

PP 111-31  
111-119520

AGENCY FOR INTERNATIONAL DEVELOPMENT  
**PROJECT DATA SHEET**

1. TRANSACTION CODE  
 C A = Add  
C = Change  
D = Delete

Amendment Number 3

DOCUMENT CODE 3

2. COUNTRY/ENTITY  
Liberia

3. PROJECT NUMBER  
669-0132

4. BUREAU/OFFICE  
Africa Bureau

5. PROJECT TITLE (maximum 40 characters)  
Increased Revenue for Development

6. PROJECT ASSISTANCE COMPLETION DATE (PACD)  
MM DD YY  
1 | 2 | 3 | 1 | 8 | 8

7. ESTIMATED DATE OF OBLIGATION  
(Under 'B.' below, enter 1, 2, 3, or 4)  
A. Initial FY 78 B. Quarter I C. Final FY 86

8. COSTS (\$000 OR EQUIVALENT \$1 = )

A. FUNDING SOURCE	FIRST FY <u>78</u>			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total	296	-	296	8583	-	8683
(Grant)	( 296 )	( - )	( 296 )	( 8683 )	( - )	( 8683 )
(Loan)	( )	( - )	( )	( - )	( - )	( - )
Other 1.						
U.S. 2.						
Host Country		147	147		3590	3590
Other Donor(s)						
<b>TOTALS</b>	<b>296</b>	<b>147</b>	<b>443</b>	<b>8683</b>	<b>3590</b>	<b>12273</b>

9. SCHEDULE OF AID FUNDING (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) SI	659	790	-	8283	-	400	-	8683	-
(2)									
(3)									
(4)									
<b>TOTALS</b>				<b>8283</b>	<b>-</b>	<b>400</b>	<b>-</b>	<b>8683</b>	<b>-</b>

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each)

11. SECONDARY PURPOSE CODES

12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)

A. Code

E. Amount

13. PROJECT PURPOSE (maximum 480 characters)

To upgrade the capability of the Ministry of Finance to increase resources from internal revenues.

14. SCHEDULED EVALUATIONS

Interim MM YY MM YY Final MM YY  
1 | 0 | 8 | 4 | 1 | 1 | 8 | 5 | 0 | 4 | 8 | 7

15. SOURCE/ORIGIN OF GOODS AND SERVICES  
 000  941  Local  Other (Specify)

16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a \_\_\_\_\_ page PP Amendment.)  
 This amendment extends the PACD approximately 12½ months (12/12/87 to 12/31/88) and increases AID's contribution by \$400,000.

17. APPROVED BY

Signature Mary C. Kilgour

Title Mary C. Kilgour  
Director, USAID/Liberia

Date Signed MM DD YY  
0 | 8 | 3 | 1 | 9 | 8

18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION  
 MM DD YY

INCREASED REVENUE FOR DEVELOPMENT (668-0132)

AMENDMENT II

Table of Contents

<u>SECTION</u>	<u>Page</u>
Action Memorandum for the Director	-ii-
Project Authorization Amendment	-vi-
Glossary	-vii-
I. Summary and Recommendations	1
II. Project Description	3
A. Background and Problem	3
B. Relationship to USAID Strategy	10
C. Other Donors	11
III. Revised Cost Estimates, Financial Implementation and Evaluation Plans	13
A. Current Expenditures	13
B. Expenditure Projections to Current PACD (December 12, 1987)	13
C. Expenditure Projections to Proposed PACD (December 31, 1988)	13
D. Project Funding and Advisor Activities through 1988	17
E. Revised Monitoring and Evaluation Plan	22
<u>Annexes</u>	
A. Scopes of Work for Audit/Training Advisor	
B. Current Work Plans (Customs and IRS)	
C. GOL Letters of Request	
D. AID/Washington Delegations of Authority	
E. Project Grant Agreement Amendment	

UNITED STATES AID MISSION TO LIBERIA



UNITED STATES MAILING ADDRESS  
USAID  
APO NEW YORK 09155

ACTION MEMORANDUM FOR THE DIRECTOR

FROM : Thomas H. Eighmy, SPPL

A handwritten signature in dark ink, appearing to read "Thomas H. Eighmy", is written over the typed name.

SUBJECT: Increased Revenues for Development Project (669-0132)

1. PROBLEM: Your approval is required to authorize a \$400,000 life of project funding increase for the Increased Revenue for Development Project (669-0132) under the FAA Section 106 (Special Development Activities) and to extend the Project Assistance Completion Date (PACD) from December 12, 1987 to December 31, 1988. This amendment will increase the total life-of-project funding from \$8,283,000 to \$8,683,000.

2. DISCUSSION: The Increased Revenue for Development project was authorized in FY 1978. The original Project Agreement for \$1,333,000 was signed on March 24, 1978. Project Paper Amendment No. 1, signed January 14, 1981, added \$300,000 to the authorized life-of-project funding and Amendment No. 2 signed September 30, 1982 increased the life-of-project funding by \$6,650,000 to support a significantly expanded project. The proposed Project Paper Amendment increases the life-of project funding by an additional \$400,000 for a total Life of Project funding level of \$8,683,000. After the original Project Agreement was signed on March 24, 1978, the project was funded incrementally through twelve Project Agreement Amendments totaling \$8,283,000. The current Amendment for \$400,000 is the thirteenth in the series and brings actual life-of-project funding to its proposed level of \$8,683,000.

Project implementation was generally characterized by the following three discernible shifts in technical assistance and project emphasis: (a) the composition and focus of the original Internal Revenue Service advisory team shifted as tasks were completed or turned over to GOL counterparts often trained through project inputs; (b) the U.S. Customs advisory team component was added to the project in mid 1983 to improve the Bureau of Customs and Excise tax collection effort and (c) technical assistance and project emphases shifted from counterpart and ad hoc advisory roles to enhancing procedures, manuals and automation. These changing roles reflect the continuing deterioration of the Liberian economy and related shortfalls in government revenues which made it difficult to meet (1) legitimate domestic requirements, (2) extra budgetary expenditures and (3) growing debt servicing needs. At the

same time project evaluations and rotating advisory staff identified varying ways in which GOL and donor resources could be deployed more efficiently. The third shift in emphasis to manuals, automation and training in procedures recognized the lack of institutional continuity associated with frequent staff changes at all levels.

Improved manuals, procedures and automation cannot change the essential pattern of patronage controlling the Liberian civil service. They can, however, serve to encourage, train and support those GOL staff who recognize the shortcomings in the existing system. As a result, elements of financial accountability and islands of compliance are beginning to emerge despite frequent staff changes and pressure to circumvent financial controls.

The ultimate measure of project effectiveness has become less one of increased revenues but stable customs collections in the face of steadily declining imports (approximately 50% of which are legally duty free) and steady or increased revenue generation in the face of declining per capita income and general economic deterioration.

The additional funding provided under the proposed project paper and Project Authorization amendment will be used primarily to finance a long term IRS Audit/Training advisor to conduct additional in-service training courses in tax management and automated data processing to strengthen the incipient computerized revenue tracking system just recently placed on line. When combined with existing unutilized project funds, the additional \$400,000 will also enable most of the existing technical assistance team (three Customs and two IRS advisors) to continue their activities without a break in coverage until 1988 when the recently revised Economic and Financial Management and Training Project (669-0184) is also scheduled to be completed. By 1987-1988, planned Mission activities such as the audit of the Ministry of Finance, a joint outside evaluation of both projects and a Tax Incidence and Tax Reform study will enable A.I.D. to systematically approach the question of follow-on activities in the financial management and revenue enhancement fields.

Continued advisory presence beyond 1988 will, most likely, be necessary given Liberia's deteriorating economic conditions, continuing fiscal crisis and U.S. expectations to link continued economic assistance to progress in financial reform and expanded debt servicing capacity.

3. FINANCIAL SUMMARY The proposed life of project funding increase will finance a long term Audit and Training Advisor and increased in-country training activities in the areas of auditing, collections and automated data processing. A detailed financial analysis preceded this action request. The following table summarizes the revised estimated project budget resulting from the proposed \$400,000 life of project funding increase.

INPUTS	THIS AMENDMENT		TOTAL PROJECT		
	AID	GOL	AID	GOL	TOTAL
Technical Assistance	200	3	4,856	40	4,896
Training	100	199	793	900	1,693
Commodities	-0-	26	1,442	200	1,642
Construction	-0-	200	-0-	400	400
Evaluation	-0-	-0-	60	-0-	60
Other Costs	<u>-0-</u>	<u>112</u>	<u>369</u>	<u>1,500</u>	<u>1,869</u>
SUB TOTAL	300	540	7,520	3,040	10,560
Inflation/Contingency	100	60	1,163	550	1,713
TOTAL	<u>400</u>	<u>600</u>	<u>8,683</u>	<u>3,590</u>	<u>12,273</u>
SHARE			71%	29%	

4. Conditions Precedent and Covenants: No additional conditions precedent (CPs) will be required under this amendment and no new covenants will be included in the Project Agreement.

5. Analysis and Requirements: This Project Paper and Project Authorization Amendment is in compliance with existing project analyses since it simply provides for an expansion of activities previously authorized under this project. The proposed Amendment will permit consolidation of previous gains in Customs, Excise, Income and Real Estate Tax Procedures and closer coordination with EFMT project activities in budget expenditure control. The PACD extension will permit project activities in the revenue generation area to continue during the period that EFMT is active so that breaks in advisory coverage do not develop before A.I.D is prepared to design and implement anticipated follow-on activities. No environmental issues are involved. No A.I.D financed construction will be undertaken. No Human Rights issues have been raised. The requirements of FAA Section 611 (a) have been met. The mission has received a budget allowance for the proposed \$400,000 life of project funding increase and no comments nor objections were received in response to a Congressional Notification whose statutory waiting period expired on August 6, 1986 per State 257281.

An Ad Hoc Delegation of Authority from AA/AFR authorizing the Mission to increase the life of project funding by \$400,000 was received on August 30, 1986 as State 273666. An Ad Hoc Delegation of Authority by the Administrator to extend the PACD beyond the 10 year life of project limit was also received on August 30, 1986 as State 273666.

