



## Tax Administration (P127807)

EUROPE AND CENTRAL ASIA | Tajikistan | Governance Global Practice |  
IBRD/IDA | Investment Project Financing | FY 2013 | Seq No: 14 | ARCHIVED on 21-May-2019 | ISR36964 |

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 the effectiveness of the Tax Committee to fight tax evasion and reduce the size of the shadow economy; (iii) reduce contact between tax officials 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	● Satisfactory
Overall Implementation Progress (IP)	● Moderately Satisfactory	● Satisfactory
Overall Risk Rating	● Substantial	● Substantial

### Implementation Status and Key Decisions

**Overall, the project continues to make good progress in achieving desired outcomes.** Generally, all the results indicators show that they are over achieved as the Tax Committee (TC) implements recommendations from the project TA activities and those provided by the Bank team. Presently, implementation of the ITMIS (the largest procurement item under the project) is underway which has committed most of the outstanding



project funds for payout over the remaining life of the project. The reform commitment of the management of the TC remains strong as evidenced by the project's results indicators.

**Component 1. Institutional development**

**Human Resources Management Information System (HRMIS).** After the successful launch of the new HRMIS system in September 2017 and loading historical information into it; the system became operational in all offices on January 1, 2019. Take-up is reported to be excellent and the field office staff have made a number of suggestions for further enhancements that are being reviewed and prioritized for an upcoming release by IT staff, who have been certified in the software.

**Component 2. Operational Development**

**A number of the reports required under this component have been delivered by consultants.** Reports include analysis and recommendations for changes in the areas of tax policy analysis and revenue forecasting, internal audit and appeal, and taxpayer services. With respect to tax policy activities, the MOF is responsible for implementing the recommendations on revenue forecasting, impact assessment and tax policy formulation. With respect to the consultant's reports on improving taxpayers' registration, tax audit, and enforced collection, these were not approved by TC. Accordingly, the TC terminated the contract and instead is finalizing selection of an individual consultant to complete the analysis and provide recommendations on changes on those important areas of tax administration.

**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 24 electronic services (up from 17 in April 2018). 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 October 2019.

**The ITMIS implementation is ahead of schedule.** Following the contract award of the retendered ITMIS on June 28th, 2018, implementation has been satisfactory. The TC has been working closely with the successful bidder and delivered the first phase into production two months earlier than planned in the inception report as a result of the strong commitment and intensive involvement from both the business and IT staff. The TC remains extremely vigilant in monitoring progress and responding to vendor requests for information during the customization phase.

**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	315,890.00	201,500.00
Date	01-Jan-2013	07-Nov-2018	01-Apr-2019	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 5.7 million	TJS 2.9 million
Date	01-Jan-2013	07-Nov-2018	01-Apr-2019	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	6.20	10.00
Date	01-Jan-2013	07-Nov-2018	01-Apr-2019	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	58.80	60.00
Date	01-Jan-2013	07-Nov-2018	01-Apr-2019	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	734.30	280.00
Date	01-Jan-2013	07-Nov-2018	01-Apr-2019	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	0.35	0.42

Date	01-Jan-2013	07-Nov-2018	01-Apr-2019	31-Dec-2019
Comments:	Tax gap unit of measure is coefficient			
<b>►Enhanced effectiveness: tax gap as measured by CIT productivity (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.03	0.04	0.02	0.06
Date	01-Jan-2013	07-Nov-2018	01-Apr-2019	31-Dec-2019
Comments:	Tax gap unit of measure is coefficient			

<b>Improved quality of taxpayers services</b>				
<b>►% of taxpayers legal entities filing electronically (Percentage, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	98.90	98.90	70.00
Date	01-Jan-2013	07-Nov-2018	01-Apr-2019	31-Dec-2019
<b>►Improved taxpayer service: average time to comply (Hours, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	226.00	209.00	209.00	180.00
Date	01-Jan-2013	07-Nov-2018	01-Apr-2019	31-Dec-2019

### Intermediate Results Indicators by Components

<b>Institutional development</b>				
<b>►Component 1: Implementation of Human Resource Management Information System (Text, Custom)</b>				
	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 implemented from January 1, 2019	After the successful launch of the new HRMIS system in September 2017 and loading historical information into it; the system became operational in all offices on January 1, 2019. Take-up is reported to be excellent and the field office staff have made a number of	System fully operational

			suggestions for further enhancements that are being reviewed and prioritized for an upcoming release by IT staff, who have been certified in the software.	
Date	01-Jan-2013	07-Nov-2018	01-Apr-2019	01-Jan-2019
<b>►Component 1: Building training facilities (Text, Custom)</b>				
	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 Centers in Khujand, Kulob, Khorog and Bokhtar are built and equipped.	Training center fully equipped
Date	01-Jan-2013	07-Nov-2018	01-Apr-2019	31-Dec-2018
<b>►Component 1: Training Strategy approved and implemented (Text, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Training provided in ad hoc manner	Training Strategy is being finalized.	Training Strategy is being implemented.	Training strategy and curriculum design developed
Date	01-Jan-2013	07-Nov-2018	01-Apr-2019	28-Jun-2019
<b>►Component 1: Organizational review, work force review, organizational restructuring, staff redeployment (Text, Custom)</b>				
	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	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	01-Apr-2019	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	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	Call Center operational



