and district offices.	N		Dec 2001			Activity not started.
6. On-Line Access Control	• Define users and passwords. • Define access privileges. • Monitor and log access to the system.	Y	• Defined users and roles. • System access policies.	Apr 2001	Feb 2002	Feb 2004	Activity completed.
7. Executive Information	• Provide summary information to the senior management. • Provide performance results. • Provide analytical information and indicators.	N					Delivery date not stated in the ISP. Development not started.

D- Technology Support Projects

Project	Objective	Delivery (Yes / Partial / No)	Output	Planned Delivery Date	Actual Delivery Date	Implem. Date	Status
1. Computer Equipment Evaluation and Implementation	• Evaluate computer hardware requirements. • Issue and award tenders. • Acquire hardware.	Y	• Sun UNIX servers.	May 2001	Oct 2000	Oct 2001	Activity delivered.

Project	Objective	Delivery (Yes / Partial / No)	Output	Planned Delivery Date	Actual Delivery Date	Implem. Date	Status
	• Train users. • Install equipment.						
2. Systems Software Evaluation	• Evaluate and select database management system. • Evaluate and select 4GL development tools.	Y	• Oracle RDBMS. • Oracle Developer.	May 2001	Oct 2000	Dec 2000	Activity delivered.
3. Disaster Recovery Plan	• Develop a Disaster Recovery for the computer systems.	N					Delivery date not stated in the ISP. Under preparation; expected implementation in Aug 2006.
4. Communication Plan	• Develop communication plan	Y	• Communication and Network Plan. • Communication and network infrastructure equipment purchased and installed.	May 2001	Aug 2001	Oct 2001	Activity delivered.
5. Establishing Technical Environment	• Establish development standards and procedures.	Y	• Programming standards. • Usage of Oracle Designer.	Apr 2001	Feb 2002	Feb 2002	Activity delivered.
6. Migration of Current Systems	• Migrate the current system to Oracle.	Y	• Current system migrated to Oracle 9i.	May 2001	Aug 2001	Oct 2001	Activity completed.

3.3. Status of the Outputs

The implementation path of the Information Systems Plan entails the following primary conclusions:

1- Tax Processing Systems: More than two third of the planned outputs have been delivered. Therefore, the implementation of the activities related to this category can be appraised as ***Satisfactory***.

2- Tax Enforcement and Service Systems: None of the planned outputs have been delivered. Therefore, the implementation of the activities related to this category is ***Unsatisfactory***.

3- Tax Systems Support: Less than half of the planned outputs have been delivered. Therefore, the implementation of the activities related to this category can be appraised as ***Unsatisfactory with some positive elements***.

4- Technology Support Projects: More than two third of the planned outputs have been delivered. Therefore, the implementation of the activities related to this category can be appraised as ***Satisfactory***.

The following major factors have affected the delivery of the planned outputs:

Performing further developments on the existing systems. The bulk of the functions' development and enhancement has been performed over the existing systems. This is particularly perceived in the tax enforcement and services systems, as well as the tax systems support. The development efforts on the existing systems can be notably felt in the following modules:

- Compliance and follow-up.
- Selection criteria and audit.
- Objections and appeals.
- Collection and recovery.
- Third party information.
- File tracking.
- Executive information and management reports.

Notwithstanding the positive impacts that those additions and enhancements have made both internally and externally, this constitutes a clear deviation from the project scope and plan. In fact, two considerations have been taken into account by the project, as explicitly stated in the project documents:

a- New applications must be developed in accordance with the Information Systems Plan Implementation Schedule thereby allowing the proposed benefits to occur.

b- Current production operations and urgent development (such as for legislative change) work may continue.

This deviation from the initial project scope led to a redirection of the momentum towards faster deliverables that can be obtained from the current systems, and resulted in accumulated delays in the implementation of the initial plan.

