Public Disclosure Authorized

Tax Administration (P127807)

EUROPE AND CENTRAL ASIA | Tajikistan | Governance Global Practice |
IBRD/IDA | Investment Project Financing | FY 2013 | Seq No: 13 | ARCHIVED on 22-Nov-2018 | ISR34754 |

Implementing Agencies: Tax Committee, Ministry of Finance, Ministry of Finance

Key Dates

Key Project Dates

Bank Approval Date: 31-Oct-2012
Effectiveness Date: 08-Feb-2013
Planned Mid Term Review Date: 30-Jun-2015
Actual Mid-Term Review Date: 04-Nov-2014
Original Closing Date: 31-Dec-2017
Revised Closing Date: 31-Dec-2019

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The Project Development Objective (PDO) is to reform the tax administration to become more efficient and effective in collecting revenue, enhance the level of voluntary compliance, and improve the quality of taxpayer services. Specifically, the project aims to: (i) reduce the administrative cost of collecting revenue to make the Tax Committee a more efficient institution; (ii) strengthen theeffectiveness of the Tax Committee to fight tax evasion and reduce the size of the shadow economy; (iii) reduce contact between taxofficials and taxpayers to reduce avenues for corruption and create conditions for increased level of voluntary compliance; and (iv) provide good quality taxpayer services that would help reduce the compliance burden for taxpayers, thus improving the business environment and competitiveness.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Components

Name
Institutional development:(Cost $2.20 M)
Operational development:(Cost $1.80 M)
IT Infrastructure and system development:(Cost $12.40 M)
Project Management:(Cost $1.60 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	Moderately Satisfactory	Moderately Satisfactory
Overall Implementation Progress (IP)	Moderately Satisfactory	Moderately Satisfactory
Overall Risk Rating	Substantial	Substantial

Implementation Status and Key Decisions

Overall, the project continues to make good progress. Generally, all the indicators show continued improvement and overachieving of some targets, the TC continues to carry out reforms in parallel to the activities in the project, development of the Tax Administration System is underway

which has committed most of the outstanding project funds for payout over the remaining life of the project, and the reform commitment of the management of the TC remains strong.

Component 1. Institutional Development

Human Resources Management Information System (HRMIS). After the successful launch of the new HRMIS system in September 2017, the staff have been occupied with loading historical information into it before it can be made operational. The HR team has asked to continue parallel testing of the new system and is committed to using it exclusively for all personnel activities from January 2019. The TC has confirmed that it now has IT staff that have been certified in the software and that they have successfully made a number of enhancements to the system.

Component 2. Operational Development

Contact Center. Funding was provided to set-up a modern contact center with up to ten seats in the old training building and was operational, as planned, in January 2018. Use of the contact center continues to expand with the number of calls received tripling from the pre-contact center period (now 27,000 year-to-date). Continued fine tuning of the operation is underway based upon the analysis of the queries that the contact center is handling.

Component 3. IT Infrastructure Modernization

The TC continues to expand its electronic service offerings providing an increasing electronic suite of services as an interim solution until the new ITMIS is introduced as part of this project. The TC is now offering 20 electronic services (up from 17 in April 2018). As expected, five years after E-filing becoming available, e-filing rates have stabilized for legal entities at 98.9% with individual entrepreneurs at 77.8% (e-filing was introduced in 2014). Point-of Sale terminals (POST) for payment of taxes are being introduced to make it easier for taxpayers to pay their tax – the delay related to licensing issues reported previously has been resolved and the TC expects to deploy these devices before the next mission.

The ITMIS procurement has been completed and the contract awarded on June 28th, 2018. This leaves 16 months to complete the installation, customization and user acceptance before the project ends. The TC has been working closely with the supplier to develop the contract timetable. It is expected that the system will be operational from January 1, 2020.

