



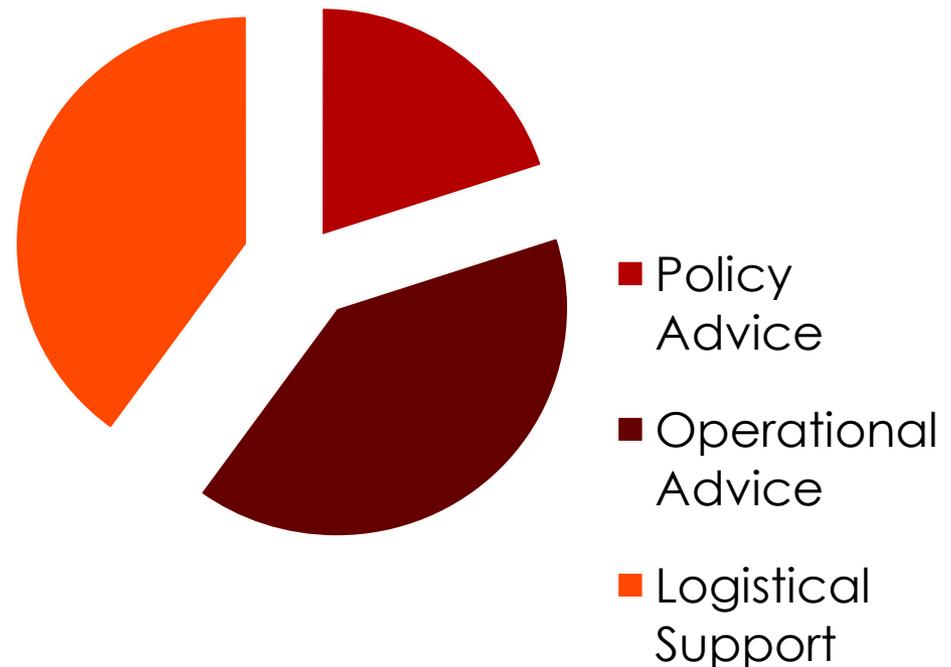
Managing Technical Assistance Liberia's Experience

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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

- 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.

Operations

- 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.

Logistics

- 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.

- **IMF**
 - Policy advice
 - Legislative drafting
 - Strategic plan & costing, modernisation
- **African Development Bank**
 - Study on transition to RA
- **World Bank**
 - Policy advisor
- **UNDP**
 - Contract negotiation training & logistical support
- **ISLP**
 - Contract negotiation
 - Policy advice

TA to Customs Administration

Policy

- Completion of draft Customs Code consistent with Kyoto Convention.

Operations

- 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 along with key customs staff in revenue increase of **US\$13m over projections** to date.

Logistics

- Automation of systems reducing processing times and enabling data collection.
- Staff trained in IT skills and management to improve use of equipment.

- **African Development Bank**
 - ASYCUDA Software, training & staff compensation
- **IFC**
 - Staff training, risk management, Customs Code
- **EU**
 - Modernisation, operational support
- **UNCTAD**
 - ASYCUDA implementation
- **Nigerian Customs**
 - Logistical support, staff exchange
- **WCO**
 - Comprehensive Capacity Building programs
- **ECOWAS**
 - Specialized IT Trainings, Study Tours & Logistical Support
- **MCC**
 - Trade Policy Development & Implementation
- **SIDA**
 - Logistical Support (Wireless IT Infrastructure)
- **ICF**
 - Computer & Office Equipment & Basic & Advance ICT Training

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.

