

PROJECT APPRAISAL REPORT (PAR)

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1. PROJECT NO. 517-11-750-088	2. PAR FOR PERIOD: 1/1/70 TO 12/31/70	3. COUNTRY Dominican Republic	4. PAR SERIAL NO. 71-1
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8. PROJECT TITLE

Tax Administration

6. PROJECT DURATION: Began FY <u>65</u> Ends FY <u>72</u>	7. DATE LATEST PROP 8/26/69	8. DATE LATEST PIP N/A	9. DATE PRIOR PAR 12/31/68
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10. U.S. FUNDING	a. Cumulative Obligation Thru Prior FY: \$ <u>1,146,000</u>	b. Current FY Estimated Budget: \$ <u>205,000</u>	c. Estimated Budget to completion After Current FY: \$ <u>147,000</u>
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11. KEY ACTION AGENTS (Contractor, Participating Agency or Voluntary Agency)

a. NAME	b. CONTRACT, FASA OR VOL. AG. NO.
US Treasury Internal Revenue Service	PASA LA/TA 13-65

I. NEW ACTIONS PROPOSED AND REQUESTED AS A RESULT OF THIS EVALUATION

A. ACTION (X)			D. LIST OF ACTIONS	C. PROPOSED ACTION COMPLETION DATE
USAID	AID/W	HOST		
X			1. An analysis should be made of the goals and objectives outlined in the PROP and other pre-implementation studies to establish their relevance to actual economic trends during the life of the project.	November 1971

D. REPLANNING REQUIRES	<input type="checkbox"/> PROP <input type="checkbox"/> PIP <input type="checkbox"/> PRO AG <input type="checkbox"/> PIO/T <input type="checkbox"/> PIO/C <input type="checkbox"/> PIO/P						E. DATE OF MISSION REVIEW JUN 16 1971
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PROJECT MANAGER: TYPED NAME, SIGNED INITIALS AND DATE Edward Nadeau <i>ENC</i> 6/14/71	MISSION DIRECTOR: TYPED NAME, SIGNED INITIALS AND DATE John T. Bennett, Acting Director <i>JTB</i> 6/28/71
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II. PERFORMANCE OF KEY INPUTS AND ACTION AGENTS

A. INPUT OR ACTION AGENT CONTRACTOR, PARTICIPATING AGENCY OR VOLUNTARY AGENCY	B. PERFORMANCE AGAINST PLAN							C. IMPORTANCE FOR ACHIEVING PROJECT PURPOSE (X)				
	UNSATISFACTORY		SATISFACTORY			OUT-STANDING		LOW		MEDIUM		HIGH
	1	2	3	4	5	6	7	1	2	3	4	5
1. Internal Revenue Service (PASA)						X						X
2.												
3.												

Comment on key factors determining rating

Performance rating factor based on comparison of actual project accomplishments vis-a-vis projected goals of the Non-capital Project Paper (PROP).

4. PARTICIPANT TRAINING	1	2	3	4	5	6	7	1	2	3	4	5
					X							X

Comment on key factors determining rating

Only those participants who could reasonably expect to benefit from the training were sent. Receptivity to the training by participants has been good. Returned participants have been permitted to utilize their training in their work. A sizeable number of returned participants (50%) have been promoted and only 16% have left the GODR since inception of the program.

5. COMMODITIES	1	2	3	4	5	6	7	1	2	3	4	5
				X					X			

Comment on key factors determining rating

None reasonably programmed. Previously supplied commodities generally furnished as planned.

6. COOPERATING COUNTRY	a. PERSONNEL	1	2	3	4	5	6	7	1	2	3	4	5
	b. OTHER						X						X

Comment on key factors determining rating

Management of both the "direct" and "indirect" tax offices has been stable and capable. Both Directors General have been in office for most of the life of the project. Although requisite technical skills are available in the Dominican Republic, low government salaries (the GODR is on an austerity program) tend to restrict recruitment and retention of qualified personnel. Considering these handicaps, however, the 6% annual employee turnover registered in 1970 is considered relatively low when compared with other GODR institutions. Support for tax projects has been good although support for the delinquent returns and delinquent accounts program could be improved.

