REVENUE MOBILIZATION AND REFORM IN ACTION
The Tax Policy and Administration Topical Trust Fund (TPA-TTF) was launched by the International Monetary Fund (IMF) in April 2011, in partnership with donor agencies, to help meet increased demand for technical assistance (TA) from low- and lower middle-income countries in the area of tax policy and administration. The TPA-TTF is managed and delivered by the IMF’s Fiscal Affairs Department (FAD).

The principal goal of the TPA-TTF has been to help developing countries to strengthen their tax systems in order to improve domestic revenue mobilization, and to provide them with greater scope to fund policies that address their developmental challenges. To meet this objective the TPA-TTF was designed in a modular manner that provides for a flexible response to individual country needs, but also with an eye to a range of outcomes, including:

- Improved revenue performance – especially where the tax-to-GDP ratio is below the levels required for fiscal sustainability and longer-term growth;
- Improved revenue policy design, and increased capacity to formulate future reform options;
- Improved quality of tax legislation and regulations;
- Cost-effective systems of revenue administration based on modern concepts of self-assessment, taxpayer segmentation, etc.;
- Reduced taxpayer compliance costs through enhanced assessment processes, filing and payment arrangements, and taxpayer services; and
- Increased tax systems integrity, which contributes to wider public sector governance and transparency goals.

The TPA-TTF has achieved broad geographical coverage and exposure, with 21 programs active worldwide, and in many cases has permitted significant boosts to countries’ revenue mobilization.
GEOGRAPHICAL COVERAGE

AFRICA AND THE MIDDLE EAST

Featured Countries:
- Senegal
- Guinea-Bissau
- Cabo Verde
- Mauritania
- Mali
- Liberia
- Cote d’Ivoire
- Ethiopia
- West Bank and Gaza

Other TPA TTF Countries:
- Burundi
- Swaziland
Featured Countries:  Other TPA TTF Countries:  

ASIA

Featured Countries:  

Other TPA TTF Countries:  

GEOGRAPHICAL COVERAGE
LATIN AMERICA AND THE CARIBBEAN

Featured Countries:  
Other TPA TTF Countries:
COMPARISON OF INCOME PER CAPITA AND TAX REVENUE TO GDP RATIO

Source: October 2015, World Economic Outlook
This project was originally designed to support the authorities’ intention to move towards an integrated tax and customs agency. After consultations, the authorities decided to focus on strengthening the tax policy framework and the tax administration’s core activities, which reflected a strong commitment and a drive for reforms at all levels. This was evident including by the establishment of a formal monitoring process to evaluate the reform progress.

Technical assistance under the TTF has helped the SIN to:

- Estimate the VAT gap and tax expenditures;
- Design and adopt a transfer pricing law;
- Strengthen taxpayer audit capacity and develop appropriate audit procedures; and
- Improve exchange of information between the tax and customs administrations.

Challenges remain in the area of HR policy and in defining priorities in operational areas.
The Burundi revenue administration (OBR) has received support under the TPA-TTF to design and implement strategies to strengthen the tax administration. This project has focused on improving the organization of the tax administration and establishing sound registration and return filing systems and procedures.

Although the recent political upheaval and concerns over security has meant that TA has been suspended for the time being, the project has achieved a number of successes, including to help the OBR to:

- Implement taxpayer segmentation with the establishment of a large taxpayer office and an effective separation between the medium and small taxpayer offices;
- Simplify collection procedures, particularly by eliminating supporting documentation attached to VAT returns; and
- Improve the compliance rates for the large taxpayers.

Looking ahead, work remains to further strengthen the large and medium taxpayer offices, extend audit coverage, and reduce the volume of tax arrears.
This project has focused on strengthening the tax administration’s institutional capacity, enlarging the tax base, and mobilizing tax collections, with a view to supporting the objective of increasing tax collections to pre-financial crisis levels. Although it has been a struggle to boost revenues, remarkable progress has been made in modernizing the tax administration.

Technical assistance under the TTF has helped the Cabo Verde tax administration to:

• Create a new structure for the revenue administration, that involved the merger of the customs and domestic tax departments;
• Improve the design of the tax system through modernized tax policies;
• Introduce taxpayer self-assessment and implement a new taxpayer regime; and
• Develop new recruitment and retention rules to help ensure the administration employs an educated, skilled, and adaptive workforce.

Following the heavy flow of legislation adopted in the last three years, the next several years will be a period of consolidation and strengthening of organizational capacity in Human Resources and IT.

"... reforms in the tax front became of paramount importance in terms of providing Cabo Verde with a sustainable system for generating endogenous resources, a challenge that has to be addressed as part of the Transformation Agenda, which has received strong support from the Fiscal Affairs Department of the IMF since September 2012, through the project of Reform of tax administration."