The execution of unplanned activities. Substantial efforts and time have been spent on performing activities that were not planned for. The most illustrative examples are:

a- Setting the appropriate linkages with the existing systems and databases. This is a necessary task that was referred to in the project documents, but was not included in the Information Systems Plan. This task should increase with time, as long as additional functions of the project are being implemented while still running the existing systems. This will cease once the current systems are not utilized anymore.

b- E-Government recent projects. The project team has been directly involved in conceiving, setting and implementing the tax e-services launched at the beginning of 2005, consisting of e-filing and e-inquiries. Notwithstanding the importance and benefits of those e-services, they were not planned for in the ISP. Accordingly, this has impeded the delivery of the planned outputs.

The lack of business analysts in the project team. One of the success key factors in conducting similar projects is the provision of non-technical people, known as business analysts, to undertake the following:

- Identify clear user requirements;
- Define adequate functional specifications;
- Make sure that the developed functions match the requirements;
- Develop user, training and procedures manuals;
- Train end-users;
- Carry out the implementation activities;
- And in general, play the intermediate and "translation" role between the users and the programmers.

It is regrettable that no such specialized unit has been implemented in the project. Therefore, the programmers have been interacting with the end-users, a fact that has naturally consumed an important part of their time. Moreover, significant development efforts have been wasted over wrongly interpreted requirements. On the other hand, the absence of user acceptance tests (UAT) of the delivered functions resulted in lengthy bugs fixing activities, increasing thus the execution delays.

The decrease of the project team members. Over the last three years, four programmers out of seven resigned and quit the project. This has naturally affected the timely execution of the Information Systems Plan.

The integration of tax types. The integration concern among different tax types was not tackled in the initial planning. The base and assumption of the design was the development of "income tax" systems rather than "integrated tax" systems. Therefore, most database and functional components had to be redesigned and redeveloped during the execution of the project, after the merger of both Income Tax and Sales Tax departments.

The lack of revised work plans. No periodical revised work plans have been produced since the release of the updated version of the Information Systems plan in 2000. The revised work plans are a major project management and monitoring tool. The work plan has to be updated at least once a year in order to set the goals for the coming period and to prioritize the deliverables. As a result of this project monitoring

deficiency, the development team was not bound by a precise scope of work, nor was it accountable for specific short and medium term deliverables.

IV. Project Assessment

4.1. Relevance

Although the PETRA project was conceived and designed some eight years ago, the project enjoys its continued relevance. In fact, the relevance has been heightened by two factors: (1) increased focus on providing satisfactory taxpayer services; and (2) increased need to generate adequate tax revenues. The continued relevance of this project is also linked to the continuous need for the capacity building amongst the tax administration users.
In that sense, the project is not only relevant but also corresponds to the aspirations and expectations of the MOF authorities, following the merger of the Income and Sales Tax departments into one department, the ISTD. It cannot be overemphasized that the ultimate goal is the strengthening of the Jordanian Government's capacity to generate tax revenues through improved management of the Ministry of Finance's tax administration. And one vital element in that quest is to have an integrated tax system with the appropriate computerized functions and tools.

4.2. Design

The project is in general well-designed and conductive to implementation. In few instances, the objectives are formulated in such a way that they can be read as outputs. However, these are too few and dispersed. On the other hand, outputs and activities are well designed, clear and precise. It is the understanding of the mission that the elaboration and formulation of the project documents were undertaken after serious preparatory assistance from UNDP. This endeavor assured the high quality of the product that the mission observed.

Nevertheless, the following design inadequacies were observed:

a- Some peripheral but basic activities were omitted from the Information Systems Plan, such as:
   - The preparation of appropriate standards for development and system administration. It took twelve months to have them ready.
   - The development of the needed data linkages with the current systems for the whole period both systems are expected to cope together.

b- The integration of tax types was not catered for. The base and assumption of the design was the development of "income tax" systems rather than "integrated tax" systems. Therefore, most database and functional components had to be redesigned and redeveloped during the execution of the project, after the merger of both Income Tax and Sales Tax departments.

4.3. Management and Monitoring

The project is fairly managed and monitored. Annual project reports are being elaborated, and yearly budget revisions are being conducted.

