



2024
January

***AFR – Long-term Expert to Support Tax
Administration in the Union of Comoros and
Madagascar***

Component: Revenue

Module: RM II – Revenue Administration

*LTX TAX ADMINISTRATION IN COMOROS AND MADAGASCAR***PROJECT SUMMARY**

LEAD DEPARTMENT: FAD

DIVISION: RA

REGION (S): AFR

COUNTRY (S): Union of the Comoros, Madagascar

PROGRAM ID: (To be filled out by Secretariat)

PLANNED DATES: 02/01/2024 – 04/30/2025

FUNDING PROGRAM TITLE: GPFP – Long-term Expert to Support Tax Administration in the Union of Comoros and Madagascar

PROJECT MANAGER: M. Anthony Ramarozatovo – R2

PRIMARY BACK STOPPER: M. Anthony Ramarozatovo – R2

BUDGET FOR ENDORSEMENT \$367,427

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I. PROJECT PURPOSE

This capacity development project (CD) will support the Union of Comoros and Madagascar to strengthen their core tax administration functions with particular emphasis on improving the on-time filling and on-time payment ratio, management of tax debt, intelligence functions and tax audits performance. The two countries to be covered by this project are the Union of Comoros and Madagascar. A long term-regional advisor (LTX) will be contracted to support countries advance reform efforts in tax administration, complementing the work done through other FAD-led projects. The LTX will provide hands-on support and respond to authorities' needs in real time.

This one-year program will ensure continuity of the support provided by an LTX since 2021 that was funded through a separate funding program and co-located at AFRITAC South (AFS). The estimated budget for this one-year project is \$367,427 and endorsement is requested for the full amount through FY25.

The LTX contracted through this project will complement the CD activities proposed in the Comoros and Madagascar CD projects. The information in this proposal refers exclusively to the general deliverables and responsibilities of the LTX. More strategic and detailed information (objectives, expected results, logical frameworks) can be found in the Comoros and Madagascar project proposals.

II. PROJECT DESCRIPTION

A. Delivery Modalities

The LTX will be based in Port Louis, Mauritius (co-located with AFRITAC South), and will devote his/her time: 80 percent to Comoros and 20 percent for Madagascar during the 2024 calendar year. From January 2025, he/she will be relocated to Moroni, Comoros, near the ministry of finance and work exclusively for the Comorian tax administration, subject to continued commitment on the part of the Comorian authorities. The LTX support will take forward the recommendations resulting from HQ-led strategic or diagnostic missions, through coordinating hands-on engagement with the assistance of short-term experts. Virtual deliveries will be used to ensure continuous engagement and timely support on challenges that arise in between visits. The following CD activities will be delivered as a package:

- **Headquarters-led (HQ) missions:** the LTX will join HQ-led mission to provide strategic recommendations, conduct regular follow-ups, assess progress, coordinate with other CD providers in the field, and adjust reform implementation plans.
- **Short-term expert (STX) missions:** the LTX will coordinate STX visits in the Union of Comoros to help implement the recommendations delivered by the HQ missions.
- **Long-term expert (LTX) missions:** the regional advisor will provide direct support to the beneficiaries in her/his areas of expertise and respond to Authority's needs in real time.

B. Coordination / Cooperation

The LTX will ensure that other development partners active in the Union of the Comoros and Madagascar are informed of the IMF's work. Together with HQ staff, the LTX will coordinate work with representatives and experts from AFS and other CD agencies active in the two countries and keep inform the IMF resident representatives of the status of key issues related to their implementation.

LTX TAX ADMINISTRATION IN COMOROS AND MADAGASCAR

III. RISK ASSESSMENT AND MITIGATION

Project risks are assessed at the country-level proposals that will be supported through this proposal. For information on risks that might affect the completion of this project and mitigation measures please refer to the country specific proposals.

IV. CD DELIVERY PLAN

Table 1. Summary of Indicative CD Delivery

CD Modalities (Remote or Field-based CD)	FY24	FY25	FY26	FY27	Grand Total
Comoros - RM II / Revenue Administration					
HQ-led CD mission (incl. LTX)	0	1	-	-	1
LTX country visits	2	6	-	-	8
LTX participation in workshops	0	1	-	-	1
Madagascar- RM II / Revenue Administration					
HQ-led CD mission (incl. LTX)	0	1	-	-	1
LTX country visits	0	2	-	-	2

Table 2. First year workplan

Timing	CD Modality	Proposed Topics of CD
Comoros - RM II / Revenue Administration		
FY24 – Q4	1 LTX visit (FB)	Taxpayers filling and payment obligations
FY24 – Q4	1 LTX visit (DS)	Taxpayers filling and payment obligations
FY25 – Q1	2 LTX visits (FB)	Taxpayers filling and payment obligations
FY25 – Q2	HQ (FB)	Reform strategy and strategic management framework
FY25 – Q2	1 LTX visits (FB)	Taxpayers filling and payment obligations
FY25 – Q2	1 LTX visits (DS)	Taxpayers filling and payment obligations
FY25 – Q3	2 LTX visits (FB)	Taxpayers filling and payment obligations
Madagascar - RM II / Revenue Administration		
FY25 – Q1	HQ (FB)	Tax administration diagnostic and reform assessment
FY25 – Q2	LTX visit (DS)	Taxpayers filling and payment obligations
FY25 – Q3	LTX visit (FB)	Taxpayers filling and payment obligations

*LTX TAX ADMINISTRATION IN COMOROS AND MADAGASCAR***V. PROGRAM FINANCIALS**

The cost included in the proposal will cover the salary and benefit cost of the LTX plus travel expenses related to in-person CD delivery, independent of the type of activity (HQ-led, joint STX and LTX, or LTX only).

Regional LTX	FY24 Q4	FY25	Total
Salary & Benefits	84,240	231,379	315,619
Travel	2,704	25,066	27,770
Subtotal	86,944	256,445	343,389
Trust fund management fee (7%)	6,086	17,951	24,037
TOTAL	93,030	274,396	367,427

The estimated budget for this one-year project is \$367,427 and endorsement is requested for the full amount through FY25.