Cristina Duarte
Minister of Finance and Planning
THE GENERAL DIRECTORATE OF TAXATION

This project was designed with the help of a diagnostic mission, which enabled the administration to draw up a comprehensive action plan that refocused the tax administration’s reform agenda. Since 2012, the tax administration has made good use of the technical assistance, and has shown substantial progress in implementing reforms.

Technical assistance under the TTF has assisted the tax administration to:

- Reinforce the large taxpayer office (LTO) by increasing the threshold and broadening the LTO’s territorial jurisdiction;
- Establish two medium-sized taxpayer offices in Abidjan, which have achieved a notable increase in compliance rates;
- Implement a single VAT threshold applied to all VAT taxpayers, including corporate persons; and
- Strengthen the taxpayer service function.

**KEY INDICATORS**

- Population (millions) 22.7
- Income per capita (US$) 1,460
- Debt level (% of GDP) 36.6
- Tax (% of GDP) 16.1
- Fiscal Balance (% of GDP) -2.3

Source: October 2015, World Economic Outlook
ETHIOPIA

THE ETHIOPIAN REVENUES AND CUSTOMS AUTHORITY

After a slow transition period, reforms have picked up momentum with the introduction of this project. Tax revenue has grown over the past few years, with a significant proportion of the increase attributable to improved compliance at the state level. With continued support, the Ethiopian Revenues and Customs Authority (ERCA) can achieve its target of mobilizing 17 percent of gross domestic product by 2020.

Main achievements through technical assistance delivered so far include:

- Development of a new organizational structure;
- Development of an Enterprise-wide Risk Management Framework;
- Preparation and implementation of a comprehensive compliance management and enforcement strategy;
- Adoption of a Fraud Control Plan; and
- Development of a taxpayer services program.

The ERCA is now working to enhance the maturity of current compliance risk management (CRM) efforts to ensure that they effectively drive the annual cycle of business planning, prioritization, and strategy development.
DIRECTORATE OF TAX

Technical assistance activities had been halted following the political turmoil in April 2012. The authorities, however, re-engaged after the 2014 elections, which presented a new political environment for implementing revenue administration reforms in the country. The tax administration has made encouraging progress to strengthen revenue collection to date. The authorities are committed to implementing reforms in the areas of large taxpayer audits, IT systems, and human resource policy.

Technical assistance has helped the tax administration of Guinea-Bissau to:

- Implement effective taxpayer registration procedures;
- Develop a new IT system;
- Design a strategic plan highlighting priority areas; and
- Finalize an audit manual and implement a new taxpayer registration module.

Building on the progress achieved to date, additional measures for strengthening the basic tax administration functions have been identified, and will be implemented in the period ahead.
Liberia Revenue Authority

The Liberia Revenue Authority (LRA) was successfully launched on July 1, 2014, four months after the outbreak of the Ebola virus. Extensive TA support was provided remotely to strengthen the administrative and operational framework, in particular activities related to improving the integrity of the information database and defining the institutional structures to facilitate the launch of the LRA.

It was vital to continue TA support to the administration during the public health crisis, which was achieved by intensive off-site help and video-conferencing. The LRA worked hard to innovate its service delivery to provide outreach to taxpayers to shore-up and stem any further decline in voluntary compliance. With the institutional structure now in place, work continues to improve core tax administration functions and build capacity in both technical and operational programs.

Technical assistance has supported the LRA to:

- Develop an administrative and operational framework with a strong headquarters function and risk management, planning, and performance monitoring;
- Build capacity in auditing taxpayers in complex economic sectors such as telecommunications;
- Improve the integrity of registration and account management databases to improve the effectiveness of the compliance management programs; and
- Design and implement a taxpayer service and education program, and develop a comprehensive strategic taxpayer services plan.

“You have really been there for Liberia and in helping us to move forward notwithstanding the challenges and lingering effects of Ebola.”

Elfrieda Stewart Tamba
Commissioner General, LRA

Key Indicators

- Population (millions): 4.2
- Income per capita (USD$): 481
- Debt level (% of GDP): 33.5
- Tax (% of GDP): 19.2
- Fiscal Balance (% of GDP): -3.5

Source: October 2015, World Economic Outlook

FY2012, Project commenced
FY2013, Strengthened taxpayer services
FY2015, Launched LRA
FY2016, Developing corporate strategic plan
THE DIRECTORATE OF TAXES

Between 2010 and 2014, revenue collections significantly improved as a result of a mix of policy and administrative measures. Continued support through this project was needed to sustain the gains in revenue collection. The authorities welcomed support to strengthen compliance enforcement and taxpayer service functions.

Technical assistance has helped the Mauritanian Directorate of Taxes to:

- Build audit capacity in the large taxpayer office and the medium-sized taxpayer office to minimize revenue risks;
- Improve taxpayer registration; and
- Develop a risk-based approach to debt management.