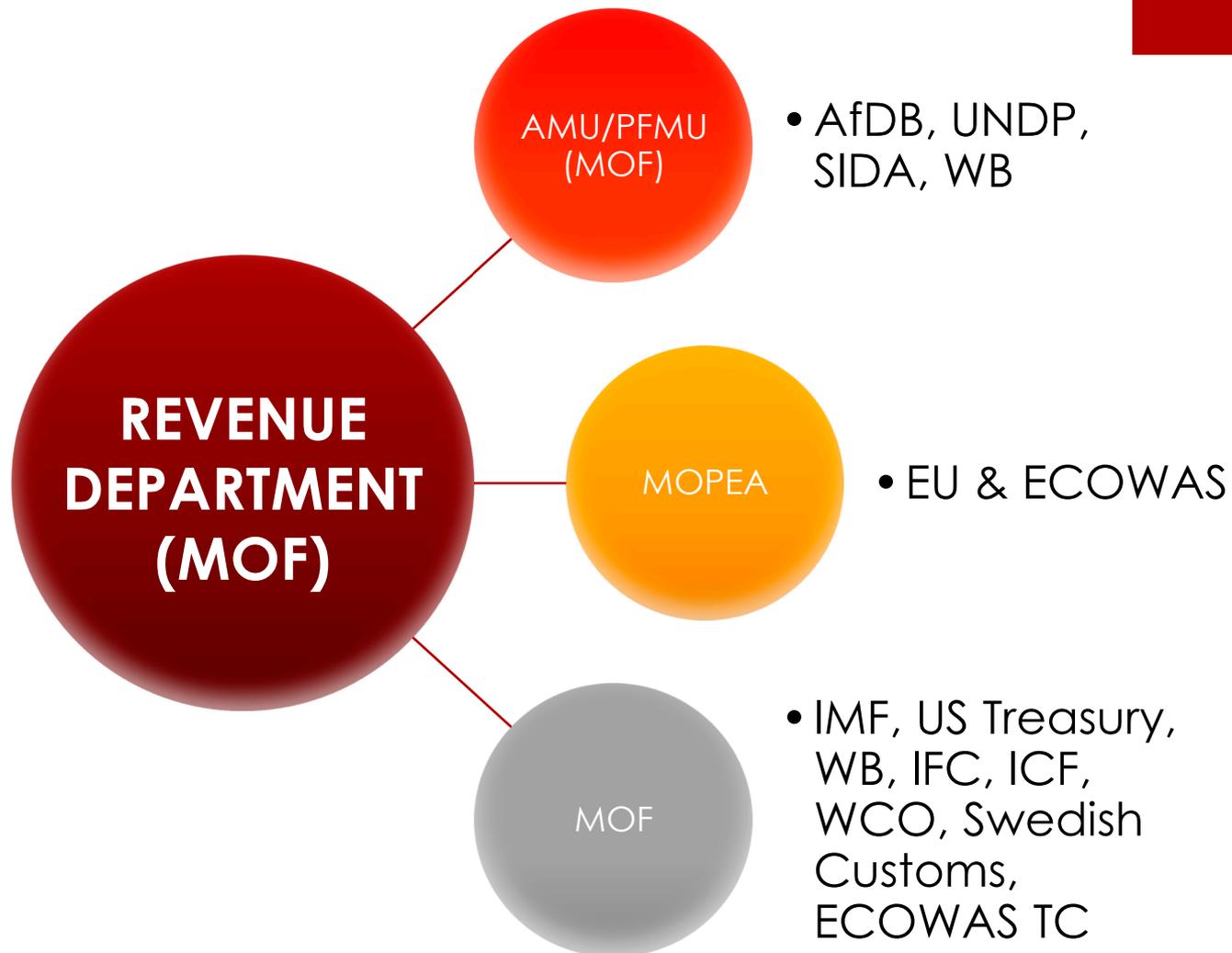
- **IMF**
 - Tax administration
- **African Development Bank**
 - Training, staff compensation & equipment
 - Audit management
- **World Bank**
 - ITAS software & implementation
 - Equipment & modernisation
- **IFC**
 - Equipment & modernisation
- **US Treasury**
 - Audit management training, internal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

