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CARIBBEAN DEVELOPMENT BANK



**EVALUATION BRIEF -
EVALUATION OF TA TAX ADMINISTRATION AND TAX REFORM 2005-2012**

With

MANAGEMENT'S RESPONSE

And

**FINAL REPORT
ON EVALUATION OF TECHNICAL ASSISTANCE INTERVENTIONS OF THE
CARIBBEAN DEVELOPMENT BANK RELATED TO TAX ADMINISTRATION
AND TAX REFORM IN THE BORROWING MEMBER COUNTRIES 2005-2012**

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DECEMBER 2014

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EVALUATION BRIEF 01/2014

EVALUATION OF TA TAX ADMINISTRATION AND TAX REFORM 2005-2012

DECEMBER 2014



Evaluation Brief 01/2014

Evaluation of TA Tax Administration and Tax Reform 2005-2012

Office of Independent Evaluation, OIE
December 2014

The provision of Technical Assistance (TA) is one of the principal capacity building functions of the Caribbean Development Bank (CDB) and an important strategic complement to its investment lending. Technical Assistance to the CDB's Borrowing Member Countries (BMCs) has significantly increased over the period 2000-2012, rising from US\$18.5 million in 2000 to US\$133.5 million by the end of 2012. In 2012, the CDB approved a new TA Policy and Operational Strategy. It addressed issues raised by previous evaluations of the CDB's TA programmes and concerns expressed by the Bank's stakeholders about the effectiveness of TA operations. The new TA Policy and Operational Strategy reflects the importance attached to a highly diverse technical assistance operation: maintain strategic focus, coherence to the underlying programme and a strong results orientation. It is acknowledged that the success of TA interventions are inextricably linked to the quality of TA design, supervision, monitoring and evaluation.

Analysis focused on six projects and two additional countries

This evaluation of CDB's TA operations covers the period between 2005 and 2012, focusing on six TA projects in four countries, covering initiatives for tax administration and tax reform.

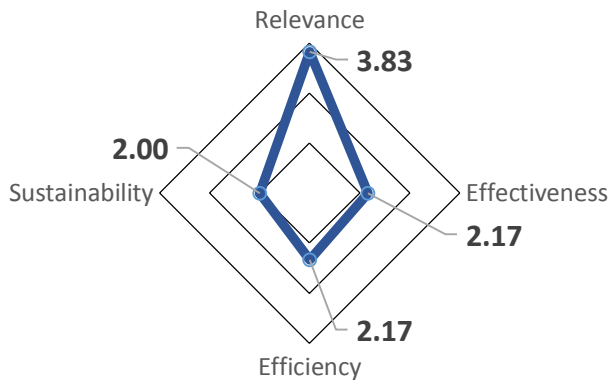
In addition, the evaluation team also visited Jamaica and Guyana to review their experiences under the operational framework of Revenue Authorities in order to distil lessons that could inform other BMCs who may be considering similar reforms. The overall purpose of the evaluation is to assess the interventions applying the CDB's Performance Assessment System (PAS) criteria: Relevance; Effectiveness; Efficiency; and Sustainability; as well as Borrower and CDB performance. The evaluation also explores some of the more important lessons learned and develops general recommendations to inform future TA interventions.

The TA interventions have a combined financial value of USD 7.23 million and focused on:

1. Simplification and computerization of customs procedures, modernization and institutional strengthening of Customs and Excise Departments in the cases of St. Lucia, Belize and Grenada;
2. Institutional strengthening of Inland Revenue and Valuation Departments in the case of St. Lucia and Grenada; and
3. Systems implementation at the Central Revenue Authority in the case of Barbados.

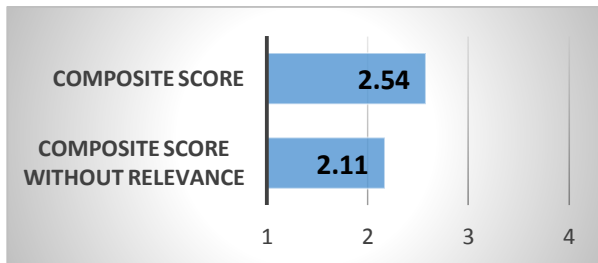
Project performance: Highly Relevant but weaknesses observed in Efficiency, Effectiveness and Sustainability

The average ratings (on a scale of 1-4 from Unsatisfactory to Highly Satisfactory) by each of the criteria are summarized in the graph below.



This shows that the projects are highly relevant in addressing the key challenges identified for effective tax administration and reform (3.83). However, most of the projects experienced a variety of implementation challenges that undermined their overall performance. This is reflected in the lower ratings for each of the three other criteria: Efficiency; Effectiveness; and Sustainability.

The average composite score for all projects is 2.58 across all four criteria. Excluding the Relevance criterion would lower the composite score to 2.11. This difference highlights the relative weaknesses against the other three criteria.



Key conclusion: Improve project cycle management

Overall, the evaluation concludes that weaknesses in certain stages of the project cycle – namely design, implementation and supervision – contributed to a suboptimal performance.

Implementation focused primarily on the engagement of eligible contractors to propose methodologies for carrying out the different assignments. Insufficient attention was paid to the BMC's capability to provide the necessary human resources and infrastructure for timely operations and maintenance of the newly installed systems and procedures. Other implementation challenges at individual project level were:

- A lack of the necessary coordination and harmonization with other funding agencies that caused a misalignment and negatively impacted the success of one of the TA interventions;
- Insufficient provisions made for the acquisition of equipment commensurate with what was required;
- Suboptimal attention paid to the post completion period when the need for infrastructure, equipment and personnel can be more realistically assessed, thereby providing a smoother transition from the TA to sustained operations of the newly installed systems;
- Contractors substituted personnel that had been included in tender documents with other personnel with different skill sets;
- Service agreements with suppliers of software need to be extended beyond the introduction of the new system or the source code should at least be made available;

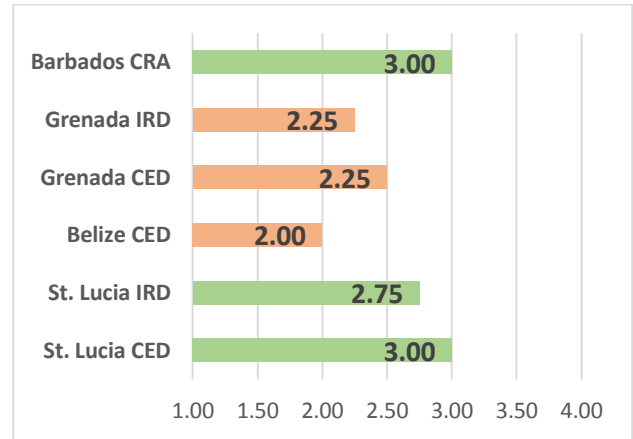
- Lack of Borrower reports on the contractors' performance: reports which could have provided the CDB with early warning signs of the issues arising and the extent of underperformance.

Most of the problems encountered during implementation were not insurmountable and could have been better addressed – if they were addressed at all – with enhanced communications between the BMCs and CDB, as well as additional efforts in monitoring progress and supervision.

The evaluation team had difficulties in locating the related PCRs and PSRs and where they were available, most reports either lacked sufficient quality or were incomplete. However, 5 of the 6 projects were approved in the period between 2000 and 2007, and OIE acknowledges that CDB has made progress in recent years with respect to both the completion rates and the quality of its reports, as well as the introduction of enhanced supervision mechanisms.

How did the individual projects perform?

With regard to the composite scores per project (an average of the ratings of the four criteria), three of the six projects are considered marginally unsatisfactory (scoring 2.5 and less, highlighted in orange in the graph below) and the other three received a satisfactory rating (highlighted in green). The main factors that positively influenced performance were the commitment of key stakeholders, the selection of qualified and experienced contractors, adequate supervision and achievement of a majority of the expected results within a reasonable timeframe.



Overall, the performance of CDB, the Borrower and the contractors is rated satisfactory by the evaluation. However, there are variations in performance by both entity and by project, which in turn has affected individual project success rates. In the case of St. Lucia, the evaluation reports a nearly three-fold increase in revenue collection between 2002/3 and 2011/12. While this increase cannot be solely attributed to the TA projects, they contributed substantially.

Establishing a Revenue Authority

The following findings concerning the establishment of a Revenue Authority emerged from the evaluation visits to Jamaica, Guyana and Barbados, as well as from the consultants' rich personal experience in Trinidad and Tobago: It is very difficult to effectively amalgamate the Customs Division and all of its functions into an umbrella body such as a Revenue Authority, whose main responsibility is domestic taxes. Jamaica and Guyana had limited success and made changes to the initial set-up and roll-out of the reforms. The evaluation also suggests that Barbados could usefully consider this experience in light of their own efforts to reform and restructure its tax system.

Lessons and recommendations

OIE acknowledges that the lessons and recommendations summarized in this section are based on a relatively small sample of six projects in a particular sub-sector. Though not representative of all TA interventions during that time period, they are nevertheless valuable and highlight and confirm some of the more general observations of OIE.

Improved analysis of the requirements for TA interventions is crucial for project success. In the case of Belize, the experiences with the implementation of ASYCUDA World, highlight that the initial analysis did not adequately determine the infrastructure requirements nor the conditions necessary to allow the TA to be expeditiously implemented. This caused significant implementation delays. In general, deepening the involvement of the Borrower at the design stage will probably have positive effects on smooth TA implementation. Such improved analysis could - if required - also cover broader policy aspects of coordination and harmonization with other development partners.

Pertinent legislation needs to be amended or enacted within a reasonable timeframe. Where legislative amendments or new laws have to be enacted to support the TA, the timeframe for such a process is normally lengthy and should be taken into account in formulating the TA. Furthermore, if new legislation is required to be enacted to support a TA it may be useful for a legal expert to be included in the list of required consultants. Such an expert could assist the BMCs in drafting new legislation or proposing amendments to existing legislation and thereby improve the efficiency of implementation.

At a BMC level, ensuring staff retention and mitigating attrition are important factors for success. Invariably and for many reasons, both during and after the completion of TA

interventions there will be some attrition of staff. It would be helpful if the TA considers this risk in the design phase and puts mitigation measures in place, for example through the training of additional staff members together with the staff complement required for the TA initiative.

As procurement processes can be very lengthy, the specifications for the required equipment need to be clarified early in the process and adequate budget allocation for the TA made available. When equipment needs to be procured to support a TA intervention, such acquisitions can be a very lengthy process, either because of the tendering procedures in the BMCs, the process required by a particular implementing agency or the non-availability of the required item. This potential for a lengthy procurement period should be explicitly recognised and adequately catered for. In addition, the budget for the acquisition of equipment should be adequate to enable the purchase of the appropriate types and specifications of equipment.

CDB support to BMCs in managing contractors well can improve both efficiency and effectiveness. An accurate analysis of the time required for contractors to fully execute their contracts and corresponding budget allocations are both necessary to generate the full benefits of the TA. In this regard, it is preferable to base the contract on results rather than person days. Actively soliciting feedback by the CDB from the Borrower to validate TA contractors' progress reports would also support these objectives. .

Fully document standard operating procedures. Operating procedures are crucial to ensure uniformity of tax treatment and to safeguard the institutional memory of the respective department. The evaluation suggests that such procedures should be made a required output, where relevant, of all TA interventions in this area.

Build sustainability into the design. Reforming and introducing new tax systems and related procedures will require funding and commitments beyond the specific period for the TA interventions. This should be considered more explicitly in the formulation of the TA at design, as well as by the contractors who subsequently provide the respective services. The CDB and BMC need to be more conscious of the fact that, in certain circumstances, implementation of the contractor's recommendations may require significant additional funding. In cases where the systems may need to be serviced or maintained by the provider after the initial installation and operation, routine service agreements should be put in place to ensure that the benefits of the TA are sustained. For example, additional fees for the use of software like ASYCUDA should be recognised and catered for, either by the BMC or by the CDB, in preparing the budget for the TA interventions.

Joint supervision and monitoring of the TA by CDB and BMC is critical for success. The evaluation team emphasizes that insufficient monitoring, either by field visits or desk reviews, was carried out during the implementation of the TA interventions. Closer monitoring and supervision could have assisted in better addressing and solving the emerging issues observed during implementation.

Flexibility regarding requirements for the first disbursement may speed up implementation. The CDB currently requires a signed contract with the TA provider before funds can be disbursed. In specific cases, this may lead to unnecessary delays for the first disbursement. In such circumstances, CDB could consider alternative modalities that would speed up disbursement without violating key internal controls.

Evaluation methodology

The evaluation was conducted by a tax expert from Trinidad and Tobago, with supervision provided by OIE. The consultants visited the CDB in Barbados during January 2014, in preparation for the exercise and to conduct a comprehensive review of the selected TA interventions. This was followed by country visits, during which relevant data about the performance of contractors and the results of the TA implementation was collected and representatives of the relevant tax authorities and revenue departments were interviewed concerning the status of the projects and their observations. The consultants also visited Jamaica and Guyana to review the implementation of their reforms to Revenue Authorities, both to gather potential insights that could assist the CDB in formulating future TA interventions for BMCs, and to distil useful lessons for the proposed reforms to the Barbados Revenue Authority. Each of the six projects were then assessed and rated individually – including the appropriate justifications - according to the Performance Assessment System (PAS). The main limitations to the evaluation were the accessibility, the quality and the completeness of project documentation. The full report includes the details for each project, as well as a summary of observations made from the country visits to Guyana and Jamaica.

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MANAGEMENT'S RESPONSE

**EVALUATION OF TA TAX ADMINISTRATION AND
TAX REFORM 2005-2012**

DECEMBER 2014

Management takes this opportunity to thank the Office of Independent Evaluation (OIE) for its submission of the Report entitled “**Evaluation of TA Tax Administration and Tax Reform 2005-2012**” (the Report). We welcome the findings and recommendations and take note of OIE’s observation of positive action taken by the Caribbean Development Bank (CDB) to address and improve the operational standards of its Technical Assistance (TA) since the last evaluation report.

In 2012, CDB approved a TA Policy and Operational Strategy with a view to enhanced development effectiveness of CDB’s TA operations. This is being achieved through:

- (a) strengthening the strategic and organisation focus on TAs;
- (b) improving TA performance;
- (c) improving TA operational efficiency; and
- (d) building capacity in TA management within CDB and its Borrowing Member Countries (BMCs).

Management recognises that while the Report is focused on TA Tax Reforms and Administration in six countries within the Caribbean, it acknowledges the lessons learnt and recommendations to be applied in a robust manner in terms of CDB’s new TA Policy and Operational Strategy. The most recent TA Operational Strategy of 2012 incorporates solutions for addressing the recommendations and lessons learnt. The Strategy is in its implementation stage and has the full support of the Advisory Management Team, CDB’s staff and the BMCs.

Management equally shares the opinion of OIE that TA programmes in BMCs must incorporate tangible results and sustainability. Importantly, management is of the strongest conviction that TA’s must be developed in partnership with BMCs from initial programme design, through supervision and monitoring and completion to achieve effectiveness, and sustainable and long-term developmental impact. It is with this in mind that management has approved a Public Policy Analysis and Management and Project Cycle Management Training Programme to strengthen BMCs’ overall capacity to achieve sustainable results through TA programmes.

Each recommendation contained in the Report has been responded to with actionable plans with stringent timelines. See attached Annex. We also wish to highlight the establishment of the Technical Cooperation Division (TCD), which currently serves as the focal point for all TAs within the Bank. TCD will also be responsible for incorporating compliance and implementing ongoing recommendations from internal and external evaluations.

The recommendations and lessons learnt are seen as a contribution to CDB’s overall strategy of strengthening and improving TA delivery with a robust and flexible approach. This will allow our BMCs to benefit from sustainable results, which is consistent with CDB’s Strategic Objectives and Corporate Strategy, as it will enhance development within our BMCs.

Management looks forward to working with OIE to ensure that CDB continues to deliver TAs efficiently and effectively.

EVALUATION OF TA TAX ADMINISTRATION AND TAX REFORM 2005-2012

MANAGEMENT'S RESPONSE TO RECOMMENATION

Recommendation	Management Response	Timeframe for Action/Implementation
Improved analysis of the requirements for Technical Assistance (TA) interventions is crucial for project success.	Management agrees with the recommendation. The roll-out of a comprehensive Public Policy Analysis and Management (PPAM) and Project Cycle Management (PCM) for the Caribbean Development Bank (CDB) and Borrowing Member Countries (BMCs) will incorporate critical analysis both from within the country and from CDB staff.	2 nd Quarter 2015
Pertinent legislation needs to be amended or enacted within a reasonable timeframe.	Management agrees with this recommendation to the extent that CDB can work with BMCs to fast track legislation. The Technical Cooperation Division will work closely with our legal team to provide advice on the best approach per BMC and TA regarding pertinent legislation.	Ongoing
At a BMC level, staff retention and mitigating attrition are important factors for success.	Management agrees with this recommendation. Currently, a risk analysis is being incorporated into each TA programme relating to staff retention.	Ongoing
As procurement processes can be very lengthy, the specifications for the required equipment need to be clarified early, and to ensure the budget allocation for the TA is adequate.	Management agrees with this overall assessment and recommendation. Management has addressed this issue by ensuring that the Procurement Unit provides critical advice and analysis on TA procurement plans, while facilitating building capacity of procurement staff within the BMCs.	Ongoing
CDB's support of BMCs managing contracts well can improve both efficiency and effectiveness	Management agrees with this recommendation. As part of the TA Policy and Operational Strategy, capacity building of BMCs project units, in particular procurement teams, will be strengthened to effectively manage suppliers/contractors. CDB will reduce its risk by continuously providing support to project teams in BMCs through an effective monitoring system.	Ongoing
Fully document standard operating procedures.	Management agrees with the recommendation. The roll-out of PPAM and PCM for BMCs will incorporate a requirement for documentation and implementation of standard operating procedures.	2 nd Quarter 2015
Build sustainability into the design.	Management agrees with this recommendation. As part of the TA Operational Strategy, results framework, sustainably analysis and plans will form part of training modules being offered under the PPAM and PCM.	2 nd Quarter 2015
Joint supervision and monitoring of TA by CDB and BMC are critical for success.	Management agrees with this recommendation. Currently joint monitoring is undertaken by CDB and BMCs. However, a more systematic approach which is documented will be incorporated into the TA Manual.	2 nd Quarter 2015
Flexibility regarding requirements for the first disbursement may speed up implementation	Management to review the condition with respect to disbursement to ensure maximum flexibility without jeopardizing the requisite internal controls.	Ongoing

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FINAL REPORT

ON

**EVALUATION OF TECHNICAL ASSISTANCE INTERVENTIONS OF THE
CARIBBEAN DEVELOPMENT BANK RELATED TO TAX ADMINISTRATION
AND TAX REFORM IN THE BORROWING MEMBER COUNTRIES 2005-2012**

DECEMBER 2014

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ABBREVIATIONS

ASYCUDA	Automated System for Customs Data Acquisition
BMC	Borrowing Member Country
BRA	Barbados Revenue Authority
CARTAC	Caribbean Regional Technical Assistance Centre (IMF)
CDB	Caribbean Development Bank
CC	Climate Change
CD	Customs Department
CED	Customs and Excise Department
CITO	Central Information Technology Office
CRA	Central Revenue Authority
CRM	Customs Reform and Modernisation
DC	Division Chief
DGEO	Director General's Executive Office
DRM	Disaster Risk Management
ERP	Economic Reconstruction Programme
FCP	Fraud Control Plan
GIS	Geographical Integrated System
GOBD	Government of Barbados
GOCR	Government of Grenada
GOSL	Government of St. Lucia
GRA	Guyana Revenue Authority
IAU	Internal Audit Unit
ICTAS	Integrated Computerised Tax Administration System
IDB	Inter-American Development Bank
IRD	Inland Revenue Department
IT	Information Technology
JCA	Jamaica Customs Agency
M & E	Monitoring and Evaluation
MOU	Memorandum of Understanding
mn	million
OECS	Organisation of Eastern Caribbean States
OIE	Office of Independent Evaluation
PAS	Performance Assessment System
PSR	Project Supervision Report
SIGTAS	Standard Integrated Government Tax Administration System
SLASPA	St. Lucia Air and Sea Ports Authority
SOP	Standard Operating Procedures
RA	Revenue Authority
TA	Technical Assistance
TAAD	Taxpayer Audit and Assessment Department
TAD	Tax Administration Directorate
TASD	Tax Administration Service Department
TAJ	Tax Administration Jamaica
TOR	Terms of Reference
UNCTAD	United Nations Conference on Trade and Development
VO	Valuation Officer

EXECUTIVE SUMMARY

1. The provision of Technical Assistance (TA) is one of the principal functions of the Caribbean Development Bank (CDB) under its Charter and an important complement to its investment lending and broader advisory roles. TA operations are designed to assist the Bank's Borrowing Member Countries (BMCs) in accelerating their economic development through planning, programme development and implementation as well as to provide institutional support at the level of individual projects and in national economic management.

2. CDB's TA Policy and Operational Strategy is based upon the findings and recommendations of previous Evaluation Reports of CDB's TA operations, the feedback from internal and external CDB stakeholders as well as approaches used by other Development Agencies in the management of TAs. These inputs are all reflected in CDB's TA Policy and related organisational commitments to which TA Operational Strategy is tied.

3. The Terms of Reference (TOR) for the current evaluation of CDB's TA interventions related to tax administration and tax reform in CDB's BMCs required the Consultant to assess a cluster of TA projects in four BMCs using CDB's Performance Assessment System (PAS) criteria. These projects are:

- (a) St. Lucia – Simplification and Computerisation of Customs Procedures and Data using the Automated System for Customs Data Acquisition (ASYCUDA++);
- (b) St. Lucia - Institutional Strengthening of the Inland Revenue Department (IRD) by improving the Property Tax system;
- (c) Belize – Modernisation of the Customs and Excise Department (CED) through the implementation of ASYCUDA World;
- (d) Grenada - Institutional Strengthening of the CED to reduce the incidence of fraud;
- (e) Grenada – Institutional Strengthening of the Valuation Division of the IRD; and
- (f) Barbados – Implementation of a Central Revenue Authority (CRA).

OBJECTIVES OF THE EVALUATION

4. The overall objective of the evaluation is to assess the development effectiveness of CDB's TA interventions, over the period 2005 to 2012, in support of tax reform and tax administration in Barbados, Belize, Grenada and St. Lucia, in the context of the Bank's increased emphasis on promoting good governance with a view to obtaining lessons of experience and recommendations, where appropriate, for improving the effectiveness and efficiency of economic and administrative reform in the fiscal sector.

The specific objectives of the consultancy are to evaluate:

- (a) the extent that the Bank's TA programme, in support of tax reform and tax administration, has been strategically relevant to the needs of the BMCs;
- (b) how effective was implementation of the TAs in supporting tax reform and tax administration in achieving results and strengthening institutional capacity;

(ii)

- (c) the efficiency of the use of inputs in achieving the objectives of the TA interventions;
- (d) the sustainability of project achievements over the longer term; and
- (e) any alternative ways of achieving the results.

METHODOLOGY

5. The Consultant paid a visit to CDB in Barbados during the period January 30-31, 2014 in preparation for the exercise and to conduct a comprehensive review of the TA Programmes approved for each of the identified BMCs. Thereafter the Consultants travelled to the various countries and met with representatives of the relevant departments with whom they conducted interviews to ascertain the status of the projects, secure relevant data about the performance of the consultants and assess the results of the implementation. The Exercise was hampered to some extent by limitations and constraints which are highlighted in Chapter 3 of the Report.

6. The Consultant also visited Jamaica and Guyana to review the implementation of their Revenue Authorities in preparation for the evaluation of the TA for the Barbados Revenue Authority (BRA) and to glean insights which could assist CDB in formulating future TAs for BMCs which may consider going the route of a Revenue Authority. Reports of these visits are presented at Appendices 8 and 9 respectively.

7. Following visits to the selected BMCs the Consultant prepared an Evaluation Design Matrix for each of the six TAs examined. The matrix included an assessment of the TA programmes in respect of Relevance, Effectiveness, Efficiency and Sustainability in accordance with the Performance Criteria for TA Interventions under PAS.

Overall Assessment

8. The TAs selected for evaluation by the Office of Independent Evaluations (OIE) concentrated on those which sought to provide:

- (a) simplification and computerisation of Customs procedures, modernisation and institutional strengthening of Customs and Excise Departments as in the case of St. Lucia, Belize and Grenada respectively;
- (b) institutional strengthening of the IRD in the case of the Property Tax and Valuation Departments in St. Lucia and Grenada; and
- (c) System Implementation at a CRA in the case of Barbados.

9. Overall project performance was affected by budgetary constraints; insufficient staff available for training; inefficiency of valuation officers; limitation of compensation packages; misalignment of projects (PROTAX vs SIGTAS) and delays in procurement of equipment.

10. Although this assignment included a visit by the Consultant to Jamaica and Guyana to view and gain knowledge of the operation of Revenue Authorities for possible implementation in some of the targeted countries, it was discovered that neither Jamaica nor Guyana implemented the traditional Revenue Authority. In both instances because of the manner of imposition of duties on external trade as opposed to domestic taxes, the integration of the Customs and Excise Departments with other revenue collection

agencies proved challenging and were dealt with separately. (See page (iv) under caption "*Lessons that may be useful for Barbados and other BMCs who are contemplating the establishment of a Revenue Authority*").

Composite Assessment Ratings

11. The Composite (Aggregate) rating of an intervention is determined by separately evaluating and ranking four core evaluation criteria of PAS. Each core criterion is assigned a whole-number rating on a scale of 1 to 4. The Composite (aggregate) scores of the six TAs ranged between 2 and 3 and resulted in an assessment rating of Satisfactory for three TAs and Marginally Unsatisfactory for the other three.

12. The fact that none of these TAs achieved a composite score of 4 with an attendant overall assessment rating of Highly Satisfactory points to the fact that there were some deficiencies in the implementation of these TAs as seen by a review of the individual scoring for Relevance, Effectiveness, Efficiency and Sustainability.

13. The main factors that influenced the Satisfactory rating for the TAs were: the commitment of their stakeholders and the selection of competent consultants and their adequate contribution to the achievement of expected outcomes.

14. The main factors influencing the Marginally Unsatisfactory rating of the TAs were: delays experienced in the implementation of certain aspects of the TAs, minor deviations from the objectives and in the case of one project (Grenada IRD) the replacement of the TA's Information Technology (IT) Programme.

15. A summary of the results of these assessments is shown in Table 2: Core Evaluation Ratings for TAs of the Selected Countries, in Chapter 3 of the Report and details of each of the Performance Criteria for the TAs can be found in the relevant Appendices pertaining to each TA.

Performance Criteria Assessments

16. The overall performance of the six TAs evaluated with regard to **Relevance** was Highly Satisfactory. Five of these were rated as Highly Satisfactory while one was rated Satisfactory. Relevance received the highest performance scores among the four evaluation criteria. This shows that CDB continues to approve TAs which are very relevant to the needs of the BMCs.

17. The performance of the six TAs evaluated with regard to **Effectiveness** was mixed. The highest rating of Satisfactory was achieved by three, one was rated as Marginally Unsatisfactory and two as Unsatisfactory.

18. Of the six TAs evaluated under **Efficiency** none was assessed as Highly Satisfactory. Two were rated as Satisfactory, three as Marginally Unsatisfactory and one as Unsatisfactory.

19. Under the **Sustainability criterion**, one TA was rated as Satisfactory, four as Marginally Unsatisfactory and one as Unsatisfactory.

20. It can therefore be concluded from the Core Evaluation Ratings that although these TAs were in the main very relevant they were not as effective, efficient or sustainable as CDB would have expected.

Implementation Performance

21. An assessment of the Implementation Performance of CDB, the Beneficiaries and Consultants was also conducted by the Evaluation Consultant in respect of the six TAs evaluated. Beneficiary performance,

Consultants' performance and CDB's performance were all assessed as Satisfactory. The ratings are summarised in Table 3: Implementation Performance, in Chapter 4.

SUMMARY CONCLUSIONS

22. From an overall perspective there are several conclusions that emerge from this evaluation exercise. In order to get maximum benefit from these TA interventions, steps should be taken in the future to improve their formulation, implementation and most importantly their supervision.

Formulation

23. CDB should require BMCs to be more involved in formulation of TA projects to ensure that the TA is more specifically designed to deal with the BMC's special requirements and circumstances.

Implementation

24. The implementation of the TAs seemed to focus primarily on the engagement of eligible consultants for carrying out the assignments. However, not enough attention was paid to the BMCs capability to timely provide the necessary resources, both human and financial, as well as the infrastructure to operate and maintain the systems when installed. In formulating future TAs for the BMCs it may be useful for CDB's representatives to visit the proposed country to gauge the BMC's ability to provide these inputs which are necessary for the efficient implementation of the TA as well as for its sustainability.

Supervision

25. CDB needs to be more proactive in overseeing the conduct of TA projects by effectively monitoring progress, supporting BMCs to effectively manage consultants and ensure strict observance of consultants' contractual obligations, and to verify satisfactory completion of the projects. The OIE should endeavour to periodically review CDB's PSRs to confirm that the TAs are being adequately monitored and reported on.

LESSONS LEARNT

26. During the interventions in all four (4) of the BMCs, the Consultant endeavoured to ascertain what lessons could be learnt from implementing and operating the TA programmes. The following are the principal lessons that CDB should bear in mind when formulating future TAs:

Proper Analysis of Prerequisites for TA Interventions is Crucial for Project Success

In one of the TAs reviewed, a proper analysis was not initially conducted to determine what infrastructure inputs were available in the country and what conditions were needed to be in place to allow the TA to be expeditiously implemented. These limitations caused significant delays during implementation of the project. (See Box 1, page 9 "Belize Experience with Implementation of ASYCUDA World" and Appendix 4: Belize - Modernisation of the Customs and Excise Department - Item 7 page 3).

Pertinent Legislation Amended or Enacted Timely

Where legislative amendments or new laws have to be enacted to support the TA, the timeframe for this activity is normally lengthy and should be taken into account in formulating the TA.

Recognising and Catering for Inevitable Attrition of Staff during and at End of Project

Invariably during or at the end of the TA there is some attrition of staff, either because the Beneficiary Agency is not able to offer them, in a timely manner, new posts or adequate compensation to retain them or through other causes. Training of additional staff members together with the required complement could help to ease the effects of such attrition. (St. Lucia's IRD Appendix 3, page 3 item (c)).

Formulating specifications for required equipment

Where equipment is to be acquired to support a TA, the acquisition could take a long time either because of the tendering procedures in the BMCs, the process required by a particular agency or the non-availability of the required item. This period should be recognised and catered for. In addition, the budget for the acquisition of such equipment should be sufficiently adequate to enable the purchase of the correct grade of equipment.

Accurate Analysis of Time Required for Consultants to Properly Execute Contracts

An accurate analysis of the time required for consultants to properly execute their contracts and a commensurate budget allocation is necessary to receive the full benefit of the TA. If such an analysis is not made and budgeted for in the TAs by the CDB, the BMCs could find that the experts who are contracted under a time based budget may be constrained by this and full value may not be obtained from their expertise.

Review of Consultants' Draft Final Report

Consultants for TA projects are effectively engaged by the BMCs and there are requirements for copies of consultants' reports to be provided to both the BMC and CDB. However, more formal mechanisms for consultants' Draft Final Reports to be reviewed by the Beneficiary Agencies would augur well for successful completion of TA projects. Consultants' reports have on occasion been submitted directly to CDB with no opportunity for the Beneficiary Agency to comment on the report, resulting in a more limited consultants' perspective on implementation of the TA which may differ from the Beneficiary Agency's views. (Grenada - Appendix 5 - "Institutional Strengthening of the Customs and Excise Department" Items 3-5, pages 1 and 2).

Monitoring of TA implementation by CDB Staff

The monitoring of the TA by CDB staff is critical to its success. Very little monitoring either by field visits or desk audits was conducted by CDB during implementation of these TAs. Additional monitoring could have assisted in addressing any issues or problems that arose. On occasions successful tenderers do not provide personnel with the skills set that was listed in their proposal documents and effective monitoring by BMC and CDB would ensure that what was proposed is supplied. (Grenada's CED Appendix 5 "Institutional Strengthening of the Customs and Excise Department" page 1, Item 1).

