

I. REFORM PROGRESS

Background to the Revenue Administration Governance and Integrity Assessment (RAGIA)

This tool provides a standardized approach to governance and integrity assessments in revenue administration. It covers tax and customs administration as well as matters arising in administering natural resource taxes (NRT) and for revenue administration in special economic zones (SEZ). It provides a basis for review of the administrations and is not a policy assessment tool.

The RAGIA builds upon an approach developed by the IMF's Fiscal Affairs Department (FAD) at Online Annex 2.3 of the April 2019 *Fiscal Monitor* (Annex 2.3). This described key features of a governance framework for revenue administration.¹ Annex 2.3 adopted a wide concept of governance. Assessments of governance vulnerabilities would include but are not limited to those arising from corruption, which are difficult to demonstrate due to their hidden nature. Governance reforms would not be restricted to legal or regulatory areas but are also reflected in processes, systems and procedures implemented by strong and effective institutions. Examining broader governance weaknesses across laws, business processes and systems, and institutional matters, can support an assessment of the severity of potential integrity breaches and the approach for addressing these weaknesses.

The RAGIA tool maintains this broader view of governance vulnerabilities. The assessment is intended to highlight legal, organizational, policy and operational matters in tax and customs administration and in their human resources, financial management and oversight functions, that are risks to good governance and integrity in the administrations. Importantly, an assessment of these governance and integrity weaknesses does not establish a conclusion of improper or corrupt conduct in the administration of taxes and customs. Rather, a systematic assessment using the RAGIA framework is intended to highlight the governance and integrity-related risks that need to be mitigated. They inform a dialogue for the design of measures to reduce vulnerabilities and the likelihood of integrity failures.

II. PROJECT DELIVERY HIGHLIGHTS

Revenue Module IV – Fiscal and Macroeconomic Tools, Research, and Analytical Work

Key Progress in FY25: Further revisions to the framework (Excel spreadsheet) were carried out and the tool was cross-checked against the WCO's framework for customs to ensure adequate coverage for customs administration. The comprehensive guidance note has now been completed, and it includes references for each measure to governance and integrity vulnerabilities, mostly in the public domain. Further work to identify public sources for the few remaining measures where references are not in the public domain is to take place. Additionally, the framework has been summarized for incorporation into an IMF book entitled, *"A Risk-Focused Approach to Addressing Fiscal Governance Vulnerabilities: A Practical Guide."*

¹ IMF: Fiscal Monitor, *Curbing Corruption*, April 2019 and Online Annex 2.3, *Key Features of a Good Governance Framework in Revenue Administration*.

Previous Progress: Previously, the RAGIA framework was close to pre-testing finalization. Six Governance and Integrity Measurement Areas (GIMAs) have been developed. Within each GIMA there are multiple Governance Features (GFs – 42 in total) and within each GF there is at least one measure but as many as four (60 evidence-based measures). The RAGIA framework had been transferred to an Excel spreadsheet for ease of scoring – the scores of which are driven by “yes/no” answers to each of the elements identified for each evidence-based measure. Additionally, a guidance note was being developed to explain the usage of RAGIA, and it includes references to governance and integrity vulnerabilities reported publicly with respect to revenue administration.

Next Steps: The tool, once minor modifications have been made, will be formally tested on a Governance Diagnostic Assessment Mission to Liberia in June 2025. Once the mission has been completed, any feedback will determine the extent of any refinements required. A further one of two pilots to test the tool will also be required.

III. RISK ASSESSMENT

Description	Rating	Mitigation Measures
Political Support		
Lack of political support for assessing governance and integrity inhibits required actions or resources being allocated that are needed for enhancements to fiscal risk management institutions and practices.	Very High	Ensure fiscal risk capacity development (CD) is focused on priority areas and engage regularly with ministers and senior management to ensure government ownership of reforms.
Management and Technical Staff Support and Commitment		
Low commitment of management and staff in finance and other ministries to adopt and implement governance and integrity good practices.	Medium	Engage with senior management and technical staff proactively and explain the importance of strengthening governance and integrity within revenue administration.
Resource Adequacy		
Insufficient technical capacity and human resources necessary to implement governance and integrity reforms are limited.	Low	Ensure CD plans include sufficient capacity building and training elements and prioritize CD to priority or high-risk areas where resources are limited.

IV. PROJECT MANAGERS CONTACT INFORMATION

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