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REGIONAL BUSINESS INITIATIVE

Expanding Trade and Economic Cooperation among Jordan, Iraq and the West Bank

METAC Workshop 3 Report:

Organizational Trends in Tax Administration
Sharm El Sheikh, Egypt, April 28-30, 2012

May 2012

This publication was produced for review by the United States Agency for International Development. It was prepared by SEGURA Partners LLC under the SEGIR Global Business, Trade and Investment II Indefinite Quantity Contract (IQC), Number EEM-I-00-07-00001-00 Task Order # 06

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DISCLAIMER

The views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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EVENT SUMMARY

Introduction

In October 2010, USAID launched the **Regional Business Initiative** (the “Project”), a one-year program consisting of a series of events held through September 2011, meant to gather businesses and government officials from Jordan, Iraq and the West Bank to discuss potential exchanges, and to help solve main obstacles to trade and joint business activities. The program is funded by USAID’s Office of Middle East Programs and implemented by SEGURA Partners LLC.

Through a series of regional events (workshops and business exchanges), the project aims to bring together stakeholders from Jordan, the West Bank and Iraq to develop specific action plans to address constraints to increased regional trade, which can subsequently be used by USAID/Jordan, USAID/West Bank and Gaza and USAID/Iraq in their bilateral programming.

In September 2011, the contract governing the Project was amended to be extended until September 2012, and to incorporate additional activities including workshops to be held in collaboration with the Middle East Regional Technical Assistance Center (METAC), on public financial management matters.

The first of those workshops was held on January 29-31, 2012, at the Dead Sea, in Jordan, and focused on Tax Compliance Management. The second workshop took place on March 12-14, 2012, in Beirut, Lebanon, on the subject of Budget Preparation Process. This report summarizes the third workshop, which was held on April 28-30, 2012, in Sharm El Sheikh, Egypt, on the subject of Organizational Trends in Tax Administration.

Background: Seminar Topic and Objective

The workshop provided a forum to share experiences, best practices and challenges in the design, implementation and management of modern organizational arrangements for tax administrations. It analyzed options and approaches for establishing and managing a successful functional organization, and highlighted the particular reform drivers that could enable the attainment of sustainable institutional settings for modern tax administration. The workshop gathered heads of tax administrations and senior tax officials from countries of the region.

The workshop was hosted by the Egyptian Tax Authority, with remaining costs split equally between USAID and METAC. USAID support was provided through the Regional Business Initiative and through USAID/Egypt’s Egypt’s Competitiveness Program, implemented by Chemonics.

Participants

The workshop was led by Maureen Kidd, former Director-General of the Canada Customs and Revenue Agency, and Manal Assir, METAC's resident revenue administration advisor, joining over 35 senior regional tax administration officials at the workshop.

Nine countries belonging to METAC participated by sending representatives from their respective Ministries of Finance: Afghanistan, Egypt (host country), Iraq, Jordan, Lebanon, Libya, Sudan, the West Bank and Gaza, and Yemen. Two guest countries from the region attended (at their own cost): Oman and Saudi Arabia.

A complete list of attendees is attached in Annex 2.

Proceedings

The workshop was led by Maureen Kidd, former Director-General of the Canada Customs and Revenue Agency, and Manal Assir, METAC's resident revenue administration advisor. Country specific presentations were made by representatives from Lebanon, Egypt, Jordan, and France. Each session was followed by questions and answers that allowed participants to give their feedback and ask for clarifications.

Topics included:

- Revenue Administration's Fiscal Information Tool (RA-FIT): IMF's initiative to produce revenue administration benchmarking
- Effective management and strategy development for revenue administrations
- Lebanon's effort to establish a Regional Organization of Tax Administrations in the Middle East (ROTAME)
- Relationship between the revenue administration and the Ministry of Finance
- Performance management tools for revenue administrations

The complete agenda is included in Annex 1, while the USAID-METAC press release is attached in Annex 5.

Results

The questionnaire distributed by METAC indicates that this workshop was successful in the eyes of the participants. For instance, the question of whether the workshop improved the participants' understanding of the topic received an average rating of 4.5 out of 5, while whether the knowledge gained has value added for work on the topic received an average of 4.5. The overall satisfaction was rated at 4.6.

The results to the questionnaire are included in Annex 3.

The indicators to the Regional Business Initiative PMP are included in Annex 4.