7. OTHER DONORS	1	2	3	4	5	6	7	1	2	3	4	5
						X					X	

(See first Page for Comments on Other Donors)

II. 7. Continued: Comment on key factors determining rating of Other Donors

III. KEY OUTPUT INDICATORS AND TARGETS

A. QUANTITATIVE INDICATORS FOR MAJOR OUTPUTS		TARGETS (Percentage/Rate/Amount)					END OF PROJECT
		CUMU- LATIVE PRIOR FY	CURRENT FY		FY 71	FY 72	
			TO DATE	TO END			
1. Local In Country Training (Individuals Trained)	PLANNED	1,149	400		350	350	2,249
	ACTUAL PERFORM- ANCE	1,014	279				
	REPLANNED				225	225	1,743
2. Intax Training (Individuals Trained)	PLANNED	21	8		8	8	45
	ACTUAL PERFORM- ANCE	23	10				
	REPLANNED				-	-	-
3. Returns Filed	PLANNED	60,900	18,650		19,650	20,650	20,650
	ACTUAL PERFORM- ANCE	63,328	16,880				
	REPLANNED				18,000	19,000	19,000
4. Delinquent Accounts as Percentage of Collections	PLANNED	9.0	8.0		7.0	6.0	6.0
	ACTUAL PERFORM- ANCE	8.3	6.8				
	REPLANNED				-	-	-
5. Third Country Training (Individuals Trained)	Planned						
		1	2		2	2	7
	Actual Perform- ance	12	3		2	2	19
B. Qualitative Indicators for Major Outputs		COMMENT:					
1.		Much of the In-Country training is scheduled after working hours to assist employees in acquiring additional skills, without impairing the operations of their respective offices.					
2.		COMMENT: INTAX training, provided through IRS has been most effective. Approximately 50% of returned participants has been promoted to more responsible positions after receiving this training.					

ii. 7. Continued: Comment on key factors determining rating of Other Donors

III. KEY OUTPUT INDICATORS AND TARGETS

A. QUANTITATIVE INDICATORS FOR MAJOR OUTPUTS		CUMULATIVE PRIOR FY	TARGETS (Percentage/Rate/Amount)				END OF PROJECT
			CURRENT FY CY 70		CY 71	CY 72	
			TO DATE	TO END			
6. Income Taxpayers Audited	PLANNED	1,500	1,700	-	1,950	2,250	
	ACTUAL PERFORMANCE	2,051	2,261				
	REPLANNED				1,900	2,200	
7. Additional Tax from Income Tax Audits (In millions RD\$)	PLANNED	5.3	6.1		7.0	8.0	
	ACTUAL PERFORMANCE	4.8	4.7				
	REPLANNED				5.0	5.5	
8. Intelligence Prosecution Cases	PLANNED	41	52	-	55	61	-
	ACTUAL PERFORMANCE	87	13				
	REPLANNED			-	10	12	-
9. Intelligence Cases	PLANNED	-	-	-	-	-	-
	ACTUAL PERFORMANCE		57				
	REPLANNED			-	70	80	-
B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS	COMMENT:						
3.	Greater efforts must be made to increase the number of taxpayers through an energetic non-filer program.						
4.	COMMENT: While there is improvement in the delinquent accounts area, it still is not an effective operation due to a shortage of manpower.						
5.	CIAT, considered as third country training, has been a very effective method of upgrading the management skills of the Directors General.						
6/7	COMMENT: Income tax audits continue to bring increased revenue per man-hour costs.						
8/9	Adequate action is being taken to identify, process and forward delinquent cases to proper authorities for prosecution. To date no legal action has been taken by the government in such cases.						

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IV. PROJECT PURPOSE

A. 1. Statement of purpose as currently envisaged. 2. Same as in PROP? YES NO

Increase GODR direct tax collections to RD\$49.0 million and indirect tax collections to RD\$80.0 million by 1972.

c. 1. Conditions which will exist when above purpose is achieved.	2. Evidence to date of progress toward these conditions.
1. Increase in "direct" tax collection from RD\$30 million annually in 1964 to RD\$49 million annually in 1972.	1. "Direct" tax collection increased from RD\$30 million annually in 1964 to RD\$43.3 million in 1970.
2. Increase in "indirect" tax collection from RD\$51.2 million annually in 1964 to RD\$80 million annually in 1972.	2. "Indirect" tax collection increased from RD\$51.2 million annually in 1964 to RD\$68 million in 1970.
3. GODR has added interaction personnel capable of managing an expanding tax collection program.	3. Counterpart performance reflects increasingly independent capabilities in the technical side of tax administration and in the areas of general management and program supervision as well. Specific progress has been noted in the administration of the in country training program, the increasing importance placed on organization and management research and the forceful posture adopted toward obtaining the executive, legislative, and budgetary support needed for the tax administration program.

V. PROGRAMMING GOAL

a. Statement of Programming Goal:

Increase revenues available to GODR for investment in the public sector.

b. Will the achievement of the project purpose make a significant contribution to the programming goal, given the magnitude of the national problem? Cite evidence.

Achievement of the project purpose will increase the revenues available to the GODR for public sector investment by 59% over the base period. Since this is an annual rate of increase, it will, barring any unforeseen reversals, provide additional revenues to the GODR after the project is completed.