However, the following management and monitoring design shortcomings were observed:

a- The lack of work plans. Revised work plans have not been produced since the release of the updated version of the Information Systems plan in 2000. The revised work plans are a major project management and monitoring tool. The work plan has to be updated at least once a year in order to set the goals for the coming period and to prioritize the deliverables. As a result of this project monitoring deficiency, the development team was not bound by a precise scope of work, nor was it accountable for specific short and medium term deliverables.

b- The non-activation of the functional analysis unit, as planned in the project document. The functional analysts would have undertaken essential activities such as:

- Identifying clear user requirements;
- Defining adequate functional specifications;
- Matching the outputs against the requirements;
- Supervising the training activities;
- Developing user, training and procedures manuals;
- Facilitating the implementation activities;
- And in general, carrying out the intermediate and “translation” role between the users and the programmers.

The setting up of the functional analysis unit would have saved substantial wasted efforts and time, and would have improved the quality of outputs and the relationship with the end-users.

c- The lack of comprehensive technical and operations manuals, that resulted in substantial exhausted efforts and frequent ineffective deliverables. Moreover, the lack of such manuals threatens the efficiency of the project performance, as well as the sustainability of the delivered systems.

4.4. Resources Mobilization and Synergies

There are currently three developers in the project team; one team leader and two programmers. While recognizing their competence and technical skills, the remaining outputs of the project are unlikely going to be delivered during 2006 by such a limited number of technical resources.

The project management is envisaging the recruitment of an additional programmer. But this is obviously not enough; this might be compensated by the planned transfer of five ITD staff to the project. Nevertheless, those measures should be taken promptly given the urgency of deliverables production and the need for those additional resources to spend a familiarization period with the project technical environment.

4.5. Capacity Building

The Project Document contains a series of capacity building activities. To date, 146,000 US$ were spent over capacity building activities. Two types of capacity building were undertaken:

a- Technical training: ITD and project staff attended respectively 24 and 17 courses. These technical courses were essential for the delivery of the project outputs. More training is though still needed, mainly related to Oracle specific topics such as advance database administration, and the features of Developer 9i.

b- End-user training: 330 ISTD staff out of 900 received training on the various tax systems and applications. A significant training effort is thus still needed.

4.6. Implementation Results and Impact

It might be too soon to issue a final verdict on the results of the implementation of the project components. However, satisfactory progress has been made in this direction.

The following positive outcomes can be highlighted:

- The substantial increase of the registered taxpayers.
- The standard usage of the TIN across all tax offices.
- The use of the TIN by the customs department.
- The streamlining of procedures, particularly those related to the taxpayer services. The time required for transactions' completion has considerably decreased. An example is the registration procedure, whereby the TIN is immediately issued. Such an operation used to take an average of ten days.
- The improved compliance rates, due to more efficient follow-up based on information compiled by the system.
- The decrease of tax arrears.
- The improvement of productivity and efficiency in general.

The above-mentioned results conveyed a positive image of the ISTD to the outside. Following are two illustrative examples:

a- A customer survey was conducted at the end of 2004. The sample was constituted of 130 taxpayers who requested 199 tax services. The compilation of the survey

data showed that 72% of the sample rated the tax services as highly satisfactory, and 19% rated it as satisfactory.

b- In order to launch efficient e-Government services, the Ministry of Telecom undertook a study to select the most relevant services, based on two criteria: the number of clients, and the readiness of the concerned governmental agency in terms of technical requirements. The ISTD was selected to launch four leading e-services: e-inquiry of profile, e-inquiry of balance, e-filing, and e-payment.

4.7. Sustainability and Ownership

Sustainability of such projects is essential so that they do not collapse after the demobilization of the project team.

The project development team does not currently include ITD staff, and the know-how of the system being developed is hence restricted to the UNDP project staff.
Given that the project has been extended to the end of 2006, there is a critical need to undertake quick measures that would ascertain the continuation of operations and activities beyond the project closing date. An effective approach would be the transfer of competent ITD programmers to the project team. While remaining administratively reporting to the ITD, they would report functionally to the project. They should be trained on the technical details of the system being developed, and then participate in the development process and the producing of deliverables.
The project manager is aware of this concern, and is envisaging the transfer of five ITD programmers to the project.

Notwithstanding the numerous challenges faced by the project, there are strong evidence of Government's ownership of the project, genuine commitment to support the project team and general receptiveness to change.