ANNEXES

Annex 1: Agenda

Workshop on Organizational Trends in Tax Administration

Sharm El Sheikh, Egypt

April 28-30, 2012

Day 1 – Saturday April 28	
09:00 – 10:30	Opening Welcome & registration, introduction, overview, group photo, press
10:30 – 11:00	<i>Coffee Break</i>
11:00 – 12:30	Session 1 Organizational Approaches in Tax Administration Governance models, functional organization, Headquarters and field structures
12:30 – 14:00	<i>Lunch Break</i>
14:00 – 15:00	Session 2 Revenue Administration’s Fiscal Information Tool (RA-FIT) IMF’s initiative to produce revenue administration benchmarking
15:45 – 19:00	Cultural Tour Boat tour <i>Courtesy of the Egyptian Tax Authority (ETA)</i>

Workshop on Organizational Trends in Tax Administration

Sharm El Sheikh, Egypt

April 28-30, 2012

Day 2 – Sunday April 29	
09:00 – 10:00	Session 3 Managing in the Functional Organization Managing techniques, staffing requirements
10:00 – 10:30	Session 4 Establishing a Regional Organization of Tax Administrations in the Middle East (ROTAME) Lebanon's initiative to establish the ROTAME
10:30 – 11:00	<i>Coffee Break</i>
11:00 – 11:45	Session 5 Relationship with the Ministry of Finance Tax policy, revenue analysis
11:45 – 12:30	Session 6 Countries' Experiences Egypt
12:30 – 14:00	<i>Lunch Break</i>
14:00 – 15:00	Session 7 Performance Management and Tools Approaches, key performance indicators, accountability contracts & personal performance
15:00 – 15:30	Session 8 Countries' Experiences Jordan
15:30 – 16:00	<i>Coffee Break</i>
17:30 – 23:00	Cultural Tour and Dinner Tour to the desert & Bedouin dinner <i>Courtesy of the Egyptian Tax Authority (ETA)</i>

Workshop on Organizational Trends in Tax Administration
 Sharm El Sheikh, Egypt
 April 28-30, 2012

Day 3 – Monday April 30	
09:00 – 10:30	Session 9 Organizational Impact of Segmentation Large taxpayer offices, medium & small offices, front office/back office approach
10:30 – 11:00	<i>Coffee Break</i>
11:00 – 11:45	Session 10 Countries' Experiences France
11:45 – 12:30	Session 11 Accountability and Delegation of Authority Powers in the revenue legislation, management, accountability, delegation
12:30 – 14:00	<i>Lunch Break</i>
14:00 – 14:45	Session 12 Corporate Planning Mission, vision, values, strategic & operational planning
14:45 – 15:30	Open Forum Discussion, Wrap-Up & Closing Prospects for future, group discussions, participants' comments, workshop evaluation
15:30	<i>End of Workshop</i>

Annex 2: List of Participants

	Country	Name	Title	Department	Institution
1	Afghanistan	Mr. Ahmad Shah M. Zaman Zamanzai	Director General	Afghanistan Revenue Department	Ministry of Finance
2	Afghanistan	Mr. Abdul Samad Stanekzai	Director of Central Revenue Zone	Afghanistan Revenue Department	Ministry of Finance
3	Egypt	Mr. Ahmed Refaat Abdel Ghaffar Salem	President	Egyptian Tax Authority	Ministry of Finance
4	Egypt	Mr. Fathi Abdel Aziz El Sayed	First Undersecretary Information Sector	Egyptian Tax Authority	Ministry of Finance
5	Egypt	Mr. Abdel Monem Ali Mohamed	Undersecretary Contracting Errand	Egyptian Tax Authority	Ministry of Finance
6	Egypt	Mr. Reda Abdel Kader Ghareeb	Undersecretary Contracting Errand	Egyptian Tax Authority	Ministry of Finance
7	Egypt	Mr. Amralla Abdalla Mohamed	Undersecretary Anti-Evasion	Egyptian Tax Authority	Ministry of Finance
8	Egypt	Mr. Hassan Abdallah Salem	Undersecretary Office of President	Egyptian Tax Authority	Ministry of Finance
9	Egypt	Mr. Gamil Ezzat Ezzat Abdelmadlaji	Tax Reform & Integration Project Manager Office of President	Egyptian Tax Authority	Ministry of Finance
10	Egypt	Mr. Mamdouh Said Omar	Undersecretary Research Division	Egyptian Tax Authority	Ministry of Finance
11	Egypt	Mr. Mostafa Mahmoud Abdel Kader	Undersecretary International Conventions	Egyptian Tax Authority	Ministry of Finance
12	Egypt	Mr. Salah Abdel Monem Mahmoud	Undersecretary Examination	Egyptian Tax Authority	Ministry of Finance
13	Egypt	Mr. Talaat Abdel Monem Mohamed	Undersecretary Financial Affairs	Egyptian Tax Authority	Ministry of Finance
14	Egypt	Mohammed Tarek Ahmed Ali	General Manager Large Taxpayer Center	Egyptian Tax Authority	Ministry of Finance
15	Egypt	Mr. Fayez Fath Allah Abdel Hafiz Hassan	General Manager Office of President	Egyptian Tax Authority	Ministry of Finance
16	Egypt	Mr. Magdy Mohamed Ahmed	General Manager Office of President	Egyptian Tax Authority	Ministry of Finance
17	France	Mr. Jean- Christophe Mauboussin	Human Resources Manager	Public Accounts and State Reform General Directorate for Public Finance (DGFIP)	Ministry for the Budget