Lessons that may be useful for Barbados and other BMCs contemplating the Establishment of a Revenue Authority

- (a) The main lesson that the Consultant has gleaned about Revenue Authorities from visits to Jamaica, Guyana and Barbados as well as personal experience with Trinidad is that it is very difficult to effectively amalgamate the Customs Division and all of its functions into an umbrella body such as a Revenue Authority whose main players deal with domestic taxes. Jamaica had the experience in several iterations of their Revenue Authority of trying to put the Customs Division under the one umbrella without success. They finally conceded that the Revenue Authority should deal exclusively with domestic taxes in all its forms and the Customs Department (CD) should be a separate department dealing exclusively with external taxes. Guyana claims success with being able to have all of its departments under its Revenue Authority. However, on closer examination they admit that even though the Departments are all housed together, the main functions of the CD are not in fact amalgamated but are kept separate and only certain functions such as the collection of Customs revenue are centralised.
- (b) From the experience gained, the Consultant would suggest that although CDB's TA for Barbados was patterned after the Jamaican Revenue Authority and includes a second phase of incorporating the Customs into the Barbados Revenue Authority (BRA), that this step be seriously re-considered. They could instead follow Jamaica's latest model whereby the CD does not come under the Tax Administration Jamaica (TAJ) but remains a separate entity with semi-autonomous status. If however, Barbados decides that they still want to incorporate the Customs and Excise Department under the BRA, the Consultant would recommend that the main Customs functions such as the examination and assessment of duties on foreign trade continue to operate separately but common functions such as administration and collection be joined with similar functions of the BRA.

RECOMMENDATIONS

27. Although these Recommendations are formulated from lessons learnt and from incidents impacting specific TAs, this section of the Report is intended to provide a compendium of suggestions which should mitigate some of the issues identified. Although some of these recommendations are aimed at the BMCs it is incumbent that CDB recognises the issues and makes provision for these when formulating future TAs:

- (a) Projects should be properly analysed and all the requirements identified up front so that the BMCs are made aware of these and are thus in a better position to have these put in place in a timely manner to avoid unnecessary delays during the implementation of the TAs;
- (b) Where new legislation is required to be enacted to support a TA it may be useful for a legal drafting expert to be included in the list of required consultants, who could assist the BMCs legal department with the drafting of new legislation or amendments to existing legislation and thereby reduce the time it normally takes to have these laws enacted;
- (c) The staff complement that is required to successfully implement a TA should be supplemented by some additional staff to be trained to make certain that full advantage is taken of the TA and ensure that it is sustainable by catering for any loss of staff during or after implementation of the TA;

(vii)

- (d) Having Standard Operations Procedures fully documented is crucial to ensure that there is not only uniformity of treatment but also that the department does not lose the institutional memory if persons who were involved with the project subsequently leave the Department. This should be made a required output, where relevant, of all TAs;
- (e) Where equipment is required for the training of staff more detailed specifications for such equipment should be developed very early in the project and the procurement process set in motion to ensure the timely delivery of the equipment to aid in the implementation of the TA;
- (f) An accurate analysis of the time required for consultants to properly execute their contracts should be made and budgeted for in the TAs by CDB;
- (g) There are requirements for consultants' reports to be submitted to both CDB and BMCs and BMCs should review same and provide comments on Draft Final Reports before payments are finalised;
- (h) CDB should consider supporting BMCs to ensure that all named personnel and attendant expertise outlined in the Consultant's proposal are present in carrying out the requirements of the contract;
- (i) Some consideration should be given in the formulation of the TA as to how recommendations made by consultants will be implemented and where the resources to implement these will come from; otherwise the TA may not be effective or sustainable. Based on the experience gathered from these TAs, CDB and BMCs should be mindful of the fact that in certain circumstances the implementation of the recommendations of the Consultant may require significant additional funding;
- (j) Independent evaluations of the TAs should be undertaken as early as possible after implementation of the TAs to ensure that institutional memory is available not only in the BMCs but also in CDB;
- (k) A Close-Out Supervisory Report should be completed for each TA by CDB staff;
- (l) CDB currently requires a signed contract with a consultant before its funds can be disbursed. BMCs should seek to accelerate the process for the signing of consultants' contracts to avoid unnecessary delay in implementation of projects. (See Barbados TA, Appendix 7);
- (m) Where consultants are required to design proprietary software for particular aspects of BMCs operations, the BMCs could be left in the position of not being able to maintain or modify the system after the consultants depart because they are either not left with the source code for such programmes or they do not have the wherewithal to have the consultants return on every occasion when the system needs to be modified. This situation should be recognised and catered for in the formulation of TAs of this nature;
- (n) Care must be taken in developing the budget for a TA to ensure that it is adequate and can cater for the special needs of the beneficiary country; and

- (o) In cases where systems are implemented which need maintenance by the provider, service agreements should be catered for to commence after the implementation of the TA to ensure that the benefits of the TA are maintained. Additionally fees for the use of computer software such as ASYCUDA should be recognised and catered for either by the BMC or by the CDB in preparing the budget for the TA.

1. INTRODUCTION

1.01 The provision of Technical Assistance (TA) is one of the principal functions of the Caribbean Development Bank (CDB) under its Charter and an important complement to its investment lending and broader advisory roles. TA operations are designed to assist the Bank's Borrowing Member Countries (BMCs) in accelerating their economic development through planning, programme development and implementation as well as to provide institutional support at the level of individual projects and in national economic management.

1.02 TA to the BMCs has increased over the period 2000-2012, rising from USD18.5 million (mn) in 2000 to USD133.5mn by the end of 2012. CDB's Strategic Plans for 2000-2004 and 2005-2009 set out a framework of goals and objectives for the Bank including its TA operations. CDB's Strategic Plan 2005-2009 provided a framework of strategic objectives, crosscutting themes and priorities that require significant and targeted use of TA as a key modality for achieving its development effectiveness. This plan also provided for monitoring and evaluating the Bank's projects and programmes and evaluation is a key element in the action plan for implementing the Strategic Plan. The CDB was also mindful of the European Union's Medium-Term Economic Strategy for the various Caribbean countries and ensured that TAs using their special funds, e.g., St. Lucia's Customs and Excise Department's (CED's) TA, adhered to these strategies.

1.03 In 2012, CDB approved a TA Strategy and Policy which addressed the issues raised by previous TA programme evaluations and concerns expressed by the Bank's stakeholders about the effectiveness of CDB's TA operations. The Policy reflects the importance that its highly diverse TA operations maintain strategic focus, programme coherence and a strong results orientation. It acknowledges that the success of the Bank's TA interventions to enhance its overall development impact in the region, is inextricably linked to the quality of its entire TA programme/project management cycle and to the strength of TA design, supervision, monitoring and evaluation systems.

1.04 This evaluation of CDB's TA operations covers the period 2005-2012 and follows earlier programme evaluations undertaken in 1980/81, 1984, 1994 (covering TAs for the period 1985-1991), 2000/2001 (covering TAs for the period 1992-1999) and most recently 2007 (covering TAs for the period 2000-2004). The 2007 evaluation, being the first independent evaluation of the Bank's TA Programme, identified particular areas where further evaluation of experience could contribute to improved programming and TA implementation. One of the areas recommended was "An assessment of experience in a selected area of special focus across BMCs." This current evaluation which covers TAs for the period 2005-2012 is supported by that recommendation and is much narrower in scope. It is focused on those TAs which dealt with tax administration and tax reform in the selected member countries (see Table 1) and which commenced or were completed during the period under review 2005-2012 (with the exception of Grenada's Inland Revenue Department (IRD) - PRN 1829 which was completed in 2004).

TABLE 1: TECHNICAL ASSISTANCE INTERVENTIONS BY COUNTRY

Country	TA Ref.	PRN	Year of Approval	Project Name
St. Lucia	BD 15/03	1932	2003	Institutional Strengthening of Inland Revenue
St. Lucia	BD 62/03	2017	2003	Computerisation of Customs System using ASYCUDA
Belize	BD 32/07	3312	2007	Modernisation of the CED
Grenada	BD 79/04	3209	2004	Institutional Strengthening of the CED
Grenada	BD 51/00	1829	2000	Institutional Strengthening of Inland Revenue Department (IRD)
Barbados	BD 16/12	3694	2011	Establishment of a Central Revenue Authority (CRA)

1.05 Table 1 lists the countries which the Office of Independent Evaluation (OIE) selected for evaluation, with references to their attendant TA programmes that focus on tax administration and tax reform. It should be noted that Guyana was originally listed in this Table. However, a Restatement of Definition of Services was included in the Consultants' Inception Report as it had been agreed by CDB and the Consultants that the TA listed for Guyana should not be evaluated. This TA was designed to hire a consultant to train Guyana's revenue officers however, due to problems with the chosen Consultant's contract, this TA was never operationalised and subsequently had to be abandoned. CDB however advised the Consultants that they should still visit Guyana with a view to obtaining information on the operation of the Guyana Revenue Authority (GRA), lessons which might assist Barbados in their current implementation of a CRA and which could augment the lessons to be learnt for use in formulating similar TAs in the future.

1.06 The main objective of this assignment required the Consultant to conduct evaluations of the selected TA Interventions approved by CDB, using OIE's Performance Assessment System (PAS) dated October 2013 to assess the overall performance rating for each TA operation evaluated based on separate assessments of the following four core evaluation criteria:

- (a) **Relevance:** To what extent has CDB's programme in support of tax reform/administration been strategically relevant to the needs of the BMCs.
- (b) **Effectiveness:** How effective has implementation of the TAs, in supporting tax reform/administration, been in achieving results and strengthening institutional capacity.
- (c) **Efficiency:** How proficient was the delivery of inputs to achieve the objectives of the TA and the conduct of activities.
- (d) **Sustainability:** To what extent has the TA intervention satisfactorily delivered the service or has resulted in significant, noticeable improvement in the capacity of the institution; and what external drivers have been most critical and what have been their effects on the performance of the TAs.

Implementation Performance

1.07 In respect of CDB Performance, Beneficiary Performance and Consultant Performance, what drivers of success or failure were under the Bank's and Grantee's control and how have they affected the results and performance.

Lessons Learnt

1.08 What were the lessons which could be drawn and which should be borne in mind when embarking on future interventions.

1.09 The PAS also required an assessment of the Complementary Evaluation Criteria for the TA interventions.

2. EVALUATION METHODOLOGY

2.01 The Consultants' evaluation used qualitative and quantitative methods for the assessment. Data for the evaluation was obtained from several sources and the results synthesised to answer the evaluation questions in the Evaluation Design Matrix. Evaluation evidence was sought from available information in CDB's files, appraisals, Project Supervision Reports (PSRs), Back-to-Office Reports and in-country data where available. Visits were made to the countries whose TAs were to be evaluated, interviews were conducted and discussions held with CDB staff as well as stakeholders in the various countries to solicit their views and opinions.

2.02 Following commencement of the consultancy on January 27, 2014 the Consultants paid a visit to OIE at the Head Office of CDB in Barbados during the period January 30-31, 2014, for the purpose of conducting a comprehensive review of information available at CDB in respect of the TA Programmes approved for each of the identified BMC's.

2.03 During this visit Registry files maintained by CDB in which the documented history of the TAs was expected to be recorded were made available to the Consultants.

2.04 Each of the files was reviewed and relevant data extracted based on a standard questionnaire which had been developed by the Consultants to ascertain the current status of each of the relevant TAs as well as to confirm the Terms of Reference (TOR) of the selected consultants.

2.05 The Consultants were also provided separately with copies of PSRs on the selected TAs which were prepared by the respective CDB Supervisors. However, it was discovered that the information contained in some of these were not adequately maintained and the status not updated as the project progressed.

2.06 Based on the proposed Schedule of Visits to the selected BMCs prepared by the Consultants, OIE was requested to arrange appointments with the appropriate officers in the various countries.

LIMITATIONS

With Respect to CDB

2.07 Although one of the recommendations of the 2007 Evaluation Study had suggested that CDB should provide adequate incentives to ensure that some type of Project Completion Report is prepared at the end of every TA, it appears that no such reports were prepared. Such reports would have proved useful to the Consultant as they would have contained the history of the TA with relevant details all in one place. As a result, the Consultant had to use several different sources to compile the information required for this assignment.

2.08 The contents of the Registry files received were not indexed by folio making it necessary to peruse the entire content of the files to locate relevant documents. In addition the use of a common file reference would have facilitated this exercise since the files are recorded under a CDB registry filing system while the TAs are referred to by a TA Reference or Project Registration Number.

2.09 In many instances the information contained in the files of CDB in respect of the TAs was incomplete as several of the Reports (if submitted by the appointed Consultant) did not reside therein. It therefore became necessary for the Consultant to establish contact with certain of the individual CDB supervisors prior to the visits to the respective BMCs to ascertain the existence and location of any outstanding reports. The Consultant learnt that in some cases consultants' reports were not incorporated into the main filing system but were subsequently made available to OIE.

2.10 Difficulty was experienced in locating some consultants' reports. This combined with an inadequacy of information in the PSRs made it on occasions not possible to determine whether the consultants had completed their mandate successfully.

2.11 The Consultant was presented with some PSRs for all the TAs to be evaluated. These appeared to have been prepared in a fixed format. While the headings were relevant, the content of the reports was often not updated on a current basis, sections were incomplete, in many instances very little comment, if any, was made on the implementation status and several of the reports had no sign off by a Division Chief (DC). Although the approval dates for the TAs were recorded, in most cases a commencement date was not specified (which could be different to the date the first disbursement was made) nor was an end date given for those TAs which were completed. For example, in the case of St. Lucia CED's PSR for 2004-11-01 to 2004-12-31, the DC commented that the Supervisor did not complete most of the important sections of the PSR namely: a) Disbursement projections; b) Performance rating; and c) Implementation status. With respect to the Grenada IRD TA in the last PSR report seen, the Supervisor's comment simply states "Final Report received. Undisbursed balance to be cancelled." In this case no date was given for the receipt of the report nor did it state how much of the undisbursed balance was to be cancelled.

2.12 Except in limited cases, there was a loss of institutional memory in the CDB as a result of the long period which had elapsed since the TAs were approved/implemented as many of the staff who were employed at that time were no longer available to respond to the Consultant's enquiries.

With Respect to the BMCs

2.13 A similar situation was observed in the BMCs where even though some of the existing staff were involved in the on-going operations of the Departments which benefited from the TAs, in many cases there was no evidence that the Beneficiary Agencies had participated in the design of the TAs. Most of the current staff were not involved with the TAs when they were being implemented and therefore could not respond comprehensively to the Consultant's enquiries relating to the implementation of the TAs.

3. EVALUATION FINDINGS

3.01 A summary of the results of the evaluation of the six TAs is presented at Table 2.

TABLE 2: CORE EVALUATION RATINGS FOR TAs OF THE SELECTED COUNTRIES

Project	Criterion Rating											Composite Performance Rating
	Relevance		Effectiveness			Efficiency			Sustainability			
St. Lucia - CED	HS		S				MU		S			S
St. Lucia - IRD	HS		S				MU			MU		S
Belize - CED		S		MU				U		MU		MU
Grenada - CED	HS				U		MU			MU		MU
Grenada - IRD	HS				U	S					U	MU
Barbados - CRA	HS		S			S				MU		S
Total TAs	5	1	3	1	2	2	3	1	1	4	1	

Key: **HS** – Highly Satisfactory; **S** – Satisfactory; **MU** – Marginally Unsatisfactory; **U** – Unsatisfactory

3.02 Details of the Consultants’ visits to the BMCs in respect of which TAs were evaluated are presented in Appendices 2-7 as follows:

TA	Appendix No.
St. Lucia CED	2
St. Lucia IRD	3
Belize CED	4
Grenada CED	5
Grenada IRD	6
Barbados CRA	7

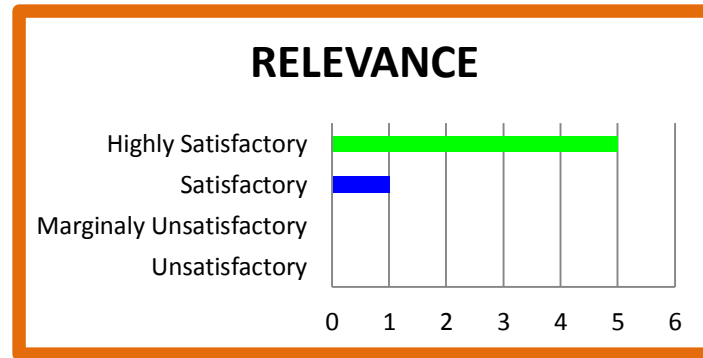
3.03 Also included in those Appendices are the Evaluation Matrices for each of the TAs. Although the Consultants were not required to evaluate TAs for Jamaica and Guyana, visits were made to these countries for the purpose of reviewing the implementation of their respective Revenue Authorities. The outcome of these visits was expected to inform the evaluation of the Barbados Revenue Authority (BRA) and provide a guide for CDB in the formulation of future TAs dealing with the implementation of such systems. Details of these visits and recommendations emanating therefrom are contained in Appendices 8 and 9 respectively.

3.04 The results of the performance evaluation for each TA are presented hereunder in summary for each of the four evaluation criteria namely Relevance, Effectiveness, Efficiency and Sustainability.

RELEVANCE

3.05 Relevance was measured by the extent to which CDB's programme in support of tax reform/administration was strategically relevant to the needs of the BMCs.

CHART 1: RELEVANCE



3.06 As reflected in Chart 1, the performance of the six TAs evaluated in regard to Relevance was Highly Satisfactory and have been strategically relevant to the needs of the BMC. It should be noted that Relevance received the highest performance scores among the four evaluation criteria and this result was essentially the same as that of scored projects in the 2007 evaluation. Of the six TAs evaluated, five were rated Highly Satisfactory while only one was rated Satisfactory.

TAs WITH HIGHLY SATISFACTORY RATING

3.07 The five TAs under this heading which rated Highly Satisfactory were St. Lucia CED, St. Lucia IRD, Grenada CED, Grenada IRD and Barbados. The main factors influencing the high scores were:

- (i) In most cases these TAs were the result of previous studies or Programmes which identified the need for the intervention.
- (ii) These beneficiary institutions make a significant contribution to government revenues, its key functions and services and therefore efforts at improving their operations were highly relevant.
- (iii) The alignment with CDB strategic objectives identified by CDB in its Strategic Plans.
- (iv) The alignment with key strategies of the beneficiary Governments.

St. Lucia CED

3.08 This TA was formulated following St. Lucia's successful Customs Reform and Modernisation (CRM) programme which was funded by the United Kingdom Department for International Development, at the conclusion of which the need for further initiatives was identified in order to consolidate and enhance the various improvements made. The key strategy of the Government of St. Lucia (GOSL) as set out in the European Union Medium Term Economic Strategy Paper (2000-2002) was to restructure and reposition

the economy of St. Lucia. Accordingly, the GOSL, recognising the role of the CED administration as a key component in facilitating the drive for economic and administrative reform in the fiscal sector and the need to maximise efficiency within the cargo clearance process, supported the installation and operational use of a modern, completely computerised system for the administration of customs business, consistent with international requirements and standards. To fulfil this need this TA was designed to install and configure ASYCUDA in all departments of the GOSL which have a customs responsibility.

St. Lucia IRD

3.09 This TA was also an integral part of CDB's Economic Reconstruction Programme (ERP) developed for St. Lucia. Prior to this TA the property tax system in St. Lucia was based on the Annual Rateable Value assessed through site visits by tax collectors. Valuations were conducted by Councils in respect of the urban areas and by the IRD in respect of the rural locations. As a result, the outcome was characterised by inequities, inadequate coverage and non-compliance. Significant issues arose on the methodology utilised between the Councils and the IRD and it was eventually determined that the administration should be concentrated in the IRD. The principal focus of the TA which was to improve the basis of valuation, secure a more complete register of properties thereby increasing revenues and improving the government's fiscal position was crucial to assist the Government of St. Lucia in achieving its revenue targets.

Grenada CED

3.10 Fraud against the State of Grenada was of major concern to the Government especially when it impacted Government revenue. The Government had therefore assigned urgent priority to the establishment of fraud control arrangement in the CED. The first phase of the TA project was, *inter alia*, to conduct an assessment of the existing fraud control arrangements and to develop a Fraud Control Plan (FCP). The second phase was to facilitate and coordinate the implementation of the accepted recommendations and reforms and to design and implement a Monitoring and Evaluation (M&E) system to evaluate the administrative effectiveness of the reforms. The TA was designed to fill this need.

Grenada IRD

3.11 CDB's Country Strategy Paper for Grenada noted that the soundness of the tax system was being undermined by widespread exemptions and tax evasion. The Minister of Finance of Grenada also noted that although the economy is growing at an admirable rate the increase in Government's revenue is not commensurate with such growth. The utilisation of technology would therefore improve the efficiency of the Valuations Department and would greatly enhance government's ability to track taxpayers, monitor the transfer and sale of properties, issue demand notices, calculate interest on arrears and collect taxes on a timely basis. The TA addressed these issues.

Barbados CRA

3.12 The Report of a feasibility study undertaken by the Caribbean Regional Technical Assistance Centre (CARTAC) in 2004 found that the tax administration lacked the agility necessary to manage, motivate, reward, develop and discipline staff to achieve maximum results. In addition the Report found that the tax administration lacked capacity in certain critical services and that multiple staff were performing the same functions resulting in much higher administration costs than were necessary. There was therefore a strong business case for merging the major revenue collecting agencies under an umbrella organisation namely a CRA, so as to develop a transparent and sustainable public management system. This TA was therefore designed to implement a CRA which would specifically address these shortcomings.

TAs WITH SATISFACTORY RATINGS

Belize CED

3.13 The TA that rated Satisfactory was Belize CED. The view was expressed by representatives of the CED that this TA, which was designed to implement ASYCUDA World, was not specifically relevant to Belize's circumstances and if a more comprehensive analysis of the Belize situation had been undertaken before the TA was approved such an analysis would have identified many of the potential problem areas likely to have been encountered and thus the TA would have been able to provide for, or cater for, some of the challenges they faced which caused delays during implementation. So although the United Nations Conference on Trade and Development (UNCTAD) was eventually able to create the electronic application, since the project was not properly analysed initially, it did not fully meet the needs of the CED's vision. (See Box 1 below for a Case Study of the "Belize Experience with Implementation of ASYCUDA World").

BOX 1: BELIZE EXPERIENCE WITH IMPLEMENTATION OF ASYCUDA WORLD

The Board of the CDB approved a TA Loan in an amount not exceeding USD2.52mn to assist in financing UNCTAD to procure information technology equipment, to improve Belize's economic performance through *inter alia* the implementation of ASYCUDA World. The project commenced in August 2010 and the estimated duration for the entire project was 24 months, however, after several extensions, UNCTAD submitted the ASYCUDA World Project Closure Report on June 30, 2013.

Some of the delays experienced could have been avoided or at least catered for if, according to the CED they were involved at the design stage and a proper analysis of what was available in Belize was undertaken so that some of the specific needs of Belize could have been identified prior to the approval of the TA. This would have made the TA more specifically relevant to Belize. Despite the eventual implementation of the ASYCUDA World system and the fact that some of the lessons learnt from prior TAs had been recognised in this TA, the UNCTAD package did not cater for some of these special needs of Belize, most notable of which were the following:

- (a) There was no assessment of the band-width available and what size of band-width was required to effectively operate the system. As a result the CED faced the problem that the amount of band width required for the increased internet usage to communicate with all CED's stakeholders was not anticipated. The CED's existing band width was inadequate and they were impacted by the limitations which confronted Belize Telecom, the service provider. To provide for the required band-width it is now costing the CED upwards of USD20,000 per month.
- (b) The fact that two of the Belize Ports were privately owned and that they would be required to set up container examination stations at these Ports for the new ASYCUDA system to be effective, was not initially identified. The effect of this was that during the implementation process when these private ports were approached they were unwilling to incur the capital expenditure necessary to set up Customs examination stations at their sites. In order to examine containers that were so classified by the new risk assessment system and to enable the CED to implement the required changes to fully operationalise the system, the Government had to establish container examination stations at sites outside of those ports. This caused serious delays in the project while the new container examination stations were built.
- (c) The CED was also unaware that there would be an increase in license fees from UNCTAD based on the number of users over the initial 100 users.
- (d) While there appeared to be adequate training of Customs Officers to operate the system there was a shortage of IT specialists to maintain and modify the system. This necessitated a review of the human resource requirements and the creation of posts outside the Public Service compensation plan.

Effectiveness

3.14 Effectiveness was assessed by how effective has implementation of the TAs, in supporting tax reform/administration, been in achieving results and strengthening institutional capacity.

CHART 2: EFFECTIVENESS



3.15 As shown in Chart 2, the performance of the six TAs evaluated with regard to Effectiveness was mixed. Three TAs were rated as Satisfactory; one received a rating of Marginally Unsatisfactory and the remaining two were rated as Unsatisfactory.

3.16 The three TAs which were assessed as Satisfactory were St. Lucia CED, St. Lucia IRD and Barbados CRA. The TA which was Marginally Unsatisfactory was the Belize CED. Unsatisfactory ratings were given to Grenada CED and Grenada IRD.

3.17 The main factor which influenced those TAs which received the Satisfactory mark was the fact that they did not meet all of the criteria for Highly Satisfactory but they did eventually achieve the expected outcomes.

3.18 The main factors influencing the Marginally Unsatisfactory and Unsatisfactory scores were the delays experienced in the implementation of certain aspects of the TAs which led to the non-realisation of the full benefits from the TA intervention, minor deviations from the objectives and, in the case of Grenada IRD, a new initiative being pursued for the OECS overtook the original software.

TAs WITH SATISFACTORY RATINGS

St. Lucia CED

3.19 The implementation of ASYCUDA ++ under this TA commenced in December 2003. Prior to this, Customs and Excise Department was using ASYCUDA 2.7 which was a paper-based system. One of the objectives of ASYCUDA ++ was to further increase efficiency in the customs clearance process and improve revenue control. To this end, the implementation of the ASYCUDA ++ was a giant step forward as it allowed the CED to progress from a paper based system to a web-based one and it was considered by all to have been very successful. A pilot installation was implemented in April 2006 at Vieux Fort in the South of the Island and the system was fully rolled out to all CEDs by September 2006. Statistics received from the CED showed a consistent increase in revenue collection from 2003/2004, the year of implementation of this TA, until 2005/2006 which could be attributed to the upgrade from ASYCUDA 2.7

to ASYCUDA ++ since there were no other major additions to the revenue generation effort in the CED. Thereafter when the CED built on the success of the implementation of ASYCUDA ++ and introduced the upgrade to ASYCUDA World there was also a significant improvement in revenue collections from 2006/2007 to 2013/2014 with only a slight dip in 2012/2013.

St. Lucia IRD

3.20 Although this TA was effective in that it resulted in significant improvements it did not achieve the Highly Satisfactory rating in this category because the project experienced significant delays in getting market value assessments for all properties and as a result at the time of the review only approximately 45,000 out of the 60,000 properties on record had been assessed on the market value. Improvements included:

- (a) The ability to use a Geographical Integrated System (GIS) together with aerial photography and satellite imagery to identify taxable properties;
- (b) The introduction of an IT programme Standard Integrated Government Tax Administration System(SIGTAS) to generate assessments;
- (c) Several amendments to existing legislation among which were:-
 - (i) a conversion from Annual Ratable Value to a Market Value basis for residential properties;
 - (ii) the use of the self-assessment system for commercial properties;
 - (iii) a change in rates of tax to .04% of market value for commercial and to .025% for residential properties; and
 - (iv) a modification to the form for registration of properties.

Barbados CRA

3.21 The Barbados CRA was successfully implemented on April 1, 2014 but the delays in the implementation also caused the score for this TA for Effectiveness to be only a three. There were delays in the disbursement of funds by CDB with regard to the hiring of the consultants due to delays in the signing of those contracts. Since CDB requires signed contracts before they disburse funds, the Barbados Government had to fund the consultants in the interim. There were also significant delays with the enactment of the CRA legislation (now referred to as Barbados Revenue Authority) which impacted the other deliverables. Further some of the proposed contracts, such as the Public Relations contract, were not yet awarded at the time of the Consultant's visit.

TAs WITH MARGINALLY UNSATISFACTORY RATINGS

Belize CED

3.22 As a result of the implementation of ASYCUDA World and the consequential improvements, the TA was effective as there are indications that Customs revenue has increased by 5% to 8% between 2007 and 2014. However, the TA only scored a two (Marginally Unsatisfactory) as there were significant delays which resulted in an Unsatisfactory rating for Effectiveness. The project was originally estimated to take

two years from the start date in 2009 but was eventually extended to four years. The delays were mainly due to the inexperience in customs procedures of the IT consultant provided by UNCTAD; the fact that the IT system required was much more complex than originally anticipated; the length of time required in acquiring hardware and software; and having to work around the fact that some of the Ports were privately owned and these ports were unwilling to have them set up Customs examination stations at their sites and thus alternative locations had to be set up.

3.23 The installation of the ASYCUDA system throughout the Customs locations and the ability to connect to other departments which interface with the Customs, such as the Ministry of Trade and Ministry of Agriculture for the issuing of import licenses augurs well for the effectiveness of this TA. Integration with the Ministry of Finance and the Central Bank are still in progress whereas the integration with the Ministry of Trade is currently being tested. The CED has recently started the interface with banks which now allow payment by credit card.

3.24 Representatives from Atlantic Bank reported that in the early stages of implementation of the ASYCUDA system there was a lot of downtime and there was not much confidence in the system because the CED did not have the in-house capability to bring the system back up quickly after it had gone down. Communication, however, has significantly improved over time and they were of the view that the integration with the web service and ASYCUDA has achieved greater effectiveness as demonstrated by the statistics from their Bank.

TAs WITH UNSATISFACTORY RATINGS

Grenada CED

3.25 The CED was very disappointed with the execution of this TA. Although they were involved with the design and scope of works of the TA and also with the selection of the consultants they were of the view that they did not receive all that they should have under this TA and they cited a number of issues.

- (a) The major issue was that although the consultants had named a Customs and Excise specialist in their list of consultants, no Customs person was ever put on the project. This caused major problems and delays in that the consultants did not understand Customs terms and procedures and a great deal of time was wasted in the CED having to explain even the most basic Customs operations to the consultants.
- (b) The CED and the consultants had different opinions on the scope of work required. Although the activities in Phase 1 were satisfactorily performed in accordance with the contract, the deliverables in Phase 2 were not up to CED's expectations. The CED was of the view that an actionable FCP and an M&E system would have been designed and implemented by the consultants as required in the Scope of Works. The consultants however appeared to be of the view that implementation was not part of their mandate and this view was reflected in their Final Report, even though it was part of their TOR.

Grenada IRD

3.26 The TA was given a rating of Unsatisfactory because although the Project was on track to deliver the PROTAX software prescribed in the TA and had reached the testing stage it was never installed. At that time SIGTAS, a Canadian computer software system was being promoted by the Organisation of Eastern Caribbean States (OECS) as the system to be used for the integration of tax systems in the OECS countries. It was subsequently discovered that the two systems were incompatible and it was therefore not possible to maintain the PROTAX property tax software in the SIGTAS environment. SIGTAS was

eventually chosen by the Government and the PROTAX system was simply abandoned. See Box 2 Case Study of the Grenada IRD Experience.

BOX 2: GRENADA – INSTITUTIONAL STRENGTHENING OF THE INLAND REVENUE DEPARTMENT FOR IMPROVING THE VALUATIONS DIVISION

By letter dated February 10, 2000 the Government of Grenada requested financing from CDB to assist in providing consultancy services for the institutional strengthening of the Valuation Division of the Inland Revenue Department of the Ministry of Finance. On July 13, 2000, the Board of CDB approved a TA Grant (GA17/GRN) of an amount not exceeding USD235,000 to finance the services of consultants to assist the Government in improving the capacity and efficiency of the property tax system of Grenada.

The contract for the services was awarded to the selected consultants for a period of 12 to 18 months and they were expected *inter alia* to prepare a comprehensive modular systems design for the computerisation of the Valuation Division's property taxes. The objective of the project was to improve the administration of Property Tax and Property Transfer Tax systems and thereby increase the efficiency of collections and the overall level of resources available to Government.

Significant progress was being made in the design of the PROTAX system by the consultant as it had reached the testing stage. However, at that time SIGTAS, a Canadian computer software programme was being promoted by the OECS as the system to be used for the integration of all the OECS countries' tax systems. It was subsequently discovered that the two systems were incompatible and it was therefore not possible to maintain the PROTAX operating software in the SIGTAS environment. SIGTAS was eventually chosen by the Government and the PROTAX system was simply abandoned.

