

**Annex 3**  
**Action Fiche**

**1. IDENTIFICATION**

Title/Number	Building Development Capacities of Jordanian Municipalities		
Total cost	3 Million EUR		
Aid method / Method of implementation	Centralised management		
DAC-code	15112	Sector	Decentralization and support for the administrations infra-national

**2. RATIONALE**

**2.1. Sector context**

Enhancing the development capacities of Jordanian municipalities has been an implicit and explicit goal of a number of policy initiatives and projects of development cooperation over the past years. The key areas circumscribing this sector are poverty alleviation, public participation, and decentralization.

Since the beginning of the millennium, *poverty alleviation* has been made a policy priority in Jordan. During initial stages, the Jordanian government focused on cash assistance National Aid Fund (NAF) and social development projects (administered by the Ministry of Social Development (MOSD)). This was accompanied by private sector business development schemes that have led to strong growth rates. However, while recent Ministry of Finance figures put the average annual real GDP growth at 7.5 percent from 2004 to 2008, a large number of Jordanians remained marginalized. The Jordanian paradox combines high growth and deterioration of social indicators. Pressure to improving governance, developing human capital, and innovating local economies is rising to remedy the situation in a lasting manner. Building on policy documents and development projects involving various stakeholders (such as the Poverty Alleviation through Municipal Development Programme - PAMD, funded by GTZ), a national Strategy on Poverty Alleviation through Local Development was developed with the support of EC (PALD) and adopted by the Jordanian Council of Ministers in November 2008. Emphasis on the role of municipalities coincides with the establishment of Local Development Units (LDUs) and the elaboration of Local Development Plans (LDPs) by local councils, which are destined to mobilize local ideas and resources for development. Turning local communities from recipients of central government's assistance into motors of development is the guiding principle in this respect.

The *public participation* dimension at the local level has been highlighted in the 2007 municipal elections and in the related amendment of the Municipalities Law (No. 14 of 2007), to encourage local processes of opening up towards social and political inclusiveness. However, a more substantial improvement in relations between State and non state actors could be triggered through including wider circles

of local population in planning and development activities. Activities surrounding the establishment of LDU in pilot municipalities could be used as an indicator for policy dialogue at the grassroots level. The LDU serves as a link between municipal administration on one hand, and local society on the other hand. So far, volunteers were engaged in local planning work to provide input to the formulation of the LDP, a practice that can be considered a local policy platform and as part of a public outreach towards hitherto marginalized groups. It is thus at the local level – through town hall gatherings, planning meetings, and other events – that local development issues have been brought to the attention of the public. Nevertheless, the discourse remains characterized by expectations and top-down initiatives brought forward by the central government. The proactive input of local entities and decision makers could be fostered – even into the LDP developed until now – leading to improvement of the quality, diversity and ownership of the LDPs.

Subsequently, the issue of *decentralization* has been raised as part of the general framework needed to design and implement policies to decrease poverty and increase participation in public life. A first initiative was taken in 2005 by formulating a Position Paper for Local Development. Since then, based on an improved performance of Ministry of Municipal Affairs (MOMA) and ongoing capacity building measures in municipalities, a Vision for Decentralization was developed by central authorities, with the support of Local Government Denmark (LGDK) in October 2008, outlining challenges and opportunities regarding the deconcentration, delegation, and devolution of responsibilities. *Development work in governorates and municipalities constitutes a prerequisite for any implementation of decentralizing strategies in the future.*

## **2.2. Lessons learnt**

The completion of two main local development initiatives (GTZ-PAMD and EC - PALD) led to the conclusion that municipalities respond positively when challenged to assume development responsibilities. Both also highlighted the *importance of sustained technical assistance* in view of supporting specific tasks, such as establishing LDU and formulating LDP, in addition to carrying out the identification of priority projects and feasibility studies. The purpose of PALD was to support national level government agencies in their approach to foster local development in municipalities. This being largely achieved, the results need to be consolidated at municipal level, leading to a *local rooting of expertise*. The support of central government agencies to municipalities has been critical for achieving specific objectives. However, sense of ownership of local affairs by municipal staff and volunteers still has to be enhanced.

## **2.3. Complementary actions**

The present project comes as a follow-up measure to the EC funded PALD (30 million EUR, 2004-2009) that was designed, with partial disbursement of funds to 18 municipalities in poverty pockets, as global budget support while simultaneously representing a rolling out of certain poverty alleviation mechanisms (LDU, LDP) previously developed under GTZ-PAMD in three municipalities. In addition, USAID managed the MCC funded Local Governance Development Programme (LGDP) in the range of 16.5 million EUR in nine municipalities, focusing on municipal management and pilot investments in priority projects. The WB and the Agence Française de Développement (AFD), taking account of the coverage of PAMD and PALD, established a related Regional and Local Development Program (RLDP),

implemented in 72 municipalities (20 million USD by WB, and 20 million EUR by AFD).