V. CONCLUSIONS

5.1. Recommendations

The mission proposes the following recommendations for consideration by UNDP and MOF:

- √ Redirect efforts to complete the ISP deliverables before the end of the project.
- √ Issue an updated work plan and detailed time tables.
- √ Monitor the execution of the plan on weekly basis, and issue revised versions.
- √ Design the integrated system functionalities based on business requirements to be elaborated by functional analysts. The Design and Operations HQ department is a good candidate to undertake this activity, provided the department is activated.
- √ Develop strategies for increased collaboration between the tax administration and UNDP with regard to monitoring, evaluation and other common initiatives.
- √ Recruit additional programmers by end of 2005.
- √ Move the five ITD programmers to the project by end of 2005.
- √ Complete the training of the remaining 500 ISTD officers.
- √ Deploy more efforts towards directing ISTD middle management staff to extract and utilize system information.
- √ Develop a friendly report generator that can be easily used and customized by ISTD managers.
- √ Complete computer workstation installation, reaching a ratio of one workstation for each ISTD officer.
- √ Revise the taxpayer ledger module under development, and make sure that its technical architecture is viable should tax laws and policies be amended.
- √ Put emphasis on producing technical and operations manuals.
- √ Eliminate development weaknesses by attending advanced Oracle 9i and Developer 9i training courses.

- √ Consider utilizing the MTO districts, planned to start in the second quarter of 2006, as a pilot environment for the implementation of the integrated system.

- √ Organize frequent tripartite review meetings involving the DG, the PM and UNDP. Those meetings will deal with emerging problems and provide solutions based on appropriate preparations, rather than leaving pending issues to be dealt with outside the project framework at a later time.

5.2. Lessons Learned

Several lessons can be drawn from the implementation of JOR/96/003. These lessons are valid not only for the previous and forthcoming work in the project, but also for most Government agencies that opt for radical and drastic reforms of a wide nature and a vast coverage as the fiscal reform in Jordan.

General context of the project:

- ► For the reform to be successful, a very strong political commitment from the highest level of decision-making is a must. While technical assistance is by definition technical, it cannot reach the sought outcome and impact without being supported by key decisions throughout the implementation process.

- ► Pre-project consultation among the various concerned parties in the tax administration at the headquarters and the operational offices should have been more intensively conducted. This would have ensured that the strategies are understood and are appropriate to current and emerging needs. It would have also promoted the internal communication within the tax administration, and would have facilitated a univocal understanding of the role of the project and of UNDP by the various stakeholders.

- ► Radical reforms cannot be completed in a relatively short span of time. Reforms do not only entail changing laws, rules, tools or regulations; but also the mindset of the managers. The management of change requires hence a preparatory and a gestation period, in order for the recipients to absorb the various new concepts and tools of a modern organization.

- ► UNDP has always been successful in resource mobilization. Contributions of Governments to projects are not unusual. Co-financing of Government brings about a number of advantages, one of them being the strengthening of national ownership. This has been a particular plus-point in this project.

- ► The provided technical assistance should be well synchronized with the Government timetable of reforms. In other words, technical assistance needs must be articulated by the Government and must be demand driven. Otherwise, lot of efforts and resources might be wasted. This aspect is particularly perceived in the case of the PETRA project, when the creation of the ISTD did not generate essential revisions of the project deliverables and did not put enough stress on the “integration of taxes” concept.

Design Aspect:

- ► Project design should have further exposed some key issues, detailed the different ways to approach them, and set appropriate time estimation for their completion. This applies particularly to development matters such as building the standards for development and establishing data linkages with the existing systems.

- ► Verifiable and measurable indicators related to project outputs should be clearly identified.

- ► Project design should provide better understanding regarding the ways and means of mainstreaming participatory approach toward the effectiveness and sustainability of projects. In this regard, the project document did not schedule detailed transfer of know-how activities related to the implication of the ITD staff in the development process.

- ► Project design should identify milestones to facilitate project monitoring.

- ► Systems for effective monitoring of the project need to be clearly identified in the project design.