The IRD representatives expressed the view that the performance of the consultant was indeed credible and satisfied many of the objectives of the TOR of the TA. They were therefore very disappointed that the PROTAX system had to be abandoned because the SIGTAS system did not give them the flexibility to manipulate the database properties as the PROTAX system did. They felt that improved supervision and possible intervention by CDB would have assisted them in retaining some of the superior attributes of the PROTAX system.

The abandonment of the results of this TA pointed not only to a sequencing or alignment problem but the lack of awareness of OECS initiatives in this area. If this was known or anticipated before the TA was formulated they may have been able to have the Consultant tailor the design of the PROTAX system to be compatible with the SIGTAS system. Such tailoring was not possible subsequently however, because the consultants did not leave the source code for the system and therefore no amendments could be made to the system and it became inoperable.

The effect of this was that although the PROTAX system was designed as contracted under the TA and was relevant it was neither effective, nor sustainable in its use in Grenada and as a result the TA was deemed to have failed.

The PSR report at October 31, 2004 stated that the "Final Report from the consultant was received and the undisbursed balance was to be cancelled".

EFFICIENCY

3.27 Efficiency was assessed by how proficient was the delivery of inputs to achieve the objectives of the TA and the conduct of activities.

CHART 3: EFFICIENCY



3.28 As reflected in Chart 3, none of the TAs evaluated was assessed as Highly Satisfactory. Two TAs were rated as Satisfactory, three were assessed as Marginally Unsatisfactory and one as Unsatisfactory.

3.29 Grenada IRD and Barbados CRA were rated Satisfactory. Grenada CED, St. Lucia CED and St. Lucia IRD were Marginally Unsatisfactory and Belize CED was found to be Unsatisfactory.

TAs WITH SATISFACTORY RATINGS

Grenada IRD

3.30 The Grenada IRD representatives expressed the view that the performance of the consultant was indeed credible and satisfied many of the objectives of TOR of the TA as far as the outputs of Phases 1 and 2 were concerned. They were however, disappointed with the Consultant in respect of the implementation of Phase 3, in that some of the personnel who they had put forward in their proposal to conduct the consultancy never came on board. Although the Beneficiary Agency recruited and trained staff to operate the PROTAX system designed under this TA, this training was wasted when PROTAX was abandoned in favour of the SIGTAS system which was implemented instead and as a result the staff then had to be retrained in the use of the new SIGTAS system.

Barbados CRA

3.31 Although the BRA was implemented, the TA scored only a Satisfactory marking in this category because although the BRA was generally satisfied with the consultants chosen, they were less satisfied with the Consultant for Change Management Expertise. The consultancy for Change Management was aimed at facilitating the change within and between the Legacy Agencies. Workshops were to be designed to enhance the awareness and change readiness of senior officers and staff, as well as to foster positive attitudes and approaches which would enable them to manage change more effectively. The BRA, however, was of the view that the consultant did not achieve what was expected.

TAs WITH MARGINALLY UNSATISFACTORY RATINGS

Grenada CED

3.32 The Customs and Excise Department was very disappointed with the execution of this TA. The initiatives that the CED hoped to have fulfilled under this TA but which fell short were as follows:

- (a) Code of Conduct for its officers. The CED had hoped that the consultants would have designed and implemented a new Code of Conduct for its officers. However, the consultants merely took the Code of Ethics which the CED already had and used this to run a training course for the officers. Although nothing new was added it did serve as a refresher course for the officers and raised their awareness to the issues.
- (b) A FCP - Although a FCP was not prepared by the consultants the CED subsequently used the consultants' recommendations in this area to formulate a plan.
- (c) M&E - Nothing was done by the consultants in this area and the training conducted was too short to be meaningful. Hence there was little impact from this aspect of the TA.

St. Lucia CED

3.33 Some of the inputs for this TA were not provided when required. For example, although a number of amendments had been made to the Customs legislation, the Electronic Act, which was necessary to achieve the full benefit of the TA, had been passed by the legislature but was not yet assented to at the time of the Consultant's visit and there was no indication as to when this would be done. As a result, this caused a lowering in the ranking. Although there were some delays in the implementation, these were not significant since the final disbursement date was extended from May 31, 2004 to May 31, 2005. It was originally anticipated that the contract would take 18 months so with this agreed extension the project was basically on time as the pilot installation of the ASYCUDA system was implemented in April 2006. The installation of the system was fully rolled out to all CEDs locations by September 2006.

St. Lucia IRD

3.34 The nature of their housing developments, whereby elaborate houses were built next to much more modest ones, did not facilitate the application of a mass assessment system and necessitated that households be individually identified and this was a long and tedious process.

3.35 To speed up the process, the Consultant had recommended that valuation of these properties be done on weekends as it would have ensured that heads of households were more available to complete the registration process. This was not done.

3.36 Another factor causing a reduction in the Efficiency markings was that the Valuation Department was not able to readily absorb into the Department all the personnel trained under this TA as new posts had to be created with appropriate compensation packages. Due to the lengthy delay in getting these posts created the Valuation Department lost a number of these trained persons who left the Department and offered their services instead to the private sector.

3.37 Further, the quality of the equipment initially purchased for capturing valuation data in the field was not of a commercial grade and frequently broke down and had to be replaced.

TAs WITH UNSATISFACTORY RATINGS

Belize CED

3.38 This TA was given a rating of Unsatisfactory for Efficiency. The main factors influencing this rating were the limitation of internet band-width which prevented all the CED's stakeholders from being connected thus impeding the efficient operation of the system. Secondly, the unwillingness of the Private Ports to establish Container Examination Stations which caused significant delays in the CED being able to fully implement the system at all ports and thirdly the CED's inability to retain trained staff.

3.39 The input provisions were not very economical as the additional expenditure which had to be incurred to supply the amount of bandwidth required for communication with all stakeholders was not anticipated.

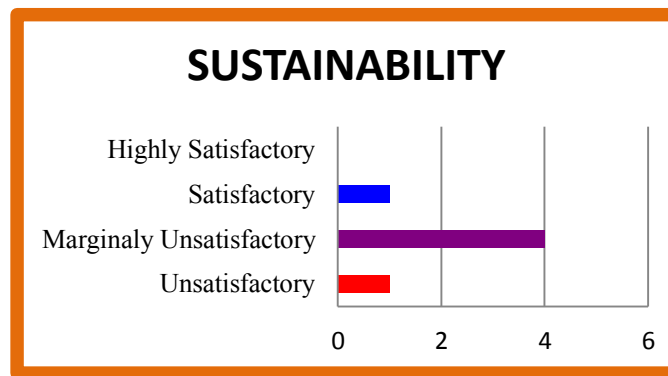
3.40 Also the backup server purchased by UNCTAD was not yet operational and was just sitting in a room at the Central Information Technology Office (CITO) in Belmopan because the UNCTAD's personnel's time for the project had run out and the CED staff did not have the expertise to effect the installation.

SUSTAINABILITY

3.41 Sustainability was assessed on the basis of which external drivers had been most critical and what had been their effect on the performance of the TAs.

3.42 Sustainability earned the lowest scores of all the assessment criteria. This was also the same outcome as the previous 2007 study.

CHART 4: SUSTAINABILITY



3.43 As reflected in Chart 4, of the six TAs evaluated, one was rated Satisfactory, four were rated Marginally Unsatisfactory and one was rated Unsatisfactory

3.44 St. Lucia CED was rated as Satisfactory whereas St. Lucia IRD, Grenada CED, Belize CED and Barbados CRA were rated as Marginally Unsatisfactory. Grenada IRD was rated as Unsatisfactory

TAs WITH SATISFACTORY RATINGS

St. Lucia CED

3.45 The implementation of ASYCUDA++ under this TA required much training of officers, new equipment, some legislative changes and the reconfiguration of the office procedures to include an audit and a post clearance unit all of which augured well for sustainability for this TA. It also required that the CED introduce a more formal risk approach with the result that a Risk Management Unit was developed and this Unit now drives all its operations. CARTAC had assisted with the training of the officers.

3.46 Having successfully implemented ASYCUDA++ this gave the CED a solid foundation and made it much easier to migrate to ASYCUDA World, funds for which were supplied by GOSL. Although ASYCUDA++ facilitated the extraction of trade data designed to provide additional management information on individual traders and the promotion of new trading opportunities, ASYCUDA World has provided even more opportunities for such data extraction.

TAs WITH MARGINALLY UNSATISFACTORY RATINGS

St. Lucia IRD

3.47 This TA did not receive an acceptable rating in this category because some issues remained which could impact the sustainability of the TA outcome. One of these was the inability of the IRD to retain a number of the trained VOs because of the length of time it took to create new posts and the low compensation package offered by Government. Some of these officers therefore left the Department at the end of the TA and went into the private sector where they offered advice on the new system. The reduction in trained officers had a serious effect on the Division's operations.

3.48 The Consultant for this TA, in the final report in 2005 had advised that a change in approach to management of the Property Tax Valuation Office is required to boost performance to acceptable benchmark levels, without which there is a danger that functions critical to the success of the re-valuation and construction of a new Market Value based Property Tax roll will remain unfinished.

Belize CED

3.49 Although the CED was generally satisfied with the consultants' outputs in terms of reports etc. the Customs Officers highlighted some of the main issues they encountered with the UNCTAD consultants during and after implementation of the ASYCUDA++ which affected the sustainability of the TA. The UNCTAD consultants were very busy and the CED felt they did not get the level of support that was required and although one of UNCTAD's officers was stationed in Belize the more experienced personnel were not in the country at all times during the implementation but would only make periodic visits. After implementation when issues arose they took a long time to be resolved because the UNCTAD personnel were now implementing systems all over the Caribbean and had little time for them. This had a negative effect on the public who lost confidence in the system. UNCTAD has since promised to provide ongoing assistance at a cost of USD50,000 per year but this will have to be funded by the Belize Government.

3.50 The CED also pointed out that the warehousing module of the system did not function adequately and the CED was not aware of any continuity of TA from CDB after the installation of ASYCUDA world.

3.51 In addition, as a result of the minimal training undertaken by UNCTAD, the CED now has to train its officers in back-office procedures.

3.52 The CED is also currently in preliminary talks with the Inter-American Development Bank (IDB) for assistance in building on ASYCUDA World, in order to prepare for the Single Window concept being promoted by the World Trade Organisation (WTO). The Single Window for Foreign Trade is a computer tool for the electronic processing of prior authorisations, permits, certifications or approval required by the various government bodies to carry out import and export operations. The software developed for the Single Window ensures that the various procedures are technically and legally secure by providing for digital signature and online payment. The CED was not sure however, whether the Single Window could be accommodated in ASYCUDA.

3.53 Although the CED now has a database of all users they have problems with maintaining it and are therefore trying to source a Data Base Administrator locally.

Grenada CED

3.54 The CED is still struggling with the implementation of this TA. In spite of the improvements the CED recognises that the old culture is still in place and valuation fraud through the practice of under invoicing remains an issue. The Consultant had made recommendations to ensure the sustainability of the outcomes of this TA. Included in their recommendations was that the risk rating be periodically reviewed to preclude the ability of importers to circumvent the elements that lead to classification of a high risk rating. They also cautioned that complacency of officers could lead to the lack of thorough inspection of goods leading to possible fraudulent activity.

Barbados CRA

3.55 During our visit to the BRA, its Head gave an overview of where the execution of the TA had reached. To date, they had only reached the point of establishing the CRA with effect from April 1, 2014 and they were now settling in. They had not had an opportunity to complete the integration of all the projects and had not yet started the integration of Customs. She felt the timing of the CRA was unfortunate as its introduction in April coincided with the tax filing period so this caused a number of problems and they were subjected to some bad press from the inconveniences caused. As a result, the due date for the filing of Income Tax and Corporation Tax returns for the 2013 income year had to be extended to May 7, 2014.

3.56 The major challenge of the CRA however, continues to be the IT which will have a serious impact on the sustainability of this TA if it is not addressed. A Diagnostic Review was undertaken by the CDB sponsored Consultant and a report presented dated June 27, 2013. The Consultant proposed an IT Strategy and Transitional Plan spanning over a 5.5 year period, starting in 2013, and using a gradual approach that minimises disturbance of current revenue collection services. The Consultant estimated that the BRA needs to allocate between USD11.0mn and USD14.0mn in capital investment, coupled with approximately USD4.0mn in annual operating expenses, to implement the plan, which would transform the BRA into a truly IT-enabled organisation. Because of the cost this proposal is still under consideration.

TAs WITH UNSATISFACTORY RATINGS

Grenada IRD

3.57 The PROTAX system designed under this TA was abandoned without implementation and therefore there was no sustainability for this TA.

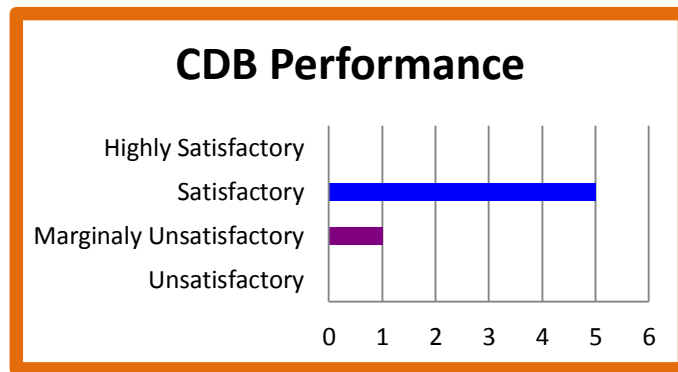
4. PERFORMANCE ASSESSMENT AND RATING

4.01 The overall performance of CDB, Beneficiaries and Consultants was rated as Satisfactory. Implementation performance, by project, is presented in Table 3 below:

TABLE 3: IMPLEMENTATION PERFORMANCE

	IMPLEMENTATION PERFORMANCE											
	CDB PERFORMANCE				BENEFICIARY PERFORMANCE				CONSULTANT PERFORMANCE			
St. Lucia - CED			MU			S					MU	
St. Lucia - IRD		S			HS				HS			
Belize - CED		S					MU			S		
Grenada - CED		S				S					MU	
Grenada - IRD		S				S				S		
Barbados - CRA		S				S				S		
Total TAs		5	1		1	4	1		1	3	2	

CHART 5: CDB PERFORMANCE



4.02 As reflected in Chart 5, CDB’s performance was generally Satisfactory with regard to the six TAs which were evaluated. Of the six TAs, Bank performance relating to five was rated as Satisfactory, while performance with regard to one was assessed as Marginally Unsatisfactory.

4.03 Bank performance was assessed as Satisfactory for St. Lucia IRD, Belize CED, Grenada CED, Grenada IRD and Barbados CRA while, in the case of St. Lucia – CED, Bank performance was rated as Marginally Unsatisfactory.

TAs WITH SATISFACTORY RATINGS

St. Lucia IRD

4.04 The officers of the IRD stated that no review missions were conducted by the CDB staff and this was borne out by the contents of the PSRs. CDB's overall performance was however consistent with the PAS rating of Satisfactory.

Belize CED

4.05 A supervisory desk visit was done in May 2011 and a field visit was conducted by the CDB on April 16, 2012 during the implementation of the TA but the CED felt there should have been more supervision which might have helped them to overcome some of the technical difficulties they encountered.

Grenada CED

4.06 The PSRs do not indicate that any field visits or desk reviews for monitoring the progress of implementation were conducted.

Grenada IRD

4.07 The IRD was not very satisfied with responses from the CDB for requests for interventions. The PSRs do not indicate that any field visits or desk reviews for monitoring the progress of implementation were conducted.

Barbados CRA

4.08 The CDB officers responded positively to the agencies requests. While the view was expressed that CDB's supervision was inadequate, the overall performance by CDB was satisfactory and was consistent with the sub-criteria of PAS for the rating of Satisfactory.

TAs WITH MARGINALLY UNSATISFACTORY RATINGS

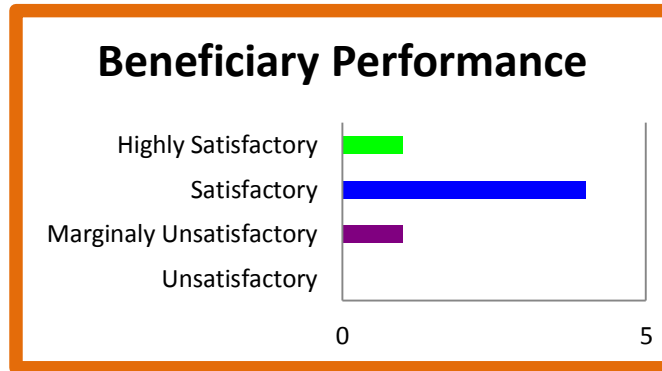
St. Lucia CED

4.09 There was no evidence of any review missions during the implementation of this TA. In addition the Supervisor's reports were perfunctory. Overall, CDB's performance rating of Marginally Unsatisfactory was consistent with the criteria of PAS.

Beneficiary Performance

4.10 The performance of the six TAs evaluated in regard to Beneficiary Performance was Satisfactory in that they adequately reflected the involvement of the BMCs. As shown in Chart 6, one of the six TAs evaluated was rated as Highly Satisfactory, four were rated Satisfactory while one was rated as Marginally Unsatisfactory.

CHART 6: BENEFICIARY PERFORMANCE



4.11 St. Lucia's IRD received a Highly Satisfactory rating under this classification whereas St. Lucia CED, Grenada CED, Grenada IRD and Barbados CRA received Satisfactory ratings. Belize CED however was rated Marginally Unsatisfactory.

TAs WITH HIGHLY SATISFACTORY RATING

St. Lucia IRD

4.12 Although it appears that this agency did not actively participate in the design stage it was fully supportive of CDB's involvement to the extent required. In addition there was adequate support for the TA and the CED fully complied with counterpart, procurement and monitoring requirements.

TAs WITH SATISFACTORY RATINGS

St. Lucia CED

4.13 There was no institutional memory available to substantiate the extent to which there was participation in the design stage. However, there was adequate support for the TA.

Grenada CED

4.14 The CED provided adequate support for the TA in terms of human resources. The Government of Grenada met their obligations in terms of financial resources and infrastructure and was rated Satisfactory.

Grenada IRD

4.15 The Government of Grenada met their obligations in terms of financial resources and infrastructure. The IRD complied with reporting requirements.

Barbados CRA

4.16 The beneficiary agency was rated as Satisfactory due to its participation to the fullest extent and support for the efforts of the Consultant. Counterpart funds and facilities were adequate.

TAs WITH MARGINALLY UNSATISFACTORY RATINGS

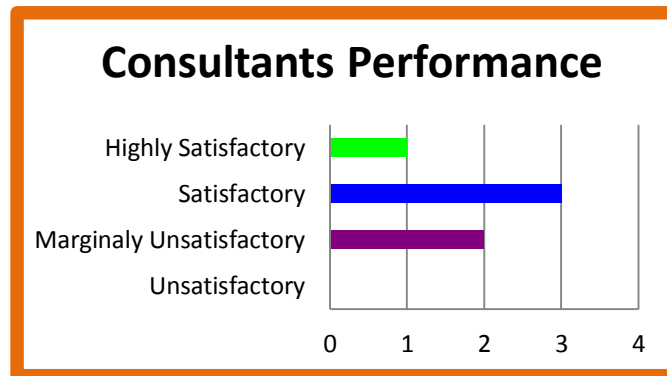
Belize CED

4.17 This Agency was of the view that they were not sufficiently involved in the design stage of the TA and although UNCTAD was able to create an electronic application the resulting system was not tailored to meet the specific requirements of Belize. The Customs staff provided did not have IT experience and sufficient use was not made of the CITO an arm of the Ministry of Finance, which could have alleviated some of the IT problems the CED faced.

CONSULTANTS' PERFORMANCE

4.18 The performance of the six TAs evaluated in regard to Consultants' Performance was Satisfactory in that they adequately addressed the needs of the BMCs.

CHART 7: CONSULTANTS PERFORMANCE



4.19 Chart 7 shows that one of the six TAs which were evaluated was rated as Highly Satisfactory under this category while three were rated as Satisfactory and two were rated as Marginally Unsatisfactory.

4.20 St Lucia IRD received a Highly Satisfactory rating while Satisfactory Ratings were given to Belize CED, Grenada IRD and Barbados CRA. St Lucia CED and Grenada CED both received Marginally Unsatisfactory ratings.

TAs WITH HIGHLY SATISFACTORY RATINGS

St. Lucia IRD

4.21 The quality of staff assigned to this TA was reasonably good and the Consultant complied with the TOR with timely outputs. The level of cooperation with the IRD was very good.

TAs WITH SATISFACTORY RATINGS

Belize CED

4.22 The quality of staff was good except for the IT consultant who lacked Customs experience. The level of cooperation was generally good but UNCTAD consultants retained the technical knowledge of the system within their group and needed to be called in whenever hardware and software interventions were required.

Grenada IRD

4.23 The IRD was very pleased with the quality of staff provided. Although the Consultants complied with the TOR's Scope of Work they did not give the IRD access to the source code of PROTAX. The IRD would have wished to use some aspects of the PROTAX at a later stage but without the source code no modifications were possible so the program became useless and had to be abandoned.

Barbados CRA

4.24 The BRA had serious issues with the results of the Change Management consultancy as they felt that little positive results was achieved. The other contracts were well executed and acceptable to the BRA. It should be noted that not all of the contracts were awarded at the time of the Consultants' visit. However those that had been awarded produced timely outputs.

TAs WITH MARGINALLY UNSATISFACTORY RATINGS

St. Lucia CED

4.25 Warehousing module of the system did not function adequately. The CED felt it did not receive the level of support from the Consultant UNCTAD that it required as UNCTAD experienced personnel only made periodic visits during implementation. After that they were too busy with other projects to assist the CED when it had problems with the ASYCUDA system.

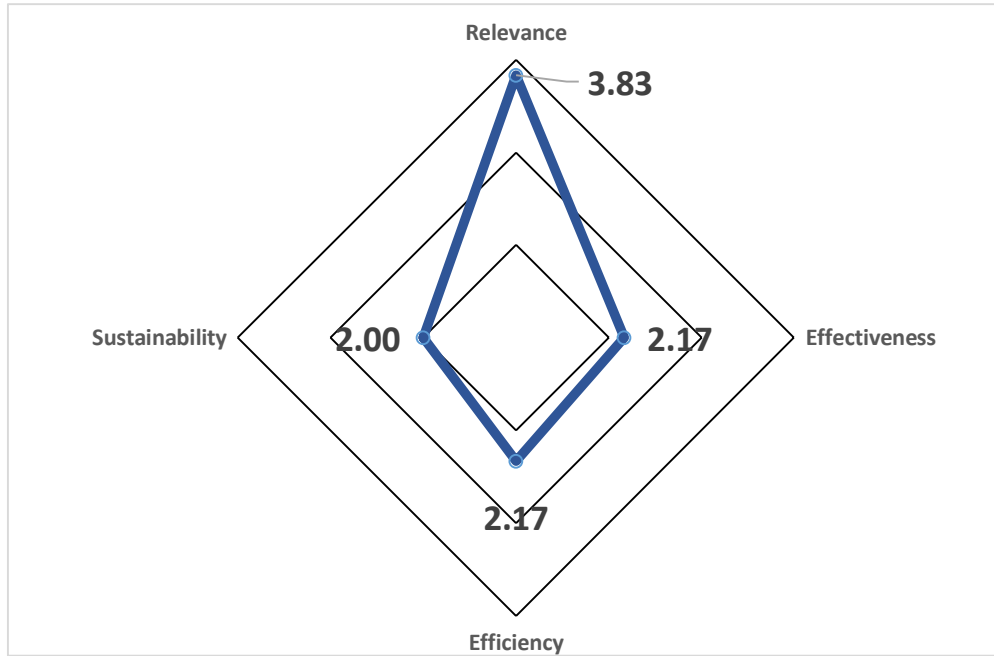
Grenada CED

4.26 The quality of staff provided was acceptable, however, an IT specialist with Customs experience was not provided. In addition with just one month to go it was realised that all the deliverables in accordance with the TOR would not be achieved. The PS Finance therefore took the decision that some aspect of training should be conducted. A couple of training sessions were quickly conducted but no manuals were prepared.

OVERALL PROJECT PERFORMANCE

4.27 The average ratings (on a scale of 1-4 from Unsatisfactory to Highly Satisfactory) by each of the criteria are summarised in Chart 8 below.

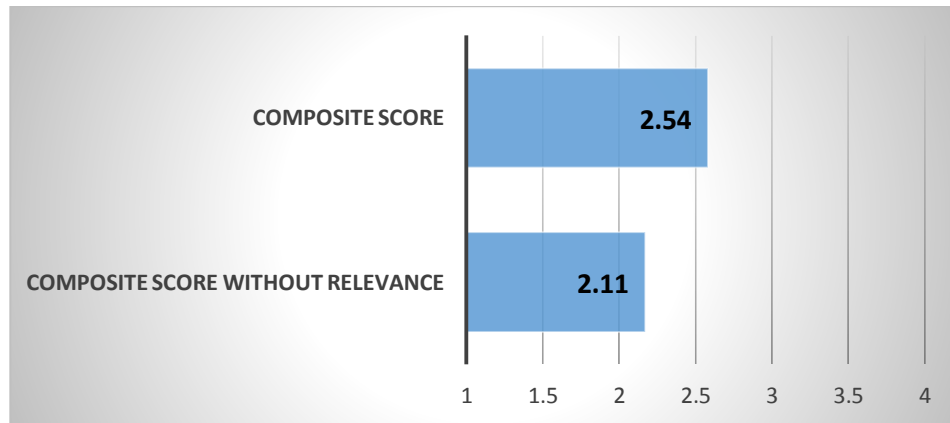
CHART 8: OVERALL PROJECT PERFORMANCE



4.28 This shows that the projects are highly relevant in addressing the key challenges identified for effective tax administration and reform (3.83). However, most of the projects experienced a variety of implementation challenges that undermined their overall performance. This is reflected in the lower ratings for each of the three other criteria: Efficiency; Effectiveness; and Sustainability.

4.29 The average composite score for all projects is 2.58 across all four criteria. Excluding the Relevance criterion would lower the composite score to 2.17. This difference highlights the relative weaknesses against the other three criteria as shown in Chart 9 below.

CHART 9: COMPOSITE SCORE



5. SUMMARY OF KEY FINDINGS, CONCLUSIONS AND LESSONS LEARNT

SUMMARY OF KEY FINDINGS

TA Classification

- 5.01 The TAs selected for evaluation were classified into three categories which sought to provide:
- (a) Simplification and Computerisation of Customs Procedures, Modernisation and Institutional Strengthening of the CED in St. Lucia, Belize and Grenada, respectively;
 - (b) Institutional Strengthening of the IRD – Property Tax and Valuation Departments in St. Lucia and Grenada; and
 - (c) Implementation of a CRA in Barbados.

Computerisation

5.02 With respect to the CED in two BMCs, these BMCs showed some improvements in their administration and revenue collections resulting from the implementation of the upgraded systems. However, the overall ratings of their respective TAs reflected certain difficulties encountered. These included the insufficiency of IT specialists, inadequate training of Customs staff to maintain the systems, inadequacy of internet capacity, limited resources to utilise and operate the facilities/equipment, license fees required by UNCTAD and the implementation delays experienced.

Institutional Strengthening

5.03 In the case of the IRD, TAs dealt with improvements to the Property Tax rolls and the ability to modernize the basis of assessment to Property Taxes. As a product of the implementation of these TAs there were significant increases in the databases of properties registered. In the case of one BMC, the change from Annual Ratable Value to Market Value resulted in streamlining the operations of the IRD and the collection of additional revenues. In the case of another BMC even though the tax system was not eventually implemented, significant progress was made in streamlining the processes of the Valuation Division. The overall ratings were however affected by budgetary constraints; insufficient staff available for training and implementation; limitation of compensation packages; misalignment of projects and delays in procurement of equipment.

Implementation of Central Revenue Authority

5.04 The implementation of a CRA in April 2014 was the most recent intervention the Consultants evaluated. The BMC found itself in the unique position of having to implement a TA in two phases with six elements and the TA necessitated multiple contracts for the various services required. Despite the strong and committed leadership and a cohesive implementation committee, as a result of the complexity of this TA, there were significant delays in the recruitment of several consultants required and the enactment of relevant legislation.

Relevance

5.05 The performance of the six TAs evaluated with respect to Relevance was Highly Satisfactory and have been strategically relevant to the needs of the BMC. Relevance received the highest performance scores among the four evaluation criteria. Of the six TAs evaluated, five were rated Highly Satisfactory while only one was rated satisfactory.

Effectiveness

5.06 The performance of the six TAs evaluated with regard to Effectiveness was mixed. Three TAs were rated as Satisfactory, one received a rating of Marginally Unsatisfactory and the remaining two were rated as Unsatisfactory.

Efficiency

5.07 Of the six TAs evaluated none was assessed as Highly Satisfactory. Two were assessed as Satisfactory, three were rated as Marginally Unsatisfactory and one was rated as Unsatisfactory.

Sustainability

5.08 Sustainability earned the lowest scores of all the assessment criteria. Of the six TAs evaluated one was rated Satisfactory, four were rated Marginally Unsatisfactory and one was rated Unsatisfactory.

CDB Performance

5.09 The overall performance of the six TAs evaluated with regard to CDB Performance was Satisfactory. Of the six TAs, Bank performance relating to five was rated as Satisfactory, while performance with regard to one was assessed as Marginally Unsatisfactory.

Beneficiary Performance

5.10 The overall performance of the six TAs evaluated with respect to Beneficiary Performance was Satisfactory. Of the six TAs assessed, one was rated as Highly Satisfactory, four were rated Satisfactory while one was rated as Marginally Unsatisfactory.

Consultant's Performance

5.11 The overall performance of the six TAs evaluated with respect to Consultants' Performance was Satisfactory in that they adequately addressed the needs of the BMCs. Of the six TAs one was rated as Highly Satisfactory while three were rated as Satisfactory and two were rated as Marginally Unsatisfactory.

Conclusions

5.12 From an overall perspective there are several conclusions that emerge from this evaluation exercise. In order to get maximum benefit from these TA interventions, steps should be taken to improve their formulation, implementation and supervision.

Formulation

5.13 CDB should require that beneficiary agencies in BMCs have an input into the design of the TA interventions to ensure that contracts awarded include, in their TOR, specific provisions to address their particular concerns and requirements; In formulating future TAs for the BMCs it may be useful for CDB representatives to visit the proposed country to gauge the BMCs' ability to provide these inputs which are necessary not only for the efficient implementation of the TA but also for its sustainability.

Implementation

5.14 The implementation of the TAs seemed to focus primarily on the engagement of eligible consultants to propose methodologies for carrying out the assignments and insufficient attention was paid to the country's capability to timely provide the necessary human resource and operating infrastructure to operate and maintain the system when installed.

5.15 Having Standard Operations Procedures fully documented during the implementation of a TA is crucial to ensuring that there is not only uniformity of treatment but to maintain continuity when, with the passage of time, original staff members are no longer available.

5.16 It is critical to ensure that CDB's TAs are not being implemented at the same time as other projects conducted by other funding agencies which may cause misalignment and negatively impact the success of CDB's TAs.

5.17 There are requirements for consultants' reports to be submitted to both CDB and BMCs and BMCs should review same and provide comments on Draft Final Reports before payments are finalised; Consultants should be required to provide the personnel with the skills they identify in their tender documents and not be allowed to substitute personnel with different skills.

5.18 The TA should make provision for the acquisition of plant and equipment commensurate with what is required to implement efficiently the upgraded systems. More attention should be paid to the post implementation period when the need for infrastructure, equipment and personnel could be properly assessed thereby providing a smoother transition from the TA to the continuing operations and enhancing the degree of success of the project. Service Agreements with suppliers of software should extend beyond the implementation of the system.

5.19 When CDB approves TAs for the development of specialized software the consultants should be required to give the beneficiary access to the source code for the programme (even if a fee has to be charged) after the handover or alternatively it should be left with the Agency so future changes could be made if necessary.

Supervision

5.20 Having approved the TA, CDB needs to be more proactive in overseeing the conduct of TA projects by effectively monitoring progress, supporting BMCs to effectively manage consultants and ensure strict observance of the Consultant's contractual obligations, and to verify satisfactory completion of the projects. The OIE should endeavour to periodically review CDB's PSRs to confirm that the TAs are being adequately monitored and reported on.

Project Completion Reports

5.21 The 2007 study had recommended that OIE should sample Completion Reports annually and conduct a substantiation desk audit. This recommendation, however, was not taken up and the Consultants have found the same deficiencies surfacing in this review. If these recommendations are instituted, OIE could be more timely in its interventions and the expected benefits derived from such evaluations would be more fully achieved.