Organization and coordination Technical Assistance

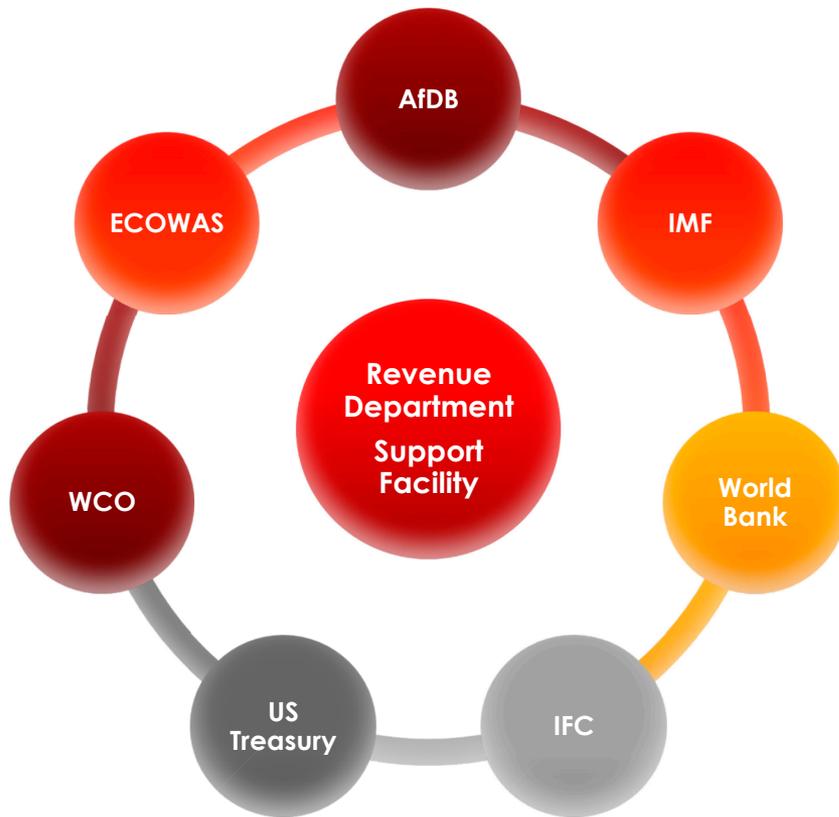


- Technical Assistance currently largely managed separately with each donor through various ministries or directly.
- IMF is lead player---#9 Jersey. IMF Reports are instructive for other donors in identifying needs and assessing status of modernization.
- TA for tax and customs administration coordinated 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

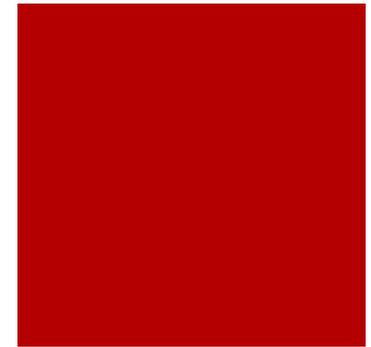


FUTURE TA STRUCTURE



- Propose a coordinated pool fund with a more comprehensive approach to managing TA resources.
- Donor coordination at a more holistic level.

KEY FUTURE NEEDS COMPREHENSIVE CAPACITY BUILDING



HQ

- Tax Policy
- Legal Framework – including regulations and tax rulings
- Tax education, communication, change management
- Financial modeling
- Migration to RA
- Development of Human Resource policy

Customs

- Customs administration – operational advice
- Change management
- Risk management & compliance
- Modernisation
- Full ASYCUDA implementation
- ETLs implementation
- GATT implementation
- Infrastructure and logistic support

Internal Revenue

- 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

Board of Tax Appeals

- Operational advice to develop procedures
- Technical training for Board Members

Key lessons on effective use of technical assistance

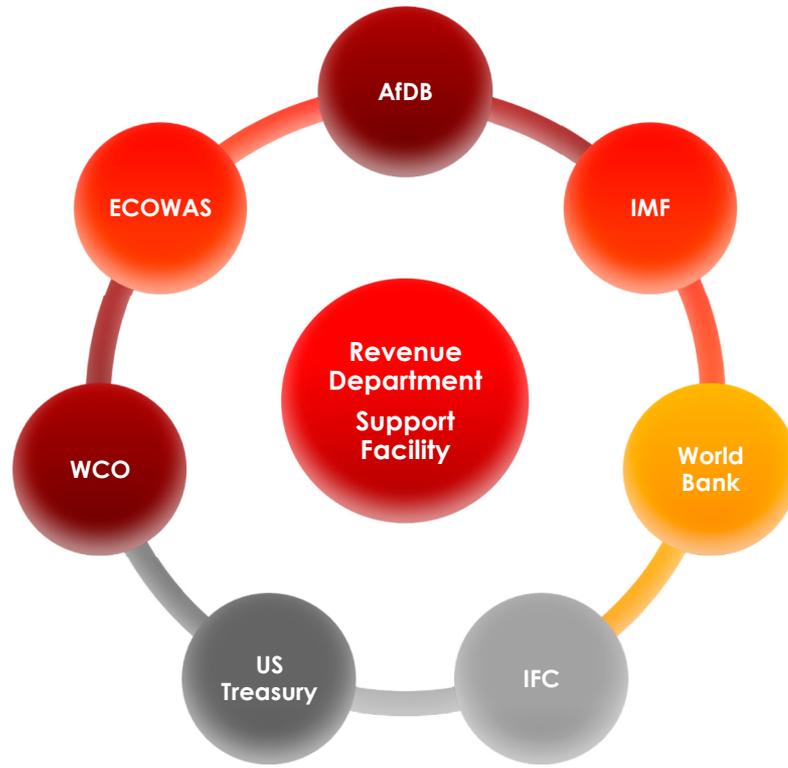


- Identify and prioritize needs – “Listen” to the guidance and Set the direction
- Essential to operationalize technical assistance by identifying internal or external resources to facilitate effective implementation of mission recommendations. This will increase ratio of “on time” successful implementation.
 - 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 PROFESSIONAL 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!!!!