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	--	Substantial	Substantial
Macroeconomic	--	High	High
Sector Strategies and Policies	--	Substantial	Substantial
Technical Design of Project or Program	--	Moderate	Moderate
Institutional Capacity for Implementation and Sustainability	--	Substantial	Substantial
Fiduciary	--	Substantial	Substantial
Environment and Social	--	Low	Low
Stakeholders	--	Substantial	Substantial
Other	--	Substantial	Substantial
Overall	--	Substantial	Substantial

Results

PDO Indicators by Objectives / Outcomes

Increase the level of voluntary compliance

▸Increase in Voluntary Compliance: the total number of active taxpayers (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	161,000.00	--	312,623.00	201,500.00
Date	01-Jan-2013	--	07-Nov-2018	31-Dec-2019

More effective and efficient tax administration in revenue collection

▸Increased efficiency: average tax collected per tax inspector (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	TJS 2.1 million	--	TJS 5.3 million	TJS 2.9 million
Date	01-Jan-2013	--	07-Nov-2018	31-Dec-2019

▸Amount of tax arrears as a percentage of total annual tax collection (excluding Barqi Tojik) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	13.80	--	6.90	10.00
Date	01-Jan-2013	--	07-Nov-2018	31-Dec-2019

▸Share of revenue collected by the Large Taxpayer Inspectorate (LTI) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	43.60	--	58.80	60.00
Date	01-Jan-2013	--	07-Nov-2018	31-Dec-2019
Comments:	Total data includes taxes collected by LTI and MTI			

▸Adjustment as a result of audit per auditor (Somoni millions) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	184.00	--	712.00	280.00
Date	01-Jan-2013	--	07-Nov-2018	31-Dec-2019

▸Enhanced effectiveness: tax gap as measured by VAT productivity (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.37	--	0.39	0.42
Date	01-Jan-2013	--	07-Nov-2018	31-Dec-2019
Comments:	Tax gap unit of measure is coefficient			

▸Enhanced effectiveness: tax gap as measured by CIT productivity (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.03	--	0.04	0.06
Date	01-Jan-2013	--	07-Nov-2018	31-Dec-2019
Comments:	Tax gap unit of measure is coefficient			

Improved quality of taxpayers services

▸% of taxpayers legal entities filing electronically (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	98.90	70.00
Date	01-Jan-2013	--	07-Nov-2018	31-Dec-2019

▸Improved taxpayer service: average time to comply (Hours, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	226.00	--	209.00	180.00
Date	01-Jan-2013	--	07-Nov-2018	31-Dec-2019

Intermediate Results Indicators by Components

Institutional development

▸Component 1: Implementation of Human Resourse Management Information System (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No HRMIS available	--	HRMIS has been developed. 90% of data has been introduced into the data base. The system will be implemenetd from January 1, 2019	System fully operational
Date	01-Jan-2013	--	07-Nov-2018	01-Jan-2019

▸Component 1: Building training facilities (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Training Center not present	--	Training Centers in Khujand, Kulob, Khorog and Bokhtar are built and equipped.	Training center fully equipped

Date	01-Jan-2013	--	07-Nov-2018	31-Dec-2018

►Component 1: Training Strategy approved and implemented (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Training provided in ad hoc manner	--	Training Strategy is being finalized.	Training strategy and curriculum design deveped
Date	01-Jan-2013	--	07-Nov-2018	28-Jun-2019

►Component 1: Organizational review, work force review, organizational restructuring, staff redeployment (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Organizational plan for HQ submitted to government	--	New organizational structure of HQ was approved, work force reviewed and staff redeployed	Organizational review, workforce review, organizational restructuring and staff redeployment completed
Date	01-Jan-2013	--	07-Nov-2018	30-Dec-2016

Operational development

►Component 2: Development of Call Center (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Manual system available	--	Call Center with up to ten seats is established and equipped. Up to 10,000 calls were responded in 2017. Over one thousand sample questions and answers (FAQs) have been constructed for use by the Call Center staff. The Central Call Center is linked to two other satellite contact centers in the regions.	Call Center operational
Date	01-Jan-2013	--	07-Nov-2018	31-Dec-2018

►Component 2: Amount of tax arrears as a percentage of total annual tax collection (excluding Barqi Tojik) (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	13.80	--	6.90	10.00
Date	01-Jan-2013	--	07-Nov-2018	31-Dec-2019

►Component 2: Share of revenue collected by Large Taxpayers Inspectorate (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	43.60	--	58.80	60.00
Date	01-Jan-2013	--	07-Nov-2018	31-Dec-2019

►Component 3: Percent of taxpayers legal entities filing electronically (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	98.90	70.00
Date	01-Jan-2013	--	07-Nov-2018	31-Dec-2019