6. Project Officers The USAID Project Officer will continue to be the Special Project and Project Development Office (SPPD) Project Manager who also manages the Economic and Financial Management and Training project and currently reports to the Chief, SPPD. AFR/PD/CCWAP will be the responsible project office in AID/Washington.

#### 7. RECOMMENDATION

That you sign the attached Project Paper and Project Authorization Amendment to increase the life of project funding by \$400,000 to a new total of \$8,683,000 and to extend the PACD for twelve and half months from December 12, 1987 to December 31, 1988.

✓

PROJECT AUTHORIZATION AMENDMENT III

NAME OF COUNTRY: Liberia

NAME OF PROJECT: Increased Revenue for Development

NUMBER OF PROJECT: 669-0132

1. Pursuant to Section 106 of the Foreign Assistance Act of 1961 as amended, the Increased Revenue for Development Project was authorized on December 12, 1977 and amended on January 14, 1981 and September 28, 1982. That authorization is hereby amended as follows:

- a. The AID life-of-project funding is increased by \$400,000 from 8,283,000 to \$8,683,000;
- b. The Government of Liberia's contribution to the Project is estimated to increase from \$2,990,000 to \$3,590,000 for a new total project cost of \$12,273,000.
- c. The Project Assistance Completion Date is changed from December 12, 1987 to December 31, 1988 for a total of approximately 12 1/2 months.

Approved:

Date:

\_\_\_\_\_  
Mary C. Kilgour  
Director, USAID/Liberia

\_\_\_\_\_  
Clearance: A/DD:HRMarwitz  
DP:BPerez  
EC:MTaylor  
A/CON:HHunter

## GLOSSARY

ADP	Automated Data Processing
AID	Agency for International Development (USG). AID/W is AID Washington and USAID is AID/Liberia
BOB	Bureau of the Budget (GOL)
BOCE	Bureau of Customs and Excise, MOF (GOL)
Bonded Warehouse	Warehouses where imported goods are bulk stored after paying minimal duty, prior to transshipment or release in smaller quantities for sale at which time full duty is to be paid. There are approximately 92 in Monrovia.
CCD	Central Collections Division, MOF
CUSTOMS	Customs Service, Dept. of the Treasury, USG
CP	Condition Precedent to Disbursement of AID grant
C and V	Classification and Valuation of Imports for GOL Customs purpose
CY	Calendar Year
EFMC	Economic and Financial Management Committee (GOL)
EFMT	Economic and Financial Management and Training Project (669-0184)
ESF	Economic Support Funds - U.S. financial assistance grants to recipient countries
FDA	Forestry Development Authority (GOL)
FREEPORT	Freeport of Monrovia
FY	U.S. Government Fiscal Year (10/1 - 9/30)
GDP	Gross Domestic Product
GOL	Government of Liberia
GOL BY	GOL Budget Year (7/1 - 6/30)
IRD	Increased Revenue for Development Project (669-0132)
IRS	Internal Revenue Service (USG)

IRS-TAAS	IRS Tax Administrative Advisory Service (USG)
MOF	Ministry of Finance (GOL)
MPEA	Ministry of Planning and Economic Affairs (GOL)
RIA	Roberts International Airport
NPA	National Port Authority (GOL)
NSDP, ERP	The former National Socio-Economic Development Plan. The current Plan is the Economic Recovery Program (GOL)
OUTPORTS	All sea ports except Freeport, includes GOL Customs Land Border Ports and RIA
PAAD	Program Assistance Approval Document for ESF
PACD	Project Activities Completion Date
PASA	Participating Agency Services Agreement. A contracting method for AID to draw upon technical expertise of other USG Agencies.
STUMPAGE	A timber cutting tax estimated by the FDA and collected by MOF
SGS	Societe Generale de Surveillance. A GOL contractor providing pre-shipment valuation of Liberian Imports
TRANSHIPMENT	Imported goods destined for export at a land border crossing.

11

I. SUMMARY AND RECOMMENDATIONS

- A. PROJECT TITLE : Increased Revenue for Development  
Amendment III
- B. PROJECT NUMBER : 669-0132
- C. GRANTEE : Government of Liberia
- D. PRIMARY IMPLEMENTING ORGANIZATIONS : Ministry of Finance including Bureau  
of Customs and Excise
- E. PROJECT COSTS : (\$000)
- |       | <u>CURRENT</u>           | <u>AMENDMENT</u> | <u>TOTAL</u>    |
|-------|--------------------------|------------------|-----------------|
| AID   | \$ 8,283                 | 400              | 8,683           |
| GOL   | <u>2,990</u>             | <u>600</u>       | <u>3,590</u>    |
| TOTAL | <u>\$11,273</u><br>===== | 1,000<br>=====   | 12,273<br>===== |
- F. LIFE OF PROJECT :
- |                        |               |                 |
|------------------------|---------------|-----------------|
| Current                | 117.2 months  | (PACD 12/12/87) |
| (ProAg signed 3/24/78) |               |                 |
| Extension              | <u>12.6</u> " | (PACD 12/31/88) |
| TOTAL                  | 129.8 "       |                 |
- G. GOAL : To help establish economic stability and revitalize and expand the National Development Program (revised as the Economic Recovery Program).
- H. PURPOSE : Upgrade the capacity of the Ministry of Finance to increase the collection of Customs Duties and internal taxes.

I. PROJECT  
AMENDMENT  
DESCRIPTION

: Project activities under this amendment will be extended by 12.6 months and will focus on improved tax audit and Customs collections. A long-term Tax Audit/Training Advisor will be assigned. Additional training and monitoring of Customs collectors and auditors (income, excise and real estate taxes) will be conducted, primarily in auditing of returns. Manual revenue recording and process control systems will be computerized and linked to the expenditure and budget control systems being installed in coordination with the Economic and Financial Management and Training (EFMT) Project. The statistical data base for revenue will be improved to provide early information on revenue trends and more realistic revenue forecasting for the budget process.

J. RECOMMENDATION

That the project be amended to increase the AID funding level by \$400,000 from \$8,283,000 to \$8,683,000 and that the PACD be extended from December 12, 1987 to December 31, 1988.

## II. PROJECT DESCRIPTION

### A. Background and Problem

The Increased Revenue for Development Project (669-0132) was authorized in FY 1978. The original Project Agreement was signed March 24, 1978 for \$1,333,000 for a four year life of project (PACD 3/30/82). The project provided for the services of an IRS Tax Advisory Team to assist the GOL Ministry of Finance in the mobilization of domestically raised revenues for the financing of development.

As visualized in 1978, the project responded to the need to help the GOL generate increased revenues for its development plans. President Tolbert introduced the National Socioeconomic Development Plan (NSDP) in 1977, a four-year program aimed primarily at increasing the infrastructure, housing, education, and health care available to Liberia's rural and urban poor. President Tolbert announced that the \$164 million in domestic revenue required for the program would be raised without raising tax rates or imposing new taxes. The NSDP total pricetag of \$415 million envisioned \$251 million in overseas aid.

The objectives of the NSDP accorded with the general AID "poorest of the poor" strategy. As a result, IRD was conceived as a project whose goal was to increase the mobilization of domestic resources for development by "strengthening and modernizing" Liberia's internal tax system. This would be accomplished by the provision of (1) technical assistance from the U.S. Internal Revenue Service; (2) training, both in-country and in the U.S.; and (3) the introduction of project-related commodities, such as vehicles, computers, and communications equipment. The project was authorized with a life of project (LOP) funding level of \$1,333,000. It should be noted that although USAID's formal involvement in tax administration began with IRD, there were several predecessors. A 1970 joint USAID/IRS survey of tax administration preceded the 1975 assignment of an IRS advisor to work in the Revenue Dept. of the Ministry of Finance (MOF) for two years. A Special Council on Government Operations received U.S. assistance in the 60's. Other donors such as the British Ministry of Overseas Development and the UNDP have provided advisors on various aspects of tax administration. History shows that these activities in turn had been preceded by direct intervention in the 20's.

At the commencement of IRD in 1978, three full-time advisors were provided to the MOF through the IRD under a PASA agreement with the IRS. These advisors included (1) a real property/evaluation advisor; (2) a collection advisor; and (3) a generalist senior tax advisor to coordinate the entire program. Short-term advisors were also to be provided in the following areas: (1) real property rural evaluation; (2) mapping; (3) internal auditing; and (4) management information. In addition to their advisory responsibilities, these personnel were to establish training courses for MOF employees. IRD also authorized orientation for four top policy/administrative

executives at the IRS Middle Management Training Program; a formal course in tax administration for one senior official, and in the third year, enrollment in an Institute of Tax Administration course at the University of Southern California for one official.

The focus of IRD was on upgrading the major functions of the various MOF tax administration offices. For example, the real estate advisor was to aid in initiating a cadastral survey of Monrovia and in developing a block and parcel numbering system. In the area of the income tax and auditing, the goal was to upgrade taxpayer registers and to improve the auditing, processing, and collection functions. It was projected that the improved procedures would increase tax revenues by 15 percent per annum, after inflation.

The 1979 evaluation result showed a 22.9 percent increase in tax revenue attributable to the advisory services. This encouraged the extension of IRD and the provision of additional technical assistance. However, the level of revenue collection, so promising according to the 1979 evaluation, had begun to slip downward in 1979/80. The rice riots of 1979 resulted in significant property damage and a consequent decline in tax revenue from proprietors claiming losses. In addition, the coup of April 12, 1980, had a negative effect on revenues, both because of the slowdown of private sector activity and because of the demoralization of Department of Revenue employees following major MOF personnel upheavals.

On January 14, 1981, in the post Tolbert era, the first authorization amendment was signed, increasing funding by \$300,000, to a total of \$1,633,000 and extending the PACD to September 30, 1982. At that time, the covenant calling for annual evaluation was dropped because it was deemed excessively difficult to trace increased revenues to the project. However, there was confidence in the GOL's determination to pursue its stated development objectives. The worsening economic situation spurred the GOL to ask for additional assistance in establishing control of its finances. In March, 1982, a survey team from the U.S. Customs Service recommended the introduction of a full-time customs consulting team to provide assistance in that area of revenue collection.

