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PROJECT APPRAISAL REPORT (PAR)

1. PROJECT NO.	2. PAR FOR PERIOD	3. COUNTRY	4. PAR SERIAL NO.
618-11-790-620	1 July, 1969 TO 20 Nov. 1970	E.A. Regional	

5. PROJECT TITLE

PD-AAA-767

Income Tax Administration

6. PROJECT DURATION: Began FY 1965 Ends FY 1970	7. DATE LATEST PROP	8. DATE LATEST PIP	9. DATE PRIOR PAR
	29 October, 1969	15 Nov. 1967	30 June 1969

10. U.S. FUNDING	a. Cumulative Obligation Thru Prior FY: $778,000	b. Current FY Estimated Budget: $ None	c. Estimated Budget to completion After Current FY: $ None

11. KEY ACTION AGENTS (Contractor, Participating Agency or Voluntary Agency)

a. NAME	b. CONTRACT, PASA OR VOL. AG. NO.
Public Administration Service	AID/afr-339
Public Administration Service	AID/afr-338
Internal Revenue Service	PASA in 1964

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

A. ACTION (X) USAID	AID/W	HOST	B. LIST OF ACTIONS	C. PROPOSED ACTION COMPLETION DATE
			None; project is completed. Last technician departed East Africa 20 November 1970.	

D. REPLANNING REQUIRES REVISED OR NEW: ☐ PROP ☐ PIP ☐ PRO AG ☐ PIO/T ☐ PIO/C ☐ PIO/P

E. DATE OF MISSION REVIEW: February 17, 1971

PROJECT MANAGER: TYPED NAME, SIGNED INITIALS AND DATE
George T. Eaton, Regional Prog. Officer
18 Feb 1971.

MISSION DIRECTOR: TYPED NAME, SIGNED INITIALS AND DATE
James W. Howe, Director, EAORA
Feb 18, 1971

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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: UNSATISFACTORY 1	2	SATISFACTORY 3	4	5	OUTSTANDING 6	7	C. IMPORTANCE FOR ACHIEVING PROJECT PURPOSE (X): LOW 1	MEDIUM 2	3	4	HIGH 5
1. Public Administration Service				X							X	
2.												
3.												

Comment on key-factors determining rating

The contractor performed well in recruiting and supporting suitable operational technicians, with one major exception. One technician departed East Africa before the authorized date, leaving numerous unpaid bills. The contractor apparently did nothing to help pick up the pieces and in fact apparently instructed its administrative "contact point" among the remaining technicians to avoid having anything to do with the case. Further details are found in the final U-307 report, Evaluation of Contractor Performance.

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

Comment on key factors determining rating

No participant training in this project.

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

Comment on key factors determing rating

		1	2	3	4	5	6	7	1	2	3	4	5
6. COOPERATING ~~[illegible]~~ Agency	a. PERSONNEL				X							X	
	b. OTHER												

Comment on key factors determining rating

The Income Tax Department, as agreed, provided housing for the U.S. assessors and paid their local salaries directly. ITD's administration of these functions was satisfactory.

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

(See Next Page for Comments on Other Donors)

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

No other donors in this project.

III. KEY OUTPUT INDICATORS AND TARGETS

A. QUANTITATIVE INDICATORS FOR MAJOR OUTPUTS		TARGETS (Percentage/Rate/Amount)					
		CUMULATIVE PRIOR FY	CURRENT FY TO DATE	CURRENT FY TO END	FY ___	FY ___	END OF PROJECT
No specific quantitative indicators were established for major outputs, except for the scheduled graduation of East African assessors from the Income Tax Training Center (see the PIP), an activity outside the purview of the project. At any rate, the schedule was not met. However, as shown on page 4, tax collections were not merely maintained but sharply increased over the life of this OPEX project. On the average, a U.S. assessor handled approximately 1,050 tax cases a year.	PLANNED						
	ACTUAL PERFORMANCE						
	REPLANNED						
	PLANNED						
	ACTUAL PERFORMANCE						
	REPLANNED						
	PLANNED						
	ACTUAL PERFORMANCE						
	REPLANNED						
	PLANNED						
	ACTUAL PERFORMANCE						
	REPLANNED						

B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS

1. COMMENT:

The Income Tax Department was satisfied with the work of the U.S. assessors and wished the project to continue. No other qualitative indicator was available for this OPEX project.

2. COMMENT:

3. COMMENT.

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IV. PROJECT PURPOSE

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

To assist the Income Tax Department (ITD) of the East African Community (by providing operational personnel to serve as income tax assessors) in sustaining tax collection activities in East Africa at an adequate level during a difficult transition period when staffing shortages in the crucial area of tax assessment threaten a serious deterioration in tax revenues.

III C 2
Checked with RES

B. 1. Conditions which will exist when above purpose is achieved.	2. Evidence to date of progress toward these conditions.
Maintenance (or increase) of income tax collections 3.1	Gross collections in recent years were: FY 1965 $73 million FY 1966 84 million FY 1967 95 million FY 1968 112 million FY 1969* 125 million *Last available year

Note: The first group of U.S. assessors spent considerable time in 1966 and 1967 helping with the introduction of Pay-As-You-Earn (P.A.Y.E.), a withholding system, and in the process trained some 22 local tax officers (a rank lower than assessor) in P.A.Y.E. operations. Although this function was not a formal part of the project, it turned out to be an important project accomplishment.

V. PROGRAMMING GOAL

A. Statement of Programming Goal

To help the East African Community function more effectively by providing management and administrative assistance in key fields.

III C 2

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.

In the short run, this activity contributed significantly to the programming goal. Tax collections were not merely sustained but greatly increased during the life of the project, and it is reasonable to conclude that the U.S. assessors played a substantial part in achieving those increases. 3.1

However, no substantial long-run contribution was made to the programming goal. The U.S. assessors were a stop-gap measure between departing British expatriates and the supposedly emerging East African staff. But the Income Tax Department appears to be as far as ever from having and keeping sufficient numbers of trained East Africans to fill the many assessor vacancies. AID's decision not to extend this OPEX project was largely based on the belief that no end is in sight to the ITD's need for foreign assessors.