Table 1. Jordan: Summary Assessment

Phase / Institution			Institutional Strength	Effectiveness	Importance
A. Planning	1	**Fiscal rules**	**Medium:** Public debt ceiling of 60 percent of GDP since 2001; no automatic adjustment mechanism; no protection for capital spending.	**Low:** Public debt ceiling not met in the last three years; public debt stock 95.1 percent of GDP by 2016.	**Medium:** Capital expenditure procyclical and increasingly volatile hinder public investment efficiency.
	2	**National and sectoral planning**	**Medium:** National and sectoral overall strategies published, with tentative costing, but not limited to capital projects. Clear measurable targets for outputs and outcome.	**Low:** Planning process fragmented. Strategies do not adequately prioritize investments and are poorly linked to fiscal capacity.	**High:** Clear coordination failure. Need to consolidate and reconcile different policy initiatives within realistic strategic framework.
	3	**Central-local coordination**	**Medium:** There is no limit for the borrowing of municipalities, but investment plans are reviewed and approved by MOMA. There is a formula.	**Low:** Formula is not transparent, and excludes. Amman, Petra and Aqaba	**Medium:** Investment plans of municipalities are not consolidated with CG. There is a non-transparent formula
	4	**Public-private partnerships**	**Medium:** PPP policy, law and regulation in place require VfM analysis by MOF's PPP unit. No recording/ monitoring of PPPs' explicit or contingent liabilities.	**Low:** PPP capital stock at 12.3 percent of GDP. Exemptions to PPP law approved in 2016, exclude PPPs in energy and water sectors that account for 60 percent of total PPP portfolio	**High:** Exception to PPP law reduce MoF's control over fiscal costs and risks from PPP portfolio. Several new energy and water projects in the pipeline.
	5	**Regulation of infrastructure companies**	**Medium:** There is a regulatory commission for electricity but not water. Railways and electricity transmission sectors are monopolies.	**Low:** Regulated prices did not allow cost recovery.	**High:** Guaranteed debt and advances of NEPCO and WAJ reached 22 percent of GDP in 2016. SOE monitoring needs to be introduced.
B. Allocation	6	**Multi-year budgeting**	**Medium.** Capital exp. are forecasted for three years but binding ceilings only set for the budget year. The full cost of projects is not disclosed.	**Medium.** Project costs estimates cover only three years.	**Low.** Disclosure of projects' full cost would tighten control on their financial sustainability. Introduction of binding ceilings could be considered.
	7	**Budget comprehensiveness**	**Medium.** Capital spending are mainly undertaken through the budget but no requirement to disclose information on PPPs in the budget documentation.	**Medium.** Capital spending are mainly undertaken through the budget but information on PPPs is missing.	**Medium.** Increased transparency on PPPs would improve fiscal transparency and control on their long-term financial impact.
	8	**Budget unity**	**Good:** Capital and recurrent budgets are presented together.	**Medium:** There are no government-wide methodologies for determining current and capital maintenance needs.	**Low:** Budget and accounts provide adequate information on recurrent and capital expenditures.
	9	**Project appraisal**	**Low:** No systematic government appraisal, but externally-funded projects are assessed by donors.	**Low:** Appraisal is either lacking, or ad-hoc and fragmented.	**High:** Adequate project appraisal is an essential prerequisite for an efficient capital investment process.
	10	**Project selection**	**Low**: No standardized selection criteria but projects are assessed for their contribution to sector targets.	**Low**: Project selection is largely done by line ministries; some exceptions for major, externally funded projects.	**Medium:** Cannot do stringent selection before adequate appraisal process is in place.
C. Implementation	11	**Protection of investment**	**Low.** Rules to protect in-year appropriations but none for multi-year ones. No carry-over mechanism.	**Medium.** Limited in-year reallocations and use of trust funds to carry-over some appropriations.	**Medium.** Transparent carry-over mechanisms would facilitate financial management of projects.
	12	**Availability of funding**	**Medium.** Cash forecasts and commitment control systems are in place. Some financing operations (e.g., advances to SOEs) have negative impact on cash releases.	**Low:** Cash rationing causes delays in some projects.	**Medium**. Improvements in cash forecasting and TSA could facilitate better cash management. and limit cash rationing. Incl. advances to SOEs in the cash-flow forecasts.
	13	**Transparency of execution**	**Medium:** Project execution transparency is mixed: monitoring is good; procurement, audit inadequate.	**Medium:** Special procurement arrangements and very limited ex-post audit undermine transparency.	**Medium:** Consistent procurement frameworks and more extensive audit will take time to implement.
	14	**Project management**	**Medium:** Project implementation arrangements are moderately effective.	**Low:** No systematic ex-post evaluation unless required by donors.	**Medium:** Systematic ex-post evaluation will over time facilitate portfolio analysis and learning.
	15	**Assets accounting**	**Low:** Public assets are not properly recognized and reported in financial statements.	**Low:** Asset surveys are not regularly conducted.	**High:** A consolidated registry of public assets should be designed and updated regularly.