Acting on that recommendation, USAID amended IRD in 1982. The second Authorization Amendment signed September 30, 1982 contained three major provisions: (1) extension of PACD to September 30, 1985; (2) increase in LOP funding by \$6,650,000 to \$8,283,000; and (3) assistance to the MOF's Bureau of Customs and Excise (BOCE). The amendment was designed to identify and implement measures to generate the greatest amount of revenue in the shortest period of time. The revised agenda reflected the urgency of the GOL's economic crisis. The government's deficit increased dramatically after the 1980 coup owing to (1) declining revenue growth; (2) near doubling of the payroll; (3) lack of expenditure discipline; (4) subsidization of unprofitable public corporations; (5) mounting debt service; and (6) growing military expenditures.

The project inputs to BOCE were added because this bureau was a significant source of revenue to the GOL. In the seven-month period from July, 1981 through January, 1982, for example, BOCE accounted for 43 percent of the revenue collected by the GOL. The BOCE component was designed to provide assistance in the following areas: (1) updating the Liberian Customs Code; (2) improving the organization and control of goods held in bonded warehouses and for transshipment; (3) enforcing regulations against fraud, smuggling, and bribery; and (4) enhancing the ability to assess accurately the duty owed on imported goods.

The plan to enhance revenue collection capabilities was linked to assistance on the expenditure side in the form of the Economic and Financial Management and Training Project (EFMT) which was authorized in June, 1982. AID's new effort in expenditure control was a recognition of the GOL's inability to finance its development budget strictly through revenue enhancement efforts and of the need to reduce revenue leaked due to poor fiscal accountability.

Under the 1982 amendment, the IRD project added four long-term advisors to the Liberia Customs Service under a PASA agreement with the U.S. Customs Service. These advisors commenced operation in Liberia in mid-1983 and included: (1) the team leader/outstations consultant, whose functions would be to help update the Customs Code, to assist in improving controls on the entry of goods, to establish internal controls within the BOCE; and to analyze the problems and improve the performance of customs outstations; (2) a seaport consultant, responsible for analyzing the operations of the seaport customs and enhancing the ability of customs officers to assess more accurately the duty owed; (3) an airport consultant, responsible for analyzing procedures at the RIA customs; and (4) a classification and valuation consultant, charged with developing a system for filing classification and valuation decisions, revising the rules regulating customs brokers, and preparing manuals for classification and valuation. Some of the short-term consultancies were to be as follows: (1) airport impact team; (2) classification and valuation team; (3) enforcement training team; (4) communications consultant; (5) warehouse consultant; and (6) data processing consultant. In addition to their consulting functions, these advisors were to set up training programs for BOCE personnel. There was also provision for travel to the U.S. for four groups of four BOCE officials for a five-week middle management training course, and for three groups of four BOCE officials to participate in a training of trainers course.

Additional technical assistance was provided to the Department of Revenue under a PASA agreement with the IRS, which modified composition of the initial in-country team. Three long-term consultancies were as follows: (1) team leader and management/collections consultant to analyze operations of the Department of Revenue; (2) systems analyst to advise on all aspects of electronic data processing; and (3) organization and methods/property tax consultant to assist with forms design, record

maintenance, completion of the Monrovia mapping, and initiating a cadastral survey of rural Liberia. Short-term consultants were provided in the following areas: (1) auditing; (2) taxpayer services; (3) collection management; and (4) establishment of a national identification card scheme. Five long-term participant training positions in the U.S. were approved.

The trainees would receive twelve months of instruction at the IRS/INTAX institute, followed by six months of on-the-job training with the IRS. Short-term training in the U.S. was allocated for two groups of four Department of Revenue employees to take a seven-week management course, and for two groups of four to take a two-month training for trainers course.

The incremental funding was released in 12 tranches and the PACD was extended as certain positive developments occurred following the 2nd amendment. On the IRS side, a central cashier cage was constructed in the Ministry of Finance in 1982 to facilitate the actual payment of taxes. Sealed receipt-writing machines were introduced to reduce falsification or alteration of records. A training program for internal audit staff was established in the Department of Revenue, also in 1982. On the BOCE side, progress toward the achievement of objectives was hampered by a slow start-up of technical assistance, which was not fully in place until mid-1983. In November, 1984, the four-person Customs team substantially adjusted its original assignments.

Three of the four Customs advisors were assigned to the Port of Monrovia, where 90 percent of Liberia's customs duty is collected. Performance was hindered by insufficient support for the reforms by the BOCE. Still, planning and implementation of specific reform components, i.e. pre-entry review of goods, was underway.

However, as the economic condition of the country deteriorated, the GOL became increasingly dependent on ad hoc arrangements to collect tax revenues. Special paramilitary task forces for the collection of taxes were established. These task forces had a negative effect on progress to regularize existing collection procedures in that they both undermined the effectiveness of existing collection authorities and forestalled the establishment of an improved system. Despite support from upper echelon MOF personnel, the internal audit trainees received insufficient clerical and material resources. Furthermore, these trainees were harassed and intimidated, making their job difficult. The task forces also had a negative effect on the collection capability of BOCE. In addition, BOCE was met with extensive opposition from the National Port Authority on the matter of attaining control over unentered goods. The implementation of pre-entry controls likewise was slow.

Despite the acknowledged difficulties of the project and the somewhat disappointing progress in overall revenue collections, an October, 1984, joint AID/W, USAID/Liberia evaluation recommended a two-year extension of the project provided the following conditions were met: (1) the paramilitary task forces should be dissolved; (2) a permanent central collections unit should be established; (3) a unit to identify non-filers should be created; and (4) the leasing of a warehouse by the Liberia Customs Service to gain control of unentered goods at the Freeport should be completed. The evaluation team also recommended, among other things, that (1) the MOF establish a functional internal audit division and (2) technical assistance be provided in the areas of excise taxes on domestic production. The evaluation team concluded that "AID's desire for this project to have an early impact on tax revenues is not attainable," but noted that sufficient progress had been made to justify the extension. The evaluation team raised the question of whether the focus of the project as expressed in the 1982 amendment on quick revenue generation was feasible, or if longer-term institution-building might be more attainable. The team noted that certain income tax revenues had met the targets established for them. However, the decline of the economy meant a 40 percent drop in the value of imports, and a consequent drop in the base available for customs revenue. The net effect has been a general fall in all revenue collected as indicated in the table below:

Revenue Collections by Major Source  
CY 1982-1985  
(\$ million)

	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>
Importation Tax	68.3	58.3	49.6	46.5
Excise/Stumpage Tax	30.3	32.6	28.1	17.3
Individual Tax	48.6	57.6	30.2	43.8
Maritime Tax	20.5	20.4	14.9	16.0
Corporate Tax	13.1	9.8	12.9	13.7
Nat'l Reconstruction	14.3	14.9	9.9	10.5
All Others*	42.8	37.8	34.6	34.0
<b>TOTALS</b>	<b>237.9</b>	<b>231.4</b>	<b>180.2</b>	<b>181.8</b>

\*Includes non-tax revenues, real estate, national health insurance, iron ore tax, motor vehicle tax, ID cards, etc.

In May, 1985, the Minister of Finance delegated his distraint authority to the commissioner of the newly formed Central Collection Division (CCD). A revenue collection manual was written, and 20 collection officers were recruited. These officers received five weeks of intensive training in collection and investigation procedures. The CCD collects all revenues, including customs arrears. Serious management problems persist at the CCD, but there has been progress in collecting formerly uncollectible accounts and there have been indications of GOL movement to reduce the management problems.

With the help of two US based trainers, a Revenue Training Center was established in 1985. Nineteen revenue employees received Basic Instructor Training and course design and development instruction.

In the area of automation, the project has provided advice to the Equipment Replacement Program and has assisted in the maintenance of the central cashier facility. Data from the Chief Auditor's Office and from the CCD has been put on the computer. These efforts have enabled better administration and control of accounts.

During late 1985, the Ministry recruited 26 revenue agents. The positions were advertised in newspapers; the Ministry received 120 applications, all of which came from college graduates. The applicants were given a written exam, which reduced the pool to 30. After a subsequent interview stage, 26 were hired.

These recruits were trained in the Revenue and Finance Law of Liberia and in audit techniques by two U.S. TDY revenue audit trainers. Presently, these new revenue agents are conducting audits in the greater Monrovia area. One of the US trainers will return to Liberia on a long-term assignment to continue training the 26 new agents and to expand the training program.

The Commissioner of Direct Taxation requested that the Tax Team analyze and proceduralize current returns processing of income tax returns. A returns processing specialist from the US performed this work on short-term assignment. The ultimate objective is to automate the Ministry's returns processing function.

By November, 1985, the four pre-conditions to extension of the project had been met: (1) the task forces had been dissolved; (2) the central collection unit had been established; (3) an auditing and collections unit had been put in place; and (4) the Liberia Customs Service had secured a warehouse at the port of Monrovia. While problems still exist on both the internal revenue and customs sides, i.e. the National Port Authority still refuses to turn unentered goods over to the Customs Service and there are delays in sending overdue tax bills to the collections unit, an AID/W and USAID review in November, 1985 concluded that the project should be extended for an additional 22 months beyond the then PACD of 1/30/86 at no increase in funding. Two long-term advisors from both the

U.S. Customs Service and the IRS were to be extended for the full '22 months, and two long-term advisors from the Customs Service for an additional five months from January 30, 1986. The aim of the extension was to create, among other things, (1) a functional manifest control system at both the seaport and the airport; (2) a well-supervised and functioning bonded warehouse network, with all 94 bonded warehouses operating in compliance with GOL regulations; (3) fully trained classification and valuation teams; (4) a fully trained liquidation division and an appeals process for importers; and (5) an ADP system to control GOL customs records in the areas of manifests, bonded warehouse inventories, and overall statistical data base for imports and exports. In-country training programs were established in the following areas: (1) commodity classification and valuation; (2) supervision (management techniques, etc.); (3) baggage/cargo inspection; and (4) advanced classification and valuation. The IRS advisors are charged with continuing the centralization of collections, enhancing audit capabilities, and quantifying collections in establishing a tax data base. Likewise, the IRS advisors will work to establish an ADP system to facilitate record-keeping. As a result of the review, the PACD was extended to December 12, 1987 by which time existing funds were projected to be exhausted, with advisors departing by 11/30/87.