**KEY INDICATORS**

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<tr>
<th>Indicator</th>
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<td>Population (millions)</td>
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<td>Income per capita (US$)</td>
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<td>Tax (% of GDP)</td>
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<tr>
<td>Fiscal Balance (% of GDP)</td>
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Source: October 2015, World Economic Outlook

FY2012, Project commenced  
FY2013, Improved taxpayer registration and expanded tax base  
FY2014, Published Tax Procedure Code  
FY2015, Strengthened enforced collection function
THE INTERNAL REVENUE DEPARTMENT

After 50 years of isolation, Myanmar has embraced a wide-ranging reform agenda that includes modernization of its tax administration. The Internal Revenue Department (IRD) reform program extends across all facets of tax administration and would be challenging for any tax administration to implement. This project has focused strategic design of the large taxpayer office and IRD headquarters, including strategies for the core tax administration functions, organizational design, reform management and governance, legally constituted tax procedures, and process design and development for the new legal and policy directorates.

Technical assistance since October 2012 has seen the IRD make discernable and steady progress to:

- Establish an organizational reform strategy supported by a new Tax Reform Project Management Unit and a new project management and governance framework;
- Establish a large taxpayer office as the flagship reform for the IRD from which broader modernization reforms can be leveraged; and
- Restructure the headquarters to a function-based organizational structure.
SUBSECRETARÍA DE TRIBUTACIÓN

This project has supported the tax administration’s (SET) efforts to improve the tax system and increase revenue collection—one of the lowest in the Latin America region. SET management commitment and political support for the reforms have been strong and this has ensured steady reform progress.

Technical assistance has helped the SET to:

- Implement a new organizational structure;
- Develop and publish a strategic plan and its aligned operational plan;
- Simplify the taxpayer registry system and its online applications; and
- Implement electronic collection of payments through banks and other similar entities.

FY2014, Project commenced
FY2014, Approved action plan to improve the quality of the taxpayer register
FY2015, Implemented new procedures for audit
FY2016, Developing first annual tax audit plan

Population (millions) 6.9
Income per capita (US$) 4,379
Debt level (% of GDP) 19.0
Tax (% of GDP) 12.9
Fiscal Balance (% of GDP) -2.3

Source: October 2015, World Economic Outlook
Since 2011, IMF staff and experts have engaged with the Senegalese tax administration to assist with the reorganization of the tax administration. This project has assisted with the development of new function-based organizational chart and its implementation, which is currently underway.

Ongoing technical assistance efforts have helped the tax administration to:

• Update the taxpayer register;

• Design and implement a risk-based collection enforcement program;

• Establish medium-sized taxpayer office (MTO) and streamline the merger of small taxpayer offices in Dakar; and

• Simplify the personal income tax and eliminate most tax incentives outside the tax code.

Recruitment of new staff will further strengthen core areas of tax administration, enabling the full implementation of the new organizational structures and procedures.
SWAZILAND REVENUE AUTHORITY

The Swaziland Revenue Authority (SRA) has made good use of the technical assistance delivered by this project and continues with an ambitious modernization program. It is critical for the SRA to translate improved efficiency and effectiveness into improved revenue performance to strengthen domestic collections and counter the volatility of transfers from South African Customs Union which constitute a part of tax revenues.

Technical assistance has helped SRA to:

Successfully implement the core components of the IT system for domestic taxes;

Replace the sales tax with a Value Added Tax (VAT);

Introduce self-assessment in a phased manner; and

Commence development of a risk model for audit selection.
The TPA-TTF has utilized workshops and seminars to deliver targeted training and promote peer-based learning. This has contributed to improved success rates in the implementation of tax policy and administration reforms for TPA-TTF projects.

Managing a Revenue Authority – Role of the Board: April 14-16, 2014

"It was an opportunity for frank interactions by participants"

"Sharing of experiences helped to give a real picture of Revenue Administration issues"
The TPA-TTF also supports targeted analyses geared toward achieving its main objectives. Work produced so far includes the publication of one working paper on the use of electronic fiscal devices and one departmental paper presenting a comparative analysis of tax administration performance data, derived from the Revenue Administration Fiscal Information Tool (RA-FIT). Technical notes on specific topics are also a core component of analytical work under the TPA-TTF.
OTHER TECHNICAL ASSISTANCE PROVIDERS TPA-TTF IS COORDINATING WITH INCLUDE:

The Canada Revenue Agency (CRA)
The Belgian Government
Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)
The Department for International Development (DFID)
The European Union
The Government of France
Inter-American Center of Tax Administrations (CIAT)
Inter-American Development Bank (IDB)
International Finance Corporation (IFC)
Her Majesty’s Revenue and Customs (HMRC)
Trade Mark East Africa (TMEA)
The US Treasury Office of Technical Assistance
The United States Agency for International Development (USAID)
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