18	Iraq	Mr. Sabr Rasheed Challob Al-Sabr	Deputy Director General Senior Management	- Income Tax Department General Commission for Tax	Ministry of Finance
19	Iraq	Mr. Kareem Salim Kamash	Head of Company Department	General Commission for Tax	Ministry of Finance
20	Iraq	Mr. Mahmood Mohammed Ali	Expert Consulting Income Tax Department	General Commission for Tax	Ministry of Finance
21	Jordan	Mr. Basheer Ahmad Al-Zoubi	IT Director	Income and Sales Tax Department	Ministry of Finance
22	Lebanon	Mr. Louay Chehade	Revenue Director	Revenue Directorate	Ministry of Finance
23	Lebanon	Ms. Claudine Elias Karaki	Program Manager	UNDP - Tax Reform Program	Ministry of Finance
24	Lebanon	Mr. Georges Maarrawi	Head of Mount Lebanon Regional Bureau	Finance General Directorate	Ministry of Finance
25	Lebanon	Mr. Khaled ElKorek	Audit & Tax Advisor	UNDP - Tax Reform Program	Ministry of Finance
26	Libya	Mr. Omran Abdel Salam Al Fourty	Head	Tax City Tripoli	Ministry of Finance
27	Libya	Mr. Mahmoud Mohammad Mokhtar Al Zantani	Head	Tax Companies Benghazi	Ministry of Finance
28	Oman	Mr. Saud Nasser Rashid Al-Shukaili	Secretary General	Secretariat General for Taxation	Ministry of Finance
29	Oman	Mr. Mahmoud Hamad Hamdan Al Raba'ni	Specialist of Survey & Tax Declarations Survey and Tax Agreement	Secretariat General for Taxation	Ministry of Finance
30	Saudi Arabia	Mr. Saleh Ali S. Alawaji Al Ghamdi	Deputy Director General	Supporting Operations	Department of Zakat and Income Tax
31	Sudan	Mohammed Osman Ibrahim	Secretary General		Taxation Chamber
32	Sudan	Mr. ElHag Osman Mohamed Haroun Taxation Chamber	Director of Collection		Taxation Chamber
33	West Bank	Mr. Hamza Zalloum	Director General of Income Tax	Income Tax	Palestinian National Authority
34	West Bank	Mr. Ahmad Al Helou	Director General of the VAT Tax	VAT	Palestinian National Authority
35	Yemen	Mr. Gamal Mohammed Seror	Deputy Chairman		Tax Authority
36	Yemen	Mr. Thabit Taher Al-Murisi	Deputy Director	Planning Department	Tax Authority

37	IMF	Mr. Andrew Masters	Senior Economist	Fiscal Affairs Department - Revenue Administration	
38	METAC	Mr. Saade Chami	METAC Coordinator	Middle East Regional Technical Assistance Center	
39	METAC	Ms. Manal Assir	Revenue Administration Advisor	Middle East Regional Technical Assistance Center	International Monetary Fund
40	METAC	Ms. Maureen Kidd	Expert in Revenue Administration		
41	METAC	Ms. Sawsan Saidi	Office Manager	Middle East Regional Technical Assistance Center	International Monetary Fund
42	USAID	Mr. Walter North	Mission Director	USAID/Egypt	U.S. Agency for International Development
43	USAID	Mr. Clinton White	Regional Controller	Global Financial Management Center	U.S. Agency for International Development
44	USAID	Mr. Michael Reilly	Program Officer	Egypt Office of Middle East Programs (OMEP)	U.S. Agency for International Development
45	USAID	Ms. Thao Tran	Financial Management Officer	Egypt Financial Management Office	U.S. Agency for International Development
46	USAID	Mr. Ali Kamel	Team Leader	Economic Growth USAID/Egypt	U.S. Agency for International Development
47	Chemonics/ECP	Mr. Doug Tinsler	Chief of Party	Egypt's Competitiveness Program (ECP)	Chemonics