5.22 A recommendation that has been cited in many of the previous evaluation exercises is the need for CDB to prepare end-of-project reports. One earlier study even recommended that incentives and sanctions be introduced to ensure that these reports are prepared; however, the Consultants did not see such reports for any of the TAs evaluated. At this time information on TAs had to be collated from many different sources which make the exercise very inefficient. A Project Completion Report would be extremely helpful in that the history of the TA could be located all in one place and this could be used as quick references when future TAs are being formulated.

Lessons Learnt

5.23 During the interventions in all of the BMCs the Consultants endeavoured to ascertain what lessons could be learnt from the implementation and operation of the TA programmes. The following are the principal lessons that CDB should bear in mind when formulating future TAs:

Proper analysis of the pre-requisites for a TA is crucial for project success

In one of the TAs reviewed, a proper analysis was not conducted initially to determine what infrastructure inputs were available in the country and what conditions were needed to be in place to allow the TA to be expeditiously implemented. This caused significant delays in the project.

Having all the pertinent legislation amended or enacted in a timely manner is paramount in deriving the full benefit from TA Intervention

Where legislative amendments or new laws have to be enacted to support the TA the time- frame for this activity is normally lengthy and should be taken into account in formulating the TA. Consideration should be given for a legal drafting expert to be included in the list of required consultants.

Recognising and catering for the inevitable attrition of staff during and at the end of the project can assist in making the TA more sustainable

Invariably during or at the end of the TA there is some attrition of staff, either because the Beneficiary Agency is not able to offer them, in a timely manner, new posts or adequate compensation to retain them or through other causes. Training of additional staff members together with the required complement could help to ease the effects of such attrition. Participation in the exercise of having to develop new job descriptions may give the organisation the opportunity to examine what they have and determine what they need.

Formulating specifications for required equipment and initiating the acquisition process early in the implementation will prevent unnecessary delays in the execution of the TA

Where equipment is to be acquired to support a TA, the acquisition could take a long time either because of the tendering procedures in the BMCs, the process required by the particular funding agency or the non-availability of the required item and this period should be recognised and catered for. In addition the budget for the acquisition of such equipment should be adequate to enable the purchase of the correct grade of equipment.

Accurate analysis of time required for consultants to execute their contracts and a commensurate budget allocation is necessary to receive the full benefit of the TA

An analysis of the time required for consultants to properly execute their contracts should be made and budgeted for in the TAs by CDB, otherwise BMCs may find that experts who are contracted under a time based budget may be constrained by this and full value may not be realised from their expertise.

Mechanism for Review and Comments on Consultant's Draft Final Reports by Beneficiary Agencies may augur well for successful completion of TA

There are requirements for consultants' and consultants' reports to be submitted to both CDB and BMCs and BMCs should review same and provide comments on Draft Final Reports before payments are finalised.

Monitoring of the TA implementation by CDB staff is critical to its success

Very little monitoring either by field visits or desk audits was conducted by CDB during the implementation of these TAs which could have assisted in addressing any issues or problems that arose. On occasions successful tenderers do not provide personnel with the skill set they listed in their proposal documents and effective monitoring by BMCs and CDB would ensure that what was proposed is supplied. Projects should be properly analysed and all the requirements identified so that they could be put in place in a timely fashion to avoid delays.

Lessons that may be useful for Barbados and other BMCs who are contemplating the establishment of a Revenue Authority

The main lesson that the Consultants have gleaned about Revenue Authorities from their visit to both Jamaica and Guyana, their evaluation of Barbados as well as their personal experience with Trinidad & Tobago is that it is very difficult to effectively amalgamate the Customs Division and all of its functions into an umbrella body such as a Revenue Authority whose main players deal with domestic taxes. Jamaica has had the experience in several iterations of their Revenue Authority of trying to put the Customs Division under the one umbrella without success. They finally conceded that the Revenue Authority should deal exclusively with domestic taxes in all its forms and the CD should be a separate department dealing exclusively with external taxes. Guyana claims success with being able to have all of its departments under its Revenue Authority. However, on closer examination they admit that even though the Departments are all housed together the main functions of the CD are not in fact amalgamated but are kept separate and only certain functions, such as the collection of Customs revenue, are centralised under one roof.

6. RECOMMENDATIONS

6.01 Although these Recommendations are formulated from lessons learnt and from incidents impacting specific TAs, this section of the Report is intended to provide a compendium of suggestions which should mitigate some of the issues discovered.

RECOMMENDATIONS APPLICABLE TO CDB

- (1) CDB needs to be more proactive in overseeing the conduct of TA projects by effectively monitoring progress, supporting BMCs to effectively manage consultants and ensure strict observance of consultants' contractual obligations and to verify satisfactory completion of the projects. The OIE should endeavor to periodically review the CDB's PSRs to confirm that the TAs are being adequately monitored and reported on.
- (2) Some consideration should be given in the formulation of TAs as to how recommendations made by consultants will be implemented and where the resources to implement these will come from, otherwise the TA may not be effective or sustainable. Based on the experience gathered from these TAs the Consultant recommends that CDB should be mindful of the fact that in certain circumstances the implementation of the recommendations of the Consultant may require significant additional funding.
- (3) Independent evaluations of the TAs should be undertaken as early as possible after implementation of the TAs to ensure that institutional memory is available not only in the BMCs but also in CDB so that personnel can respond to subsequent requests for information or clarification on the TAs.
- (4) PSRs should be more comprehensively completed to facilitate accurate assessments of the various components of the project.
- (5) More frequent supervisory visits should be undertaken which could assist the BMCs with any difficulties they are experiencing with the implementation of the TAs.
- (6) A Closing Supervisory Report should be completed for each TA. This was one of the recommendations of the 2007 Evaluation Report but does not appear to have been implemented to date. This would be useful to give a complete picture of implementation of the TA in a single summary document.
- (7) In cases where systems are implemented which need maintenance by the provider, service agreements should be catered for to commence after the implementation of the TA to ensure that the benefits of the TA are maintained. Additionally fees for the use of computer software such as ASYCUDA should be recognised and catered for either by the BMC or by CDB in preparing the budget for the TA.
- (8) To reduce the time it normally takes to draft and implement new legislation or amendments to relevant legislation to support TAs it may be useful for a legal drafting expert to be included in the list of required consultants who could assist the BMCs legal drafting department in this process.

- (9) An accurate analysis of the time required for consultants to properly execute their contracts should be made and budgeted for in the TAs by the CDB.

RECOMMENDATIONS APPLICABLE TO BMCS

- (1) There are requirements for consultants' reports to be submitted to both the CDB and BMCs and BMCs should review same and provide comments on Draft Final Reports before payments are finalised.
- (2) CDB currently requires a signed contract with a consultant before its funds can be disbursed. BMCs should seek to accelerate the process for the signing of consultants' contracts to avoid unnecessary delay in the implementation of projects.
- (3) The main factors contributing to delays in project implementation occurs where legislation to support the TA needs to be enacted, IT systems have to be developed and staff have to be trained. Consultants should therefore be required to properly analyse projects and to inform BMCs early of those instances where these requirements must be addressed in a timely fashion to avoid unnecessary delays during the implementation of the TAs.
- (4) Similarly, where equipment is required for the training of staff and, execution of the TA, more detailed specifications for such equipment should be developed early in the project and procurement process set in motion to ensure timely delivery of the equipment to aid implementation of the TA.
- (5) Where consultants are required to design proprietary software for particular aspects of BMCs operations, on their departure BMCs could be left in a position of not being able to maintain or modify the system if they are not left with the source code for such programmes or if they do not have the resources to have consultants return on every occasion the system needs to be modified. This situation should be recognised and catered for in formulating TAs of this nature.
- (6) Care must be taken in developing the budget for a TA to ensure that it is adequate and can cater for the special needs of the beneficiary country.
- (7) Having Standard Operations Procedures fully documented is crucial to ensure that there is not only uniformity of treatment but also that the department does not lose the institutional memory if persons who were involved with the project subsequently leave the Department. This should be made a required output, where relevant, of all TAs.
- (8) The staff complement that is required to successfully implement a TA should be supplemented by some additional staff to be trained to make certain that full advantage is taken of the TA and ensure that it is sustainable by catering for any loss of staff during or after implementation of the TA.
- (9) From the experience gained the consultants would suggest that although CDB's TA for Barbados includes the second phase of incorporating the Customs into the BRA that this step be seriously considered. If, however, Barbados decides that this is the way they wish to go the consultants would recommend that the main Customs functions be kept separate while still being under the umbrella of the BRA.

FINAL SCHEDULE OF VISITS TO CDB's BMCs

TASK NAME	START	FINISH
Commencement of Project	01/27/14	01/27/14
Visit to CDB in Barbados	01/30/14	01/31/14
"To review relevant documents at CDB"		
Submission of Inception Report	02/10/14	02/10/14
Received Approval from CDB of Inception Report	06/04/14	06/04/14
Visit to St. Lucia	03/12/14	03/13/14
1. "Computerisation of Customs System, ASYCUDA"		
2. "Institutional strengthening of IRD"		
Visit to Belize	04/01/14	04/04/14
"Modernisation of the CED"		
Visit to Jamaica	04/14/14	04/16/14
"To review their experiences with a RA"		
Visit to Guyana	05/20/14	05/22/14
"Institutional strengthening of the RA"		
Visit to Grenada	05/28/14	05/29/14
1. "Institutional strengthening of IRD"		
2. "Institutional strengthening of C&E"		
Visit to Barbados	06/02/14	06/04/14
"Establishing a CRA"		
Submission of Draft Report	06/18/14	6/18/14
Comments received from CDB on Draft Report	08/13/14	08/13/14
Submission of Draft Final Report	09/01/14	09/01/14
Comments received from CDB on Draft Final Report	09/26/14	09/26/14
Submission of Final Report	10/17/14	10/17/14

ST. LUCIA: SIMPLIFICATION AND COMPUTERISATION OF CUSTOMS PROCEDURES AND DATA USING ASYCUDA++

INTRODUCTION

The Consultants paid a visit to GOSL during the period March 12 to 14, 2014 in accordance with the arrangements with OIE of CDB and the representative of the BMC for the purpose of conducting an evaluation of two TA Interventions approved for implementation by St Lucia during the referenced period of 2005 to 2012.

At its Two Hundred and Seventh Meeting held on July 17, 2003, the Board of CDB approved a Grant to GOSL of an amount not exceeding USD457,755 to finance the contracting of UNCTAD for installing and configuring ASYCUDA++ in all departments of GOSL which have a customs responsibility.

The mandate given to UNCTAD included:

- To prepare and run operational training modules for the CD;
- To train selected programming personnel in the maintenance and improvement of the ASYCUDA++ system and computer programme; and
- To prepare proposals to rationalize and simplify import, transit and export procedures in the CD and other relevant Government institutions.

The ultimate objective of the project was to:

- improve the overall efficiency and effectiveness of Customs operations;
- provide the Government with accurate and timely trade and Customs information necessary to formulate and implement macro-economic and fiscal policy and to monitor and control trade and revenue;
- provide the CD with additional management information on trade and on individual traders; and
- assist in creating a pool of regional expertise in ASYCUDA++.

The first payment of the Grant was made in March 2004 with the expectation that the Grant would be fully disbursed by May 31, 2005.

In a Back-to-Office Report prepared by the Staff of CDB dated May 8-9, 2007 the implementation status of the project was stated as being 95% complete and the upgraded ASYCUDA system was fully functional and already yielding significant and measurable increases in revenue collected.

The major outstanding issues at that time were with those external agencies that were not interface ready and the submission of the Final Report by UNCTAD.

Prior to meeting with the CED officials in St. Lucia a Skype call was arranged with the CDB officer identified as the Supervisor for the St. Lucia TAs. The opportunity was taken to clarify several issues

relating to both the CED and the IRD programmes, i.e., the commencement date, the completion date, the availability of respective reports by the consultants, the extent of involvement of the BMC representatives and the degree of satisfaction that the TAs were successfully completed.

MEETING WITH CUSTOMS OFFICIALS

On Wednesday March 12, 2014 the Consultants met at 10:00 a.m. at Customs House, Jeremy Street in Castries and held discussions with the following persons representing the CED:

- (a) The Comptroller;
- (b) The Acting Deputy Comptroller;
- (c) The Acting Asst. Comptroller;
- (d) An officer from Trade Facilitation; and
- (e) An officer from Risk Management.

Before addressing the issues which were highlighted to them in advance of our meeting, the Comptroller of Customs gave an overview of the status of the TA. He explained that although none of their current Team was present during the implementation of the TA and therefore could not provide any institutional memory, they were nevertheless currently involved in the operation and implementation of the updated version of ASYCUDA ++ namely ASYCUDA World and were indeed thankful for the platform created by the installation of ASYCUDA ++.

OVERVIEW

This overview was provided by the Comptroller of Customs and Excise and assisted by the Risk Officer, the Assistant Comptroller Enforcement (Ag), the Deputy Comptroller (Ag) and an officer from Trade facilitation.

The implementation of ASYCUDA ++ under this TA commenced in 2005. Prior to this Customs and Excise were using ASYCUDA 2.7 which was a paper-based system. The implementation of the ASYCUDA ++ was a giant step forward as it allowed the CED to progress from a paper-based system to a web-based one and it was considered by all to have been very successful. A pilot installation was implemented in 2006 at Vieux Fort in the South of the Island. The choice of port for the pilot was an important one as this port was not as busy as some in the North so it gave the CED the opportunity to iron out any inefficiencies without having the pressure that the other ports would have imposed on the process. The system was fully rolled out to all CDs by September 2006.

What this upgrade did was to remove the processing in the “long Room”. Instead Brokers could register online and the Customs Officer could review these applications and use a system of selectivity to determine what level of examination of the goods would be required: Green meant no physical examination would be required, Blue required audit checks; Yellow required the documents to be checked and this could result in the documents either being diverted to the Green processing or referred to Red which required physical examination.

This implementation required much training of officers, new equipment, some legislative changes and the reconfiguration of the office procedures to include an audit and a post clearance unit. It required Customs to introduce a more formal risk approach with the result that a Risk Management Unit was developed and this Unit now drives all the Customs operations. CARTAC had assisted with the training of the officers.

Having successfully implemented ASYCUDA++ this gave Customs a solid foundation and made it much easier to migrate to the latest upgrade to the system namely ASYCUDA World, the implementation of which commenced in July 2010. The Department migrated to ASYCUDA World as at October 2012, funds for which were supplied by the GOSL. One of the main advantages of this new system was that it came with the Windows Format and thus made it much easier to train officers from other Government Departments such as the Ministry of Commerce (Bureau of Standards) and the Ministry of Health to be able to use Customs data and enabled the CED to become integrated with their stakeholders. It was emphasised that although information is shared with some of these departments, confidentiality is maintained in that information is given in bulk so no individual importer or exporter could be identified. From February 2014 that part of the system has become paperless as it requires brokers to supply all the information required online and this has had substantial benefits in reducing the amount of paper storage required and has made the retrieval of documents much easier.

Although ASYCUDA++ facilitated the extraction of trade data designed to provide additional management information on individual traders and the promotion of new trading opportunities, ASYCUDA World has provided even more opportunities for such data extraction.

In spite of the successful implementation of ASYCUDA++ and subsequently ASYCUDA World the Officers highlighted a number of challenges still being experienced. Among these were:

- (a) Although a number of amendments were made to the Customs legislation which assisted the department, more progress could have been made if the Electronic Act had come into law. This Act was passed by the legislature but has not yet been assented to and they have no idea when this would be done.
- (b) The Customs and Excise stakeholders include the Ministry of Commerce, Bureau of Standards, Ministry of Health and Ministry of Tourism. To use the ASYCUDA system to communicate with Customs required a good knowledge of the internet and everyone was required to be trained. However this was not yet done and they felt time was of the essence and all agencies should be on board to get the full benefit of the system.
- (c) St. Lucia Air and Sea Ports Authority (SLASPA) experienced problems in being integrated in that their computer systems were not compatible with that of Customs. As a result full integration with SLASPA is still not done.
- (d) SOPs and processes were not documented and the Department is faced with serious problems when officers leave the department due to attrition or to seek jobs elsewhere. The Prime Minister's office has agreed to provide the Department with a consultant to address this problem.
- (e) There is still a need to train IT personnel. Initially Customs officers were used to staff the IT function since it was felt that it was easier to train Customs people in IT than to train IT personnel in Customs work which required many years' experience. However, the Customs officers were only trained in the particular work they had to do, for example import entries, but had no overall understanding of the whole system. As a result they now feel that they need more highly trained, proficient and specialised IT personnel.
- (f) In addition a well-documented IT protocol is required.
- (g) They feel the need for periodic forensic audits by independent persons as there are some revenue and integrity issues.

- (h) They categorically state that they do not have enough sufficiently trained staff and adequate resources (Physical and financial) to utilise or operate the facilities/equipment provided through the TA intervention and to ensure their proper maintenance.

Although they were mainly satisfied with the consultants' outputs in terms of reports etc. the Customs Officers highlighted some of the main issues they encountered with the UNCTAD consultants during and after implementation of the ASYCUDA++. The consultants were very busy and Customs felt they did not get the level of support that was required and although one of their officers was on Island the more experience personnel were not on island all the time during the implementation but would make periodic visits. After implementation when issues arose they took a long time to be resolved because the UNCTAD personnel were now implementing systems all over the Caribbean and had little time for them. They also pointed out that the warehousing module of the system did not function adequately. They are therefore not aware of any continuity of Technical Assistance after the installation of ASYCUDA ++

The CED has recently started the interface with banks which now allows payment by credit card.

The Department has also entered into an MOU with the Bureau of Standards and is working on one with the Ministry of Sustainable Development and the Environment.

The officers interviewed were not involved with the TA from inception and were not sure whether the Department had participated at the design stage of the TA. With regard to CDB's supervision of the project, including staff continuity, frequency, composition and length of review missions they stated that a CDB presence would have been appreciated as it would have kept them on their toes.

They felt that CDB's procurement procedures did not lead to the timely recruitment of suitable qualified and experienced experts.

They were of the view that the counterpart's funding, facilities equipment and services were good throughout the implementation. They also were sure that the Department had complied with all of CDB's monitoring and reporting requirements because these were tied to the contractual arrangements.

Statistics received from the CED and reproduced in Table 4 below showed a consistent increase in revenue collection from 2003/2004, the year of implementation of this TA, until 2005/2006 which could be attributed to the upgrade from ASYCUDA 2.7 to ASYCUDA ++ since there were no other major additions to the revenue generation effort in the CED. Thereafter, when the CED built on the success of the implementation of ASYCUDA ++ and implemented the upgrade to ASYCUDA World there was significant improvement in revenue collections from 2006/2007 to 2013/2014 with only a slight dip in 2012/2013.

TABLE 4: ST. LUCIA CED REVENUE COLLECTIONS

YEAR	% INCREASE /(DECREASE) YEAR OVER YEAR
2000/1	
2001/2	(9.42)
2002/3	8.19
2003/4	13.8
2004/5	9.92
2005/6	7.8
2006/7	11.18
2007/8	5.8
2008/9	5.83
2009/10	0
2010/11	1.99
2011/12	1.6
2012/13	(6.64)

LESSONS LEARNT

- (a) Having all the pertinent legislation amended or enacted timely is paramount to deriving the full benefit from the TA Intervention.
- (b) Having SOPs fully documented is crucial to ensure that there is not only uniformity of treatment but also that the department does not lose the institutional memory if persons who were involved with the project subsequently leave the Department.
- (c) The IT department to support the new system should be staffed with a mixture of highly trained IT personnel together with trained Customs officials who can bring their customs experience to bear. Having only one type or the other is not ideal.
- (d) Adequate staff should be provided and trained to ensure that full advantage is taken of the TA and cater for the loss of some trained staff after the implementation.

ST. LUCIA CUSTOMS AND EXCISE
SIMPLIFICATION AND COMPUTERISATION OF CUSTOMS PROCEDURES AND DATA
USING ASYCUDA++

EVALUATION DESIGN MATRIX

RELEVANCE - To what extent has the CDB's TA Programme in support of tax reform/administration been strategically relevant to the needs of the BMCs?

	Research Questions	Consultants' Evaluation
a)	How adequate was the sector analysis and identification of the problem or issue required to establish the relevance for the TA?	It was adequate and was recommended by the UK Department for International Development following St. Lucia's successful Customs Reform and Modernisation programme.
b)	Was the TA consistent with CDB's strategic objectives?	Yes, it was consistent with CDB's strategic Plan 2000 to 2004.
c)	Was consideration given to alternative responses to the identified problem or issue?	It was not necessary as ASYCUDA ++ was an upgrade from their existing version ASYCUDA 2.7
d)	Was the TA consistent with country development priorities?	Yes
e)	Was consideration given to the effect of cross-cutting themes where applicable?	Not applicable
f)	Was consideration given to any constraints that might have impacted on the achievement of results?	Consideration was given to possible constraints however, some of these constraints were underestimated as the Department is still experiencing some challenges with timely enactment of legislation, shortage of staff etc.
g)	Were the outcomes and inputs of the TA appropriate?	Yes
h)	To what extent did the stakeholders take ownership of the TA and their commitment to support boundary partners?	Fully committed
i)	Was the timing of the TA appropriate?	Yes
j)	Was consideration given to Lessons learnt from related TAs and other development partners in the country?	Lessons were not learnt from related TAs but from other development partners such as the UK Department for International Development.
k)	Did the TA duplicate or was at cross-purposes with previous TAs from CDB and or other development partners?	No

RELEVANCE ASSESSMENT RATING - ST. LUCIA CED

ASSESSMENT	SCORE	RATING
Sub-Criteria [a to k] Met	4	Highly Satisfactory
Sub-Criteria [a to h] Met	3	Satisfactory
Sub-Criteria [(a or b) and (g)] Not Met	2	Marginally Unsatisfactory
Sub-Criteria [a, b and d] Not Met	1	Unsatisfactory
Comments/Justification		
All Sub-Criteria [a to k] were met therefore RELEVANCE scores a 4 Highly satisfactory		

EFFECTIVENESS - How effective has implementation of the TA in supporting tax reform/ administration been in achieving results and strengthening institutional capacity?

	Research Questions	Consultants' Evaluation
a)	Were expected outcomes achieved or are expected to be achieved?	Outcomes were achieved
b)	What were the factors influencing the achievement of the expected outcomes?	Selection of competent consultants by UNCTAD for the implementation of ASYCUDA++ and training of CED Staff. Choice of venue for pilot installation.
c)	What was the client satisfaction with nature, extent, delivery and timeliness of outcomes achieved?	Very satisfied
d)	Were the reasons justifiable for deviating from objectives?	There were no apparent deviations
e)	Were there any implementation delays and if so what influence did these have on the realisation of expected outcomes?	Yes there were some delays for example more progress could have been made if the Electronic Act, which was passed but not assented to, had been enacted.

EFFECTIVENESS ASSESSMENT RATING - ST. LUCIA CED

ASSESSMENT	SCORE	RATING
Sub-Criteria [a to e] Met	4	Highly Satisfactory
Sub-Criteria [(a to c) Met	3	Satisfactory
Sub-Criteria [(a or b) and (c)] Not Met	2	Marginally Unsatisfactory
Sub-Criteria [a to d] Not Met	1	Unsatisfactory
Comments/Justification		
Sub-Criteria [a to c] met EFFECTIVENESS scores a 3 Satisfactory.		

EFFICIENCY - How proficient was the delivery of inputs to achieve the objectives of the TA and the conduct of activities?

	Research Questions	Consultants' Evaluation
a)	How economical were the input provisions?	Very economical
b)	How productive were the inputs?	Not as productive as anticipated. The Electronic Act had not yet come into law.
c)	Were the resulting outputs (consultants' reports, technical studies) well prepared, practical and cost-effective?	Yes. UNCTAD produced practical and cost effective reports.
d)	Were counterpart resources/inputs provided by relevant stakeholders at levels allocated?	External agencies were not interface-ready and staff of these agencies required training. SLASPA had difficulty integrating as its computer system was not compatible.
e)	Were the quality of inputs satisfactory and provided when required?	Inputs were not always available when required.
f)	Was an acceptable quality of outputs produced (reports, presentation, technology transfer, staff trained)?	Yes, Risk assessment parameters were established.
g)	Were time-bound targets achieved within time and budget?	Although there were some delays these were not significant since the TA's final disbursement date was extended from May 31, 2004 to May 31, 2005. It was originally anticipated that the contract would take 18 months so with this agreed extension the project was basically on time as the pilot installation was implemented in April 2006. The installation was fully rolled out to all CEDs by September 2006.
h)	Were there any deviations from planned inputs, activities and outputs and if so were they justified?	Not aware of any deviations.
i)	What was the level of client satisfaction with the nature, extent, delivery and timeliness of inputs provided, and outputs produced?	None of the officers we met with at the CED were involved with this project however, they expressed general satisfaction with it as it gave them a sound platform to subsequently implement a newer upgrade to the system namely ASYCUDA World.
j)	Was there satisfactory follow-up/supervision?	CED officers could not confirm whether there was any follow up/supervision from CDB but the PSRs stated that one supervision field visit was made and one desk visit was made during the implementation of this TA.

EFFICIENCY ASSESSMENT RATING –ST. LUCIA CED

ASSESSMENT	SCORE	RATING
Sub-Criteria [a to j] Met	4	Highly Satisfactory
Sub-Criteria [(a to g) Met	3	Satisfactory
Sub-Criteria [c to g] Not Met	2	Marginally Unsatisfactory
Sub-Criteria [a to e] Not Met	1	Unsatisfactory
Comments/Justification		
Sub- Criteria [a, c, f and i] Met [b, d, e] Not Met.		
Consultants recommend for EFFICIENCY a score of 2. Marginally Unsatisfactory		

SUSTAINABILITY - What external drivers have been most critical and what have been their effects on the performance of the TAs?

	Research Questions	Consultants' Evaluation
a)	To what extent has the TA outcome delivered the required service quite satisfactorily or has resulted in significant, noticeable improvement in the capacity of the institution concerned according to knowledgeable experts?	The TA has resulted in significant, noticeable improvement in the capacity of the institution which has been further enhanced with the implementation of ASYCUDA World
b)	Does the beneficiary/beneficiary institution have enough, sufficiently trained staff and adequate resources (physical and financial) to utilise or operate the facilities/equipment provided through the TA intervention, and to ensure their proper maintenance (if/where applicable)?	No, although the CED feels that there is a lack of adequate numbers of sufficiently trained staff and adequate resources (physical and financial) to utilise or operate the facilities/equipment provided through the TA intervention and to ensure their proper maintenance, the CED has in fact implemented and operated ASYCUDA++ successfully and have further upgraded through ASYCUDA World with the limited resources at their disposal.
c)	To what extent, in the case of a regional institution, has the TA enhanced the efficiency and productivity of the staff of the beneficiary institution, has led to a significant improvement in its performance or has resulted in greater integration, coordination and cooperation between the BMCs of CDB.	Not applicable.
d)	Was there a positive influence of cross-cutting themes (poverty, gender, environment, Climate Change (CC), Disaster Risk Management (DRM) and citizen security on TA outcomes)?	Not applicable

SUSTAINABILITY ASSESSMENT RATING – ST. LUCIA CED

ASSESSMENT	SCORE	RATING
Sub-Criteria [a to d] Met	4	Highly Satisfactory
Sub-Criteria [(a to b) Met	3	Satisfactory
Sub-Criteria [(b) Not Met	2	Marginally Unsatisfactory
Sub-Criteria [a to c] Not Met	1	Unsatisfactory
Comments/Justification		
Sub-Criteria [a] was met and [c and d] were not applicable. Although Sub-Criteria [b] was not met fully, because the CED has implemented ASYCUDA ++ successfully with limited resources the Consultants are of the view that the Score for SUSTAINABILITY should be a 3 Satisfactory.		

**COMPUTATION OF THE COMPOSITE (AGGREGATE) SCORE
FOR ST. LUCIA (CED) TA**

Core Criteria	PERFORMANCE RATING				
	RATING [√]				ENTER SCORE [HS= 4]; [S =3]; [MUS = 2]; [US= 1]
	HS	S	MUS	US	
Relevance	√				4
Effectiveness		√			3
Efficiency			√		2
Sustainability		√			3
Total Score = [Sum of Scores for Core Criteria]					12
Overall Average Score = [Total Score / 4]					[12/4] = 3.0
OVERALL ASSESSMENT [Based On Overall Average Score]					OVERALL RATING [√]
HS	Highly Satisfactory	> 3.25 and ≤ 4.00			
S	Satisfactory	> 2.50 and ≤ 3.25			√
MUS	Marginally Unsatisfactory	> 1.75 and ≤ 2.50			
US	Unsatisfactory	> 1.00 and ≤ 1.75			

Comments/Justification:

The St. Lucia TA with respect to the implementation of ASYCUDA ++ was given a Composite (Aggregate) Score of 3.0 Satisfactory.

IMPLEMENTATION PERFORMANCE CHECKLIST FOR ST. LUCIA TA (ASYCUDA)

IMPLEMENTATION PERFORMANCE SUB-CRITERIA	CONSULTANTS' EVALUATION
1. CDB PERFORMANCE	
(a) Was the statement of expected results; quality at entry of TA clear? (b) Were the TOR clear and comprehensive? (c) Was the delivery process efficient (start-up/implementation readiness, disbursement, audit, closure)? (d) How was the timeliness and quality of CDB's responses to the beneficiary agency's requests for changes during implementation? (e) Adequacy of CDB supervision, including CDB staff continuity; frequency, composition, and length of review missions.	Yes Yes Start-up was delayed Acceptable because TA's final disbursement was extended from May 31, 2004 to May 31, 2005. There was no evidence of any review missions during the implementation of this TA. In addition the supervisor's reports were perfunctory

ASSESSMENT	RATING
Sub-Criteria [a - e] Met	Highly Satisfactory
Sub-Criteria [a - c] Met	Satisfactory
Sub-Criteria [c - e] Not Met	Marginally Unsatisfactory
Sub-Criteria [a - e] Not Met	Unsatisfactory

Although Sub-Criteria [a, b and d] were met, [c and e] were not met, due to the significance of (e) the Consultants recommend that CDB PERFORMANCE gets a Rating of Marginally Unsatisfactory.

2. BENEFICIARY PERFORMANCE	CONSULTANTS' EVALUATION
(a) To what extent was there participation by the beneficiary agency at the design stage and to what extent was there subsequent support for the CDB supervision, review, and performance evaluation process?	No institutional memory was available at the CED to determine this.
(b) What was the degree of support for the TA including the availability and performance of counterpart staff	Adequate
(c) How adequate were the counterpart funds, facilities, equipment and services throughout implementation	Provision of counterpart funds, facilities etc. were satisfactory.
(d) Did the beneficiary comply with procurement requirements?	Yes
(e) Did the beneficiary comply with monitoring, evaluation and reporting requirements?	Fully complied
(f) Was appropriate utilisation made of TA results?	Yes

ASSESSMENT	RATING
Sub-Criteria [a - f] Met	Highly Satisfactory
Sub-Criteria [a - d] Met	Satisfactory
Sub-Criteria [c - d] Not Met	Marginally Unsatisfactory
Sub-Criteria [a - d] Not Met	Unsatisfactory

There was no evidence that Sub-Criteria [a] was met however all other Sub Criteria [b – f] were met. The Consultants recommend that **BENEFICIARY PERFORMANCE** gets a Rating of **Satisfactory**.

3. CONSULTANT PERFORMANCE	CONSULTANTS' EVALUATION
(a) What was the quality of staff on the TA? (b) Did the consultants comply with the TOR? (c) Were their TA outputs timely? (d) What was the quality of cooperation with the beneficiary agency?	Good Generally but the Warehousing module of the system which they installed did not function adequately. Yes The CED felt they did not receive the level of support from the Consultant UNCTAD that they required as UNCTAD experienced personnel only made periodic visits during implementation and after they were too busy with other projects to assist the CED when they had problems with the ASYCUDA system.

ASSESSMENT	RATING
Sub-Criteria [a - d] Met	Highly Satisfactory
Sub-Criteria [a - c] Met	Satisfactory
Sub-Criteria [c - d] Not Met	Marginally Unsatisfactory
Sub-Criteria [a - d] Not Met	Unsatisfactory

Sub-Criteria [a and c] were Met but Sub-Criteria [b and d] were not Met. The Consultants recommend that CONSULTANT PERFORMANCE gets a Rating of Marginally Unsatisfactory.