During 1985 and 1986 related issues of foreign exchange shortages, capital flight and liquidity crises have affected both the public and private sectors, and the environment in which the project must operate. U.S. dollar notes and Liberian small coins have become increasingly scarce. The inter-bank check clearing process has virtually collapsed requiring a heavy reliance on cash payments of Tax and Customs. Acceptance of new Liberian \$5 coins has been accompanied by higher nominal prices and heavy discounts of the coin against the U.S. dollar with which Liberian coinage is officially at par. Under these cash short conditions, it is not surprising that other negotiable instruments have become increasingly common. Negotiated tax bills, liberal granting of duty-free import status, and customs drawbacks (prior forgiveness of future customs duties) are means of both private gain and government investment with deleterious effects on government revenue raising and cash management efforts. Advisors increasingly must try to block new loopholes and draw the attention of GOL officials to the depressing public revenue effects of high tax rates, lax collection efforts and officially sanctioned tax credits. It is these factors which have moved USAID to seek a broad based study of tax structure and reform as part of a joint project evaluation of IRD and EFMT in FY 87.

In summary, the second amendment of 1982 with its substantial funding increase reflected joint U.S. and GOL concern with the deteriorating state of the economy, due to the operation of factors which were only surfacing at the beginning of the project in 1978 and which have continued to the present. The addition of the Customs Team recognized that Customs and Excise showed the greatest promise of increasing government revenues. Even that objective has proven illusive as Customs and IRS teams strive to maintain revenues in the face of declining economic indicators, frequent MOF staff change overs and informally negotiated tax write-offs and duty free import entries noted above.

The GOL public finance apparatus has to date been unable to meet (1) legitimate domestic recurrent and development budget requirements; (2) pressures for extra budgetary expenditure; (3) growing foreign and domestic debt servicing needs. Having acknowledged these difficulties, the IRD and EFMT Projects, when combined with other U.S. and donor initiatives, still represent the best opportunities for GOL fiscal reform from within the system.

The proposed \$400,000 additional funding and PACD extension to 12/31/88 are the last authorization actions contemplated for this project. However, the deepening external and internal debt obligations of the country, the continuing U.S. interests in Liberia and the recurring MOF staff turnover indicate a probable need for continued technical assistance in public finance after 1988.

#### B. Relationship to U.S. Strategy

The CDSS stresses continued U.S. commitment to helping Liberia restore fiscal stability, a commitment renewed in early 1986 by a high level U.S. delegation. At that time, and subsequently, U.S. officials have emphasized to the GOL the need to make progress in external debt payment and internal financial accountability, while pledging continued U.S. assistance in meeting these goals. U.S. means of assistance include ESF grants and Food Aid under the PL-480 Title I Program which generates considerable counterpart funding dedicated to the GOL Development Budget. The principal DA mode to assist the GOL in achieving financial stability is the public finance portfolio constituting two projects, Increased Revenue for Development (IRD) (669-0132) and Economic and Financial Management and Training (EFMT) (669-0184).

These projects have similar objectives related to improving fiscal stability. Experience has shown that progress toward their objectives is more likely to be achieved if the two projects are coordinated with the ESF and PL-480 assistance modes and linked at the operational level as well as at the higher goal levels. IRD focuses on revenue issues and EFMT on expenditure control issues. Both projects work on process control issues regarding revenue recording and tracking. Progress in these three areas - revenue generation, process control and expenditure control - are necessary if economic stabilization goals are to be achieved.

The EFMT Project is currently being amended to strengthen its capabilities in the expenditure, budgeting, revenue tracking and process control fields.

The proposed additional funding and PACD extension for IRD will help insure that the revenue side of the public finance portfolio does not remain uncovered while EFMT operates on the expenditure side.

The two projects together will:

- continue a minimal, but effective, advisory presence at key points in the GOL system concerned with revenue generation and expenditure control;
- support, train and encourage GOL staff in the above public finance areas;
- provide data and information on GOL activities which are essential to our policy dialogue and linked to our ESF disbursement.

The two projects, after their respective proposed amendments, will come to a joint conclusion in late 1988. By that time, an audit of the Ministry of Finance, and a joint outside project evaluation and study of tax structure, incidence and reform are expected to be completed. Any follow-on activities in public finance will be designed and ready for implementation by the proposed PACDs.

#### C. Other Donors

Liberia's external debt burden has grown to barely manageable proportions while internally generated resources available to sustain projects have dried up and turned into domestic budget deficits. Consequently, new donor projects or new disbursements on current projects have slowed and in some cases ceased, due principally to GOL public finance weaknesses. However, the U.N., the EEC and several bilateral donors have some ongoing projects. The EEC is considering a Freeport rehabilitation and management program which could increase port throughput and resolve the current difficulties between BOCE and NPA. World Bank projects are expected to recommence disbursing shortly, as a result of ESF payments toward Liberia's Bank arrears.

A common thread to donor concerns is the need for GOL to treat the fiscal accountability problem seriously, i.e. to make payments on the external arrears and generate some budget surplus above the recurrent budget for local development expenditures. The success of IRD and the future involvement in Liberia by other donors are thus closely linked. In the public finance field, other donors presently are providing TA to major parastatals. The World Bank has retained a Resident Representative. Despite the lack of a formal program in Liberia, the IMF retains a resident representative and provides

technical assistance to the National Bank of Liberia. The U.S. Mission supports further assignment of multilateral funded operational advisors to the Ministry of Finance. The eventual success of such a multilateral effort will be very much dependent upon the training, the systems and, the ongoing advisory role provided by the IRD Project.

III. REVISED COST ESTIMATES,  
AND  
FINANCIAL, IMPLEMENTATION  
AND  
EVALUATION PLANS

A. Current Expenditures

Table I (Column 1) and Table II (Column 1) provide expenditure data to June 30, 1986 by major project elements. The pipeline is approximately \$2.2 million. Accrued expenditures are approximately \$6.1 million with a heavy accrual component due to late Customs Billings. At mission insistence, Customs is undertaking a review of its billing process and updated and corrected billings are expected which will permit more accurate project financial planning.

B. Expenditure Projections to Current PACD (December 12, 1987)

Table I is based upon projections made in November, 1985, starting from January 30, 1986, the then existing PACD. Project funding was expected to be exhausted o/a December 12, 1987 with advisors departing by November 30, 1987. Consequently, December 12, 1987 was established as the new PACD, just short of the project's 10 year anniversary.

By recalculating the PASA and local TA costs, and by eliminating TDY's in favor of an extended tour of long term advisors, a project pipeline of over \$417,000 is projected as of December 12, 1987. (Table I, Column 2, Note 2).

C. Expenditure Projections to Proposed PACD (December 31, 1988)

Since the external project review of November, 1985, Liberia has experienced some degree of moderate political stability in the midst of continued economic deterioration and administrative dislocation. High level delegations have affirmed U.S. commitment to Liberia's fiscal stability, the PL-480 Program continues and further ESF disbursements are expected. In the meantime, major changes were made in the GOL's economic team, formally known as the Economic and Financial Management Committee (EFMC). The Minister of Finance, Minister of Planning and Economic Affairs, Director of the Bureau of the Budget, and the Governor of the National Bank of Liberia were all appointed in the Spring of 1986. Changes in their deputies and staff at all levels continue to the present. These changes have increased, rather than

14-

TABLE I  
REVISED PROJECT EXPENDITURE ESTIMATE

	Actual <sup>1/</sup> (To 6/30/86)	Projected <sup>2/</sup> To 12/12/87 Present PACD	Proposed <sup>3/</sup> To 12/31/88 Proposed PACD
<u>I. Technical Assistance</u>			
A. IRS PASA (Amendment 9)	1,988,247.20	2,553,696.02 (34 PM, 6/30/86- 11/30/87 2 People, 17 mos.)	2,642,647.20 <sup>4/</sup> (72 PM, 6/30/86 12/31/88)
B. Customs PASA (Amendment 5)	1,272,179.83	1,827,628.65 (34 PM, 6/30/86- 11/30/87 2 People, 17 mos.)	1,811,079.83 <sup>4/</sup> (57 PM, 6/30/86 12/31/88)
TOTAL TA	3,260,427.03	4,381,324.67	4,453,727.03
<u>II. Participant Training</u>			
	249,889.74	249,889.74	349,889.74
<u>III. Commodities</u>			
	901,567.77	951,567.77	1,001,567.77
<u>IV. Other Costs</u>			
	<u>1,679,466.21</u>	<u>2,282,920.18</u>	<u>2,877,815.46</u>
Total Accrued Expenditures (of which accruals = IRS 50,000.00 Customs 713,000.00 Commod. 22,463.11)	6,091,350.75	7,865,702.36	8,683,000.00
<u>Pipeline</u>	<u>2,191,649.25</u>	<u>417,297.64</u>	<u>-0-</u>
Obligations	8,283,000.00	8,283,000.00	8,683,000.00

Notes to Table I

1/ Source: USAID/Liberia Controller's Financial Status Report of June 30, 1986. Estimated proportion of project elements for FY 78.

