



3rd BRITACOF 19-21 September 2022, Algiers Algeria

BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

Capacity Development by the IMF

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Urgent spending needs for development as ...

01

... debt levels are elevated

02

... recovering from pandemic

03

... need resilience to shocks (war, inflation)

... imply urgent need to strengthen tax capacity

Today's Context





Embedded in wider IMF engagement

- ... link to short/medium-term goals
- ... link with policy/legal/spending

Diagnostic Tools

- ... relative performance in key areas
- ... identify priorities for reform

*IMF CD
Support to
Countries*

Guide Successful Strategy

- ... grounded in analytics and research
- ... hands-on guidance notes on core topics
- ... medium-term revenue strategy (PCT)

Tailored to Country Needs & Circumstances

- ... understanding constraints and politics
- ... often multi-year engagement
- ... on-the-ground implementation support



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1

Diagnosis

TADAT

Accountability and Transparency, Integrity of the Registered Taxpayer Base, Effective Risk Management, Supporting Voluntary Compliance, Timely Filing of Tax Declarations, Timely Payment of Taxes, Accurate Reporting in Declarations, Dispute Resolution, Efficient Revenue Management.

ISORA / RA-FIT

International Survey on Revenue Administration (ISORA) Powered by RA-FIT

RA-GAP

Potential Administrative Effectiveness, Current Effectiveness, Potential Collections, Components of the Tax Gap

2

Strategy

INTERNATIONAL MONETARY FUND
SPECIAL SERIES ON COVID-19

MTRS

Revenue & Other Goals to finance expenditure needs, Tax System Reform (TSR) to meet the goals, Coordinated Capacity-Building to support TSR implementation, Sustained Political Commitment to fully develop and implement TSR.

3

Implementation/Monitoring

REVENUE ADMINISTRATION REFORM—IMF CAPACITY DEVELOPMENT FRAMEWORK

Diagnostic of Current Situation	Reform Strategy Design	Reform Implementation	Monitoring & Evaluation
<ul style="list-style-type: none"> Diagnostic of current situation Conduct environmental scan, including of political environment Review trends and challenges Review revenue reform progress and main achievements Identify TA needs 	<ul style="list-style-type: none"> Define scope of reform (incremental or structural reform program) Determine prioritization and sequencing Develop reform program Identify areas for intervention (organization, core processes, etc.) Define outcomes Establish milestones and key indicators Identify risk and mitigation strategies Identify resource requirements, including TA needs 	<ul style="list-style-type: none"> Establish reform governance framework Develop reform strategy and implementation calendar Develop and implement communication plan Assign and mobilize resources Coordinate reform with daily business Continue to carry out regular business Identify TA needs 	<ul style="list-style-type: none"> Prepare periodic progress reports Track main milestones of reform execution and results Conduct monitoring of strategic and operational performance Prepare annual reports Understand internal reviews Understand taxpayer surveys Conduct independent (external) reviews Prepare final assessment
<ul style="list-style-type: none"> Management report on need for change RA annual reports Senior management positions on current performance and challenges Key stakeholder consultations (internal and external) to identify change needs and areas for improvement RA performance data Reform strategy advice Assessing readiness (e.g., RA FIT, TADAT) Data analysis, including tax gap study, e.g., RA-GAP and risk benefit analysis of the expenditure 	<ul style="list-style-type: none"> Strategic reform plan Medium-term reform plan Resource requirements Budget approval Key indicators and indicators Communication plan 	<ul style="list-style-type: none"> Reform governance framework Medium-term reform plan Key milestones and indicators Key stakeholder consultations on detailed action plans 	<ul style="list-style-type: none"> Reform governance framework Action plans and milestones Periodic performance review Independent external evaluation Key stakeholder consultations
<ul style="list-style-type: none"> Assess diagnostic against current performance and areas for improvement Communication plan 	<ul style="list-style-type: none"> Strategic reform plan Medium-term reform plan Resource requirements Budget approval Key indicators and indicators Communication plan 	<ul style="list-style-type: none"> Reform governance framework Detailed action plans and milestones Annual budget Communication plan 	<ul style="list-style-type: none"> Progress reports Periodic internal review (by Treasury) Annual budget Updated action plans, milestones, communication plan and budget Annual reports taxpayer survey reports External review and evaluation reports
<ul style="list-style-type: none"> Conduct diagnostic, jointly with RA agencies Coordinate with government shared diagnostic and need for reform Engage with donors, other TA providers, and IA agencies Consult with stakeholders 	<ul style="list-style-type: none"> Help design reform strategy, jointly with RA agencies Seek government approval of reform strategy Coordinate with donors on complementary IA Consult with stakeholders 	<ul style="list-style-type: none"> Reform governance framework Assign a lead RA, resident advisor to assist RA agencies strategic implementation Assign professional experts to assist on selected RA areas Help mobilize resources with other donors, IA providers, and the agencies' complementary IA Consult with stakeholders 	<ul style="list-style-type: none"> Conduct review and project surveillance "Outgoing" reports Report to donors, coordinate with other IA providers, and the agencies Communicate with stakeholders Ready to external evaluation

VITARA Virtual Training to Advance Revenue Administration

Collaboration of: IMF, IATA, OECD



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Current Key Areas of IMF Capacity Development



Governance

Autonomy of RA
Organizational Structure



Compliance Risk Management

Risk Management Tools
Compliance Improvement
Plan



Digital Transformation

E-Services
Data Analytics (AI/ML)
ITAS / COTS



Emerging Issues

International Taxation
Gender
Climate Change



Get the Basics Right!

Core Tax: Registration, Filing, Payment, Correct Reporting
Core Customs: Trader Registration, Facilitation, Classification,
Valuation, Post Clearance Audit, Enforcement



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THANK YOU