IT Infrastructure and system development

►Component 3: Data Center established (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Supports current legacy system.	--	The new Data Center became operational in 2016 and all production services are now hosted in the primary data center in Dushanbe. The Disaster recovery Center in Khujand is operational and contains the disaster recovery data storage devices along with its operational staff responsible for its monitoring.	Data center fully operational.
Date	01-Jan-2013	--	07-Nov-2018	02-Jan-2017

►Component 3: Implementation of Integrated Tax Management Information System (ITMIS) (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Existing tax system has limited capacity	--	Contract with ITMIS supplier was signed in July 2018. According to implementation schedule, the system will be completed in October 26, 2019 and implemented from January1, 2020.	ITMS deployed and fully operational
Date	01-Jan-2013	--	07-Nov-2018	31-Dec-2019

Data on Financial Performance

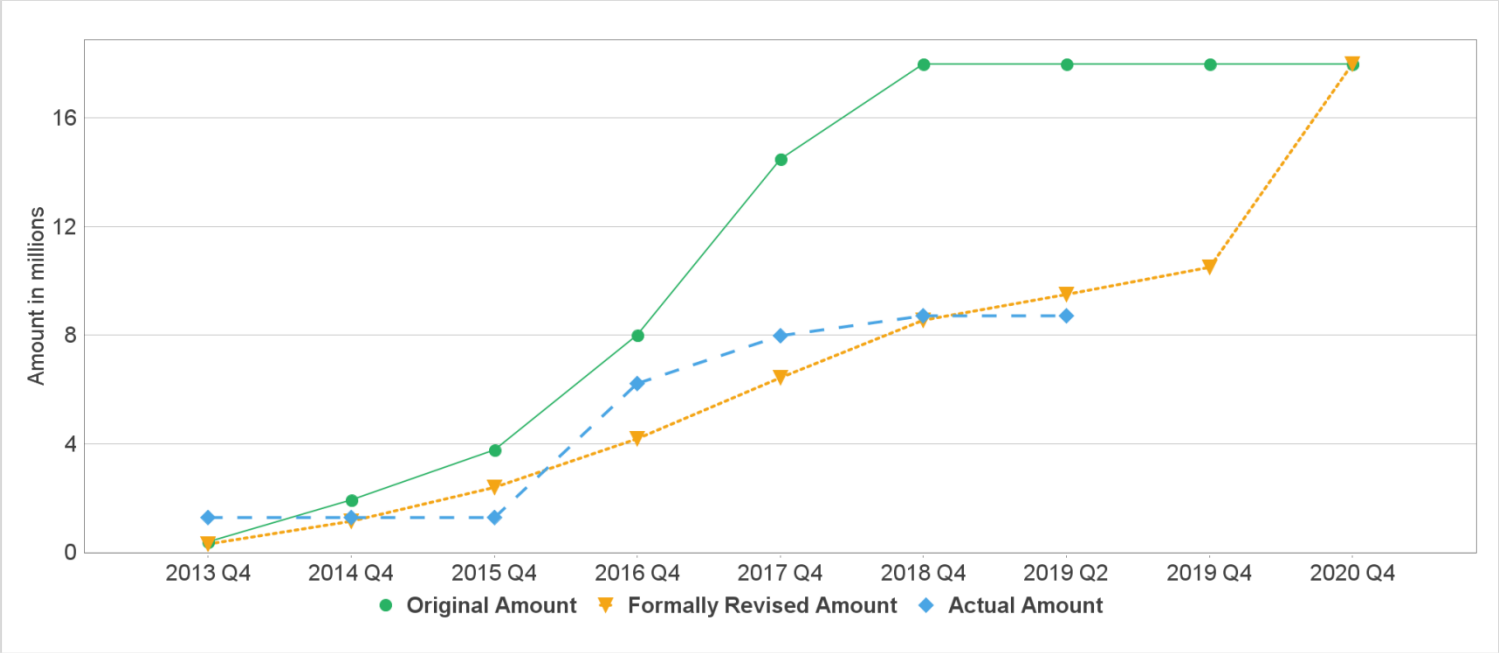
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P127807	IDA-H8100	Effective	USD	18.00	18.00	0.00	8.72	8.24	51%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P127807	IDA-H8100	Effective	31-Oct-2012	14-Nov-2012	08-Feb-2013	31-Dec-2017	31-Dec-2019

Cumulative Disbursements



Restructuring History

Level 2 Approved on 27-Feb-2017

Related Project(s)

There are no related projects.