Apart from these projects, which combine capacity building measures (municipal management, urban planning, municipal finance, bank management) and funding schemes (performance based grants, pilot investments via global budget support), Local Government Denmark (LGDK) worked on gender issues and became involved in strategic policy issues outlined in the Vision for Decentralization of October 2008 mentioned above.

This project will build linkages with other EC interventions such as the E-TVET sector support programme to vocational training reform..

#### **2.4. Donor coordination**

The project is aligned on national priorities of socio-economic development, good governance, and public participation. It will be part of formal coordination mechanisms set up by the Ministry of Planning and International Cooperation (MOPIC), under the framework of the Donor Meeting on Local Development.

The project is complementary to RLDP. The purpose of the WB/AFD programme is to (i) strengthen national level institutions involved in the municipal sector (MOMA, CVDB); (ii) to provide performance-based grants for municipal infrastructure and services; (iii) to build capacities; and (iv) to integrate this into regional development strategies. While RLDP focuses on the national level actors and 72 out of the 93 Jordanian municipalities, the proposed project deals directly, though not exclusively, with those 21 municipalities that have been involved in PAMD and PALD. In addition, RLDP's focus on grants for infrastructure and services relieves the proposed project from project financing activities, allowing it to concentrate on the development of soft factors and skills conducive to local development. Accordingly, the proposed project enables municipalities to meet performance standards in order to qualify for funding, in particular for the foreseen rolling out of RLDP to all Jordanian municipalities.

### **3. DESCRIPTION**

#### **3.1. Objectives**

##### *Overall Objective*

The overall objective of the project is for municipalities to become motors of local socio-economic development and examples of good governance.

##### *Specific Objective*

The specific objective of the project is for municipalities to carry out their developmental role based on an improved managerial performance, including participatory and consultation processes.

#### **3.2. Expected results and main activities**

##### *Expected Results*

*Result 1: Improvement of local development planning, generating lasting social impact:*

Municipalities will have strengthened their role, as per Article 3 of the Municipalities Law, to contribute to development in terms of alleviating poverty, enhancing human

capital factors, fostering local public participation, and promoting employment opportunities and private sector development.

*Result 2: Improvement of municipal management, generating higher performance:*

Municipalities will exhibit a better performance in terms of internal functioning (organization of human resources, financial planning, delivery of services) and increasingly assume responsibility for functions assigned to them in Article 40 of the Municipalities Law.

*Main Activities*

Complementing the national level MOMA/CVDB collective capacity building and training programmes, the proposed project will extend customized tutoring to municipal employees and volunteers primarily in their local setting. TA is organized around two sets of activities that are expected to deliver the results mentioned above.

*Activities Related to Result 1: Strengthening the developmental role of municipalities*

- Stabilizing and enhancing the composition of LDU in terms of professionals and volunteers, age groups and gender aspect.
- Strengthening the role of LDU as the innovation centre of the municipal administration.
- Updating and refining of LDP and prioritization of measures according to expected socio-economic impact.
- Extending local outreach in the LDP updating process to increase public participation, and ownership of planning initiatives.
- Elaborating of Action Plan for LDP implementation over 3 years.
- Assisting municipalities in outreach to line ministries relevant to local development, e.g. education, labour, health, environment, social development, etc.
- Assisting municipalities in outreach to and partnering with relevant stakeholders (private sector companies; technical and vocational training; educational institutions; cooperatives; civil society organizations; other municipalities; banks)

*Activities Related to Result 2: Enhancing municipal management performance*

- Assisting municipalities in their qualification and use of human resources
- Assisting municipalities in financial planning
- Assisting municipalities in increasing their cost effectiveness for service delivery
- Assisting municipalities in assuming the functions attributed to them by law
- Assisting municipalities in improving local data production and information management
- Assisting municipalities in creating and administering Project Management Units

### **3.3. Stakeholders**

Main stakeholders are MOMA, CVDB and the 21 municipalities that participated in the PAMD and PALD programs. The project will be open to other municipalities that

have adopted local development planning methods and that will be identified in coordination with MOMA/CVDB.

In addition, private sector establishments, the labor administration (Ministry of Labour, National Centre for Human Resources Development), educational institutions, civil society organizations, cooperatives, and peer entities (such as municipalities abroad) will be involved in the project.