Annex 4: Regional Business Initiative PMP Indicators for METAC Workshop 3

Indicator	Unit of Measure	METAC Workshop 3		To Date (Events 1 and 2, METAC Workshops 1, 2 and 3)		Total Life-of Project	
		Target	Actual	Target	Actual	Target	
Events Execution							
1	Number of USG supported events held	Number of events	1	1	5	5	9
2	Number of positive evaluations of events / Average grade of the event (METAC) out of 100	% of total evaluations	80%	92%	80%	84%	80%
3	Funds leveraged by the Local Partner (AMCHAM/Jordan, METAC)	% of total event cost	50%	50%	34%	32%	30%
Events Participation							
4	Number of participants (disaggregated by sex, and by private sector/government)	Number of participants	40	47 (42m/5f 36 gov./11 donor-non gov.)	270	258 (211m/47f)	470
5	Number of ministries and government agencies involved	Number of institutions	10	11	36	40	68*
6	Number of sectors/subsectors involved in the events	Number of sectors/subsectors	N/A	N/A	10	10	25*
7	Number of companies participating in the events	Number of companies	N/A	N/A	55	92	75
8	Number of visits to the Web Portal	Number of visits	N/A	N/A	250	908	450
9	Number of B2B sessions	Number of B2B sessions	N/A	N/A	140	177	180
Main Outcomes of Events							
10	Number of transactions identified or in progress as a result of the events	Number of transactions	N/A	N/A	15	14	20
13	Number of actionable programming recommendations for bilateral Missions	Number of recommendations	N/A	N/A	9	20	18

* The same sector/government agency can be counted twice at different events.

Annex 5: Press Release

U.S. and the IMF partner to support regional taxation officials

Sharm El Sheikh – USAID and the IMF’s Middle East Regional Technical Assistance Center (METAC) organized a regional workshop for taxation officials on “Organizational Trends in Tax Administration” in Sharm El Sheikh, Egypt, from April 28 to 30, 2012. The workshop gathered heads of tax administrations and senior tax officials from countries of the region. The workshop provided a forum for sharing experiences, best practices and challenges in the design, implementation and management of tax administrations.

The workshop was led by Maureen Kidd, former Director-General of the Canada Customs and Revenue Agency, and Manal Assir, METAC’s resident revenue administration advisor, joining over 35 senior regional tax administration officials at the workshop.

The workshop is the latest in an ongoing series of workshops for regional officials addressing questions related to revenue administration and public financial management. Cooperation in this area between USAID and METAC began in May 2011, with a workshop on *Expenditure Control and Internal Audit in Government Financial Management*, and continued through two subsequent workshops: one on *Tax Compliance Management*, held at the Dead Sea, Jordan in January 2012; and a *Budget Preparation* workshop held in Beirut in March 2012.

“The combination of the Arab Spring and a global financial restructuring has caused a ripple of financial distress through many of the region’s countries,” commented Walter North, USAID/Egypt’s Mission Director. “These workshops on taxation systems and public financial management provide a platform for exchanging experiences and accessing cutting-edge techniques in improving public sector efficiency. Through this collaborative effort with METAC, USAID is playing an important role in improving good governance around the region, an essential ingredient for regional stability.”

Kadhim Ali Abdulla, Director General of Iraq’s General of Tax Administration, described the public financial management workshop that was held in the Dead Sea as “a good opportunity to meet tax officials from different countries and to exchange experiences and views on issues that are very important to all participants. The workshops will certainly enhance the voluntary compliance of participating countries’ taxpayers and will contribute to raising the competencies of tax managers and strengthen their skills.”

The Middle East Regional Technical Assistance Center (METAC) was established in October 2004 in Beirut as a collaborative effort between the IMF and several bilateral and multilateral donors. USAID support for the workshops was provided by the Policy and Private Sector Office, and the Office of Middle East Programs, a regional unit of USAID/Egypt based in Cairo.