2/ Based upon November 1985 AID/W Project Review, "Extension of the Increased Revenues for Development Project (669-0132)", George P. Hazel, 11/26/85. An estimated \$1,977,000 was expected to be available as of 1/30/86, the then existing PACD, subsequently extended to 12/12/87. Hazel proposed keeping 2 IRS long-term advisors and 2 Customs longterm advisors, 22 mos. each from 1/30/86 to 11/30/87 and 2 long term Customs advisors, 5 mos. each from 1/30/86 to 6/30/86. Estimated cost for 98 long term mos. was \$1,552,000 (\$15,836.73/month, a figure including local costs which in the accompanying table and Controller's Reports are subsumed under "Other Costs"). Additional TA costs were estimated at \$170,000 (17 mos. of TDY at \$10,000/month) and Home Office support at \$180,000. Column 2 is derived by breaking out Hazel's estimates into 2 periods: 5 mos. (from 1/30/86 to 6/30/86, the period for which actual accrued expenditures are now available); and 17 mos. (from 6/30/86 to 11/30/87, by which time all long term advisors would have departed). Hazel's estimates for TDY and Home Office support were included in the latter period. Estimated amounts for the latter period were added to actuals as of 6/30/86 to estimate column 2, expenditures to 12/12/87. Hazel contemplated no additional Participant Training nor Commodities beyond \$50,000 programmed for computerization. In fact some additional funds likely would remain under his assumptions since the monthly cost estimate for long term advisors was generous (\$1,552,000/98 mos = \$15,836.73). Actual billable amounts for the highest paid team members for both IRS PASA 9 and Customs PASA 5, rounded upward to the nearest \$100 is \$7,700 (Base Salary, Post Differential Benefits, Leave Factor, Overhead) to which must be added approximately \$4,500 in local costs (House Rent, Electricity, Water, Garbage, Generator, House Maintenance, Operational Costs, Guard and Other Pooled Services and COLA) or \$12,200/month total. Home return costs (air tickets, shipping) are currently estimated at \$20,000/person, not charged to the PASA. These are subsumed in "Other Costs". Since the local costs are not charged to IRS and Customs PASA amounts dedicated to the Participating Agency, the total of \$306,000 (\$4,500/month x 68 months) is also included in "Other Costs." Home Office support is additional for both PASAs and is included in the PASA amounts. Under Hazel's assumptions, there would be approximately \$247,297.64 remaining (\$15,836.73 - \$12,200 = \$3,636.73) per month x 68 months = \$247,297.64, or four remaining long-term advisors for 17 mos. each. This amount is estimated as a pipeline to be carried over to the project extension to 12/31/88 found in Column 3, along with \$170,000 saved by eliminating TDY in favor of long term assignment.

3/ Column 1 Actuals to 6/30/86 plus estimates to 12/31/88.

4/ TA estimates are at prevailing PASA rates, \$7,700/month (Base Salary, Post Differential, Benefits and Leave, Overhead) but exclusive of local costs. An estimated 72 months of IRS PASA (3 people) and 57 months of Customs PASA (3 people) are distributed across the 30 month period from 6/30/86 to 12/31/88. PASA amounts currently standing at \$2,040,936 (IRS #9) and \$1,707,961 (Customs #5) will be amended before the IRS PASA is fully billed and after the Customs PASA accrual problem is resolved (Column 1). See Table II for additional details.

diminished the need for technical advisors. Despite a discouraging policy, administrative and economic environment, the two public finance projects represent the best means of inducing positive policy, fiscal and administrative reforms in the GOL from within (rather than by addition of external resources) to encourage progress on foreign debt arrears, domestic budget deficits and eventually, revenue for development. The amendment of EFMT (669-0184) and the corollary addition of \$400,000 to IRD (669-0132) with the PACD extended to a common date, are conscious Mission responses to this perception of the possibility of internal reform. Table I (Column 3) provides an allocation of existing and proposed new project funding to the proposed PACD of December 31, 1988.

D. Project Funding and Advisor Activities through 1988

Table II repeats the actual expenditure through June, 1986 (Col. 1) and the proposed expenditure through December, 1988 (Col 3), both taken from Table I. Table II adds an increment column (Col. 2) which sums to the present pipeline \$2,191,649.25 (Table 1 Col. 2) plus the proposed incremental funding \$400,000, and provides further detail of Technical Assistance and Local Cost allocations. Row headers indicate proposed tour length for each advisor position, as well as greater local cost detail. Activities covered by proposed new funding are indicated by asterisk (\*) which will be reflected in the illustrative financial plan of the Project Grant Agreement Amendment.

In some cases, Table II Column 2 expenditures represent continuing activities (eg. Customs Classification and Valuation and tax auditing) with decreasing advisory attention in the closing months of the project. In-service training (OJT and workshops) and the improvements generated by the advisors are expected to take hold and routine advisor activities must be increasingly turned over to GOL staff. However, even operations deemed capable of being turned over completely to GOL operation will need continued residual advisory presence and evaluation. In other cases, activities will involve greater attention to unresolved problems where revenue losses appear to be increasing (e.g. stumpage, excise, transshipment, real estate tax). Advisor activities border upon an operational role for some activities. However, advisor influence is limited by the fact that there are only 5 advisors to the Ministry of Finance (including Bureau of Customs and Excise) with well over three thousand employees <sup>1/</sup> in a deteriorating administrative and economic environment marked by senior staff turnovers, poorly paid, trained and motivated junior staff and continuous pressure on staff to evade regulations and to reduce tax and customs payments. Improvement in these conditions will remain

<sup>1/</sup> Exact numbers are difficult to estimate given recent new hires outside the Civil Service System, and lack of a payroll audit, both of which constitute problems in their own rights.

17a-

TABLE II  
DETAILS OF EXPENDITURE ESTIMATES

	Actual 6/30/86	Increment to 12/31/88 (30 months)	Total
I. <u>Technical Assistance</u>			
A. <u>IRS PASA</u>	1,988,247.20	654,400	2,642,647.20
COP, Tax Advisor 30 months <sup>1/</sup> (to 12/31/88)		( 231,000)	
ADP Advisor 24 months (to 6/30/88)		( 184,800)	
Audit/Training Advisor 18 months (to 7/30/88)		( 138,600)*	
Home Office/TDY/Contingency		( 100,000)	
B. <u>Customs PASA</u>	1,272,179.83	538,900	1,811,079.83
COP, Port Advisor 30 months (to 12/31/88)		( 231,000)	
Classification & Valuation Advisor 15 months (to 9/30/87)		( 115,500)	
Bonded Warehouse Advisor 12 months (to 6/30/87)		( 92,400)	
Home Office/TDY/Contingency		( 100,000)	
II. <u>Participant Training</u>	249,889.74	100,000*	349,889.74
III. <u>Commodities</u>	901,567.77	100,000	1,001,567.77
IV. <u>Other Costs</u>	1,679,466.21	1,198,349.25	2,877,815.46
Local Support <sup>2/</sup>			
Audit/Training Advisor 18 months of which			
New Funds		( 61,400)*	
Existing Funds		( 19,600)	
5 Present Advisors 111 months		( 499,500)	
Return Transfer 6 Advisors @ 20,000		( 120,000)	
Local Staff 2 Secretaries 60 months @ 1,000		( 60,000)	
Auditor-Excise/Stumpage 30 months @ 2,600		( 78,000)	
Evaluation		( 60,000)	
Costs N.E.C.			
R&R, HL Travel Educ. Allow.		( 99,849.25)	
Local Training Costs			
Additional Mission - Provided Pooled Services			
Appliance Depreciation/Re- placement			
Contingency/Inflation			
New Money		( 100,000)*	
Old Money		( 100,000)	
Total	6,091,350.75	2,591,649.25	8,683,000.00

Notes to Table II

\*New funds, \$400,000

1/ Based on current monthly costs for PASA teams. See Table I, Note 2.

2/ Based on current monthly costs. See Table I, Note 2. Operational Costs include consumable supplies, in-country travel.

a long term goal. Continual advisory presence is needed to prevent deterioration of existing systems, to oversee the installation of new systems (computerized and manual), and to draw to the attention of MOF management the sources of lost revenue and the revenue impact of actions taken elsewhere in the GOL (e.g. granting of duty free import status to commercial interests).

Customs and IRS staff have reduced planned TDYs. Reliance on a few proven and established advisors is considered preferable from both "low profile" and effectiveness viewpoints to relatively heavy TDYs, often involving visitors unaccustomed to the Liberian environment. One of four Customs team members was not replaced upon his early return to the U.S. for family health reasons. Two of the remaining three long-term Customs advisors have had their scheduled departures deferred (see Table Column 2 for Length of Tour). Their extended services into 1988 are being financed by a reduction in previously anticipated TDYs. It is expected that two of the present Customs positions will be phased out during the remaining life of project, with provision made to keep a Chief Advisor present through the proposed PACD of 12/31/88. Some slack will be taken up by continuation of a local hire contractor of proven effectiveness.

The IRS team presently consists of only two advisory positions. Anticipated TDYs will again be reduced to stretch out these positions and retain at least one Chief Advisor through the proposed PACD of 12/31/88.

The principal use of the proposed new funds will be to fund an IRS Tax Audit/Training Advisor. In addition to specific tax audit responsibilities, this person will be involved in in-service training (OJT and workshop) activities, coincident with the phase down of advisory presence under this project (See Annex A for detailed Scope of Work).

The IRS Chief Advisor is responsible for general direct tax advisory service (income tax withholding and independent returns, real estate tax), Central Collection Division operations and outstation collectorates. The IRS ADP advisor will be working on computerization of both direct tax and customs issues. The position will be phased out, but additional ADP advisory services will be provided under the EFMT Project.

On the Customs/Excise side, continued attention will be given to Classification and Valuation of imports by the specialist teams established under this project. The responsible advisor, however, will focus more heavily on manifest control and clearance or auction of unentered and unclaimed goods where major losses of revenue and spoilage continue. This advisor will have residual responsibilities for activities at Roberts International Airport and Buchanan, which are the second and third ranking customs stations after Monrovia Freeport. The local hire Audit-Excise-Stumpage Advisor will consolidate recent gains in these areas while taking up monitoring and inspection of the bonded warehouse system, as that position is phased out. The Chief Advisor, who is responsible for Customs Team activities, will also monitor the C&V teams as the advisor is phased out. He also is responsible for transshipment and Customs outport activities (Greenville, Harper, land border points), for implementing computerization programs and maintaining the statistical data series started by the project. The latter has become increasingly useful to the Ministry of Finance in monitoring the country's revenue position and trouble shooting (See Annex B for current Work Plans for both IRS and Customs Advisors).