Implementation and Project Management:

- ► The various quality assurance (QA) mechanisms (committees, reporting requirements and project management) should have been given proper importance. Appropriate QA practices and monitoring protocols should have been established at an early stage, and regularly reviewed and updated.

- ► When it is determined that a component cannot be implemented as designed, it should be reviewed and amended or even terminated by mutual agreement between the tax administration and UNDP.

- ► Risk assessment should be regularly conducted and appropriate response plans should be updated.

- ► Risk assessment needs to take into account the counterpart issues including locally available resources, and their professional skills and capabilities. Significant knowledge mismatch between UNDP and ITD staff is extremely detrimental to the project. In this respect, the intensive technical training that was provided to ITD staff was useful.

- ► It is important that the various team members form a homogenous team, to ensure delivery of sought results. The technical training that was provided to ITS staff was necessary and helpful, but other ways of education are still needed. The cultural disparities and the differing work practices need to be seriously tackled in order to better harmonize the work environment.

- ► Failing to implement the designed project structure has considerably affected the timeliness and efficiency of the project performance. While refraining from establishing essential functions at the commencement of the project (such as the functional analysts) might have been driven by a structure simplification concern or budgeting apprehension, it should be recognized that this omission has generated considerable costs at all levels.

- ► A project of similar complexity and scope should be externally reviewed and evaluated at least two times during its life time (mid term and terminal). The

outcome of those reviews might likely engender the revision of specific design issues, and the update of work plans.

- ► UNDP, as the executing agency, should oversee the project performance more closely. It should monitor the quality and timeliness of the inputs and outputs, through implementing appropriate monitoring systems that are not restricted to the annual project reports (APR).

- ► Communication is a major tool that facilitates the implementation of the project deliverables. It should be conducted frequently, both internally and externally with the different stakeholders.

- ► Fiscal Reform also requires that taxpayers are fully informed and educated in order to achieve a high level of compliance and, in turn, they must be respected as tax paying citizens by the tax authorities.

Annex A

Terms of Reference
Evaluation
JOR/96/003 – Computerisation of Income and Sales Tax Department for Improved Revenue Collection – Phase II

1. Introduction

The overall aim of JOR/96/003 is to improve the Jordanian economy by strengthening the Government's capacity to generate tax revenue through improved management of the Ministry of Finance's Income and Sales Department. This includes:

- Securing efficient collection of tax revenue, and improving the efficiency and effectiveness of tax operations through the introduction of PETRA.
- Strengthening the Government's capacity in the formulation and implementation of effective economic and fiscal tax policy through the provision of accurate and tax law and revenue data.
- Upgrading the institutional capacity of the department and the professional competence of its staff in different tax-related fields through a variety of skill-upgrading activities and training.
- Enhancing the Department's capabilities in disseminating tax-related information to taxpayers.
- Establishing a management information system on taxes and taxpayers.

The PETRA project in Jordan commenced in 1996, when the Government started Phase I of the project, which included installation of the system in Tax Headquarters and in one pilot site, West Amman Tax Directorate. Phase I lasted for 30 month and was completed in February 2000. Funding was provided through cost-sharing between the Government and UNDP.

A project evaluation was undertaken in August 1999 by two consultants representing the Government, UNDP, respectively. Findings and recommendations were taken into account for the drafting of the project revision document for Phase II.

Phase II started March 2000 and is planned to be fully implemented by end of the 2002. The main objectives are to install the system in 8 additional offices and to upgrade the system by implementing new modules and procedures.

Finally, it should be mentioned that the PETRA system is operational at all Income & Sales Tax sites throughout the Kingdom.

2. Objectives and Scope of the Evaluation

The project document requires a mandatory evaluation to be performed towards the end of the project.

The evaluation will help to determine the impact of the project outputs for beneficiaries, the validity, effectiveness and efficiency of the introduction of the PETRA system, taking stock of both positive and negative experience and draw lessons from it. In this context, the evaluation will assess the success on the basis of indicators relating to each output as specified in the project document. The contribution of the project to the development and quality of Tax and related sectors in Jordan will be appraised.

The team will present its findings, lessons learned and recommendations, which will serve as guidance for the remaining activities under the project.