**ST. LUCIA - INSTITUTIONAL STRENGTHENING OF
THE INLAND REVENUE DEPARTMENT**

INTRODUCTION

At its Two Hundred and Fifth Meeting held on March 6, 2003, the Board of CDB approved a Grant of an amount not exceeding USD138,000 for Institutional Strengthening of the IRD of St. Lucia to finance the services of consultants to assist the GOSL in improving the capacity and efficiency of the property tax system of St Lucia.

In this TA, the consultants were expected to:

- (a) develop a strategy and structure for an island-wide valuation exercise;
- (b) prepare a comprehensive implementation plan and budget for the project;
- (c) develop and execute an appropriate training programme; and
- (d) monitor the implementation of the national valuation exercise.

The objective of the project was to improve the overall equity and efficiency of the property tax system in St. Lucia which would ultimately lead to:

- (a) increased government revenues from real property;
- (b) reduced arrears and evasion;
- (c) increased voluntary compliance; and
- (d) ensuring that the national valuation exercise:
 - (i) captures all properties and develops a Tax Roll that is 100% complete and accurate; consistently applies systematic and acceptable valuation techniques to value properties;
 - (ii) makes use of up-to-date technology for property identification, valuation, accounting and record maintenance;
 - (iii) provides to the central government a compendium of up-to-date and meaningful information upon which fiscal policy can be developed and implemented; and
 - (iv) implements a fair and equitable property tax system.

CDB Staff submitted PSRs giving an implementation status of the TA. The report dated March 19, 2004 indicated that the consultant had been selected and work had commenced. The last report dated March 16, 2006 announced that the project was completed and the undisbursed balance was to be cancelled.

MEETING WITH IRD OFFICIALS

The meeting with IRD officials took place at their offices at the Department of Finance, Economic Affairs & Social Security, 3rd. Floor, Heraldine Rock Building, Bridge Street, Castries on Thursday March 13, 2014 at 11:00 a.m.

Those in attendance were:

- (i) Deputy Comptroller, IRD;
- (ii) Assistant Comptroller i.c.o. Property Tax; and
- (iii) Assistant Comptroller Data Processing.

These officers were all involved in the project from its inception and were therefore able to provide institutional memory.

OVERVIEW

We gleaned that the consultants contract was awarded on October 20, 2003 and the consultancy commenced on December 8, 2003. An Inception Report was submitted by the consultants on January 5, 2004 with a Draft Final Report delivered on June 1, 2005. The project was concluded on August 29, 2005 and a Final Report was submitted November 2005.

Prior to this TA the existing property tax system in St. Lucia was based on the Annual Rateable Value assessed through site visits by tax collectors. Valuations were conducted by Councils in respect of the urban areas and by the IRD in respect of the rural locations. As a result the outcome was characterised by inequities, inadequate coverage and non-compliance. Significant issues arose on the methodology utilised between the Councils and the IRD and it was eventually determined that the administration should be concentrated in the IRD. Property Taxes, however, continue to be collected by the Councils resulting from assessments carried out by the IRD.

The following are the areas in which significant improvements were effected as a result of this TA:

- (1) The use of a Geographical Integrated System (GIS) together with aerial photography and satellite imagery to identify taxable properties;
- (2) The introduction of an IT programme, SIGTAS, to generate assessments;
- (3) Amendments to existing legislation;
- (4) Conversion from Annual Rateable Value to a Market Value basis for residential properties;
- (5) The use of the self-assessment system for commercial properties;
- (6) A change in the rates of tax to .04% of market value for commercial and to .025% for residential properties;
- (7) Modification of the form for registration of properties;
- (8) Provision for exemptions and concessions in respect of the following:
 - (i) Newly built commercial properties to be exempt for the first three years;
 - (ii) Increased threshold from USD100,000 to USD200,000, and an income level of USD60,000 below which residential properties would be exempt from tax;
 - (iii) Establishment of the age limit of 60 years above which residential owners would not be taxed;
 - (iv) Rental accommodation for World Cup cricket.

In spite of these initiatives out of the 60,000 properties on record only about 45,000 had been captured on the new register as being assessed on the basis of market value at the time of our visit. Several factors have contributed to this situation over the years:

- (a) The inability to apply mass assessments, in light of the nature of their housing developments whereby elaborate houses were built next to much more modest ones, necessitated households to be individually identified and this was a long and tedious process.
- (b) To speed up the process, the Consultant had recommended that valuation of properties be done on weekends as it would have ensured that heads of households were more available to complete the registration process. This however did not happen.
- (c) The Valuation Department was not able to readily absorb into the Department all the personnel trained under this TA as new posts had to be created with appropriate compensation packages. Due to the lengthy delay experienced the Valuation Department lost a number of these trained officers who left the Department and offered their services instead to the private sector.
- (d) The quality of the equipment initially purchased for capturing valuation data in the field was not of a commercial grade and frequently broke down and had to be replaced.

Notwithstanding some initial successes several constraints are still to be resolved. For example:

- (a) Hand-held computers are yet to be upgraded so that valuations captured can be uploaded to the SIGTAS system;
- (b) Ability to assign mailing addresses to properties captured;
- (c) Mass valuation techniques still not utilised;
- (d) Shortage of Valuation officers;
- (e) Lack of cooperation of other Government Departments/Agencies such as the Water Authority and LUCELEC in the use of the National Identification to assist the IRD in identifying properties; and
- (f) From a Human Resources perspective the Valuation Section requires the appointment of an Objections Officer. Also required is a plan of action to absorb trained personnel after implementation of the TA and to be able to retain trained valuers through the provision of office accommodation, infrastructure and compensation.

LESSONS LEARNT

- (a) The IRD representatives expressed the view that the performance of the Consultant was indeed credible and provided value for money spent. However, there were several areas in which it was felt that the Consultant could have added further value if the project was not

constrained by a time based budget in respect of expert personnel. There was a need to have the Project Manager who was based in England spend more time in St. Lucia thereby making his technical expertise more accessible for training.

- (b) Provision should have been made to have VOs work on weekends as it would have ensured that heads of households were more available to complete the registration process.
- (c) The TA should have made provision for the acquisition of plant and equipment commensurate with what is required to implement efficiently the upgraded systems.
- (d) More attention should be paid to the post-implementation period when the need for infrastructure, equipment and personnel could be properly assessed thereby providing a smoother transition from the TA to the continuing operations and enhancing the degree of success of the project.

ST. LUCIA INLAND REVENUE

**INSTITUTIONAL STRENGTHENING OF THE IRD FOR IMPROVING
THE PROPERTY TAX SYSTEM**

EVALUATION DESIGN MATRIX

RELEVANCE - To what extent has the CDB's TA Programme in support of tax reform/administration been strategically relevant to the needs of the BMCs?

	Research Questions	Consultants' Evaluation
(a)	How adequate was the sector analysis and identification of the problem or issue required to establish the relevance for the TA?	The Sector analysis was well done as was described in the Scope and Objectives of the TA which was to principally capture all properties and to develop a tax roll that is 100% complete and accurate.
(b)	Was the TA consistent with CDB's strategic objectives?	Yes
(c)	Was consideration given to alternative responses to the identified problem or issue?	No alternative responses were explored
(d)	Was the TA consistent with country development priorities?	Yes
(e)	Was consideration given to the effect of cross-cutting themes where applicable?	Yes, some consideration was given as evidenced in the amendments to the Property Tax Act whereby <ul style="list-style-type: none"> • the threshold was increased from USD100,000 to USD200,000; • an income level of USD60,000 was established below which residential properties would be exempt from tax; and • an age limit of 60 years was also established above which residential owners would not be taxed.
(f)	Was consideration given to any constraints that might have impacted on the achievement of results?	Yes, consideration was given to the major constraint namely the differing methods of valuation between IRD and the City, Town and Village Councils which would have had an adverse impact on the achievement of results.
(g)	Were the outcomes and inputs of the TA appropriate?	Yes, as seen from the Report of the Consultants.
(h)	To what extent did the stake-holders take ownership of the TA and their commitment to support boundary partners?	Full ownership
(i)	Was the timing of the TA appropriate?	Yes
(j)	Was consideration given to Lessons learnt from related TAs and other development partners in the country?	There was no other related TAs in the Country.
(k)	Did the TA duplicate or was at cross-purposes with previous TAs from CDB and or other development partners?	No

RELEVANCE ASSESSMENT RATING- ST. LUCIA IRD

ASSESSMENT	SCORE	RATING
Sub-Criteria [a to k] Met	4	Highly Satisfactory
Sub-Criteria [a to h] Met	3	Satisfactory
Sub-Criteria [(a or b) and (g)] Not Met	2	Marginally Unsatisfactory
Sub-Criteria [a, b and d] Not Met	1	Unsatisfactory
Comments/Justification		
Sub-Criteria [a to k] were met. The TA was very relevant and met the objectives of improving the property tax system. RELEVANCE qualified for a score of 4 – Highly Satisfactory.		

EFFECTIVENESS - How effective has implementation of the TA in supporting tax reform/administration been in achieving results and strengthening institutional capacity?

	Research Questions	Consultants' Evaluation
a)	Were expected outcomes achieved or are expected to be achieved?	Expected outcomes were achieved.
b)	What were the factors influencing the achievement of the expected outcomes?	The selection of a competent Consultant and the removal of the identified constraint by the harmonisation of the valuation process under the IRD.
c)	What was the client satisfaction with nature, extent, delivery and timeliness of outcomes achieved?	The IRD was reasonably satisfied with the outcomes achieved.
d)	Were the reasons justifiable for deviating from objectives?	There did not appear to be any deviation from the objectives.
e)	Were there any implementation delays and if so what influence did these have on the realisation of expected outcomes?	There were some delays in getting market value assessments for all properties and as a result to date only approximately 45,000 of the estimated 60,000 properties on record have been assessed on this basis.

EFFECTIVENESS ASSESSMENT RATING - ST. LUCIA IRD

ASSESSMENT	SCORE	RATING
Sub-Criteria [a to e] Met	4	Highly Satisfactory
Sub-Criteria [(a to c) Met	3	Satisfactory
Sub-Criteria [(a or b) and (c)] Not Met	2	Marginally Unsatisfactory
Sub-Criteria [a to d] Not Met	1	Unsatisfactory
Comments/Justification		
Sub-Criteria [a to c] were met for which EFFECTIVENESS obtains a score of 3 – Satisfactory		

EFFICIENCY - How proficient was the delivery of inputs to achieve the objectives of the TA and the conduct of activities?

	Research Questions	Consultants' Evaluation
(a)	How economical were the input provisions?	The cost of inputs were constrained by the budget a) By the choice of consultant b) Consultants were on a time-based budget and expert personnel could not be provided to the extent required. c) The budget did not make adequate provision for the acquisition of plant and equipment commensurate with what was required to implement efficiently the upgraded systems.
(b)	How productive were the inputs?	The Valuation Officers were not as efficient as the Consultants would have wished.
(c)	Were the resulting outputs (consultants' reports, technical studies) well prepared, practical and cost-effective?	Yes. They were.
(d)	Were counterpart resources/inputs provided by relevant stakeholders at levels allocated?	Yes. Counterpart resources/inputs were adequately provided by GOSL
(e)	Were the quality of inputs satisfactory and provided when required?	Better utilisation could have been made of Valuation Officers if rostered to work on weekends.
(f)	Was an acceptable quality of outputs produced (reports, presentation, technology transfer, staff trained)?	Yes; however, sufficient staff was not available to be trained.
(g)	Were time-bound targets achieved within time and budget?	No. There were some delays due to the incomplete registration of properties and the lack of cooperation of other governmental agencies.
(h)	Were there any deviations from planned inputs, activities and outputs and if so were they justified?	There did not appear to be any deviations
(i)	What was the level of client satisfaction with the nature, extent, delivery and timeliness of inputs provided, and outputs produced?	The IRD Valuations Division was reasonably satisfied
(j)	Was there satisfactory follow-up/supervision?	No follow-up/supervision by CDB was reported by the IRD

EFFICIENCY ASSESSMENT RATING – ST. LUCIA IRD

ASSESSMENT	SCORE	RATING
Sub-Criteria [a to j] Met	4	Highly Satisfactory
Sub-Criteria [(a to g) Met	3	Satisfactory
Sub-Criteria [c to g] Not Met	2	Marginally Unsatisfactory
Sub-Criteria [a to e] Not Met	1	Unsatisfactory
Comments/Justification		
<p>Although the Consultant was very efficient in the implementation of the TA, some of the inputs fell short of expectations. Sub-Criteria [a, b, e, g ,and j] were Not Met. Sub Criteria [c, d, f, h and i] were Met, The Consultants recommend for EFFICIENCY a Score of 2 – Marginally Unsatisfactory</p>		

SUSTAINABILITY - What external drivers have been most critical and what have been their effects on the performance of the TAs?

	Research Questions	Consultants' Evaluation
a)	To what extent has the TA outcome delivered the required service quite satisfactorily or has resulted in significant, noticeable improvement in the capacity of the institution concerned according to knowledgeable experts.	It has resulted in improvement in the capacity of the IRD
b)	Does the beneficiary/beneficiary institution have enough, sufficiently trained staff and adequate resources (physical and financial) to utilise or operate the facilities/ equipment provided through the TA intervention, and to ensure their proper maintenance (if/where applicable)?	No, the Department was unable to retain a number of the trained Valuation Officers because of the compensation package offered and some of these officers went into the private sector.
c)	To what extent, in the case of a regional institution, has the TA enhanced the efficiency and productivity of the staff of the beneficiary institution, has led to a significant improvement in its performance or has resulted in greater integration, coordination and cooperation between the BMCs of CDB.	Not applicable
d)	Was there a positive influence of cross-cutting themes (poverty, gender, environment, CC, DRM and citizen security on TA outcomes)?	Not aware

SUSTAINABILITY ASSESSMENT RATING – ST. LUCIA IRD

ASSESSMENT	SCORE	RATING
Sub-Criteria [a to d] Met	4	Highly Satisfactory
Sub-Criteria [(a to b) Met	3	Satisfactory
Sub-Criteria [(b) Not Met	2	Marginally Unsatisfactory
Sub-Criteria [a to c] Not Met	1	Unsatisfactory
Comments/Justification		
<p>Sub-Criteria [a] was Met but Sub- Criteria [b] was Not Met The Consultants recommend for SUSTAINABILITY a Score of 2 – Marginally Unsatisfactory</p>		

**COMPUTATION OF THE COMPOSITE (AGGREGATE) SCORE
FOR ST. LUCIA IRD TA INTERVENTION**

Core Criteria	PERFORMANCE RATING				
	RATING [√]				ENTER SCORE [HS= 4]; [S =3]; [MUS = 2]; [US= 1]
	HS	S	MUS	US	
Relevance	√				4
Effectiveness		√			3
Efficiency			√		2
Sustainability			√		2
Total Score = [Sum of Scores for Core Criteria]					11
Overall Average Score = [Total Score / 4]					[11/4] = 2.75
OVERALL ASSESSMENT [Based On Overall Average Score]					OVERALL RATING [√]
HS	Highly Satisfactory	> 3.25 and ≤ 4.00			
S	Satisfactory	> 2.50 and ≤ 3.25			√
MUS	Marginally Unsatisfactory	> 1.75 and ≤ 2.50			
US	Unsatisfactory	> 1.00 and ≤ 1.75			
Comments/Justification:					
The St. Lucia IRD was given a Composite (Aggregate) Score of 2.75 Satisfactory.					

IMPLEMENTATION PERFORMANCE CHECKLIST FOR ST. LUCIA IRD

IMPLEMENTATION PERFORMANCE SUB-CRITERIA	CONSULTANTS' EVALUATION
1. CDB PERFORMANCE	
a) Was the statement of expected results clear? b) Were the terms of reference clear and comprehensive? c) Was the delivery process efficient (start-up/implementation readiness, disbursement, audit, closure)? d) How was the timeliness and quality of CDB's responses to the beneficiary agency's requests for changes during implementation? e) adequacy of CDB supervision, including CDB staff continuity; frequency, composition, and length of review missions	Yes Yes Yes Not aware of any request for changes The officers of the IRD stated that no review missions were conducted by the CDB staff and this was borne out by the contents of the Project Supervision Reports.

ASSESSMENT	RATING
Sub-Criteria [a - e] Met	Highly Satisfactory
Sub-Criteria [a - c] Met	Satisfactory
Sub-Criteria [c - e] Not Met	Marginally Unsatisfactory
Sub-Criteria [a - e] Not Met	Unsatisfactory

Sub-Criteria [a to c] Met, therefore CDB PERFORMANCE gets a Rating of Satisfactory

2. BENEFICIARY PERFORMANCE	CONSULTANTS' EVALUATION
<p>a) To what extent was there participation by the beneficiary agency at the design stage and to what extent was there subsequent support for the CDB supervision, review, and performance evaluation process?</p> <p>b) What was the degree of support for the TA including the availability and performance of counterpart staff?</p> <p>c) How adequate were the counterpart funds, facilities, equipment and services throughout implementation?</p> <p>d) Did the beneficiary comply with procurement requirements?</p> <p>e) Did the beneficiary comply with monitoring, evaluation and reporting requirements?</p> <p>f) Was appropriate utilisation made of TA results.</p>	<p>It appears that the beneficiary agency did not participate at the design stage and to the extent required was supportive of CDB involvement.</p> <p>Very good</p> <p>Counterpart requirements adequately fulfilled.</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>

ASSESSMENT	RATING
Sub-Criteria [a - f] Met	Highly Satisfactory
Sub-Criteria [a - d] Met	Satisfactory
Sub-Criteria [c - d] Not Met	Marginally Unsatisfactory
Sub-Criteria [a - d] Not Met	Unsatisfactory

Sub-Criteria [a] was partially Met and Sub Criteria [b to f] were Met.

The Consultants recommend for BENEFICIARY PERFORMANCE a Rating of Highly Satisfactory

3. CONSULTANT PERFORMANCE	Consultants' Evaluation
(e) What was the quality of staff on the TA? (f) Did the consultants comply with the terms of reference? (g) Were their TA outputs timely? (h) What was the quality of cooperation with the beneficiary agency?	Reasonably good Yes Yes Very good

ASSESSMENT	RATING
Sub-Criteria [a - d] Met	Highly Satisfactory
Sub-Criteria [a - c] Met	Satisfactory
Sub-Criteria [c - d] Not Met	Marginally Unsatisfactory
Sub-Criteria [a - d] Not Met	Unsatisfactory

Sub-criteria [a to d] Met, CONSULTANT PERFORMANCE gets a Rating of Highly Satisfactory

BELIZE - MODERNISATION OF THE CUSTOMS AND EXCISE DEPARTMENT

INTRODUCTION

In March 1993 an earlier version of ASYCUDA 2.7 was introduced in the CED of the Government of Belize (GOBZ). Notwithstanding that improvement, the CED's capacity to maximise collection of revenue and its contribution to competitiveness remained constrained.

At its meeting held on May 28, 2007 the Board of the CDB approved a TA loan in an amount not exceeding USD2.52 million to assist GOBZ in financing the services of consultants in relation to the modernization of the CED. The project commenced in August 2010 and the estimated duration for the entire project was 24 months, however after several extensions UNCTAD submitted its ASYCUDA World Project Closure Report on June 30, 2013.

MEETING WITH CED OFFICIALS

Consistent with the agreed schedule, the Consultants arranged to travel to Belize during the period April 1-4, 2014. The itinerary for meetings was as follows:

Belize City:

April 2, 2014	9:00 a.m. to 11:45 a.m.	Comptroller of Customs & Excise.
	11:45a.m to 12:15 p.m.	Customs Brokers Association
	1:30 p.m. to 2:10 p.m.	Belize Chamber of Commerce
	2:30 p.m. to 3:50 p.m.	Atlantic Bank

Belmopan:

April 3, 2014	10:00 a.m.to 11:30 a.m.	Director, CITO
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All of the respective agencies were most cooperative and were completely frank and open in their discussions. Particular mention must be made of the courtesies extended to us by the Comptroller of Customs who placed at our disposal transport for our visits in Belize City as well as for our meeting in Belmopan some 60 minutes away from our base in Belize City.

For our evaluation exercise the Consultants had a meeting with the Comptroller of Customs and Excise who gave us an overview of the implementation process in the various ports which fell under the jurisdiction of the CED namely:

- Punta Gorda June 2010
- Big Creek August 2010
- The Philip S. W. Goldson International Airport May 2011
- Belize City September 2011
- Benque Viejo Customs station at the Guatemalan border July 2012
- Santa Elena Customs station at the Mexican border August 2012
- The Parcel Post Office was still awaiting the required enabling legislation.

OVERVIEW

In order to migrate from the old 2.7 version of ASYCUDA to ASYCUDA World and implement the new system at all these ports the CED had to overcome many obstacles and challenges. At the time of the Consultants' visit the integration of the ASYCUDA system throughout the Customs locations as well as the connections to the Ministry of Finance and the Central Bank had been completed. The connection to the Ministry of Trade was currently being tested. Some of the Commercial Banks had been granted limited access for the payment of Customs duties and foreign exchange payments.

With customs entries now being submitted on line and online payments being accepted this has removed the manual processing in the Long Room and to some extent has discouraged corruption. However, valuation fraud through the practice of under-invoicing, remained an issue to be aggressively pursued. As a result of these improvements there were indications that Customs revenue had increased by 5% to 8% between 2007 and the present.

Some of the major challenges which were faced by the CED during the implementation process were outlined by the Comptroller as follows:

1. The project was originally estimated to take two years but eventually stretched out to over three years due to several factors and no significant adjustment was made to the Budget. Since the UNCTAD consultants were committed to do projects in other countries this delay in implementation resulted in them leaving the project without some of their deliverables being completed. For example although a back-up server was purchased by UNCTAD for the CED up to the time of the Consultants' visit it had not yet been installed because the CED did not have the required expertise to make it functional. Although the project team, with UNCTAD's guidance, had prepared user manuals for the functional areas of the system no technical manuals were prepared.
2. One of the major challenges faced early in the implementation and which contributed to the delays experienced was the fact that two major sea ports, Belize City and Big Creek were privately owned. The owners however, refused to incur the capital expenditure necessary to construct a Container Examination Station at their ports which was necessary in order to implement the ASYCUDA system at these stations and thereby have the system fully operationalised. In order to work around this obstacle and be able to examine containers that were so classified by the risk assessment system the Government then had to establish Container Examination Stations at sites outside of those ports. Ironically the removal of the container examination activity from these private ports resulted in a loss of revenue and the port at Belize City was subsequently placed into receivership by Belize Bank.
3. The legislative adjustments to enable implementation were also not timely executed thereby necessitating time extensions for the introduction of the system.
4. During the project one of the principal CED officers who was trained in the use of the ASYCUDA system left the Department to become an UNCTAD expert. The Comptroller estimated that the staffing problems that resulted from this delayed the project for about nine months.

5. There were also delays in acquiring the hardware and software required under the TA because these were required to be sourced through UNCTAD and the urgency with which the Project Team required these items to be obtained was not met.
6. There was in addition a human resource issue as initially C & E Officers were trained in the operation of the ASYCUDA system but were incapable of resolving the Technology issues when they arose. It therefore required the recruitment of some IT specialists but they could not be accommodated within the existing Public Service compensation structure. A re-organisation of posts had been conducted by the Public Service but this initiative did not take into account the modernisation of the CED and simply instituted generic posts for the CED, IR and GST Departments. This then necessitated a review of the human resource requirements and the creation of new posts outside the Public Service compensation plan. In the meantime however, it became necessary to have UNCTAD technicians called in at additional cost whenever hardware or software interventions were required.
7. Another major stumbling block encountered was the fact that the UNCTAD package did not cater for some of the specific needs of Belize. An initial analysis of what was available in Belize was not done so UNCTAD was not cognisant of the limited band width that was available to the CED and the limitations which confronted Belize Telecom, the service provider. During implementation of the ASYCUDA World this limitation surfaced as the band width available for the increased internet usage to communicate with all the CED's stakeholders was not adequate and thus the CED was not able initially to get the optimal use of the ASYCUDA system. To address this problem and increase the band width the CED had to pay a provider approximately USD20,000 per month for the service which they had not budgeted for.
8. CED was also unaware that there would be an increase in license fees from UNCTAD based on the number of users over the initial 100 users and this cost had not been budgeted for.

CUSTOMS BROKERS ASSOCIATION

The Consultants met with two representatives of the Customs Brokers Association. They both agreed that there were many benefits to be derived from the introduction of the ASYCUDA World systems to the CED. On a scale of 1 to 10 they gave it a 9. The system worked 90% of the time notwithstanding that the limitations of Belize Telecom and the time and methodology for the processing of entries have greatly improved. It was noted that 90% was a great improvement over where it was on implementation. However, the CED suffered from a lack of skilled staff to quickly fix and maintain the IT system whenever it became inoperable.

There are still, however, some legislative amendments required, such as the harmonisation of the Customs Act and the Licensing of Customs Brokers.

It was recommended that all agencies that interface with the CED should be incorporated into the system thereby enabling all relevant inputs into the ASYCUDA system to be online.

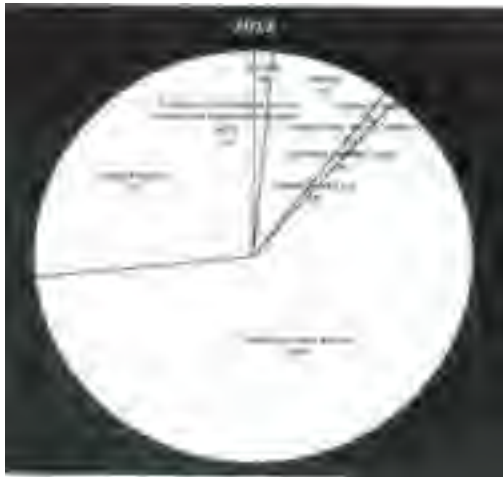
It was also recommended that the Project Implementation Team should have continued in office for the purpose of maintaining oversight and ensuring the sustainability of the system.

ATLANTIC BANK

The Consultants met with representatives of Atlantic Bank, bankers to the Government who consider that they are the IT leaders in the Banking Industry in Belize. They are the lead bank for facilitating payments of duties to the CED. They had one of their officers included as a member of the Project Management Team and maintained contact with the UNCTAD specialists to integrate online payments under the ASYCUDA system which commenced in October 2011.

Atlantic Bank and Belize Bank are online for accepting payments from brokers whereas Heritage bank, First Caribbean and Scotia Bank are not yet online but process payments offline and give a receipt. Representatives from Atlantic Bank reported that in the early stages of implementation of the ASYCUDA system there was a lot of downtime and there was not much confidence in the system because the CED did not have the in-house capability to bring the system back up quickly on the occasions when it went down. They were of the view that the CED should have had a Service Agreement with UNCTAD to avoid these problems. Communication, however, has significantly improved over time and they were of the view that the integration with the web service and ASYCUDA World has achieved greater efficiency as demonstrated by the statistics from their Bank which are produced below:

In 2011/2012	62% of payments were over the counter with 38% being on line.
In 2012/2013	44% of payments were over the counter with 56% being on line
In 2013/March 2014	37% of payments were over the counter with 63% being on line



With so many Government agencies being stakeholders, i.e., the Ministry of Finance, the Central Bank, the CED, the Banking Industry, the Ports, their major concern was what happens when the system fails.

On a scale of one to ten they gave the ASYCUDA system at this time an eight.

BELIZE CHAMBER OF COMMERCE

The Consultants met with the President and Chief Executive Officer of the Belize Chamber of Commerce.

The perspective of the Chamber is that they are the voice of the business community and the country's leading advocate for private enterprise. Generally speaking most businesses in Belize were happy with the improvements in processing of Customs entries. They however had a concern about simplifying the structure and reducing the tax rates. The ASYCUDA system does not take into consideration small enterprises and struggling businesses which are required to adjust to the online processing of Customs entries.

They were of the view that the electronic payment system needs to be rolled out to include all bank accounts and should not rely only on the use only of Atlantic and Belize Banks.

BELIZE CUSTOMS AND EXCISE**Modernisation of the Customs and Excise Department****EVALUATION DESIGN MATRIX**

RELEVANCE - To what extent has the CDB's TA Programme in support of tax reform/administration been strategically relevant to the needs of the BMCs?

	Research Questions	Consultants' Evaluation
a)	How adequate was the sector analysis and identification of the problem or issue required to establish the relevance for the TA?	Judging from the TOR for the consultant it appeared to have been adequate. Subsequently, the view was expressed by representatives of the CED that a more comprehensive analysis should have been done which would have identified some of the potential problem areas and thus they would have been better able to minimise or cater for some of the challenges and delays they faced during implementation.
b)	Was the TA consistent with CDB's strategic objectives?	Yes
c)	Was consideration given to alternative responses to the identified problem or issue?	No, not necessary since ASYCUDA World was just an upgrade to their current system
d)	Was the TA consistent with country development priorities?	Yes
e)	Was consideration given to the effect of cross-cutting themes where applicable?	Yes, to the extent that the results of this TA will increase the efficiency of the Department and generate increased revenues to enable the Government to finance projects and other activities to address its social responsibilities.
f)	Was consideration given to any constraints that might have impacted on the achievement of results?	Although consideration was given to some of the constraints not all were identified, such as the need for increased band width, and as a result these impacted on the timely achievement of the results.
g)	Were the outcomes and inputs of the TA appropriate?	Yes
h)	To what extent did the stakeholders take ownership of the TA and their commitment to support boundary partners?	Most of the agencies that interface with the CED were supportive of the TA.
i)	Was the timing of the TA appropriate?	Yes

	Research Questions	Consultants' Evaluation
j)	Was consideration given to lessons learnt from related TAs and other development partners in the country?	Yes, in formulating this TA the lessons learnt from a similar project that was ongoing in St. Lucia were taken into account. Also by virtue of using UNCTAD a very experienced Consultant in the implementation of ASYCUDA systems, the CED would have benefitted from UNCTAD's experience gained from other jurisdictions.
k)	Did the TA duplicate or was at cross-purposes with previous TAs from CDB and or other development partners?	No.

RELEVANCE ASSESSMENT RATING – BELIZE CED

ASSESSMENT	SCORE	RATING
Sub-Criteria [a to k] Met	4	Highly Satisfactory
Sub-Criteria [a to h) Met	3	Satisfactory
Sub-Criteria [(a or b) and (g)] Not Met	2	Marginally Unsatisfactory
Sub-Criteria [a, b and d] Not Met	1	Unsatisfactory
Comments/Justification		
Although Sub-Criteria [a and f] were not fully met all the other Sub-Criteria were Met. The Consultants recommend that RELEVANCE be given a Score of 3 Satisfactory.		

EFFECTIVENESS - How effective has implementation of the TA in supporting tax reform/administration been in achieving results and strengthening institutional capacity?

	Research Questions	Consultants' Evaluation
a)	Were expected outcomes achieved or are expected to be achieved?	Yes
b)	What were the factors influencing the achievement of the expected outcomes?	Although UNCTAD had knowledgeable consultants, their IT person lacked specific Customs experience.
c)	What was the client satisfaction with nature, extent, delivery and timeliness of outcomes achieved?	The client was generally satisfied with the eventual outcome but was not so satisfied with the timeliness of the outcome. The CED was of the view that if the project was properly analysed initially some of the delays could have been avoided.
d)	Were the reasons justifiable for deviating from objectives?	There was no evidence of deviation from objectives.
e)	Were there any implementation delays and if so what influence did these have on the realisation of expected outcomes?	Yes, the project was originally estimated to take two years from the start date in 2009 but was eventually extended to four years. In 2011 UNCTAD brought in another consultant who drafted a plan and got the project back on stream and this was able to push the project forward. The delays were mainly due to the inexperience in Customs of the IT consultant provided by UNCTAD and IT was much more complex than originally anticipated and this caused a nine month delay; they also experienced delays in acquiring hardware and software; and having to

Research Questions	Consultants' Evaluation
	work around the fact that some of the Ports were privately-owned and these ports were unwilling to have them set up Customs Examination Stations at their sites and thus alternative locations had to be established.

EFFECTIVENESS ASSESSMENT RATING – BELIZE CED

ASSESSMENT	SCORE	RATING
Sub-Criteria [a to e] Met	4	Highly Satisfactory
Sub-Criteria [(a to c) Met	3	Satisfactory
Sub-Criteria [(a or b) and (c)] Not Met	2	Marginally Unsatisfactory
Sub-Criteria [a to d] Not Met	1	Unsatisfactory
Comments/Justification		
Although Sub-Criteria [a and d] were met, there were delays as reflected in Sub-Criteria [e] and Sub-Criteria [b and c] were not fully met The Consultants recommend for EFFECTIVENESS a Score of 2 Marginally Unsatisfactory.		

