



Managing Technical Assistance Liberia's Experience

Minister Elfrieda Stewart Tamba, Deputy Minister for Revenue
Ministry of Finance, Liberia
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Technical Assistance Strategy— COMPREHENSIVE CAPACITY BUILDING

- Strengthen operational and technical capacities of the **front** and **back/Pillar** office functions while concomitantly building integrity.
- Hands on short/medium term mentoring and training to accelerate modernization and capacity building.
- Strengthen implementation capacity providing necessary infrastructure, equipment and other logistics to achieve deliverables and enhance effectiveness.
 - Software and computers
 - Internet to connect offices
 - Vehicles to facilitate tax collection & audit

Allocation of TA



KEY TA to HQ

| | | |
|------------|--|--|
| Policy | <ul style="list-style-type: none"> • More beneficial policy developed for taxation of natural resource projects, resulting in stronger terms in Revenue Code and concession agreements, increasing future revenue. • Code of Conduct approved and being operationalised. | <ul style="list-style-type: none"> ▪ IMF <ul style="list-style-type: none"> ▪ Policy advice ▪ Legislative drafting ▪ Strategic plan & costing, modernisation |
| Operations | <ul style="list-style-type: none"> • Preparation and costing of 3 year strategic plan. • Completion and implementation of risk management and compliance manual. • Implementation of new communication strategy and first press hour held. • Board of Tax Appeals and Tax Court established. | <ul style="list-style-type: none"> ▪ African Development Bank <ul style="list-style-type: none"> ▪ Study on transition to RA ▪ World Bank <ul style="list-style-type: none"> ▪ Policy advisor ▪ UNDP <ul style="list-style-type: none"> ▪ Contract negotiation training & logistical support |
| Logistics | <ul style="list-style-type: none"> • Staff and management trained & certificated in performance management, tax and customs administration. • Provision of equipment, including salary support, computers, vehicles, resulting in higher quality staffing, enhanced efficiency and connectivity. | <ul style="list-style-type: none"> ▪ ISLP <ul style="list-style-type: none"> ▪ Contract negotiation ▪ Policy advice |

TA to Customs Administration

| | | |
|------------|--|--|
| Policy | <ul style="list-style-type: none"> • Completion of draft Customs Code consistent with Kyoto Convention. | <ul style="list-style-type: none"> ▪ African Development Bank <ul style="list-style-type: none"> ▪ ASYCUDA Software, training & staff compensation |
| Operations | <ul style="list-style-type: none"> • Implementation of ASYCUDA at Freeport and soon other entry ports, resulting in reduction in customs clearing time by over 50% from 9 days to 3.8 days. • EU operational consultant at Freeport greatly assisted in revenue increase of US\$13m over projections to date. | <ul style="list-style-type: none"> ▪ IFC <ul style="list-style-type: none"> ▪ Staff training, risk management, Customs Code ▪ EU <ul style="list-style-type: none"> ▪ Modernisation, operational support ▪ UNCTAD <ul style="list-style-type: none"> ▪ ASYCUDA implementation ▪ Nigerian Customs <ul style="list-style-type: none"> ▪ Logistical support, staff exchange ▪ WCO <ul style="list-style-type: none"> ▪ Comprehensive Capacity Building programs ▪ ECOWAS <ul style="list-style-type: none"> ▪ Specialized IT Trainings, Study Tours & Logistical Support ▪ MCC <ul style="list-style-type: none"> ▪ Trade Policy Development & Implementation ▪ SIDA <ul style="list-style-type: none"> ▪ Logistical Support (Wireless IT Infrastructure) ▪ ICF <ul style="list-style-type: none"> ▪ Computer & Office Equipment & Basic & Advance ICT Training |
| Logistics | <ul style="list-style-type: none"> • Automation of systems reducing processing times and enabling data collection. • Staff trained in IT skills and management to improve use of equipment. | |

TA to Internal Revenue Administration

Policy

- Code of Conduct approved and operationalised.

Operations

- Finalising business process reengineering of internal revenue procedures in preparation for full implementation of ITAS software.
- Roll-out of ITAS Module (Large taxpayers TIN) June 1, 2011.
- Building integrity in audit program and implementation of audit manual & strategy. Audit results at end of Q3 FY11 are \$3,535,534.86 – **over 144%** of FY07.

Logistics

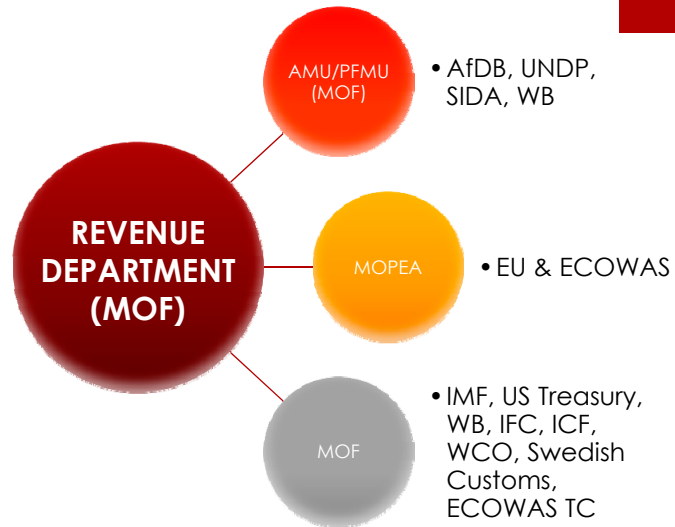
- Provision of equipment including salary support, computers, vehicles, resulting in higher quality staffing, enhanced efficiency and connectivity.
- Automation of systems reducing processing times and enabling data collection.