3. Stakeholders of the Evaluation

The Government of Jordan / Income & Sales Tax Department and UNDP are the main stakeholders in the evaluation.

4. Specific Issues to be addressed

Bearing in mind that the implementation of the project has not reached its final stage and thus the objectives cannot be fully achieved at this time, the evaluation team will evaluate the progress and impact made so far. Further, the team will forecast the likely full result by end of the project.

The Evaluation Team will focus on the following points and any other issues considered important for the successful completion of the project:

1) The progress made towards each of the objectives and outputs of the project document.

2) Whether results to date and expected end of the project achievements are likely to meet the needs of the government.

3) The impact of the project on other Government agencies and organisations.

4) The transfer of skills and therefore the level of sustainability and 'ownership' in Jordanian Income & Sales Tax Department.

5) The level of 'acceptance' by agents and Income & Sales Tax Department staff who operate PETRA.

6) The efficiency of the operation at the automated offices, including reduction of time required for clearance of services, simplified procedures.

7) The results of implementations in terms of modernisation, simplification and increased revenue returns.

8) Whether the level of training provided meets the needs of the project.

9) If the progress of the project was satisfactorily planned for and monitored.

10) The relationship between the Government, ISTD and UNDP.

11) Measures taken to ensure sustainable operations beyond project termination.

12) Any other significant issues.

5. Findings, Lessons Learned and Recommendations

Findings. The Evaluation Team will produce objective findings highlighting performance, success, failure, strengths and weaknesses of the project to date. Major problems and shortcomings should be prioritised in order of importance and viability to resolve. It is important to indicate the impact of the project on the national economic reform programme.

Lessons Learned should indicate main lessons that can be drawn form the project experience.

Recommendations should outline corrective actions required. They must also be objective, realistic, practical, understandable and forward looking.

6. Evaluation Methodology

The evaluation process will be carried out in accordance with the following methodology:

- Review the project documents, progress reports, reports of review meetings, work plans etc; .
- Interview with all concerned parties, including agents and other users;
- Discussions with the ISTD managers, staff, and project officials;
- Consideration and reporting.

7. Evaluation Team and Timing:

The Evaluation Team will comprise of two consultants representing the Government, and UNDP (team-leader). The consultants must have proven expertise in the conduct of evaluations, preferably in the field of ISTD modernisation and economic reform.

The timing proposed for the evaluation is May 2005. The duration of the field work is estimated at maximum 10 full working days.

The conduct of this terminal evaluation might require field visits inside and outside Amman

A tentative evaluation plan is found in the annex.

8. Evaluation Report

The first draft will be presented to and discussed with the Government, ISTD management and UNDP prior to the end of the mission. The final Evaluation Report is to be produced and submitted to the Government and UNDP in English at the latest, two weeks after the end of the mission.

The Team Leader will liaise closely with the other team members by e-mail, fax or phone when finalising the Evaluation Report.

Annex B

Persons Interviewed

UNDP

Mona Hider	Deputy Resident Representative
Firas Gharaibeh	Program Manager
Bashir Abu Jamous	Governance Analyst

PETRA Project

Basheer Al-Zoubi	Project Manager
Mona Nahia	Development Team Leader

MOF – ISTD

Eyad El-Qudah	Director General
Mohammad Nasser	Deputy Director General
Moussa Mowazara	Director of West Amman District Office
Mere'e Fardos	Director of LTO
Shawkat Nawahda	Processing Center
Maha Awad	Taxpayer Services for Withholding Taxes on Salaries
Zeidan Sadek	Collection for Withholding Taxes on Salaries
Dureid Abdallat	Call Center

Annex C

Documents Reviewed

- Project Document: Information Systems Plan and Other Strategic Plans (1997 – 2000)
- Project Document: Technical Environment – High Level Integrated Design (March 1999)
- Project Document: Technical Architecture (July 2000)
- Project Document: Review of the Technical Environment Design (October 2000)
- IMF Report: Jordan - Strategy for Revenue Administration Reform (April 2003)
- IMF Report: Jordan – Tax Administration Integration and Modernization (May 2005)