EFFICIENCY - How proficient was the delivery of inputs to achieve the objectives of the TA and the conduct of activities?

Research Questions	Consultants' Evaluation
a) How economical were the input provisions?	The input provisions were not very economical as additional expenditure had to be incurred: <ol style="list-style-type: none"> 1. The amount of band-width required for communication with all stakeholders was not anticipated and to provide for this is now costing the CED upwards of USD20,000 per month. 2. The CED was unaware of increase in licence fees from UNCTAD based on the number of users over the initial 100 users. 3. Back-up server purchased by UNCTAD but not yet operational.
b) How productive were the inputs?	Not very productive
c) Were the resulting outputs (consultants' reports, technical studies) well prepared, practical and cost-effective?	To a large extent the outputs were acceptable. However, some of the procedures given by UNCTAD appeared to be boiler plate and the CED had to subsequently adapt them for Belize so they could be disseminated to the staff.
d) Were counterpart resources/inputs provided by relevant stakeholders at levels allocated?	Yes, generally however, HR problems arose initially with the trained staff as the compensation package offered within the public service structure was inadequate to retain a number of these officers.
e) Were the quality of inputs satisfactory and provided when required?	No.
f) Was an acceptable quality of outputs produced (reports, presentation, technology transfer, staff trained)?	Yes, Fair Although UNCTAD consultants did train the officers for two weeks the training was at too high a level for the

	Research Questions	Consultants' Evaluation
		Customs Officers. As a result the CED now has to train the officers in the back office procedures. The Project Team with UNCTAD's guidance prepared user manuals for functional areas but no technical documentation was provided by UNCTAD.
g)	Were time-bound targets achieved within time and budget?	No
h)	Were there any deviations from planned inputs, activities and outputs and if so were they justified?	Yes there were deviations. The upgrade to ASYCUDA World envisaged that containers requiring examination would be so inspected at the ports rather than at customers' premises as was done in the past. However, two of the ports were privately owned and the owners were not prepared to meet the additional capital cost required to extend the facility to accommodate the Customs Examination Station. As a result the CED had to build a Customs Examination Station outside of these ports to facilitate their examination thereby justifying the deviation.
i)	What was the level of client satisfaction with the nature, extent, delivery and timeliness of inputs provided, and outputs produced?	Reasonably satisfied
j)	Was there satisfactory follow-up/supervision?	A supervisory field visit was conducted by the CDB on April 16, 2013 during the implementation of the TA but the CED felt there should have been more supervision which might have helped them to overcome some of the technical difficulties they encountered.

EFFICIENCY ASSESSMENT RATING – BELIZE CED

ASSESSMENT	SCORE	RATING
Sub-Criteria [a to j] Met	4	Highly Satisfactory
Sub-Criteria [(a to g) Met	3	Satisfactory
Sub-Criteria [c to g] Not Met	2	Marginally Unsatisfactory
Sub-Criteria [a to e] Not Met	1	Unsatisfactory
Comments/Justification		
Sub-Criteria [a, b, e, g, and h] Not met. Sub-Criteria [c, d, f, i and j] were partially Met. The Consultants recommend for EFFICIENCY a Score of 1 Unsatisfactory		

SUSTAINABILITY - What external drivers have been most critical and what have been their effects on the performance of the TAs?

	Research Questions	Consultants' Evaluation
a)	To what extent has the TA outcome delivered the required service or has it resulted in significant, noticeable improvement in the capacity of the institution concerned according to knowledgeable experts.	The TA has delivered satisfactory service with noticeable improvement. All entries are now submitted online from all ports and physical examination which is based on risk profile has been reduced to 35% of all entries. Revenue collection has increased by between 5% and 8% over the period 2007 to 2013
b)	Does the beneficiary/beneficiary institution have enough, sufficiently trained staff and adequate resources (physical and financial) to utilise or operate the facilities/equipment provided through the TA intervention, and to ensure their proper maintenance (if/where applicable)?	No. While there may be adequate personnel to operate, there is a shortage of IT specialists to install equipment or to maintain the system. There was also a need for a legal person to assist with the formulation of legislative changes recommended by UNCTAD however; the Ministry of Finance provided same.
c)	To what extent, in the case of a regional institution, has the TA enhanced the efficiency and productivity of the staff of the beneficiary institution, has led to a significant improvement in its performance or has resulted in greater integration, coordination and cooperation between the BMCs of CDB.	Although Belize CED is not a regional institution the knowledge and experience gained by UNCTAD will serve other BMCs in good stead.
d)	Was there a positive influence of cross-cutting themes (poverty, gender, environment, CC, DRM and citizen security on TA outcomes)?	Unable to assess.

SUSTAINABILITY ASSESSMENT RATING – BELIZE CED

ASSESSMENT	SCORE	RATING
Sub-Criteria [a to d] Met	4	Highly Satisfactory
Sub-Criteria [(a to b) Met	3	Satisfactory
Sub-Criteria [(b) Not Met	2	Marginally Unsatisfactory
Sub-Criteria [a to c] Not Met	1	Unsatisfactory
Comments/Justification and		
<p>Sub-Criteria [a and c] has been Met. However, Sub-Criteria [b] has not been Met as CED is of the opinion that they do not have sufficient trained staff. It should be noted however, that CED has in fact been operating successfully the upgraded ASYCUDA World with the limited resources at their disposal.</p> <p>Score for Sustainability is 2 - Marginally Unsatisfactory.</p>		

COMPUTATION OF THE COMPOSITE (AGGREGATE) SCORE
FOR BELIZE CED TA INTERVENTION

Core Criteria	PERFORMANCE RATING				ENTER SCORE [HS= 4]; [S =3]; [MUS = 2]; [US= 1]
	RATING [√]				
	HS	S	MUS	US	
Relevance		√			3
Effectiveness			√		2
Efficiency				√	1
Sustainability			√		2
Total Score = [Sum of Scores for Core Criteria]					8
Overall Average Score = [Total Score / 4]					[8/4] = 2.0
OVERALL ASSESSMENT [Based On Overall Average Score]					OVERALL RATING [√]
HS	Highly Satisfactory	> 3.25 and ≤ 4.00			
S	Satisfactory	> 2.50 and ≤ 3.25			
MUS	Marginally Unsatisfactory	> 1.75 and ≤ 2.50			√
US	Unsatisfactory	> 1.00 and ≤ 1.75			

Comments/Justification:

The Belize CED was given a Composite (Aggregate) Score of 2.0 Marginally Unsatisfactory

IMPLEMENTATION PERFORMANCE CHECKLIST FOR BELIZE CED

IMPLEMENTATION PERFORMANCE SUB-CRITERIA	CONSULTANTS' EVALUATION
1. CDB PERFORMANCE	
a) Was the statement of expected results; quality at entry of TA clear?	Yes
b) Was the TOR clear and comprehensive?	Yes
c) Was the delivery process efficient (start-up/implementation readiness, disbursement, audit, closure)?	The delivery process was efficient and although the commencement of the project was very delayed it was due to administrative changes in the Ministry of Finance in Belize.
d) How was the timeliness and quality of CDB's responses to the beneficiary agency's requests for changes during implementation?	The CDB's response to the CED's request for extension of time was timely and accommodated
e) Adequacy of CDB supervision, including CDB staff continuity; frequency, composition, and length of review missions	A supervisory desk visit was done in May 2011 and a field visit was conducted by the CDB on April 16, 2012 during the implementation of the TA but the CED felt there should have been more supervision which might have helped them to overcome some of the technical difficulties they encountered.

ASSESSMENT	RATING
Sub-Criteria [a - e] Met	Highly Satisfactory
Sub-Criteria [a - c] Met	Satisfactory
Sub-Criteria [c - e] Not Met	Marginally Unsatisfactory
Sub-Criteria [a - e] Not Met	Unsatisfactory

Sub-Criteria [a –d] met Sub-Criteria [e] Not Met The Consultants recommend for CDB PERFORMANCE a Rating of Satisfactory

2. BENEFICIARY PERFORMANCE	CONSULTANTS' EVALUATION
a) To what extent was there participation by the beneficiary agency at the design stage and to what extent was there subsequent support for the CDB supervision, review, and performance evaluation process?	The CED was of the view that they were not sufficiently involved at the design stage of the TA. Although UNCTAD was able to create an electronic application, having not done a proper analysis of the Belize situation, their resulting system was not sufficiently tailored to satisfy the specific requirements of Belize.
b) What was the degree of support for the TA including the availability and performance of counterpart staff?	Although Customs staff was provided to the project there was need for persons specialised in IT in order to ensure the IT platform was well established and to maintain the system.
c) How adequate were the counterpart funds, facilities, equipment and services throughout implementation	It appears that although the counterpart funding and facilities were adequate sufficient use was not made of CITO, an arm of the Ministry of Finance, which could have alleviated some of the IT problems the CED faced.
d) Did the beneficiary comply with procurement requirements?	Yes
e) Did the beneficiary comply with monitoring, evaluation and reporting requirements?	Yes
f) Was appropriate utilisation made of TA results?	Yes

ASSESSMENT	RATING
Sub-Criteria [a - f] Met	Highly Satisfactory
Sub-Criteria [a - d] Met	Satisfactory
Sub-Criteria [c - d] Not Met	Marginally Unsatisfactory
Sub-Criteria [a - d] Not Met	Unsatisfactory

Although Sub-Criteria [a - c] was not fully Met, Sub-Criteria [d - f] were Met. The Consultants recommend for BENEFICIARY PERFORMANCE a Rating of Marginally Unsatisfactory

3. CONSULTANT PERFORMANCE	CONSULTANT'S EVALUATION
a) What was the quality of staff on the TA?	It was good except that the IT consultant lacked substantial Customs experience having previously only done a small consultancy in one of the British Overseas Territories.
b) Did the consultants comply with the terms of reference?	Yes
c) Were their TA outputs timely?	Yes
d) What was the quality of cooperation with the beneficiary agency?	Generally good but UNCTAD consultants retained the technical knowledge of the system within their group and needed to be called in whenever hardware and software interventions were required.

ASSESSMENT	RATING
Sub-Criteria [a - d] Met	Highly Satisfactory
Sub-Criteria [a - c] Met	Satisfactory
Sub-Criteria [c - d] Not Met	Marginally Unsatisfactory
Sub-Criteria [a - d] Not Met	Unsatisfactory

Sub-Criteria [a – c } Met Although the CED had some concerns with the experience of UNCTAD's IT specialist it would appear that UNCTAD's personnel generally performed well and therefore for **CONSULTANT PERFORMANCE** a rating of Satisfactory is recommend.

**GRENADA - INSTITUTIONAL STRENGTHENING OF THE
CUSTOMS AND EXCISE DEPARTMENT**

INTRODUCTION

By letter dated July 23, 2003 the Government of Grenada (GOGR) requested a TA from CDB to assist in strengthening its CED in order to reduce the incidence of fraud and non-compliance and increase customs revenues. This TA was approved on December 9, 2004 and the grant agreement was signed on January 12, 2005. The CDB grant was for USD300,000 however, the total grant was not utilised as the project was not completed and the CDB requested that the balance be returned.

MEETING WITH CED OFFICIALS

On Wednesday May 28, 2014 the Consultants met at Customs House, The Careenage, St. Georges, Grenada to review this TA, PRN: 3209 with: (i) the Comptroller of Customs and (ii) the two Deputy Comptrollers.

OVERVIEW

The Scope of Work for this TA was required to be carried out in two phases. The first Phase, which was, *inter alia*, to conduct an assessment of the existing fraud control arrangements and to develop an FCP, went fairly well even though there were some delays. The proposals and recommendations were approved by the GOGR in October 2009. The second phase which was to facilitate and coordinate the implementation of the accepted recommendations and reforms and to design and implement an M&E system to evaluate the administrative effectiveness of the reforms, did not go very well.

The CED was very disappointed with the execution of this TA. Although they were involved with the design and scope of works of the TA and also with the selection of the consultants, they were of the view that they did not receive all that they should have under this TA and they cited a number of issues.

- (1) A major issue was that although the consultants had named a Customs and Excise specialist in their list of consultants, no Customs person was ever put on the project. This caused major problems and delays in that the consultant was unfamiliar with Customs terms and procedures and a great deal of time was wasted by CED officers having to explain even the most basic Customs operations to the consultant.
- (2) Although a Steering Committee was set up, it was headed by the Permanent Secretary, Finance of Grenada who was extremely busy and scheduling of meetings for this Committee was very difficult with the result that maybe only one or two of such meetings were held during the project. This seriously impacted the project in that the expected oversight and monitoring of the project was deficient and the CED had to deal with the PWC consultants on their own.
- (3) The CED and the consultants had different opinions on the Scope of Work required. Although the activities in Phase 1 were performed in relation to the assessment etc. of the fraud arrangements, the deliverables in Phase 2 were not up to the CED's expectations. The CED was of the view that an actionable FCP and an M&E system would have been designed and implemented by the consultants as required in the Scope of Works. The consultants however appeared to be of the view that implementation was not part of their mandate and as a result towards the end of the project wrote the CED asking what was the status of some of the things that in the CED's view, the consultants were required to do.

- (4) The CED brought the misinterpretation of the Scope of Works and a number of other difficulties to the attention of the CDB with a recommendation that, in light of the fact that all deliverables under the TA would not be met, consideration should be given to the CED to allocate some of the undisbursed funds under the TA to acquire the required services.
- (5) In its Final report dated May 10, 2011, the consultants stated “By correspondence dated June 17, 2010, we submitted a revised work plan for Phase 2, which indicates a project completion date of May 15, 2011. The revised work plan was submitted by correspondence dated July 29, 2010”. In this revised work plan it appears that no mention was made of the requirement to implement any of the plans as was in the original Scope of Work. It is significant to note that no information is given as to whom this correspondence was addressed or whether approval was given for this revised work plan.
- (6) Due to the delays experienced on this project (the Comptroller admitted that delays were caused by both the consultants and the CED), it was realised that all the deliverables would not be achieved and with only a month to go on the project a decision was taken by the Permanent Secretary, Finance, that at least some aspect of the training under the consultancy should be conducted. With this in mind a couple of training sessions were conducted by the consultants and a hand out was given; however no manuals were ever prepared.

In analysing the effectiveness of this TA in relation to the Logical Framework matrix the following information was gleaned from the Comptroller and his deputies:

DELIVERABLES	RESULT
Fraud and Corruption Control Plan	A presentation on a Fraud Plan was made by the consultants but when the CED compared this to one they had seen from an African country which was far superior to the one presented by the consultants, they were very disappointed and felt that the consultants' plan should have been much more comprehensive.
Manual for the operations of the Internal Audit Unit (IAU)	The IAU was not set up under this TA and no Manual was prepared.
Skills and competency matrix for the CED staff	None was done.
Comprehensive training programme in risk assessment, investigation, anti-smuggling operations and post import audit	A comprehensive training programme was not done by the consultants as the project ran out of time. As a result only very minimal training sessions were conducted towards the end of the project and a hand out given.
M&E framework to assess the effectiveness of policies, measures and systems	A brief document was prepared by the consultants.
Existence of a functioning IAU in the CED	An IAU was not set up by the consultants under this TA. In the last months of the project the consultants recommended that the CED recruits an audit person to set up an IAU.
Existence of a functioning Post-Import Audit Unit	A Post-Import Audit Unit was not set up by the consultants under this TA but was subsequently financed by the Grenada Technical Assistance Credit Project.

Established system for reporting and management of internal and external fraud	The only recommendation made by the consultants in this area was for the CED to set up a hot line. This however, was not implemented as the Permanent Secretary Finance had asked the consultants to give him some information on where such a system had been set up and how effective such a system was and to advise how it could be operationalised. This information however, was not forthcoming before the project came to an end. A Risk Assessment and Investigation section was subsequently established during the implementation of ASYCUDA World in 2012 and was funded by UNCTAD. The CED went directly from ASYCUDA Version 2.7 to ASYCUDA World.
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The goal of the TA was to optimise the level of government revenues obtained through the CED with the verifiable indicators expected to be the stability of customs revenue at around 40% to 50% of Total Government Revenue.

Over the period 2006 to 2013 Customs Revenues were stable between 40-50% as seen in Table 1 below, however, the Comptroller attributed this, not to the effect of the TA but to other factors, such as assistance from other donor agencies such as OAS, CARTAC, UNCTAD to implement programmes that were not completed by this TA.

TABLE 1: Grenada CED Customs Revenue

YEAR	Customs Revenue as a % of total Government Revenues
2006	51.7
2007	53.4
2008	47.6
2009	44.1
2010	43.2
2011	47.6
2012	46.8
2013	44.8
2014	45.6 Projected

The initiatives that the CED hoped to have fulfilled under this TA were as follows:

1. Code of Conduct for its officers. The CED had hoped that the consultants would have designed and implemented a Code of Conduct for its officers. However, they merely took the Code of Ethics which the CED already had and used this to run a training course for the officers. Although nothing new was added it did serve as a refresher course for the officers and raised their awareness to the issues.
2. An FCP - Although an FCP was not prepared by the consultants the CED subsequently used their recommendations in this area to formulate a plan.
3. M&E - Nothing was done by the consultants in this area and the training conducted was too short to be meaningful and there was no impact from this aspect of the TA.

LESSONS LEARNT

Although the CED was of the view that the TA was well designed and if executed properly would have met their requirements they offered the following advice for future TAs of this nature:

1. Consultants should be required to provide personnel with the skills they identified in their tender documents and not be allowed to substitute personnel with different skills.
2. CDB personnel should increase supervision visits during the execution of a TA so they can monitor the implementation first hand and any issues or problems that arise could be quickly addressed.

GRENADA CUSTOMS AND EXCISE**INSTITUTIONAL STRENGTHENING OF THE CUSTOMS AND EXCISE DEPARTMENT
TO REDUCE THE INCIDENCE OF FRAUD AND OPTIMISE CUSTOMS REVENUE****EVALUATION DESIGN MATRIX**

RELEVANCE - To what extent has the CDB's TA Programme in support of tax reform/administration been strategically relevant to the needs of the BMCs?

	Research Questions	Consultants' Evaluation
a)	How adequate was the sector analysis and identification of the problem or issue required to establish the Relevance for the TA?	The sector analysis by the CDB seemed adequate although the CED officials said they did not participate in the design of the TOR.
b)	Was the TA consistent with CDB's strategic objectives?	Yes, as it seeks to simplify procedures to improve overall efficiency.
c)	Was consideration given to alternative responses to the identified problem or issue?	No, as this collaborative approach was part of the Customs Reform and Modernisation (CRM) Programme initiative to improve effectiveness of customs services in four member states of the OECS.
d)	Was the TA consistent with country development priorities?	Yes, the programme ensured that there were clear strategies, systems and procedural guidelines to identify possible fraud risks and to manage these risks so that any leakages are plugged to optimise Customs' revenue
e)	Was consideration given to the effect of cross-cutting themes where applicable?	The implementation of effective fraud control arrangements will not only protect Government's current revenue but also give the community confidence in the effectiveness and integrity of the staff and operations of the CED.
f)	Was consideration given to any constraints that might have impacted on the achievement of results?	Yes, e.g., whether adequate IT systems would be in place to support investigation and whether Customs officers will diligently discharge their responsibility with regard to reporting and investigating fraud.
g)	Were the outcomes and inputs of the TA appropriate?	Yes. The stability of customs revenue has been maintained at around 40 to 50% of total Government current revenue.
h)	To what extent did the stakeholders take ownership of the TA and their commitment to support boundary partners?	The CED took full ownership and were committed to support boundary partners

	Research Questions	Consultants' Evaluation
i)	Was the timing of the TA appropriate?	Yes. Fraud against the State was a major concern and the Government assigned urgent priority to the establishment of a FCP.
j)	Was consideration given to lessons learnt from related TAs and other development partners in the country?	No evidence of this was seen
k)	Did the TA duplicate or was at cross-purposes with previous TAs from CDB and or other development partners.	No. In this exercise we saw no evidence of any similar TA from CDB.

RELEVANCE ASSESSMENT RATING – GRENADA CED

ASSESSMENT	SCORE	RATING
Sub-Criteria [a to k] Met	4	Highly Satisfactory
Sub-Criteria [a to h] Met	3	Satisfactory
Sub-Criteria [(a or b) and (g)] Not Met	2	Marginally Unsatisfactory
Sub-Criteria [a, b and d] Not Met	1	Unsatisfactory
Comments/Justification		
Sub-Criteria [a to k] Met The Score for RELEVANCE is 4 Highly Satisfactory		

EFFECTIVENESS - How effective has implementation of the TA in supporting tax reform/ administration been in achieving results and strengthening institutional capacity of the CED?

	Research Questions	Consultants' Evaluation
a)	Were expected outcomes achieved or are expected to be achieved?	Phase 1 was completed and recommendations were accepted. However the implementation aspects of Phase 2 were delayed. The PSR of September 30, 2011, however, reported Phase 2 as being completed.
b)	What were the factors influencing the achievement of the expected outcomes?	Although the consultants named a C & E Specialist for the project no such person was ever provided. Guidelines for a FCP were submitted.
c)	What was the client satisfaction with nature, extent, delivery and timeliness of outcomes achieved?	The consultants were given the impression that the CED was not completely satisfied with the overall outcome achieved.
d)	Were the reasons justifiable for deviating from objectives?	Although the consultants deviated from the TOR with respect to the implementation aspects of Phase 2 of the TA it appears that the CED was unaware that they had made a change to the TOR. This change was only noted in their status report. However, there was no evidence that such a change had been approved by the CED or CDB. Therefore there appears to have been no justifiable reasons for deviating from the objectives.
e)	Were there any implementation delays and if so what influence did these have on the realisation of expected outcomes?	Yes. The absence of a Customs specialist as part of their Team necessitated a longer time to understand the requirements. There was also some delay in getting the necessary legislation enacted to support acceptance of documentation in electronic format.

EFFECTIVENESS ASSESSMENT RATING – GRENADA CED

ASSESSMENT	SCORE	RATING
Sub-Criteria [a to e] Met	4	Highly Satisfactory
Sub-Criteria [(a to c) Met	3	Satisfactory
Sub-Criteria [(a or b) and (c)] Not Met	2	Marginally Unsatisfactory
Sub-Criteria [a to d] Not Met	1	Unsatisfactory
Comments/Justification		
Sub-Criteria [a - c] not met. The Score for EFFECTIVENESS is 1 Unsatisfactory		

EFFICIENCY - How proficient was the delivery of inputs to achieve the objectives of the TA and the conduct of activities?

	Research Questions	Consultants' Evaluation
a)	How economical and productive were the input provisions?	The cost of engaging the consultants was within the budget provided. CARTAC were of the view that the amount was adequate for the scope of the assignment.
b)	How productive were the inputs?	The inputs were fully utilised by the consultants to achieve the overall objective.
c)	Were the resulting outputs (consultants' reports, technical studies) well prepared, practical and cost-effective	Yes. The reports were well prepared and set out the implementation of the various fraud control initiatives. Third party resources were retained to deliver some of the training.
d)	Were counterpart resources/inputs provided by relevant stakeholders at levels allocated?	Yes by the GOCR.
e)	Were the quality of inputs satisfactory and provided when required?	Yes, in respect of those that were provided.
f)	Was an acceptable quality of outputs produced (reports, presentation, technology transfer, staff trained)?	Yes. The consultants prepared and submitted a FCP with guidelines which were approved by the CED.
g)	Were time-bound targets achieved within time and budget?	The Phase 1 target was achieved timely but Phase 2 was delayed.
h)	Were there any deviations from planned inputs, activities and outputs and if so were they justified?	There were deviations as other agencies have had inputs into the final position. CARTAC; World Bank etc.
i)	What was the level of client satisfaction with the nature, extent, delivery and timeliness of inputs provided, and outputs produced?	The CED was satisfied with the outcome of Phase I, however there was some delay in equipment procurement which impacted adversely with respect to the M & E system.
j)	Was there satisfactory follow-up/supervision?	The CDB did not support the effort to the extent that the GOCR wished.

EFFICIENCY ASSESSMENT RATING – GRENADA CED

ASSESSMENT	SCORE	RATING
Sub-Criteria [a to j] Met	4	Highly Satisfactory
Sub-Criteria [(a to g) Met	3	Satisfactory
Sub-Criteria [c to g] Not Met	2	Marginally Unsatisfactory
Sub-Criteria [a to e] Not Met	1	Unsatisfactory
Comments/Justification		
<p>Sub-Criteria [a - f] were Met. However, Sub-Criteria [g - j] were not fully Met The Consultants recommend for EFFICIENCY a Score of 2 Marginally Unsatisfactory.</p>		

SUSTAINABILITY - What external drivers have been most critical and what have been their effects on the performance of the TAs?

	Research Questions	Consultants' Evaluation
a)	To what extent has the TA outcome delivered the required service quite satisfactorily or has resulted in significant, noticeable improvement in the capacity of the institution concerned according to knowledgeable experts	The consultants recommended that the Risk Rating be periodically reviewed to preclude the ability of importers to circumvent the elements that lead to high risk rating.
b)	Does the beneficiary/beneficiary institution have enough, sufficiently trained staff and adequate resources (physical and financial) to utilise or operate the facilities/equipment provided through the TA intervention, and to ensure their proper maintenance (if/where applicable)?	There was sufficiently trained staff in the operating areas of the Risk Assessment, Customer Service, M&E, Post Audit and Investigations. It was noted, however, that complacency of officers led to the lack of thorough inspection of goods leading to possible fraudulent activity.
c)	To what extent, in the case of a regional institution, has the TA enhanced the efficiency and productivity of the staff of the beneficiary institution, has led to a significant improvement in its performance or has resulted in greater integration, coordination and cooperation between the BMCs of CDB.	Still struggling with the implementation of this TA so the CED TA is unlikely to create an impact.
d)	Was there a positive influence of cross-cutting themes (poverty, gender, environment, CC, DRM and citizen security on TA outcomes)?	Unable to determine.

SUSTAINABILITY ASSESSMENT RATING – GRENADA CED

ASSESSMENT	SCORE	RATING
Sub-Criteria [a to d] Met	4	Highly Satisfactory
Sub-Criteria [(a to b) Met	3	Satisfactory
Sub-Criteria [(b) Not Met	2	Marginally Unsatisfactory
Sub-Criteria [a to c] Not Met	1	Unsatisfactory
Comments/Justification		
Sub-Criteria [a & b] not fully Met. Sub-Criteria [c] Not Met. The Consultants recommend for SUSTAINABILITY a Score of 2 Marginally Unsatisfactory		

**COMPUTATION OF THE COMPOSITE (AGGREGATE) SCORE
FOR GRENADA CED TA INTERVENTION**

Core Criteria	PERFORMANCE RATING				
	RATING [√]				ENTER SCORE [HS= 4]; [S =3]; [MUS = 2]; [US= 1]
	HS	S	MUS	US	
Relevance	√				4
Effectiveness				√	1
Efficiency			√		2
Sustainability			√		2
Total Score = [Sum of Scores for Core Criteria]					9
Overall Average Score = [Total Score / 4]					[9/4] = 2.25
OVERALL ASSESSMENT [Based On Overall Average Score]					OVERALL RATING [√]
HS	Highly Satisfactory	> 3.25 and ≤ 4.00			
S	Satisfactory	> 2.50 and ≤ 3.25			
MUS	Marginally Unsatisfactory	> 1.75 and ≤ 2.50			√
US	Unsatisfactory	> 1.00 and ≤ 1.75			

Comments/Justification:

The GRENADA CED was given a Composite (Aggregate) Score of 2 Marginally Unsatisfactory

IMPLEMENTATION PERFORMANCE CHECKLIST FOR GRENADA CED

IMPLEMENTATION PERFORMANCE SUB-CRITERIA	CONSULTANTS' EVALUATION
1. CDB PERFORMANCE	
a) Was the statement of expected results; quality at entry of TA clear?	Yes. As set out in the scope of works.
b) Were the TOR clear and comprehensive?	Yes. The TOR was clear and comprehensive as to what the objectives were.
c) Was the delivery process efficient (start-up/implementation readiness, disbursement, audit, closure)?	Yes. The TA provided the process by which the project was to be executed and financed. It also specified the selection of UNCTAD as the Consultant.
d) How was the timeliness and quality of CDB's responses to the beneficiary agency's requests for changes during implementation?	The CED was not very satisfied with responses from the CDB for requests for interventions.
e) Adequacy of CDB supervision, including CDB staff continuity; frequency, composition, and length of review missions.	The PSRs do not indicate that any field visits or desk reviews for monitoring the progress of implementation were conducted.

ASSESSMENT	RATING
Sub-Criteria [a - e] Met	Highly Satisfactory
Sub-Criteria [a - c] Met	Satisfactory
Sub-Criteria [c - e] Not Met	Marginally Unsatisfactory
Sub-Criteria [a - e] Not Met	Unsatisfactory

Sub-Criteria [a – c] Met. Sub-Criteria [d – e] Not Met. The Rating for CDB PERFORMANCE is Satisfactory

2. BENEFICIARY PERFORMANCE	CONSULTANTS' EVALUATION
a) To what extent was there participation by the beneficiary agency at the design stage and to what extent was there subsequent support for the CDB supervision, review, and performance evaluation process?	We were unable to ascertain whether there was any participation in the design stage. However, UNCTAD has predetermined packaged systems. No evidence of any CDB supervision visits or desk reviews was seen.
b) What was the degree of support for the TA including the availability and performance of counterpart staff?	The CED provided adequate support for the TA in terms of human resources.
c) How adequate were the counterpart funds, facilities, equipment and services throughout implementation?	The GOCR met their obligations in terms of financial resources and infrastructure.
d) Did the beneficiary comply with procurement requirements?	The IDB and CDB approvals were granted for UNCTAD to utilise its own procedures.
e) Did the beneficiary comply with monitoring, evaluation and reporting requirements?	Yes
f) Was appropriate utilisation made of TA results	Yes. The FCP was rolled out as recommended

ASSESSMENT	RATING
Sub-Criteria [a - f] Met	Highly Satisfactory
Sub-Criteria [a - d] Met	Satisfactory
Sub-Criteria [c - d] Not Met	Marginally Unsatisfactory
Sub-Criteria [a - d] Not Met	Unsatisfactory

Sub-Criteria [a] Not Met Sub-Criteria [b – f] Met. The Rating for BENEFICIARY PERFORMANCE is Satisfactory

3. CONSULTANT PERFORMANCE	CONSULTANTS' EVALUATION
<p>a) What was the quality of staff on the TA?</p> <p>b) Did the consultants comply with the TOR?</p> <p>c) Were their TA outputs timely?</p> <p>d) What was the quality of cooperation with the beneficiary agency?</p>	<p>The quality of staff provided was acceptable, however; they did not provide an IT specialist with Customs & Excise experience.</p> <p>With just one month to go it was realized that all the deliverables would not be achieved. The PS Finance therefore took the decision that some aspect of training should be conducted. A couple of training sections were conducted but no manuals were prepared. Other than that their Scope of Work was completed in accordance with the TOR.</p> <p>Delays were experienced on this project.</p> <p>It appears that there was good cooperation between the consultant and the CED</p>

ASSESSMENT	RATING
Sub-Criteria [a - d] Met	Highly Satisfactory
Sub-Criteria [a - c] Met	Satisfactory
Sub-Criteria [c - d] Not Met	Marginally Unsatisfactory
Sub-Criteria [a - d] Not Met	Unsatisfactory

Sub-Criteria [a and b] not fully Met. Sub-Criteria [c] Not Met. Sub-Criteria [d] Met. The Rating for CONSULTANT PERFORMANCE is Marginally Unsatisfactory

GRENADA - IRD LAND VALUATION TA INTERVENTION

INTRODUCTION

By letter dated February 10, 2000 the GOCR requested financing from CDB to assist in providing consultancy services for the institutional strengthening of the Valuation Division of the IRD of the Ministry of Finance. On July 13, 2000, the Board of the CDB approved a Grant (GA17/GRN) of an amount not exceeding USD235,000 to assist in financing the services of consultants to assist the Government in improving the capacity and efficiency of the property tax system of Grenada.

The contract for the services was awarded to the selected consultants for a period of 12 to 18 months.

In this TA the consultants were expected to:

- (a) develop an operational review of the processes of the Valuation Division, as well as provide assessment and feedback on their information needs;
- (b) recommend the selection of appropriate equipment and installation of the relevant working environment for digitising maps;
- (c) prepare a comprehensive modular systems design for the computerisation of the Valuation Division's taxes;
- (d) prepare an operations manual for the maintenance and updating of the new system;
- (e) prepare a training needs assessment and develop and execute an appropriate training programme; and
- (f) monitor the implementation of the national valuation exercise.