Throughout the life of the project, certain patterns of technical assistance are discernible of which the concluding months activities and the Work Plans (Annex B) are the logical conclusion. For example, some early activities have been given up as unproductive or turned over to COL counterparts (e.g., Cadastral Mapping). In general, participant training has been phased down in the face of continuing personnel shifts and a perception that training modes involving instructors unfamiliar with the Liberian environment, instructing trainees plucked from that environment, may not be cost effective. The current emphasis is on procedures, manuals, system design and in-country training. Additionally, what might be called "consciousness-raising" with MOF officials is required to point out the sources of lost revenue and the need to plug loopholes which in Liberia have a tendency to expand to major gaps (eg. Customs Drawbacks which were successfully eliminated).

Once procedures and manual systems are established, there is scope for computerization in fields such as manifest control, tax processing, codification of revenue sources and amounts, revenue tracking, payroll processing, expenditure

control and auditing. In Liberia, all these areas would benefit by the regularization of procedures and systematization inherent in the term "computerization." Five PC's with supporting service and software agreements are being procured. Phase-in of computers will realistically involve no MOF staff retrenching, save by attrition. However, even under this constraint substantial benefits are expected from gradual introduction of PC's with data compatibility with the Ministry of Finance mainframe and coordinated with the systems provided under the EFMT Project. The financial plan (Table II, Col. 2) thus provides limited participant training and commodities in support of the computerization initiative.

#### E. Revised Monitoring and Evaluation Plan

The Project Manager for IRD is also the manager for EFMT, assuring coordination of the two public finance projects. It is intended to transfer the Project Manager, an AID Economist, with the two projects, to the Mission Economic Affairs Office. This office manages the ESF and PL-480 Programs, assuring coordination with AID's other principal macro economic and policy instruments (Section IIB).

Customs and IRS PASA Chiefs of Party are responsible for devising and implementing work plans (Annex B) for advisors within the timeframe indicated on Table II (Col. 2). Normal Project Implementation Reviews and regular meetings of Mission Management with the Economic Affairs staff of USAID, project staff and Embassy economic staff will assure coordination of project activities with the U.S. policy agenda.

Project staff are charged with advising the GOL on implementing the current structure of direct and indirect taxes, an area in which they are experts. Only peripherally do they deal with issues of the appropriateness of this structure to Liberia's needs and the nature of alternatives which could be achievable under Liberian conditions. There is evidence from Liberia and elsewhere that Liberia has fallen into a common predicament. Tax rates are high, the structure is complex, collection is slack and opportunities for diversions are commonplace. Responsible officials are poorly paid and salaries are delayed. Educational levels are generally low, staff turnover is high and employment levels in the MOF are large and growing, due more to political expediency than to work load requirements. Under these circumstances, and despite the best advisory efforts, staff are often poorly trained and motivated. In the Liberian Civil Service, professionalism remains a goal, not a current standard, and it is not surprising that tax evasion of one sort or another, is not risky, that compliance is spotty and that expected government revenues are lost. Lower rates, a simpler structure and fairer, more uniform collection would reduce inequities of treatment among taxpaying units and encourage investment with an excellent chance of raising government revenues as well. This "Laffer type" approach to tax reform would appear to have greater applicability in Liberia than in other countries where tax administration is fairer and more efficient.

To analyze the above propositions USAID intends, during FY 87, to engage an IQC contractor to jointly evaluate both public finance projects (IRD and EFMT), review current tax structure and tax collection performance, and recommend achievable alternatives. EFMT and PD&S funds, as well as IRD funds have been reserved for this undertaking. Previous evaluations have involved AID and PASA contractor staff. USAID considers it now appropriate to have an outside project evaluation and prospective look at Liberia's tax structure, as an input to project design for follow on public finance activities which would be in place prior to the proposed PACD.

ANNEX A

SCOPE OF WORK  
AUDIT/TRAINING ADVISOR

AUDIT/TRAINING ADVISOR (Long Term)  
Scope of Work

The Advisor will:

- (1) Assist in writing a procedural manual for the Audit Division.

This entails a detailed study of the Income Tax Laws of Liberia, review of existing procedures, and actual composition/writing of the Revenue Manual.

- (2) Provide basic training in the Liberian Tax Code and Auditing techniques to new hires.

Will include advice in recruitment of accounting graduates, plus writing professional lesson plans for the required five week course; will result in an additional 20 trained revenue agents.

- (3) Provide specialized industry training for selected revenue agents.

Current revenue agents have only training in basic law and methodology; they need specialized industry training (one to two weeks each) in banking, petroleum, insurance, etc. Lesson plans must be written for such courses.

- (4) Assist audit management in development of employee performance standards.

Presently there are no standards. Expectations must be formulated for the different levels of revenue agents on which an employee review can be based. Evaluation factors must be formulated and applied against work in progress.

- (5) Assist Audit Management in developing a systemized procedure to provide work to revenue agents.

- (6) Assist in developing a "Quality Review Function" (QRF).

The QRF is an organization that reviews completed revenue agent work; presently, only management does cursory reviews of completed case work. This is not adequate as management does not have the requisite time nor training to do proper review.

- (7) Provide assistance to the Excise Tax Division.

The audit advisor will spend approximately two months assisting the Excise Tax Division in improving its administration of excise taxes (both in the management and procedural area).

- (8) Assist in establishing an Appeals Division at the Ministry.

Presently the only avenue of appeal for a taxpayer concerning an audit assessment is to deal with the Chief Auditor or take his/her case to court. An Appeals Division would remedy this situation plus professionalize the audit division at the Ministry.

- (9) Develop a returns selection system jointly with the Income Tax Division.

As indicated in item (5) above, there is presently no systemized method of selecting returns for audit. The Audit Advisor will utilize the Returns Processing TDY recommendations to affect a case selection system. This entails identification of taxpayers to be audited plus retrieval of the taxpayer's return from the income Tax Division.

- (10) Provide advice to the Training Director to establish a Continuing Professional Education Program (CPE).

There is presently no CPE at the Ministry of Finance; once a CPE is established, yearly review classes will be held for MOF employees on new procedures, methods and ways to both maintain present skill levels and to improve on them.

- (11) Provide advice to the Training Director in Training Plan development.

- (12) Assist Training Director with continued basic instructor training and course development courses.

25

A previous training TDY established a Training Directorate at the MOF; annual training plans, basic instructor training plus course development would be assisted. This will permit us to continue training Liberians in Liberia, instead of sending them to the US.

26

ANNEX B

WORK PLANS

CUSTOMS AND IRS ADVISOR TEAMS



DEPARTMENT OF THE TREASURY

U.S. CUSTOMS SERVICE

WASHINGTON



REFER TO

MEMORANDUM

TO : Mr. Thomas S. Garlo  
Commissioner, Customs and Excise

✓ Mr. Thomas Eighmy  
USAID Project Officer

Mr. Bruce Cramer  
U.S. Customs Program Manager

FROM : Allan Weinstock  
U.S. Customs Advisor

SUBJECT: U.S. Customs Advisor Work Plans

DATE : August 26, 1986

I have attached proposed work plans for Peter Murphy, Tom Beeman and myself for the duration of the project. As you are aware, these work plans have been substantially redesigned from the previously submitted plans, which assumed that only Larry Ellis and myself would remain in Liberia.

In summary the work plans project:

Peter Murphy

Peter will continue assistance to bonded warehouse oversight and training through the end of 1986. Additionally, he will take a hard look at the transshipment program during this period and develop a formalized system and provide appropriate training. Starting in 1987, his primary focus will shift to the role of the inspectors (auditors) in examining bonded warehouses. Training and follow-up assistance is planned. Additionally, he will become substantially involved in the Excise program, providing assistance similar to that which was first given to bonded warehouses (strengthen supervisors, monitor excise businesses). Responsibilities involving bonded warehouses will primarily be limited to Friday p.m. training and movement of overlain BW goods to the Customs warehouse.

Tom Beeman

Tom will continue his highly successful work with commodity teams through the end of 1986. Additionally, he will pick up responsibility for the manifest control program at the Freeport; and expand his area of coverage to include RIA and Buchanan. Much of this work effort will be continued in 1987. He will also be strongly involved in the ADP efforts that will be established at the Freeport.

Handwritten initials or mark.

Mr: Thomas S. Garlo  
page 2

Allan Weinstock

Administrative, oversight and statistical analysis will be continued through the end of 1986. . Additionally, management assistance will be given to the areas of duty-free, stumpage and delegations of authority. Starting in 1987, substantial time and effort will be given to the operation, analysis and application of the USAID approved ADP project.

Please let me know your reaction to the proposed work plan as soon as possible.