		satellite contact centers in the regions.	calls exceeding 30,000 in 2018. Continued fine tuning of the operation is underway based upon the analysis of the queries that the contact center is handling.	
Date	01-Jan-2013	07-Nov-2018	01-Apr-2019	31-Dec-2018
<b>►Component 2: Amount of tax arrears as a percentage of total annual tax collection (excluding Barqi Tojik) (Percentage, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	13.80	6.90	6.20	10.00
Date	01-Jan-2013	07-Nov-2018	01-Apr-2019	31-Dec-2019
<b>►Component 2: Share of revenue collected by Large Taxpayers Inspectorate (Percentage, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	43.60	58.80	58.80	60.00
Date	01-Jan-2013	07-Nov-2018	01-Apr-2019	31-Dec-2019
<b>►Component 3: Percent of taxpayers legal entities filing electronically (Percentage, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	98.90	98.90	70.00
Date	01-Jan-2013	07-Nov-2018	01-Apr-2019	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.	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	01-Apr-2019	02-Jan-2017
<b>►Component 3: Implementation of Integrated Tax Management Information System (ITMIS) (Text, Custom)</b>				
	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.	Following the contract award of the retendered ITMIS on June 28th, 2018, implementation has been satisfactory. The TC has been working closely with the successful bidder and delivered the first phase into production two months earlier than planned in the inception report as a result of the strong commitment and intensive involvement from both the business and IT staff.	ITMS deployed and fully operational
Date	01-Jan-2013	07-Nov-2018	01-Apr-2019	31-Dec-2019

## Data on Financial Performance

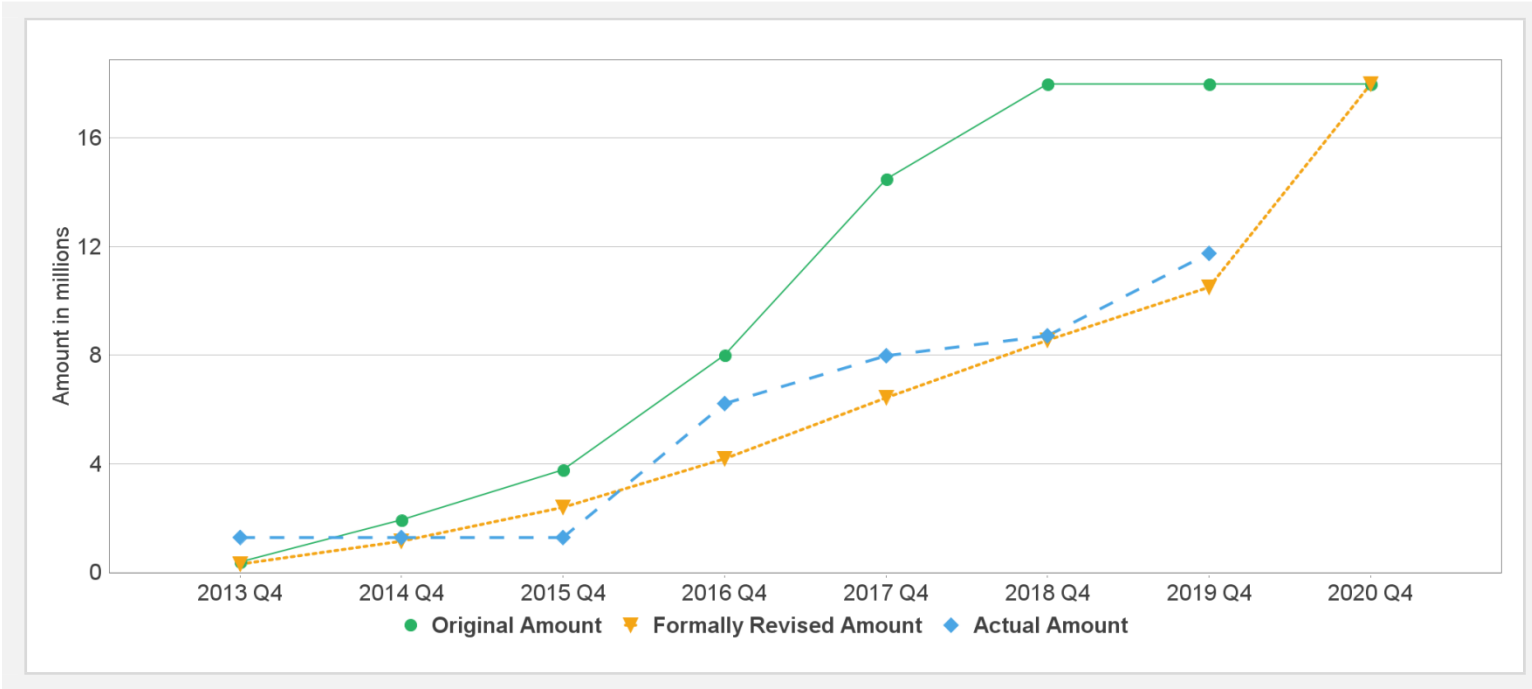
### Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P127807	IDA-H8100	Effective	USD	18.00	18.00	0.00	11.75	4.89	71%

### 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.