The objective of the project was to improve the administration of Property Tax and Property Transfer Tax systems and thereby increase the efficiency of collections and overall level of resources available to Government.

MEETING WITH IRD OFFICIALS

On May 29, 2014 the Consultants met in St Georges with the Comptroller, Assistant Comptroller/Ag. Deputy Comptroller and Assistant Comptroller of the IRD:

These officers were all involved to some degree in the project and thereby were able to provide continuing institutional memory. The IRD officials were very impressed with the level of expertise proposed to be used by the consultants although there was some reservation about the extent to which all their experts were present during the exercise.

Significant progress was being made in the installation of the PROTAX system by the consultants with the database of properties increasing from 27,000 units in 1984 to approximately 84,000 units in 2013. The programme was on track to deliver the objectives prescribed in the TA. However at that time another initiative was being advocated by the OECS and funded by the Eastern Caribbean Central Bank for implementation in the wider Caribbean whereby SIGTAS, a Canadian system was being promoted as the system to be used for the integration of their tax system.

It was subsequently discovered that the two systems were incompatible and it was therefore not possible to maintain the PROTAX operating software in the SIGTAS environment which ultimately prevailed. The latest PSR prepared by the CDB dated November 3, 2004 shows the consultant's final report as being received and the undisbursed balance to be cancelled.

At the present time there have been major improvements in the Valuations Division which have enabled the GOCR to propose in its 2014 Budget a doubling of revenue from Property Tax and Property Transfer Tax from XCD 8.0 mn to XCD16.0 mn and already collections of almost 50% have been achieved for the first five months of the fiscal year.

LESSONS LEARNT

The IRD representatives expressed the view that the performance of the consultants was indeed credible and satisfied many of the objectives of the TOR of the TA. However, there were several areas in which they felt that improved supervision and possible intervention by the CDB would have assisted them in retaining some of the superior attributes of the PROTAX system.

Further it would be desirable for the recipient agency (IRD) to be more involved in the M&E of the TA implementation as the contract was executed by the Ministry of Finance and Consultant's reports were forwarded to CDB without an input or knowledge of the contents by the CED.

The beneficiary agency would have liked to continue the use of some aspects of the PROTAX system even though its use had been abandoned in favour of SIGTAS. However they were not able to do so as the BMC was not given access to the source code for the programme when the Consultant left the project neither was the Consultant prepared to assist the IRD in modifying the system at a later stage. Some consideration should therefore be given to ensuring that when proprietary systems are funded by a TA that either the source code is left with the agency or some service agreement is put in place which would enable the programme to be subsequently modified and maintained.

GRENADA INLAND REVENUE

**INSTITUTIONAL STRENGTHENING OF THE IRD FOR IMPROVING
THE VALUATION DIVISION**

EVALUATION DESIGN MATRIX

RELEVANCE - To what extent has the CDB's TA Programme in support of tax reform/administration been strategically relevant to the needs of the BMCs?

	Research Questions	Consultants' Evaluation
a)	How adequate was the sector analysis and identification of the problem or issue required to establish the Relevance for the TA?	The Sector analysis adequately described the problem and determined that the use of technology will improve the efficiency of the Valuations Division.
b)	Was the TA consistent with CDB's strategic objectives?	Yes. To improve the IRD's efficiency in collecting revenues through increased use of technology.
c)	Was consideration given to alternative responses to the identified problem or issue?	There was no evidence of consideration being given to alternative responses.
d)	Was the TA consistent with country development priorities?	Yes.
e)	Was consideration given to the effect of cross-cutting themes where applicable?	Unaware of any consideration given.
f)	Was consideration given to any constraints that might have impacted on the achievement of results?	Yes, the extent to which properties are not easily identified.
g)	Were the outcomes and inputs of the TA appropriate?	Both the outcomes and inputs of the TA were appropriate. The Sector analysis, the objectives of the TA and its Implementation all contributed to the improvement of the Property Tax System
h)	To what extent did the stakeholders take ownership of the TA and their commitment to support boundary partners?	In the initial stage the stakeholders took ownership of the TA. However as the exercise progressed other initiatives were introduced.
i)	Was the timing of the TA appropriate?	Yes, as increased attention was being placed on Property Tax and Property Transfer tax revenues
j)	Was consideration given to lessons learnt from related TAs and other development partners in the country?	There was no indication that there were other related TAs.
k)	Did the TA duplicate or was at cross-purposes with previous TAs from CDB and or other development partners?	No, but it was overtaken by other initiatives introduced by other development agencies.

RELEVANCE ASSESSMENT RATING – GRENADA IRD

ASSESSMENT	SCORE	RATING
Sub-Criteria [a to k] Met	4	Highly Satisfactory
Sub-Criteria [a to h] Met	3	Satisfactory
Sub-Criteria [(a or b) and (g)] Not Met	2	Marginally Unsatisfactory
Sub-Criteria [a, b and d] Not Met	1	Unsatisfactory
Comments/Justification		
With the exception of Sub-Criteria [c, e, and h] which were partially Met all other Sub-Criteria were Met. The Consultants recommend for RELEVANCE a Score of 4 Highly Satisfactory.		

EFFECTIVENESS - How effective has implementation of the TA in supporting tax reform/administration been in achieving results and strengthening institutional capacity?

	Research Questions	Consultants' Evaluation
a)	Were expected outcomes achieved or are expected to be achieved?	No the PROTAX system just reached the testing stage when it was swept aside to use another system
b)	What were the factors influencing the achievement of the expected outcomes?	The adoption of the SIGTAS programme to be used for the Valuation Dept. instead of the PROTAX designed by the Consultant was responsible for the expected outcomes not being achieved.
c)	What was the client satisfaction with nature, extent, delivery and timeliness of outcomes achieved?	The client was not satisfied with the outcome of this TA but it was not the fault of the Consultant but rather a misalignment of projects.
d)	Were the reasons justifiable for deviating from objectives?	There were no deviations from the objectives. However when the Government accepted assistance from Canada the two systems proved to be incompatible.
e)	Were there any implementation delays and if so what influence did these have on the realisation of expected outcomes?	The data conversion and verification took longer than anticipated. There was a delay in the procurement of the requisite equipment.

EFFECTIVENESS ASSESSMENT RATING – Grenada IRD

ASSESSMENT	SCORE	RATING
Sub-Criteria [a to e] Met	4	Highly Satisfactory
Sub-Criteria [a to c] Met	3	Satisfactory
Sub-Criteria [(a or b) and (c)] Not Met	2	Marginally Unsatisfactory
Sub-Criteria [a to d] Not Met	1	Unsatisfactory
Comments/Justification		
Sub-Criteria [a to e] Not met The Score for EFFECTIVENESS is 1 –Unsatisfactory.		

EFFICIENCY - How proficient was the delivery of inputs to achieve the objectives of the TA and the conduct of activities?

	Research Questions	Consultants' Evaluation
a)	How economical were the input provisions?	The Consultant completed the Final Report within budget and the undisbursed balance was cancelled.
b)	How productive were the inputs?	They achieved the objectives.
c)	Were the resulting outputs (consultants' reports, technical studies) well prepared, practical and cost-effective	Yes
d)	Were counterpart resources/inputs provided by relevant stakeholders at levels allocated?	The requisite counterpart resources were provided.
e)	Were the quality of inputs satisfactory and provided when required?	The IRD was fairly satisfied with the quality of the inputs
f)	Was an acceptable quality of outputs produced (reports, presentation, technology transfer, staff trained)?	Yes, by the initial consultant
g)	Were time-bound targets achieved within time and budget?	Yes
h)	Were there any deviations from planned inputs, activities and outputs and if so were they justified?	There were deviations from the planned output.
i)	What was the level of client satisfaction with the nature, extent, delivery and timeliness of inputs provided, and outputs produced?	The IRD was very satisfied with the output of Phases 1 and 2. With regards to Phase 3 some of the consultants nominated by the consultants in their proposal were not involved.
j)	Was there satisfactory follow-up/supervision?	No. There was insufficient follow/supervision by CDB

EFFICIENCY ASSESSMENT RATING – GRENADA IRD

ASSESSMENT	SCORE	RATING
Sub-Criteria [a to j] Met	4	Highly Satisfactory
Sub-Criteria [(a to g) Met	3	Satisfactory
Sub-Criteria [c to g] Not Met	2	Marginally Unsatisfactory
Sub-Criteria [a to e] Not Met	1	Unsatisfactory
Comments/Justification		
<p>Sub-Criteria [a to g] met , Sub-Criteria [h, I, &j] were not Met Star Technologies was very efficient in the implementation of the TA however, the system was subsequently replaced by another financed by the OECS. The Score for EFFICIENCY is 3 Satisfactory</p>		

SUSTAINABILITY - What external drivers have been most critical and what have been their effects on the performance of the TAs?

	Research Questions	Consultants' Evaluation
a)	To what extent has the TA outcome delivered the required service quite satisfactorily or has resulted in significant, noticeable improvement in the capacity of the institution concerned according to knowledgeable experts	PROTAX, the computer system developed by the consultants under this TA only reached the testing stage and was then replaced with a system funded by another international organisation so this TA was ineffective and unsustainable
b)	Does the beneficiary/beneficiary institution have enough, sufficiently trained staff and adequate resources (physical and financial) to utilise or operate the facilities/ equipment provided through the TA intervention, and to ensure their proper maintenance (if/where applicable)?	Although the beneficiary agency had recruited and trained staff to operate the facilities / equipment provided this training was wasted as the staff now had to learn the SIGTAS system which was implemented instead.
c)	To what extent, in the case of a regional institution, has the TA enhanced the efficiency and productivity of the staff of the beneficiary institution, has led to a significant improvement in its performance or has resulted in greater integration, coordination and cooperation between the BMCs of CDB.	Although the IRD was able to capture approx. 75% of all properties this was done with SIGTAS and not PROTAX so this TA did not enhance the efficiency and productivity of the staff of the beneficiary institution nor did it lead to a significant improvement in its performance.
d)	Was there a positive influence of cross-cutting themes (poverty, gender, environment, CC, DRM and citizen security on TA outcomes)?	The incomplete implementation of PROTAX as introduced by the consultants did not result in an improvement in the efficiency of collections.

SUSTAINABILITY ASSESSMENT RATING – GRENADA IRD

ASSESSMENT	SCORE	RATING
Sub-Criteria [a to d] Met	4	Highly Satisfactory
Sub-Criteria [(a to b) Met	3	Satisfactory
Sub-Criteria [(b) Not Met	2	Marginally Unsatisfactory
Sub-Criteria [a to c] Not Met	1	Unsatisfactory
Comments/Justification		
Sub-Criteria [a-d] Not Met The Score for SUSTAINABILITY is 1 Unsatisfactory		

**COMPUTATION OF THE COMPOSITE (AGGREGATE) SCORE
FOR GRENADA IRD TA INTERVENTION**

Core Criteria	PERFORMANCE RATING				ENTER SCORE [HS= 4]; [S =3]; [MUS = 2]; [US= 1]
	RATING [√]				
	HS	S	MUS	US	
Relevance	√				4
Effectiveness				√	1
Efficiency		√			3
Sustainability				√	1
Total Score = [Sum of Scores for Core Criteria]					9
Overall Average Score = [Total Score / 4]					[9/4] = 2.25
OVERALL ASSESSMENT [Based On Overall Average Score]					OVERALL RATING [√]

HS Highly Satisfactory > 3.25 and ≤ 4.00

S Satisfactory > 2.50 and ≤ 3.25

MUS Marginally Unsatisfactory > 1.75 and ≤ 2.50

US Unsatisfactory > 1.00 and ≤ 1.75

√

Comments/Justification:

The GRENADA IRD was given a Composite (Aggregate) Score of 2.25 Marginally Unsatisfactory

IMPLEMENTATION PERFORMANCE CHECKLIST FOR GRENADA IRD

IMPLEMENTATION PERFORMANCE SUB-CRITERIA	CONSULTANTS' EVALUATION
1. CDB PERFORMANCE	
a) Was the statement of expected results; quality at entry of TA clear?	Yes, as set out in the Scope of Works.
b) Were the TOR clear and comprehensive?	Yes. The TA was clear and comprehensive as to what the objective was.
c) Was the delivery process efficient (start-up/implementation readiness, disbursement, audit, closure)	The TA provided the process by which the project was to be executed and financed, and the TOR of the Consultant.
d) How was the timeliness and quality of CDB's responses to the beneficiary agency's requests for changes during implementation?	The IRD was not very satisfied with responses from the CDB for requests for interventions and they felt that improved supervision and possible intervention by CDB would have assisted them in retaining some of the superior attributes of the PROTAX system.
e) Adequacy of CDB supervision, including CDB staff continuity; frequency, composition, and length of review missions.	The PSRs do not indicate that any field visits or desk reviews for monitoring the progress of implementation were conducted.

ASSESSMENT	RATING
Sub-Criteria [a - e] Met	Highly Satisfactory
Sub-Criteria [a - c] Met	Satisfactory
Sub-Criteria [c - e] Not Met	Marginally Unsatisfactory
Sub-Criteria [a - e] Not Met	Unsatisfactory

Sub-Criteria [a –c] Met. Sub-Criteria [d, & e,] Not Met. CDB PERFORMANCE is given a Rating of Satisfactory

2. BENEFICIARY PERFORMANCE	CONSULTANTS' EVALUATION
a) To what extent was there participation by the beneficiary agency at the design stage and to what extent was there subsequent support for the CDB supervision, review, and performance evaluation process?	We were unable to ascertain whether there was any participation by the Beneficiary Agency in the design stage. There were no CDB Supervision visits or desk reviews recorded on the PSRs.
b) What was the degree of support for the TA including the availability and performance of counterpart staff?	The IRD provided adequate support for the TA in terms of human resources
c) How adequate were the counterpart funds, facilities, equipment and services throughout implementation?	The GOCR met their obligations in terms of financial resources and infrastructure.
d) Did the beneficiary comply with procurement requirements?	Yes, in accordance with the Grant Agreement and CDB specifications
e) Did the beneficiary comply with monitoring, evaluation and reporting requirements?	Yes. The IRD complied with reporting requirements.
f) Was appropriate utilisation made of the TA results?	Yes, until they discovered that SIGTAS was not compatible with PROTAX AND the latter was abandoned.

ASSESSMENT	RATING
Sub-Criteria [a - f] Met	Highly Satisfactory
Sub-Criteria [a - d] Met	Satisfactory
Sub-Criteria [c - d] Not Met	Marginally Unsatisfactory
Sub-Criteria [a - d] Not Met	Unsatisfactory

Sub-Criteria [b, c, d, & e] Met. Sub-Criteria [a & f] Not Met. BENEFICIARY PERFORMANCE is given a Rating of Satisfactory

3. CONSULTANT PERFORMANCE	CONSULTANTS' EVALUATION
a) What was the quality of staff on the TA?	The IRD was very pleased with the quality of staff provided.
b) Did the consultants comply with the terms of reference?	The consultant complied with the TOR's Scope of Work but they did not give the IRD access to the source code of PROTAX. The IRD would have wished to use some aspects of the PROTAX at a later stage but without the source code no modifications were possible so the programme became useless.
c) Were their TA outputs timely?	They eventually had to terminate their involvement when the PROTAX system was abandoned.
d) What was the quality of cooperation with the beneficiary agency?	There was good cooperation with the IRD up to that point in time.

ASSESSMENT	RATING
Sub-Criteria [a - d] Met	Highly Satisfactory
Sub-Criteria [a - c] Met	Satisfactory
Sub-Criteria [c - d] Not Met	Marginally Unsatisfactory
Sub-Criteria [a - d] Not Met	Unsatisfactory

Sub-Criteria [a & d] were Met. Sub-Criteria [b & c] were partially Met.

The Consultant's involvement up to this point was good but it was unfortunate that the system had to be abandoned. In such circumstances CONSULTANT PERFORMANCE is given a Rating of 3 Satisfactory.

BARBADOS - A CENTRAL REVENUE AUTHORITY

INTRODUCTION

The Government of Barbados, by letter dated November 8, 2011 applied to the CDB for a Technical Assistance Loan to finance consultancies and other activities associated with implementing a CRA.

The Report of a feasibility study undertaken by CARTAC dated December 16, 2004 found that the tax administration lacked the agility necessary to manage, motivate, reward, develop and discipline staff to achieve maximum results. In addition, the Report found that the tax administration lacked capacity in certain critical services and that multiple staff were performing the same functions affecting the same taxpayers across each revenue type resulting in much higher administration costs than were necessary. There was therefore a strong business case for merging the major revenue collecting agencies.

The establishment of a CRA was seen as a means of addressing some of the key weaknesses that currently weighed on the efficiency of revenue administration. Once established, the CRA would provide a more effective platform for needed reforms and modernisation of revenue administration and should thus serve to strengthen fiscal management by improving tax administration and revenue collection. Several benefits are anticipated from the establishment of the CRA.

OBJECTIVE OF THE PROJECT

The objective of this project was to establish a CRA through the amalgamation of the major revenue collecting agencies of the IRD, the Value Added Tax Division, the Land Tax Department, the revenue collecting arm of the Licensing Authority and the CED, in order to develop a transparent and sustainable public management system of tax administration and collection.

The project to establish the CRA was required to be carried out in two phases. Phase 1 consisted of five elements and Phase 2 had one element.

Phase 1: The five aspects / elements of Phase 1 comprise:

- (i) Legislation and governance;
- (ii) Corporate services integration;
- (iii) Human resources management;
- (iv) Information technology; and
- (v) Integration of domestic tax administration.

Phase 2: The only element in this Phase 2 will be the integration of the administration of external taxes and the border control mandate of Customs and Excise.

Separate TOR, reporting requirements, duration and budgets were developed in respect of each of the elements referred to above.

BUDGET AND DURATION FOR THE TOTAL PROJECT

In March 2012, CDB approved a loan of USD 3,583,100 for the purpose of financing consultancy services to assist the Barbados CRA in strengthening its technical capabilities as they relate to customs, trade and IT administration and in the acquisition of appropriate hardware. Work on the TA commenced in April 2012.

The total estimated cost of the project was USD5,286,300 of which CDB would provide 68% by way of a loan in the sum of USD3,583,100. The balance would be contributed by the Government of Barbados (GOBD). It was expected that the Final Report would be submitted to CDB by June 2014.

CDB gave its no objection to consultants for the carrying out of the following services:

- Implementation and Design of the Organisational Structure and Related Services;
- Diagnostic Review and Implementation Strategy;
- Change Management Expertise; and
- Integration of Domestic Taxes;

No Consultant was selected for the Public Relations and Communication Strategy Implementation Plan. This was put on hold pending the formal establishment of the CRA which was expected by April 1, 2014.

Four Quarterly Reports, prepared by the Permanent Secretary (Ag.) of the Strategic Committee, were seen in the Registry files, the last of which covered the period July to September 2013. No drawdowns of CDB funds were seen from the Reports and all expenditure so far had been incurred by the GOBD.

During our skype call with the CDB staff supervisor in early February 2014 it was reported that no drawdowns had as yet been requested from CDB by the Barbados Government because the requisite contracts for the various consultants, which were necessary to accompany the request for drawdown, were with the relevant Government office and had not been finalised. She advised that although drafted, the CRA legislation had still not been passed and was with the Chief Parliamentary Counsel for review.

VISIT TO BARBADOS CRA

The Consultants visited Barbados during the period June 2-4, 2014 and met with the Revenue Commissioner, the Assistant to the CRA and the Comptroller of Customs. In anticipation of our visit the CRA had requested that we send an indication of the areas we wished to discuss during our meeting and this was done.

At our meeting, the Revenue Commissioner gave an overview of the execution status of the TA. As at April 1, 2014 they had only reached the point of establishing the CRA and they were settling in. The CRA was now officially known as the Barbados Revenue Authority (BRA). They had not yet completed the integration of all the projects and had not started the integration of Customs. It was felt the timing of the implementation of the CRA was unfortunate as its introduction in April coincided with the tax filing period so this caused a number of problems and generated some bad press from the inconveniences caused to the public. As a result, the due date for the filing of Income Tax and Consolidation Tax for the 2013 income year had to be extended to the May 7, 2014.

The major challenge of the CRA however, continues to be IT. A Diagnostic Review was undertaken by the consultants and a report presented dated June 27, 2013. The consultants proposed an IT Strategy and Transitional Plan spanning over a 5.5 year period, starting in 2013, and using a gradual approach that minimises disturbance of current revenue collection services. The consultants estimated that the BRA needs to allocate between USD11.0 mn and USD14 mn in capital investment, coupled with approximately USD 4.0 mn in annual operating expenses, to implement the plan, thereby transforming the BRA into a truly IT-enabled organisation.

The BRA identified their challenge in this area as “how to get to Year 2”, since they had no funds to effect the implementation of the IT Consultant’s recommendations. As a result, they made strong recommendations that funding agencies should not only provide funds for consultants to make

recommendations but should also provide funds at the same time for the beneficiary agency to implement the recommendations.

One of the main problems identified in the IT area was that each tax type had its own IT system:

- IRD used ETAX
- Value Added Tax Division used VETAS (VAT and Excise Tax Administration System)
- Excise Division uses 2 systems VETAS for domestic and ASYCUDA for imports
- Land Tax uses VTAX which, although obsolete, works well.
- Licencing Authority uses the BLA (Barbados Licencing Authority) application.
- CD uses ASYCUDA and is in the process of implementing ASYCUDA World an upgrade from ASYCUDA ++

The challenge for the BRA was to get one web-based presence and have all the departments integrated.

There were delays in the disbursement of funds by CDB with regard to the hiring of the consultants due to delays in the signing of those contracts. Since the consultants had to be paid, the Barbados Government had to fund the consultancies until they could draw down the loan funds. They contrasted this to IDB programmes and stated that the IDB pays against an MOU being signed and strongly recommended that this could also be considered by CDB.

Out of the approved loan of USD3,583,100 there have been four drawdowns to date totalling USD1,461,792.34.

Not all the funds could have been drawn down since all the contracts had not been awarded. Of the proposed contracts the following were not started:

- (a) Advisor to the Commissioner General;
- (b) Performance Appraisal System; and
- (c) Disaster Recovery Strategy.

The following were at various stages of implementation:

- (a) Change Management Expertise - Completed not fully implemented;
- (b) Design of the Organisational Structure - Completed and implemented;
- (c) Internal Policies and Procedures Manuals – Completed;
- (d) Information Technology Systems, Diagnostic Review and Strategy – Completed;
- (e) Business Process Engineering - Completed, being reviewed; and
- (f) Report Management and Business Intelligence - Being implemented

The BRA was very satisfied with the TA overall, found it very effective and felt it was critical to the success of the transition

Although the BRA was generally satisfied with the consultants they were somewhat dissatisfied with the Consultant for Change Management Expertise. The consultancy for Change Management was aimed at facilitating the change within and between the Legacy Agencies. A series of *Challenge of Change* workshops were planned and implemented as a critical part of this consultancy. Workshops were designed to enhance the awareness and change readiness of senior officers and staff, as well as to foster positive attitudes and approaches which would enable them to manage change more effectively.

The Comprehensive Communication Strategy was not yet formulated and this Consultancy is on hold. The BRA felt it needed to build a better image and decided to use the Barbados Government assisted organisation, the National Initiative for Service Excellence (NISE) to assist in this area. They have also contracted a Communication Officer for six months from June 15, 2014.

For the most part the TA was implemented as designed but a few changes had to be made. The BRA was very appreciative of CDB and its staff who, they said, were extremely helpful and very accommodating in allowing funds to be re-allocated when needed. These changes were made by the time of the signing of the loan agreement. During the implementation of the TA they received no visits from the CDB however, they had constant dialogue by phone and email with the CDB representatives.

Although all the legislation was passed to bring the BRA into being, the Barbados Revenue Act is mainly one of an administrative nature. The Regulations to support the Act have not yet been done and the BRA felt they would need a new consultancy to prepare these Regulations.

The Organisation Structure designed for the BRA by the Consultant was used in the main but had to be modified somewhat.

The BRA reported that the Steering Committee worked well and they met every month. They also had sub committees which nearer the implementation date met every two weeks.

The BRA's CEO stated that she had a good Office Team of ten persons and although they were in place when she joined the implementation team they all worked well as a family.

Customs has not yet been integrated into the BRA and although the BRA's CEO would have preferred to have the BRA implementation settle down for a year or so before trying to integrate the Customs, the staff of the CED were feeling left out so the integration may have to be effected sooner than desirable.

The Commissioner General offered the following **Lessons Learnt** from the experience of implementing the BRA:

- (a) There is a need for more flexibility and improved sequencing in the implementation of the procurement plan while executing a number of contracts.
- (b) Emphasis should be placed on assessing the necessary human capacity required and the related costs for implementation.

BARBADOS CENTRAL REVENUE AUTHORITY
ESTABLISHING A CENTRAL REVENUE AUTHORITY
EVALUATION DESIGN MATRIX

RELEVANCE - To what extent has the CDB's TA Programme in support of tax reform/administration been strategically relevant to the needs of the BMCs?

	Research Questions	Consultants' Evaluation
a)	How adequate was the sector analysis and identification of the problem or issue required to establish the Relevance for the TA?	Very adequate. A Feasibility study dated December 2004 showed there was a strong business case for merging the major revenue collecting agencies.
b)	Was the TA consistent with CDB's strategic objectives?	Yes. One of CDB's Corporate Priorities is to support capacity development and strengthen economic management and this is aligned with this TA as it entails the reforming of tax administration in Barbados as a further step in the fiscal reform continuum that is geared at improving institutions and frame works to better support fiscal stability and economic growth.
c)	Was consideration given to alternative responses to the identified problem or issue?	The feasibility study would have examined alternative methods to achieve the desired goal but recommended the establishment of a CRA.
d)	Was the TA consistent with country development priorities?	Yes, one of the priorities was the promotion of macroeconomic stability. An established CRA will help GOBD to strengthen its macroeconomic governance through improved tax administration and revenue collection, which will contribute to fiscal improvement and by extension the maintenance of macroeconomic stability.
e)	Was consideration given to the effect of cross-cutting themes where applicable?	Improvements in tax and revenue administration will yield efficiency dividends and these are expected to provide significant socioeconomic gains.
f)	Was consideration given to any constraints that might have impacted on the achievement of results?	Yes, constraints were identified in the Feasibility Report and also since the RA model followed by Jamaica at that time was almost identical to the one proposed for Barbados the lessons learnt from Jamaica would have informed the Barbados TA.
g)	Were the outcomes and inputs of the TA appropriate?	Yes
h)	To what extent did the stakeholders take ownership of the TA and their commitment to support boundary partners?	The stakeholders took full ownership of the TA.
i)	Was the timing of the TA appropriate?	The timing of the TA was appropriate in that it was needed however, the date of implementation was not appropriate as its introduction in April coincided with the tax filing period so this caused a number of problems.
j)	Was consideration given to lessons learnt from related TAs and other development partners in the country?	Yes, several useful lessons from Jamaica and other countries were considered in the design of the Barbados CRA.

	Research Questions	Consultants' Evaluation
k)	Did the TA duplicate or was at cross-purposes with previous TAs from CDB and or other development partners.	No. On the contrary, the feasibility study funded by CARTAC advised on the formation of a CRA and CDB funded a consultant to detail the likely activities and estimate the likely cost of establishing a CRA in Barbados.

RELEVANCE ASSESSMENT RATING – Barbados CRA

ASSESSMENT	SCORE	RATING
Sub-Criteria [a to k] Met	4	Highly Satisfactory
Sub-Criteria [a to h) Met	3	Satisfactory
Sub-Criteria [(a or b) and (g)] Not Met	2	Marginally Unsatisfactory
Sub-Criteria [a, b and d] Not Met	1	Unsatisfactory
Comments/Justification		
Sub-Criteria [a to k] met. The score for RELEVANCE is 4 Highly Satisfactory		

EFFECTIVENESS - How effective has implementation of the TA in supporting tax reform/administration been in achieving results and strengthening institutional capacity?

	Research Questions	Consultants' Evaluation
a)	Were expected outcomes achieved or are expected to be achieved?	Yes, the BRA was implemented on April 1, 2014.
b)	What were the factors influencing the achievement of the expected outcomes?	Strong and committed Leadership, cohesive Implementation Committee, buy in from the unions, new organisation chart with increase in salaries for staff chosen for the CRA. Some of the consultants' contracts were done simultaneously instead of sequentially to save time.
c)	What was the client satisfaction with nature, extent, delivery and timeliness of outcomes achieved?	Very satisfied with the TA overall and found it very effective and felt it was critical to the success of the transition.
d)	Were the reasons justifiable for deviating from objectives?	For the most part the TA was implemented as designed but some changes had to be made mainly in the reallocation of funds. The reasons for these were justified and subsequently approved and accepted by the CDB.
e)	Were there any implementation delays and if so what influence did these have on the realisation of expected outcomes?	There were delays in the disbursement of funds by CDB with regard to the hiring of the consultants due to delays in the signing of those contracts. Since CDB requires signed contracts before they disburse funds the Barbados Government had to fund the consultants in the interim. There were also significant delays with the enactment of the BRA legislation which impacted on the other deliverables. All the proposed contracts were not awarded.

EFFECTIVENESS ASSESSMENT RATING – BARBADOS CRA

ASSESSMENT	SCORE	RATING
Sub-Criteria [a to e] Met	4	Highly Satisfactory
Sub-Criteria [(a to c) Met	3	Satisfactory
Sub-Criteria [(a or b) and (c)] Not Met	2	Marginally Unsatisfactory
Sub-Criteria [a to d] Not Met	1	Unsatisfactory
Comments/Justification		
Sub-Criteria [a to c] met, The score for EFFECTIVENESS is 3 Satisfactory		

EFFICIENCY - How proficient was the delivery of inputs to achieve the objectives of the TA and the conduct of activities?

	Research Questions	Consultants' Evaluation
a)	How economical were the input provisions?	Quite Economical
b)	How productive were the inputs?	Very productive
c)	Were the resulting outputs (consultants' reports, technical studies) well prepared, practical and cost-effective	Yes in all cases except the consultant for Change Management who BRA felt did not achieve their objective as they was little or no change in the attitude of the staff
d)	Were counterpart resources/inputs provided by relevant stakeholders at levels allocated?	Yes and the Barbados Government had to fund the consultants till they satisfied the criteria for the CDB funding to be disbursed
e)	Were the quality of inputs satisfactory and provided when required?	Yes
f)	Was an acceptable quality of outputs produced (reports, presentation, technology transfer, staff trained)?	Yes
g)	Were time-bound targets achieved within time and budget?	There were delays in the finalising of the contract by the relevant Government department. Also the enactment of relevant legislation was seriously delayed.
h)	Were there any deviations from planned inputs, activities and outputs and if so were they justified?	Yes. For the most part the TA was implemented as designed but some changes had to be made mainly in the reallocation of funds. The reasons for these were justified and subsequently approved and accepted by the CDB.
i)	What was the level of client satisfaction with the nature, extent, delivery and timeliness of inputs provided, and outputs produced?	Although the client was basically satisfied they were not satisfied however, with the requirement by CDB for signed contracts with the consultants before the CDB disbursed any money. The Client was of the view that money could have been disbursed against an MOU as is practiced by the IDB and that CDB's requirements for signed contracts contributed to the delays.
j)	Was there satisfactory follow-up/supervision?	There were no visits to the project during the implementation however, there was constant telephone contact with the officers of CDB and the BRA officials who were very satisfied with the support they received from CDB.

EFFICIENCY ASSESSMENT RATING – BARBADOS CRA

ASSESSMENT	SCORE	RATING
Sub-Criteria [a to j] Met	4	Highly Satisfactory
Sub-Criteria [(a to g) Met	3	Satisfactory
Sub-Criteria [c to g] Not Met	2	Marginally Unsatisfactory
Sub-Criteria [a to e] Not Met	1	Unsatisfactory
Comments/Justification		
All Sub Criteria were met with the exception of [g] as there were significant delays to the project. The Consultants recommend for EFFICIENCY a Score of 3 Satisfactory.		

SUSTAINABILITY - What external drivers have been most critical and what have been their effects on the performance of the TAs?