Allan Weinstock

Attachments

25

ALLAN WEINSTOCK WORK PLAN  
AUGUST 1986 - NOVEMBER 1987

	<u>START DATE</u>	<u>COMPLETION DATE</u>	<u>COMMENTS</u>
<u>I. PROJECT ADMINISTRATION</u>			
1.1 Employee counselling and performance appraisals, etc.	on-going	-	
1.2 Coordination with <u>Customs HDQ</u> : Weekly telephone calls, quarterly Status report; cables; budget; training, etc.	on-going	-	-
1.3 Coordination with <u>USAID</u> : Weekly meetings with Project Officer and related COP assignments.	on-going	-	-
1.4 Coordination with <u>GOL</u> : Weekly meetings with Commissioner, monthly meetings with Deputy Minister.	on-going	-	-
1.5 Project Close-down (reports, handing over responsibilities, etc.)	10-01-87	11-30-87	Timing of close-down responsibilities is contingent on a number of variables.
<u>II. PROJECT OVERSIGHT</u>			
2.1 Supervise local hire assistance to Excise: Review and direct initiatives and provide technical assistance.	8-25-86	10-25-86	Basic record-keeping improvements and zone supervisor assistance (see Murphy III).
2.2 Monitor work plan activities to insure completeness of advisor tasks and program continuity.	on-going		
2.3 Coordinate training and TDY assignments.	on-going	-	Training Projected: Examination training; C&V training at Freeport; Rural port trng; collectors workshops; audit trng. (inspectors

14

ALLAN WEINSTOCK WORK PLAN  
AUGUST 1986 - NOVEMBER 1987

	<u>START DATE</u>	<u>COMPLETION DATE</u>	<u>COMMENTS</u>
<u>III. STATISTICAL ANALYSIS AND MANAGEMENT REVIEW</u>			
3.1 Monthly Statistical Report of Customs activities at Freeport (MOF wide circulation)	on-going	-	Basic compilation of data is now handled by GOL employee.
3.2 Monthly Statistical Report of <u>all</u> MOF revenue collections (MOF wide circulation)	8-25-86	on-going	Same. This report is being generated at request of Minister and includes individual tax, maritime, Customs, etc.
3.3 Special Studies	on-going	-	Previous analysis has included rural ports, drawback, duty-free, transshipment, stumpage, etc.
<u>IV. MANAGEMENT ASSISTANCE</u>			
4.1 Duty-Free and Overtime Assist in improved controls and organizational changes for new Dep. Commissioner		-	Imported goods, receiving total/partial duty-free waiver, accounted for over 50% of all imports during past 12 months.
a. review and brief DC on existing program.	8-25-86		
b. identify and make recommendations on org. changes.	9-01-86		Actual implementation contingent upon GOL action/assistance.
c. head task force on review of concession agreements and document/seek resolution.	9-29-86		Same
d. apply duty-free data to ADP	unknown	-	Extremely important task contingent upon USAID procurement of approved equipment.

24

ALLAN WEINSTOCK WORK PLAN  
AUGUST 1986 - NOVEMBER 1987

	<u>START DATE</u>	<u>COMPLETION DATE .</u>	<u>COMMENTS</u>
4.2 Stumpage and Land Rental			Responsibility pf DC, Excise
a. statistically identify collection patterns	7-15-86	8-01-86	
b. identify outstanding debts due government and report to GOL mgt.	9-01-86	9-15-86	May require reseach and coordination with FDA.
c. seek to resolve coordination problems with BTS.	10-01-86	10-30-86	BTS bills while Excise collects.
d. periodic examination of shipping points to insure compliance with exporting, etc.	11-01-86	on-going	In concert with Senior GOL officials.
4.3 Delegation of Authority for senior GOL officials.	on-going	11-01-86	This task has been on-going for some time but has received new attention from Comm. Included in this initiative are job descriptions, organizational placement and reporting systems. The latter task will require extensive assistance both in format design and analysis/summarization of data.
<u>V, ADP ADAPTATIONS</u>			
5.1 Develop new Customs Entry Form which meets ADP needs. Coordinate with MOP officials on procurement.	6-30-86	8-30-86	Contingent upon GOL finding consumption and BW entries are totally gone.
5.2 Finalize software/output needs coordinate with USAID Project Officer and IRS ADP Expert.	on-going		

27

ALLAN WEINSTOCK WORK PLAN  
AUGUST 1986 - NOVEMBER 1987

	<u>START DATE</u>	<u>COMPLETION DATE</u>	<u>COMMENTS</u>
5.3 Preparation of coding sheets and codes to be used for data input. Training for d. above with importers/ import specialists on entry codes, etc.	5-01-86	5-30-86	
	6-01-86	6-30-86	
5.4 "Dryran" test of coding	9-30-86	10-15-86	
5.5 Preparation of ADP facility	UNK	UNK	Contingent upon USAID procurement/delivery
5.6 Training and oversight of GOL personnel in terminal operations and analyst capacities.	"	"	Same
5.7 Oversight of hardware installation.	"	"	"
5.8 De-bugging phase	"	"	"
5.9 Analysis and distribution of data to key management officials.	"	"	"

f4

TOM BEEMAN WORK PLAN  
AUGUST 1986 - NOVEMBER 1987

	<u>START DATE</u>	<u>COMPLETION DATE</u>	<u>COMMENTS</u>
<u>I. CLASSIFICATION AND VALUATION INITIATIVES</u>			
1.1 Introduction of change measurement analysis of Import Specialist contribution.	3-01-86	on-going	Suggested in Nov-Dec. 1985 Hazel/Cramer report
1.2 Import Specialist coordination with Examiners.			
a. workshop with examiners to discuss the Customs Entry process and basic C&V principles.	11-03-86	11-14-86	At Freeport only.
b. joint workshops with import specialists and examiners on mutual cooperation and assistance.	1-02-87	on-going	To be held periodically based on perceived need from Advisor observations.
1.3 Monitoring of Manual Statistical Data Collection at Freeport, expansion of data collection to primary rural ports.			
1.4 SGS coordination: Insuring compliance with SGS contract and assisting import specialists with interpretation, etc.	4-21-86	on-going	The SGS contract is valid thru Dec. 1986.
1.5 RIA and Buchanan visitation for training and oversight purposes (C&V related)	10-06-86	on-going	Each of Liberia's second and third largest ports will be reviewed twice monthly.
1.6 Random audit of Customs entries at all Customs location - identify problem areas and make recommendations for corrective action.	10-06-86	on-going	May require follow-up training. Assistance in random audit will include key liquidation and statistical analysts. Random audits at Freeport has been on-going for some time.

12

TOM BEEMAN WORK PLAN  
AUGUST 1986 - NOVEMBER 1987

	<u>START DATE</u>	<u>COMPLETION DATE</u>	<u>COMMENTS</u>
1.7 Provide Advance Commodity Team training at Freeport.	3-01-87	3-15-87	Follow-up to initial training conducted by US TDY experts.
1.8 Quarterly meetings with the Chamber of Commerce/trade to discuss Customs related issues.	11-01-86	on-going	Sessions will include senior level GOL official
<u>II. WHARFINGER OFFICE</u>			
2.1 Manifest Control System			
a. assume responsibility for monitoring manually maintained manifest control system.	9-23-86	on-going	Formerly assigned to Larry Ellis.
b. include shippers and/or NPA tally to manifest.	8-01-86	on-going	Contingent upon shippers/NPA cooperation
c. monthly inventory report of outstanding (90-day) cargo and notify MOF for action against NPA.	12-01-85	on-going	Initial problems due to clerical errors.
d. review NPA auctions to insure auctioned goods reflect 90-day report.	11-30-86	on-going	NPA auctions do not follow a schedule
2.2 Compile monthly Stats and report on containers entering Freeport.	9-30-86	on-going	Monthly Stats to be incorporated in standard monthly report.
2.3 Examination Training			
a. prepare training lesson plans and coordinate with TDY instructor (Freeport and RIA)	4-01-87	4-16-87	Contingent upon TDY assistance. If funding is unavailable, assistance will be sought from MOF training unit.
b. conduct training in Liberia	5-16-87	6-10-87	Same

26

TOM BEEMAN WORK PLAN  
AUGUST 1986 - NOVEMBER 1987

	<u>START DATE</u>	<u>COMPLETION DATE</u>	<u>COMMENTS</u>
<u>III. ADP ADAPTATION</u>			
3.1 ADP Preparation			
a. meet with IRS ADP advisor to discuss hardware/software capacity/needs.	9-28-86	on-going	Timing contingent upon USAID contracting issues/delivery, etc.
b. training of importers/import specialists on ADP coding responsibilities.	12-01-86	12-30-86	Same
c. oversight of hardware installation	UNK	UNK	Same (in concert with Weinstock)
d. training and oversight of GOL personnel in terminal operations and analyst capacities.	"	"	" " " " "
e. de-bugging phase.	"	"	"
f. analysis of output data for C&V adaptation/improvements in Customhouse operations.	"	"	With statistical (GOL) personnel

PETER MURPHY WORK PLAN

AUGUST 1986 - NOVEMBER 1987

	<u>START DATE</u>	<u>COMPLETION DATE</u>	<u>COMMENTS</u>
<u>I. BONDED WAREHOUSE ACTIVITIES</u>			
1.1 Improve ledger controls of BW officers.	on-going	-	Improvements through on-site inspections and training. Also, analysis and adaptation of ADP initiated inventories for BWs.
1.2 Participation with zone supervisors in surveys of BWs	on-going	-	Examination of BW officer performance and business compliance.
1.3 Formalization of BW training, job descriptions, etc. into a handbook. Provide associated training.	11-15-86	12-07-86	Primary handbook articles have been informally completed.
1.4 Preliminary examination of GOL capacities for BW audits.	1-02-87	1-30-87	In conjunction with AC inspections to include course outline.
1.5 Commence BW audit training for Inspectors.	2-15-87	2-30-87	May require follow-up assistance and training.
1.6 Establish suspense system to identify goods nearing limit of bonding period (2/4 years).	9-15-86	10-17-86	Manual system to be adapted to USAID approved ADP initiatives at Freeport.
1.7 Document goods overlain in BWs and facilitate movement to Customs Warehouse.	10-17-86	on-going	Contingent upon GOL enforcement and assistance
1.8 Friday p.m. training of BW officers.	on-going	-	Continual training is necessary and appropriate.