- **IMF**
 - Tax administration
- **African Development Bank**
 - Training, staff compensation & equipment
 - Audit management
- **World Bank**
 - ITAS software & implementation
 - Equipment & modernisation
- **IFC**
 - Equipment & modernisation
- **US Treasury**
 - Audit management training, internal affairs, risk management and compliance
- **SIDA**
 - ITAS implementation support – training and equipment.
- **EU**
 - Establishment of VAT Unit at MOF – training personnel and provision of equipment.

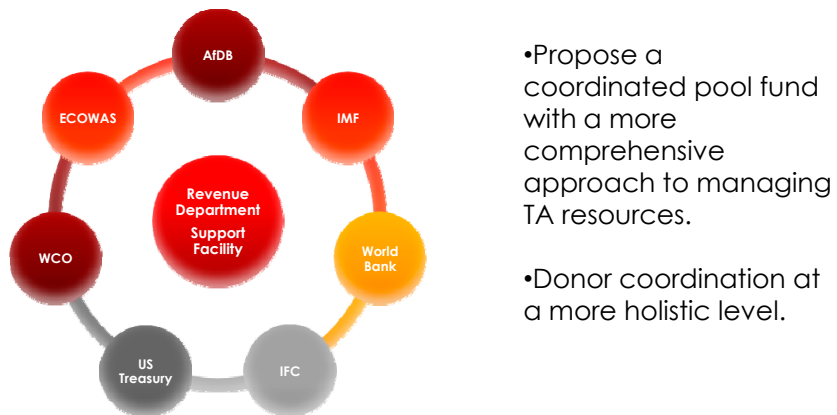
Organization and coordination Technical Assistance

- Technical Assistance currently largely managed separately with each donor through various ministries or directly.
- IMF is lead player---#9 Jersey. IMF Reports are instructive for other donors in identifying needs and assessing status of modernization.
- TA for tax and customs administration coordinated largely through Revenue Department HQ.
 - Involves internal planning, needs assessment, identification and setting of intervention priorities
- Meeting with partners to clearly articulate needs, priority areas for support, including the scope and timing of support.
 - Type of support: financial support, technical advisors, training, resources such as computers, vehicles, etc
 - Timing and timeframe for donor involvement: multi-year vs one-off programs, application process, flexibility on adapting program to dynamic environment
 - Gaining delivery capacity confidence

CURRENT AID MANAGEMENT STRUCTURE



FUTURE TA STRUCTURE



KEY FUTURE NEEDS COMPREHENSIVE CAPACITY BUILDING

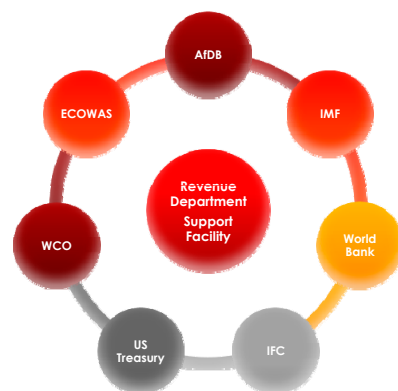
| HQ | Customs | Internal Revenue | Board of Tax Appeals |
|---|---|--|--|
| <ul style="list-style-type: none"> • Tax Policy • Legal Framework – including regulations and tax rulings • Tax education, communication, change management • Financial modeling • Migration to RA • Development of Human Resource policy | <ul style="list-style-type: none"> • Customs administration – operational advice • Change management • Risk management & compliance • Modernisation • Full ASYCUDA implementation • ETLS implementation • GATT implementation • Infrastructure and logistic support | <ul style="list-style-type: none"> • Tax administration – operational advice • Change management • Risk management & compliance • Modernisation • Full ITAS implementation • VAT Implementation • Establishment of mining tax unit • Large tax payer management • Infrastructure and logistic support | <ul style="list-style-type: none"> • Operational advice to develop procedures • Technical training for Board Members |

Key lessons on effective use of technical assistance

- Identify and prioritize needs – “Listen” to the guidance and Set the direction
- Essential to operationalize technical assistance by identifying internal or external resources to facilitate effective implementation of mission recommendations. This will increase ratio of “on time” successful implementation.
 - Staff need the tools to implement lessons and recommendations (eg computers/internet to use ASYCUDA)
 - Donor reports should help with prioritizing, strategy and resources for implementing policy recommendations (eg drafting assistance, computers)
- Coordinate interventions to avoid overlap and duplication
 - Dedicated staff to manage donor relationships and planning.
 - National donor coordinating secretariat
- Hands on mentoring and technical assistance over medium-term help to accelerate knowledge transfer and staff capacity.
- Establish Performance Reporting and monitoring mechanism to keep Donors aware of achievements

JOURNEY TO BETTER TAX AND CUSTOMS ADMINISTRATION

- To reach the destination, we need both the--
 - Road map showing the way
 - Logistics and resources to make the journey and reach the finish line
- Liberia has commenced the modernization journey. We look forward to working with you to achieve the goal of professional tax and customs administration.



YES WE CAN DO IT!!!!