	Research Questions	Consultants' Evaluation
a)	To what extent has the TA outcome delivered the required service quite satisfactorily or has resulted in significant, noticeable improvement in the capacity of the institution concerned according to knowledgeable experts	Although the TA facilitated the implementation of the BRA with effect from April, 2014 it was too early to assess the sustainability of the operations.
b)	Does the beneficiary/beneficiary institution have enough, sufficiently trained staff and adequate resources (physical and financial) to utilise or operate the facilities/equipment provided through the TA intervention, and to ensure their proper maintenance (if/where applicable)	It appeared that the BRA had enough sufficiently trained staff to administer and operate the system. However, they do not have adequate resources to implement the recommendations of CDB's IT consultant which would allow the integration of the IT systems across the various platforms of the various departments. The BRA will therefore have to seek additional funding to actualise this aspect.
c)	To what extent, in the case of a regional institution, has the TA enhanced the efficiency and productivity of the staff of the beneficiary institution, has led to a significant improvement in its performance or has resulted in greater integration, coordination and cooperation between the BMCs of CDB.	Not applicable
d)	Was there a positive influence of cross-cutting themes (poverty, gender, environment, CC, DRM and citizen security on TA outcomes)?	The impact on cross cutting themes was not yet evident as the BRA was not able to measure the increase in revenue or decrease in expenditure due to the very recent implementation of the BRA.

SUSTAINABILITY ASSESSMENT RATING – BARBADOS CRA

ASSESSMENT	SCORE	RATING
Sub-Criteria [a to d] Met	4	Highly Satisfactory
Sub-Criteria [(a to b) Met	3	Satisfactory
Sub-Criteria [(b) Not Met	2	Marginally Unsatisfactory
Sub-Criteria [a to c] Not Met	1	Unsatisfactory
Comments/Justification		
In light of the fact that Sub-Criteria [b] was not met fully the Consultants recommend that SUSTAINABILITY be given a Score of 2 Marginally Unsatisfactory		

**COMPUTATION OF THE COMPOSITE (AGGREGATE) SCORE
FOR BARBADOS CRA TA INTERVENTION**

Core Criteria	PERFORMANCE RATING				
	RATING [√]				ENTER SCORE [HS= 4]; [S =3]; [MUS = 2]; [US= 1]
	HS	S	MUS	US	
Relevance	√				4
Effectiveness		√			3
Efficiency		√			3
Sustainability			√		2
Total Score = [Sum of Scores for Core Criteria]					12
Overall Average Score = [Total Score / 4]					[12/4] = 3.0
OVERALL ASSESSMENT [Based On Overall Average Score]					OVERALL RATING [√]
HS	Highly Satisfactory	> 3.25 and ≤ 4.00			
S	Satisfactory	> 2.50 and ≤ 3.25			√
MUS	Marginally Unsatisfactory	> 1.75 and ≤ 2.50			
US	Unsatisfactory	> 1.00 and ≤ 1.75			
Comments/Justification:					
The BARBADOS CRA was given a Composite (Aggregate) Score of 3.0 Satisfactory					

IMPLEMENTATION PERFORMANCE CHECKLIST FOR BARBADOS CRA

IMPLEMENTATION PERFORMANCE SUB-CRITERIA	CONSULTANTS' EVALUATION
1. CDB PERFORMANCE	
(a) Was the statement of expected results; quality at entry of TA clear?	Yes
(b) Were the terms of reference clear and comprehensive?	Yes
(c) Was the delivery process efficient (start-up/implementation readiness, disbursement, audit, closure)?	Yes
(d) How was the timeliness and quality of CDB's responses to the beneficiary agency's requests for changes during implementation?	The CDB officers responded positively to the agencies requests.
(e) Adequacy of CDB supervision, including CDB staff continuity; frequency, composition, and length of review missions.	The view was expressed that the CDB's supervision was inadequate.

ASSESSMENT	RATING
Sub-Criteria [a - e] Met	Highly Satisfactory
Sub-Criteria [a - c] Met	Satisfactory
Sub-Criteria [c - e] Not Met	Marginally Unsatisfactory
Sub-Criteria [a - e] Not Met	Unsatisfactory

Sub-Criteria [a to c] met. CDB PERFORMANCE was given a Rating of Satisfactory

2. BENEFICIARY PERFORMANCE	CONSULTANTS' EVALUATION
(a) To what extent was there participation by the beneficiary agency at the design stage and to what extent was there subsequent support for the CDB supervision, review, and performance evaluation process?	The beneficiary agency participated to the fullest extent. However there was need for more CDB involvement.
(b) What was the degree of support for the TA including the availability and performance of counterpart staff?	Fully supported.
(c) How adequate were the counterpart funds, facilities, equipment and services throughout implementation?	Counterpart funds and facilities were adequate
(d) Did the beneficiary comply with procurement requirements?	Yes
(e) Did the beneficiary comply with monitoring, evaluation and reporting requirements?	Yes
(f) Was appropriate utilisation made of TA results?	Too early to determine.

ASSESSMENT	RATING
Sub-Criteria [a - f] Met	Highly Satisfactory
Sub-Criteria [a - d] Met	Satisfactory
Sub-Criteria [c - d] Not Met	Marginally Unsatisfactory
Sub-Criteria [a - d] Not Met	Unsatisfactory

Sub-Criteria [a to e] met. BENEFICIARY PERFORMANCE was given a Rating of Satisfactory

3. CONSULTANT PERFORMANCE	CONSULTANTS' EVALUATION
(a) What was the quality of staff on the TA?	The BRA had serious issues with the results of the Change Management consultancy as they felt it did not achieve any results. The other contracts however were well executed and acceptable to the IRD.
(b) Did the consultants comply with the terms of reference?	Yes
(c) Were their TA outputs timely?	Not all of the contracts were awarded at the time of the Consultants' visit but those that had been awarded their outputs were timely.
(d) What was the quality of cooperation with the beneficiary agency?	Very good

ASSESSMENT	RATING
Sub-Criteria [a - d] Met	Highly Satisfactory
Sub-Criteria [a - c] Met	Satisfactory
Sub-Criteria [c - d] Not Met	Marginally Unsatisfactory
Sub-Criteria [a - d] Not Met	Unsatisfactory

Sub-Criteria [b, c and d] were met. Sub-Criteria [a] was not fully met. CONSULTANT PERFORMANCE was given a rating of Satisfactory

JAMAICA - REVENUE AUTHORITY

BACKGROUND

In circumstances where the Consultants' assignment included the evaluation of TAs which were granted for the implementation of a Revenue Authority, the Consultants visited Jamaica during the period April 14 and 15, 2014 for the purpose of learning how their Revenue Authority was implemented and what procedures were adopted to arrive at a successful integration of the respective Divisions. It was expected that the information gleaned would allow the Consultants to report on the lessons learnt so as to assist the CDB in guiding the current implementation of the CRA in Barbados if necessary, as well as in the formulation of subsequent TAs for the implementation of a Revenue Authority when requested by other countries.

On April 14, 2014 at 2:00 p.m. the Consultants met with the following officers at the Ministry of Finance in the G5E meeting room:

- (a) Director III Financial Disbursements;
- (b) Director 1 Loan Administration; and
- (c) Head Management Revenue Services Division of the Tax Administration Jamaica (TAJ)

Although the Head had only joined the TAJ three years ago, he was able to give us some insight into the history of Jamaica's tax administration projects all designed to get the departments to operate more efficiently. His information was supplemented by documents supplied subsequently by the Director III Financial Disbursements.

HISTORY OF JAMAICA'S REVENUE AUTHORITY

Jamaica's Tax Administration Reform Project which commenced in 1994 saw Tax Commissioners, instead of reporting individually to the Financial Secretary in the Ministry of Finance, now reporting to a Director General of Tax Administration and Tax Departments, instead of administering specific taxes, was now organised along functional lines which extended across all tax types.

In 1999 several tax type agencies and a Revenue Board which provided support services, were replaced with an umbrella organisation by the amendment to The Revenue Administration Act which introduced the Tax Administration Directorate (TAD) comprising the Director General's Executive Office (DGEO) and 5 new Tax Departments namely:

- (a) IRD - responsible for all tax collections (except Customs Duties, Stamp Duties and Transfer tax) compliance and taxpayer service functions.
- (b) Taxpayer Audit and Assessment Department (TAAD) – conducted tax audits and assessments and pursued tax-fraud issues Island wide.
- (c) Tax Administration Services Department (TASD) – provided services and coordinated functions common to all Tax departments.
- (d) Taxpayer Appeals Department (TAD) – processing appeals to decisions of the tax commissioners and processing waiver applications.

- (e) Revenue Protection Division. (This later underwent changes that eventually saw the Internal Audit component being attached to the DGEO).

The CD was subsequently added as the sixth Department– assessment and collection of duties and taxes (including GCT) on items imported into Jamaica

The Integrated Computerised Tax Administration System was also introduced in 1999. In 2014 a project is underway to introduce a new Integrated Tax Administration System with additional functionality and to fully integrate all systems across the new TAJ.

In 2009 a new Tax Administration Reform Project was launched with the main feature being the separation of domestic and international tax.

The reform recommended the consolidation of the operations of 1, 2 and 3 above namely, the IRD, TAAD, and T ASD to form a single TAJ to:

- (a) Improve service delivery, efficiency and effectiveness
- (b) Simplify administrative and business processes
- (c) Enhance communication and information channels
- (d) Improve voluntary compliance
- (e) Increase collections

The CD was made a separate Executive Agency and the TAD was also made a Division under the Ministry of Finance and Planning. The Jamaica Customs Agency (JCA) is an executive agency under the Ministry of Finance and Planning and the Commissioner reports to the Financial Secretary. The Commissioner of JCA is currently Major Richard Reese.

On April 1, 2011 The Revenue Administration Act of 1985 was amended to allow the dissolution of IRD TAAD, and T ASD and the creation of TAJ. It also established the position of Commissioner General to have full responsibility for the administration and enforcement of the tax laws, with the support of three Deputy Commissioners General having responsibility for Management Services, Operations and Legal Support. The TAJ operates as a government funded department with the primary goal being the collection of domestic taxes, duties, rates and fees payable in accordance with the law.

On March 28, 2013 an Act was assented to with its principal object being the establishment of TAJ as a body with sufficient autonomy in management to facilitate the efficient and effective administration and collection of domestic tax.

This semi-autonomous TAJ is headed by a Commissioner General who is responsible for its day-to-day administration and management and is supported by not less than three Deputy Commissioners. The Act also established a Board of the Authority with responsibility for overseeing the general administration of the Authority. It consists of nine members known as “appointed members” appointed by the Minister and from among whom the Minister recommends a Chairman for the approval of Cabinet. The Board consists of:

- (a) The Commissioner General (ex officio member);
- (b) Five Senior public officers in the Ministry responsible for finance or other public body;

- (c) Three persons drawn from the private sector who shall be, respectively:
- (i) a person with expertise in the financial management of large entities;
 - (ii) a person with expertise in human resource management and practice of industrial relations; and
 - (iii) an attorney at law having wide ranging expertise in law.

The appointments are made by the Minister after consultation with the members of an Advisory Committee. This Advisory Committee consists of at least one authorised representative of each of the following bodies:

- (a) The Jamaica Confederation of Trade Unions
- (b) The Jamaica Chamber of Commerce
- (c) The Private Sector Organisation of Jamaica
- (d) The Jamaica Manufacturers Association
- (e) A body appearing to the Minister to represent micro, small and medium size business enterprises.

The funds and resources of the Authority consists of:

- (a) such sums as may, from time to time, be placed at the disposal of the Authority by Parliament;
- (b) sums received from charges imposed by the Authority for use of any facility or for any service provided by it; and
- (c) all other sums or property which may in any manner become payable to or vested in the Authority in respect of any matter incidental to its functions.

Among the benefits of a semi-autonomous institution cited by the IMF Mission in its 2010 Aide memoire were:

- Have discrete administrative units, sufficient in size to justify major structural change;
- Be capable of being made separately accountable;
- Be able to establish clear lines of accountability between government ministers and agencies through contractual arrangement between the Minister and CEO;
- Be able to define required performance in an unambiguous and measurable way for which targets are set out in the performance contract;
- Delegate authority to the Chief Executive Officer;
- Establish incentives that reward or punish results relative to the agreed outcomes; and
- Be able to improve its human resources complement through quality recruitment from the labour market, competitive remuneration and quicker response times in taking decisions and streamlining operations.

An organisation chart showing how Jamaica's administration of its TAJ has evolved to date and which is currently in use is attached but this is under review with some changes contemplated but not yet approved (*see page 5 of this Appendix*).

The annual allocation of funds in respect of the capital and recurrent budgets of the Authority take the form of a single sum committed for each financial year.

The expenses of the Authority, including the remuneration of Board Members and employees, are paid out of the funds of the Authority.

In order to assist the TAJ in its operations in 2013 the Jamaica Government included two new sections to the Revenue Administration Act which gave the Commissioner General “Power to require information and to acquire attendance” from Third Parties. In addition legislation was also enacted in 2013 to make provisions for the Minister to write off arrears of taxes as well as the penalties thereon, determined to be uncollectible and for connected purposes. These two pieces of legislation had a significant impact on the management services functions of the TAJ.

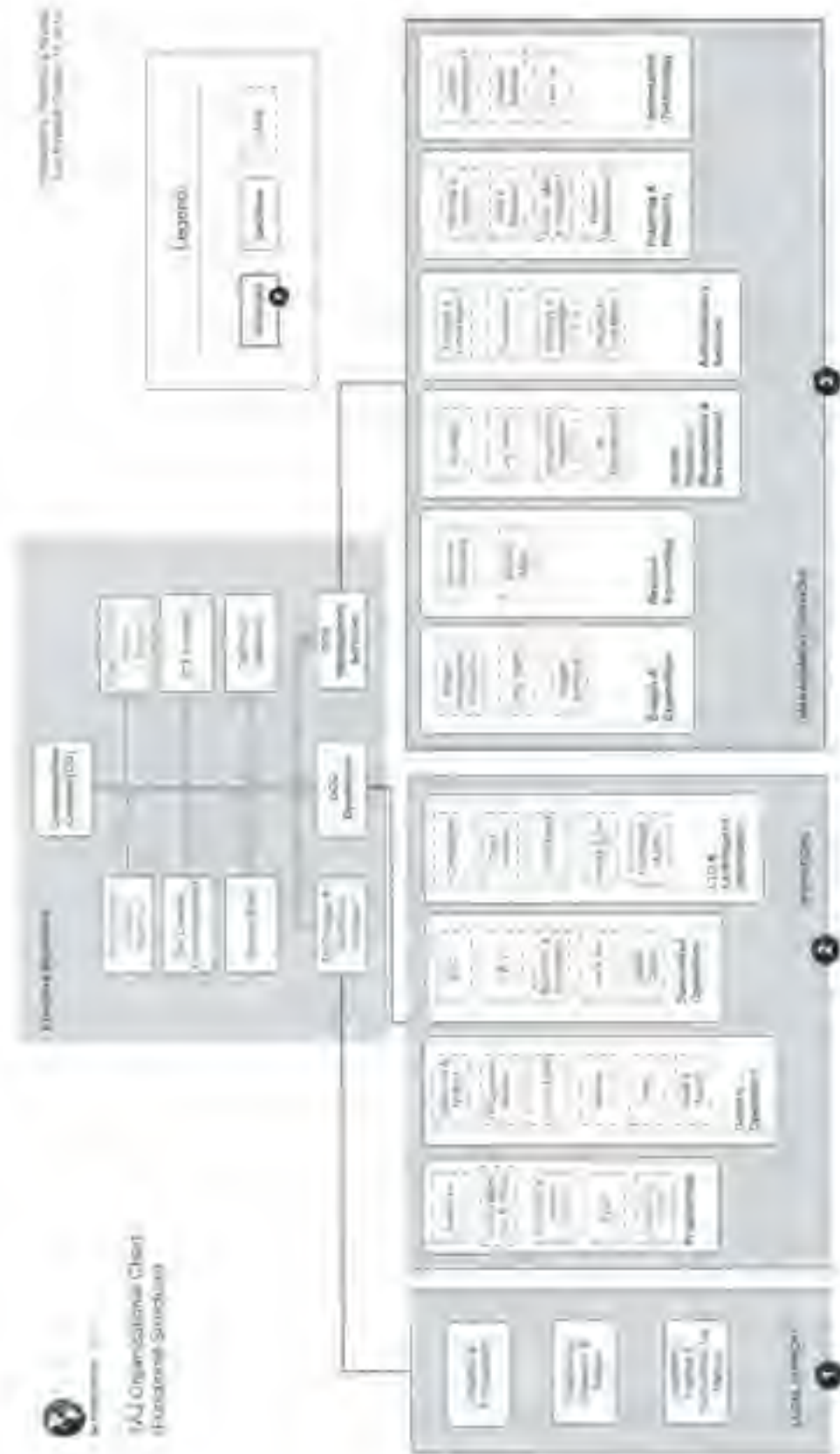
LESSONS LEARNT

The Deputy Commissioner General highlighted some of the challenges the Administration faced during the various tax reform projects Jamaica embarked on and recognised that to the extent that the organisation was given more autonomy the greater its responsibility.

- (a) The legislation landscape which is required to support tax reform must be in place for reforms to be successful. In the case of Jamaica there was a two year gap between the Amendment to the Revenue Act in 2011 to bring the new TAJ into being and 2013 for the enactment of the Tax Administration Act to make the TAJ a semi-autonomous body.
- (b) There must be clear messages communicated to all the stakeholders be they staff, taxpayers or the general public and these groups must get information on a timely basis.
- (c) The Board that is chosen to oversee the Tax Administration must be carefully chosen and be beyond reproach. It appears that everyone is satisfied with the selection process and the Board members selected.
- (d) It is vital that Change Management is employed. The mind-set that such a change creates is positive and the organisation is forced to look at their communication systems and employ the intranet and bulletin Boards to get the message across.
- (e) Having to develop new job descriptions gives the organisation the opportunity to examine what they have and determine what they need. Jamaica has faced challenges with the Talent Management Unit, Risk Management Unit and HR in getting them to define their roles.

The Consultants also met with the Financial Secretary on April 15, 2014 at the Ministry of Finance. The Financial Secretary highlighted some of the other pitfalls that the Jamaica Administration encountered:

- (a) The TAJ had moved ahead with their organisation chart and gave new salaries to the top personnel however nothing was done for the lower ranks which caused a rift and caused a lack of motivation.
- (b) With Customs now a separate entity the officers at the top would have to apply for the new positions whereas people at the bottom would be positioned and transitioned to other positions.
- (c) Although Customs had established a Committee to deal with the modernisation of its office which met every week and had an appropriate communication plan, the problem they faced was “How do we walk on the bridge while we build it?”



GUYANA – REVENUE AUTHORITY

INTRODUCTION

During preliminary discussions with the Head (Ag) of OIE, supported by what was stated in the Consultants Proposal dated December 3, 2013, the Consultants learnt that it was always the intention to visit Guyana for the purpose of learning from them the issues surrounding implementation of their Revenue Authority, rather than evaluating their TA. However, it appears that Guyana was inadvertently listed as one of the TAs to be evaluated in the Contract document dated December 12, 2013. This was subsequently brought to the attention of Head (Ag), OIE, and in light of the fact that this TA mainly dealt with training for Guyana’s Revenue Authority it was agreed that this TA would not be evaluated but a visit to Guyana would be undertaken to glean some of the lessons learnt from their Revenue Authority. This fact was reported in the Consultants Inception Report under the heading “Change in Contract Terms” and this report was accepted by CDB. Prior to their visit to Guyana it was also determined that this TA although started, was never completed due to problems with the Consultant engaged by the Ministry of Finance and the TA had been abandoned shortly thereafter. This was also another reason why the Consultants were advised not to evaluate this TA. However, inadvertently the standard letter written by the OIE for the purpose of introducing the Consultants to the various BMCs indicated that our visit to Guyana would involve an evaluation of the Guyana TA.

The appointment for the Consultants’ visit to Guyana was duly set up by the OIE and the Consultants visited Guyana May 20 to 22, 2014. Their first meeting with the Revenue Authority was scheduled for 2:00 p.m. on May 20, 2014. Attending were:

- (a) The Commissioner General, Chairman;
- (b) The Senior Manager, Training and Development; and
- (c) Manager (Ag), Finance Division sitting in for Senior Manager, Finance.

After the Consultants’ brief introduction and an explanation of what they hoped to achieve on their visit with respect to the lessons learnt from the implementation of the Revenue Authority it was brought to the attention of the Consultants by the Commissioner General that he was under the impression that the Consultants were here to evaluate the TA for Guyana. The Consultants advised him that those terms had been changed but he said in light of the letter of introduction they had received from the CDB he could not proceed with discussions along the lines we wanted without first obtaining the permission from the Financial Secretary. He suggested that CDB should write a letter stating that our TOR had been changed. The Consultants called the Head (Ag.), OIE and explained the situation to her and she undertook to discuss the matter with the Financial Secretary who subsequently called for a meeting with us for 2:00 p.m. the next day on May 21, 2014. However, although CDB had contacted him and advised him of the change of terms, the Financial Secretary insisted that he was not in a position to allow the Consultants to talk to his personnel about the Revenue Authority when the letter he had on file was for us to evaluate the TA. The meeting with him which started after 3:00 p.m. lasted for about an hour and a half during which time the Financial Secretary, based on his experiences with this TA, outlined some of the things he thought would assist CDB’s TAs in the future.

- (a) TAs should be implemented with only what was originally agreed. Apparently when this TA ran into problems CARTAC assisted with the redesign of the project. It involved having four sub-projects rather than one project but covering all aspects of the originally designed project. It appears the Financial Secretary was not in agreement with this approach.

- (b) Although a TA may be signed by the beneficiary Department the TA should have categorically stated that there is to be oversight by the State or Ministry of Finance.
- (c) With regard to monitoring the progress of the TA the Ministry of Finance must be one of the authorised signatories on any reports submitted on the project.
- (d) Consultant's recommendations must be appropriate to the Country and not 1st world solutions for third world countries.
- (e) Portfolio reviews should be periodically conducted as is done by the IDB.

LESSONS LEARNT

This TA was abandoned after CDB had tried unsuccessfully to get the Guyana Revenue Authority to supply supporting documentation of the disbursed advance of USD75,000, a request for extension of the Terminal Disbursement Date, a copy of the consultant(s) contract(s) for restarting implementation; and a report that specifies the activities already implemented, activities to be implemented and timetable for completing implementation as reported in the PSR dated 30/9/2007. The Project Notes stated that the undisbursed balance should be cancelled if the requested Report is not received by the end of November 2007. This report, however, was never received. The Financial Secretary mentioned that he had asked the Revenue Authority why they asked for such a large advance when they only paid the consultant a smaller amount. When the Consultants asked "where was the balance of the drawdown which was unspent", the Financial Secretary said "It is in a Guyana Bank Account". It therefore appears that CDB could have been more aggressive in trying to get the refund of the unspent advance.

LESSONS THAT MAY BE USEFUL FOR BARBADOS AND OTHER BMCS WHO ARE CONTEMPLATING THE ESTABLISHMENT OF A REVENUE AUTHORITY

The main lesson that the Consultants have gleaned about Revenue Authorities from their visit to both Jamaica and Guyana, their evaluation of Barbados as well as their personal experience with Trinidad and Tobago is that it is very difficult to effectively amalgamate the Customs Division and all of its functions into an umbrella body such as a Revenue Authority whose main players deal with domestic taxes. Jamaica has had the experience in several iterations of their Revenue Authority of trying to put the Customs Division under the one umbrella without success. They finally conceded that the Revenue Authority should deal exclusively with domestic taxes in all its forms and the CD should be a separate department dealing exclusively with external taxes. Guyana claims success with being able to have all of its departments under its Revenue Authority. However, on closer examination they admit that even though the Departments are all housed together the main functions of the CD are not in fact amalgamated but are kept separate and only certain functions, such as the collection of Customs revenue, is centralised under one roof.

The BRA implemented the first phase of their Revenue Authority in April 2014 which brought all the domestic Revenue Departments together. The second phase which was expected to incorporate the CD under this umbrella has not yet occurred and the Commissioner General of the BRA admits that they are grappling with this situation as it requires a complete change of mind set in the minds of the customs officers. Although she would like to have the BRA settle down for a couple of years before such an amalgamation takes place the Customs Officers are clamouring to be included as they feel left out and thus she feels the pressure to make this change sooner rather than later.

From the experience gained the Consultants would suggest that, although CDB's TA for Barbados includes the second phase of incorporating the Customs into the BRA, that this step be seriously considered. If however Barbados decides that this is the way they wish to go the Consultant's would recommend that the main Customs functions be kept separate while still being under the umbrella of the BRA.

DATA SHEET

COUNTRY						
	ST. LUCIA (IRD)	ST. LUCIA (CED)	BELIZE (CED)	GRENADA (CED)	GRENADA (IRD)	BARBADOS (CRA)
Project Name	Institutional Strengthening of Inland Revenue (Property Tax)	Computerisation of Customs System using ASYCUDA++	Modernisation of the CED (ASYCUDA World)	Institutional Strengthening of the CED (FCP)	Institutional Strengthening of the IRD (Valuation Division)	Establishment of a CRA
TA Ref.	BD 15/03	BD 62/03	BD 32/07	BD 79/04	BD 51/00	BD 16/12
PRN	1932	2017	3312	3209	1829	3694
Type	Grant	Grant	Loan Interest Rate 2.5% p.a. Grace period 2 years from date of 1 st disbursement	Grant	Grant	Loan Interest Rate 3.84% p.a. Grace period 2 years after the date of the Loan Agreement.
Loan/Grant No.	GA 22/STL	GA 23/STL	52/SFR-BZE	GA 24/GRN	GA17/GRN	27/OR-BAR1
Yr. of approval	September 9, 2002	July 17, 2003	May 28, 2007	December 9, 2004	July 13, 2000	March 7, 2012
Contract signed	April 17, 2003	October 6, 2003	October 12, 2007	January 12, 2005	September 6, 2000	May 16, 2012
Borrower/ Beneficiary	Government of St. Lucia	Government of St. Lucia	Ministry of Finance - Belize	GOGR	GOGR	Ministry of Finance and Economic Affairs Barbados

COUNTRY						
	ST. LUCIA (IRD)	ST. LUCIA (CED)	BELIZE (CED)	GRENADA (CED)	GRENADA (IRD)	BARBADOS (CRA)
Executing Agency	Ministry of Finance, International Financial Services and Economic Affairs St. Lucia	CED of St. Lucia	CED, MOF and the Public Service Belize	Ministry of Finance and Planning (MOFP) Grenada	IRD Grenada	Special Projects Unit (SPU) Ministry of Finance and Economic Affairs Barbados
Loan / Grant Amount USD	USD138,000	USD457,755 (IDB ATN/SF-8237 USD240,000 UNIFIED –SDF USD217,755)	USD2,516,442 USD1,386,442 for consultant and USD1,130,000 for ICT infrastructure	USD300,000	USD235,000	USD3,583,100
1st Disbursement date	December 19, 2003 USD22,000	March 25, 2004 USD262,239	December 2008 USD1,509,865 (60% of total loan)	October 23, 2007 USD50,000	November 28, 2001 USD19,650	February 5, 2014 USD318,123
Disbursement particulars USD	#2 as at November 3, 2004 USD27,000 #3 as at June 28, 2005 USD34,000	#2 as at February 2006 USD131,120 #3 July 2007 USD41,756	#2 January 2010 USD754,932 (30% of total loan) #3 Final USD251,644 November 2013	#2 as at March 31, 2008 USD11,000 #3 as at September 30, 2010 USD63,000	#2 December 6, 2001 USD13,100 #3 May 22, 2002 USD45,850 #4 USD26,200	#2 February 18, 2014 USD426,037 #3 February 28, 2014 USD603,613 #4 March 6, 2014 USD114,019

COUNTRY						
	ST. LUCIA (IRD)	ST. LUCIA (CED)	BELIZE (CED)	GRENADA (CED)	GRENADA (IRD)	BARBADOS (CRA)
	#4 as at November 8, 2005 USD16,000 #5 as at March 16,2006 USD28,000			#4 Final as at October 18, 2011 USD106,000	#5 USD13,100 #6 USD59,000 #7 USD13,100	
Total Disbursement	USD127,000	USD435,115	USD2,516,442	USD230,000	USD190,000	USD1,461,792
Results of disbursement of funds	Undisbursed balance of USD11,000 cancelled	Undisbursed balance of USD22,640 cancelled	All funds disbursed	Undisbursed balance of USD69,293 cancelled	Undisbursed balance of USD45,000 cancelled	USD2,121,308 of loan funds were not yet disbursed as not all contracts were awarded at the time of the Consultants' visit.
Consultants' Commence- ment date	January 2004	Formal agreement with GOSL April 2003 Project work started in April 2004	February 2009	August 27,2007	November 28, 2001	Start: 10/12/2012 Start: 7/01/2013 Start: 1/01/2013 Start: 3/12/2013
Project completion	Final Report November 2005 Project completed March 16, 2006	Final Report by UNCTAD June 29, 2007 Project complete (PSR) Sept.30,2007	November 20, 2013	Phase 1 October 2009 Phase 2 September 30, 2011	March 12, 2004	1. 25/11/2013 2. 27/6/2013 3. 23/2/2014 4. 24/2/2014

COUNTRY						
	ST. LUCIA (IRD)	ST. LUCIA (CED)	BELIZE (CED)	GRENADA (CED)	GRENADA (IRD)	BARBADOS (CRA)
Mission Data (No. of supervision visits)	No supervision visits, (field or desk), recorded in PSR reports from January 1, 2004 to March 31, 2006	One supervision field visit made on December 3, 2004 and one desk visit during the period July1, 2005 to September 30, 2005 were recorded in PSR reports from January 1, 2004 to September 30, 2007	Three desk visits during the period April 1, 2010 - September 30, 2010; January 1, 2011 to March 31, 2011; and October 1, 2012 to December 31, 2012. Also One Field visit on April 16, 2012. These were recorded in PSR reports from 1/4/2007 to 30/9/2013	No supervision visits, (field or desk), recorded in PSR reports from January 1, 2005 to March 31, 2010	No supervision visits, (field or desk), recorded in PSR reports from January 1, 2003 to October 31, 2004	Two (2) desk visits one during the period January 31, 2012 to December 31, 2012; and the other January 1, 2013 to September 30, 2013 were recorded in PSR reports from January 31, 2012 to September 30, 2013

GLOSSARY OF EVALUATION TERMS

Relevance: Relationship/link of the objectives of an intervention to broader country or development agency goals. The extent to which the objectives of a development intervention are consistent with beneficiaries' requirements, country needs, global priorities and partners' and donors' policies. Relevance also indicates whether the objectives of an intervention or its design are still appropriate given changed circumstances.

Effectiveness: The extent to which the development intervention's objectives were achieved or are expected to be achieved, taking into account their relative importance. The process of determining Effectiveness involves the comparison of the actual results of an intervention with planned/expected results. Effectiveness is also used as an aggregate measure of the merit/worth of an activity/intervention has attained, or is expected to attain, its major relevant objectives efficiently in a sustainable manner and with a positive institutional development impact.

Efficiency: A measure of how economically resources/inputs (funds, expertise, time etc.) are converted to outputs. Comparison of the outputs (good and services) of an intervention with their costs.

Sustainability: The continuation of benefits from a development intervention after major development assistance has been completed. It is also the probability of continued long-term benefits and the resilience to risk of the net benefit flows over time.

Institutional Development Impact: The extent to which an intervention improves or weakens the ability of a country or region to make more efficient, equitable, and sustainable use of its human, financial, and natural resources e.g.: through (a) better definition, stability, transparency, enforceability, and predictability of institutional arrangements, or (b) better alignment of the organisation's mission and capacity with its mandate, which derives from these institutional arrangements. Such impacts can include the intended and unintended effects of an action.

Inputs: The financial, human, and material resources used for the development intervention.

Results: The output, outcome, or impact (intended or unintended, positive and negative) of a development intervention.

Outputs: The direct results of the activities of an intervention. Outputs are the products, capital goods, and services that result from a development intervention; and they may also include changes resulting from the intervention that are relevant to the achievement of outcomes. Outputs are usually described in terms of size and scope of the services or products delivered or produced by the intervention. They indicate whether or not an intervention was delivered to the intended audiences at the intended level. An intervention output, for example, might include the number of classes taught, meetings held, materials distributed, programme participation rates, or total service delivery hours.

Outcome: The likely or achieved short-term and medium-term effects of an intervention's outputs or the extent to which an intervention's major relevant objectives were achieved, or are expected to be achieved efficiently. Outcomes are the observable behavioral, institutional, and societal changes that take place over three to ten years, usually as the result of coordinated short-term investments in individual and organisational capacity building for key development stakeholders (such as national governments, civil society, and the private sector).