### **3.4. Risks and assumptions**

MOMA as beneficiary will closely monitor the assumptions to mitigate possible risks and propose adequate measures accordingly to ensure that the project implementation will not be affected negatively. Key assumptions are:

- National authorities continue to support municipalities as main entities in matters of local governance and development, ensuring their long-term financial viability.
- CVDB continues general purpose training and capacity building and supports the concept of customized individual TA to municipalities.
- The legislative and administrative framework governing relations between national, regional, and local government agencies is harmonized and enables municipalities to assume responsibilities as per the Municipalities Law No 14 of 2007.
- Cooperation between governorates and municipalities is strengthened.
- Non-state actors (individuals, civil society organizations, private sector, cooperatives, vocational and educational institutions) are actively involved in the processes and projects initiated by municipalities.
- Municipalities are motivated to continue being engaged in the transfer of expertise, supporting the effective role of their LDU.
- Municipalities have a sustained interest in developing local resources and innovative projects engendering positive social and economic impacts.

### **3.5. Crosscutting Issues**

The project fully integrates goals related to poverty alleviation, public participation, environmental sustainability and gender equality. These aspects have been integrated into various policy documents, in particular the PALD Strategy and the Local Development Plans.

During all phases of the project, and more specifically in the tutoring-for-development activities, particular attention will be devoted to the principle of equality of treatment and opportunity for both men and women. The project will integrate gender aspects into its main activities and carefully evaluate the impact on gender issues.

## **4. IMPLEMENTATION ISSUES**

### **4.1. Method of implementation**

Centralised management.

The programme will be implemented through technical assistance service contracts, providing long-term as well as short term expertise, managed by the EC Delegation to Jordan.

#### 4.2. Procurement and grant award procedures

All procurement contracts implementing the project will be awarded and executed in accordance with the documents regarding procedures and standards published by the European Commission for the implementation of external operations in force at the time of the launch of the procedure. No grant contracts are foreseen in the scope of the project.

#### 4.3. Budget and calendar

Implementation will cover a period of two years. The project will be implemented at repeated intervals on a case-by-case basis, based on the degree of preparedness, advancement, and commitment of municipalities towards local development planning. The total EC contribution of 3M€ will be used for recruitment of technical assistance, audit/evaluation, and visibility. Indicative breakdown is as follows:

Building Development Capacities of Jordanian Municipalities	
	EUR
1. Technical assistance including training	2,750,000
2. Audit, Monitoring and Evaluation	200,000
3. Visibility, Information and Communication	50,000
Total	3,000,000

The Government of Jordan will ensure the availability of staff at the local (municipalities), regional (governorates), and national level (line ministries, other agencies).

#### 4.4. Performance monitoring

The project will be subject to both internal and external monitoring. The internal monitoring functions will be carried out by the EC Delegation to Jordan. The external Result Oriented Monitoring will be undertaken by external monitors contracted by the EC.

A Technical Team (TT) will be established to endorse strategic orientations, oversee project execution, facilitate implementation of the activities and monitor the project. The TT, chaired by MOMA, will consist of relevant stakeholders at the national and local levels and include the EC Delegation.

Key indicators measuring progress, to be agreed by the Technical Team, include:

- Number of trainees participating in tutoring activities
- Scope of stability of LDU
- Number of volunteers cooperation with LDU
- Scope of the implementation of LDP
- Number and quality of local public outreach events

- Number of non-state actors (private sector companies / technical and vocational training / educational institutions / cooperatives /civil society organizations) involved in formulation and implementation of LDP
- Number of development outreach events / partnerships towards non-state actors (private sector companies / technical and vocational training / educational institutions / cooperatives /civil society organizations)
- Ranking of municipalities regarding municipal performance standards (RLDP)
- Share of women's participation and employment ratio
- Number of youth (14-24 years) involved in local development initiatives
- Number of communication materials developed
- Number of suggested local development projects and realized new business ventures established in municipalities and related job creation
- Additional indicators available as per local databases developed under the LDP (number of beneficiaries of NAF, dependency ratio, etc.)

In addition, methods of participatory observation as well as beneficiary satisfactions surveys in municipalities will be envisaged.

#### **4.5. Evaluation and audit**

The implementation of the programme will be the subject of a regular follow-up by the Commission services.

The programme will be subject to two external evaluations, to be contracted by Commission services, to be performed at mid-term and following the completion of the project.

In addition, the impact of support in view of municipal management shall be tested by three municipal management performance evaluations, targeting different municipalities as they become ready to undergo such an exercise. This shall be conducted in coordination with RLDP and can therefore be considered an additional indirect evaluation.

The programme will be subject to yearly external audits, to be managed by the Commission services.

#### **4.6. Communication and visibility**

The contractor will develop a communication strategy, compliant with EU visibility guidelines, ensuring adequate perception of EU efforts among the key stakeholders and beneficiaries.

The contractor will organize specific awareness-raising, information and dissemination activities in order to inform stakeholders on opportunities to participate in local development processes and projects initiated by municipalities.