3

PETER MURPHY WORK PLAN  
AUGUST 1986 - NOVEMBER 1987

	<u>START DATE</u>	<u>COMPLETION DATE</u>	<u>COMMENTS</u>
<u>II. TRANSHIPMENT</u>			
2.1 Identify primary bonded warehouses used for transshipments. Also identify primary purchasers of goods to be transhipped:	10-06-86	10-31-86	Some statistical research in this area has been completed.
2.2 Statistically identify primary locations (ports of exit)	10-06-86	10-31-86	As part of analysis above.
2.3 Develop and formalize port director responsibilities for transshipment processing.	11-03-86	11-21-86	Instruction to be given to collectors at USAID-sponsored workshop.
2.4 Examine system of escort officer selection and outline of major responsibilities. Formalize recommendations and prepare handbook/course outline.	11-03-86	11-21-86	In conjunction with DC, Operators and Collector, Freeport.
2.5 Develop and give Escort Officer training for selected MOF personnel.	1-23-87	2-07-87	Receive GOL assurance that only individuals taking and passing course are eligible for escort officer assignments.
2.6 Randomly review, with senior Customs officials, rural ports with high frequency volume of transhipped merchandise.	2-10-87	on-going	Check work levels of escort officer and port directors in monitoring transshipments (following training)

PETER MURPHY WORK PLAN  
AUGUST 1986 - NOVEMBER 1986

	<u>START DATE</u>	<u>COMPLETION DATE</u>	<u>COMMENTS</u>
<u>III. EXCISE ACTIVITIES</u>			
3.1 Assist USAID contractor in improvement of Excise.	8-25-86	10-25-86	During two-month USAID contract consultancy.
3.2 Assume Excise responsibilities and develop inspectional assignments with zone supervisor.	10-27-86	on-going	Establishing a similar arrangement in Excise that initially existed with Bonded Warehouse initiatives.
3.3 Friday a.m. training of Excise Field Officers.	1-06-87	on-going	Same
3.4 ADP adaptation of Excise Records and analysis for recommended change.	3-01-87	on-going	Contingent upon USAID procurement of approved ADP support system.

Impact Planning and Program Report

7/2/86

2

Project Number				Program Area	Start Target Date	Scheduled Dates		Status	Achievements or Problems
Pro. Item	Objective	Proj. Set	Year	Specific Objective Projects		Start	Finish		
(a)				(b)	(c)	(d)	(e)	(f)	(g)
A	I			<u>Develop Audit Division</u>					Advisor: H. P. Stehmer John Chupp Counterpart; Dennis Mwangbe Functional Coordinator: Uluma Obi
		a)		Continue basic audit training of all revenue agents in the GOL tax law. Provide CPE Seminar for all revenue agents once a year.	2/86	2/86	On-going		
		b)		Provide advanced training of revenue agents in GOL tax law and audit techniques (via TDY).	4/86	4/86	12/86		
		c)		Provide specialized industry training for the top 15 revenue agents (gas/oil etc.) (via TDY).	4/86	4/86	11/86		
		d)		Assist audit management in development of employee performance standards and how to implement review(s).	3/86	3/86	On-going		
		e)		Assist in writing revenue manual for Audit Division.	4/86	4/86	10/86		
		f)		Train additional class of 24 Revenue Agents.	1/87	1/87	3/87		
		g)		Develop return selection system jointly with Income Tax Division.		1/87	6/87		
		h)		Develop a Quality Review Program for completed cases.		1/87	6/87		
B				<u>Measure Audit Division Productivity</u>					
a)		Through above advice, Audit Division should perform at least 500 tax return examinations in CY 1986 and 700 tax return examinations in CY 1987.		2/86	12/86				

# Impact Planning and Program Report

Project Number				Program Area:	Start Target Date	Scheduled Dates		Status	Achievements or Problems
Proj. Blk.	Objective	Project	Year	Specific Objective Projects		Start	Finish		
(a)				(b)	(c)	(d)	(e)	(f)	(g)
B	I			<u>Develop Central Collection Division (CCD)</u>					Advisor: H. P. Stehmer Counterpart: Ishmael A. Brown Functional Coordinator: Awlatou D. Waritay
		a)		Help develop usage of most efficient and cost effective distraint procedures.	2/86	2/86			
		b)		Assist in development of proper collections philosophy.	2/86	On-going			
		c)		Advise in effective collection management 1. Attend group meetings 2. Review and critique CCD internal management memos 3. Accompany CCD managers on field visitations.	2/86	On-going			
		d)		Assist in design/implementation of a Taxpayer Delinquency Investigation (e.g., Compliance) Program.		2/86			
		e)		Utilize CCD statistics (attained through CCD automation) to measure collection productivity.		2/86			
		f)		When college graduates are hired, provide collection training (via manual) to these new employees.	8/86	8/86	10/86		
		g)		Develop Quality Review Program for completed cases.	10/86	10/86	11/87		
	II			<u>Measure CCD Productivity</u>  Through above advice, CCD should achieve a collection production ratio of .20 (e.g., one case completed every 5 hours).		5/86	11/87		

# Impact Planning and Program Report

21

Host Country <b>LIBERIA</b>	7/1/86 to 6/30/87	Progress Report For Period Ended	Page Number <b>3</b> of <b>9</b>
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Project Number					Program Area	Start Target Date	Scheduled Dates		Status	Achievements or Problems
Proj	Gram	Objec	live	Proj	Specific Objective Projects		Start	Finish		
(a)					(b)	(c)	(d)	(e)	(f)	(g)
II		b)			The return of investment ratio per LCEO should be \$1 :15 (for every \$1 spent, \$15 is collected).		5/86	11/87		Advisor: H. P. Stehmer Counterpart: Ishm l A. Brown Functional Coordinator: Awlatou D. Waritay

# Impact Planning and Program Report

43

Host Country: **LIBERIA**      Period: **7/1/86 to 6/30/87**      Progress Report For Period Ended: \_\_\_\_\_      Page Number: **4** of **9**

Project Number				Program Area	Start Target Date	Scheduled Dates		Status	Achievements or Problems
Pro gram	Other live	Pro ject	Year	Specific Objective Projects		Start	Finish		
(a)				(b)	(c)	(d)	(e)	(f)	(g)
				<b>Returns Processing</b>					
I				Develop Scope of Work for Returns Processing TDY.	1/86		<b>7/15/86</b>		Advisor: H. P. Stehmer Counterpart: William H. Sherman Functional Coordinator: Completed      Diana Waritay
II				Returns Processing TDY review the present manual returns processing system, give recommendations, report, etc.	3/86	3/86	5/86		
III				Implement recommendations of TDY Report, ascertain if manual returns processing system conducive to automation.	6/86	6/86	On-going		
IV				Work with Chief Auditor to develop a returns selection system for audit cases.	1/87	1/87	6/87		

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# Impact Planning and Program Report

Project Number				Program Area	Specific Objective Projects	Start Target Date	Scheduled Dates		Status	Achievements or Problems
Pro. gram	Objec tive	Proj ect	Year				Start	Finish		
(a)				(b)		(c)	(d)	(e)	(f)	(g)
D				<u>Assist in Developing Training Division</u>						Advisor: H. P. Stehmer John Chupp Counterpart: Hawa Kroma
	I			Provide advice in training plan development.		3/86	3/86	On-going		
	II			Provide advice in new course designs.		3/86	3/86	On-going		
	III			Provide advice in management of training subordinates.		3/86	3/86	On-going		
	IV			Help with continued basic instructor training.		4/86	4/86	On-going		
	V			Assist in development of a Supervisor's Guide to Performance Appraisal.		5/86	5/86			
VI			Assist in development of a CPE*Program (*Continuing Professional Education).		3/86	3/86				

# Impact Planning and Program Report

Host Country

**LIBERIA**

7/1/86 to 6/30/87

Progress Report For Period Ended

Page Number **6** of **9**

Project Number				Program Area: <b>Computerization</b>	Start Target Date	Scheduled Dates		Status	Achievements or Problems
Proj. No.	Phase	Act.	Year			Start	Finish		
						(c)	(d)		
(a)				(b)	(c)	(d)	(e)	(f)	(g)
I				<b>Computerization</b>					
				Equipment Replacement for Central Cashier Unit	9/3/85	9/3/85	6/3/86		Advisor: Frank Grzebyk Officials: Andrew Saytue J. V. Z. Washington
	a)			Equipment selection					
	b)			Equipment procurement					
	c)			Program conversion					
	d)			Site preparation					
	e)			Installation					
	f)			Acceptance Test					
	g)			Training					
	h)			Project maintenance					
II				Program Enhancements for New Replacement (Cashier Unit)	5/1/86		1/30/87		
	a)			Analysis phase					
	b)			Program application					
	c)			Implementation					
	d)			Post Review					
III				Central Collection Division	9/1/85	9/1/85	3/30/86		
	a)			Case Control System					
	1.			Develop manual Reporting Procedures					
	2.			Analysis phase					
	3.			Program application					
	4.			Test					
	5.			Functional coordinator training					
	6.			Implementation					
	7.			Post review					
	8.			Project Maintenance					

# Impact Planning and Program Report

9/7

Project Number				Program Area: Computerization (cont'd)	Start Target Date	Scheduled Dates		Status	Achievements or Problems
Pro gram	Objec tive	Proj ect	Year			Start	Finish		
(a)	(b)	(c)	(d)						
IV	b)	Time Reporting System			12/1/85	12/1/85	7/1/86		Advisor: Frank Grzebyk Officials: Andrew Saytue J. V. Z. Washington
		1. Develop Manual Reporting Procedures 2. Analysis phase 3. Program application 4. Test 5. Functional Coordinator Training 6. Implementation 7. Post review 8. Project maintenance							
	a)	Audit Division							
	a)	Case Control System			12/15/85	12/15/85	7/15/86		
		1. Develop Manual Reporting Procedures 2. Analysis phase 3. Program application 4. Test 5. Functional coordinator training 6. Implementation 7. Post review 8. Project maintenance							
	b)	Time Reporting System			3/1/86		10/1/86		
		1. Develop Manual Reporting Procedures 2. Analysis phase 3. Program application 4. Test 5. Functional coordinator training 6. Implementation 7. Post review 8. Project Maintenance							

# Impact Planning and Program Report

45

Project Number					Program Area <b>Computerization (cont'd)</b>	Start Target Date	Scheduled Dates		Status	Achievements or Problems				
P.C.	Dist.	Title	No.	Seq.			(a)	(c)			Start	End	(f)	(g)
											(d)	(e)		
						3/1/86		12/31/86		Advisor: Frank Grzebyk Officials: Andrew Saytue J.V. Z. Washington				
					Revenue Accounting Division  Because of the close coordination between the Revenue Accounting Division and the Central Cashier Unit in respect to Reporting procedures, a complete analysis phase will take place.  To Determine what can be automated.  1. Analysis phase 2. Program application 3. Test 4. Functional coordinator training 5. Implementation 6. Post review 7. Project maintenance									
					Maintenance of all Computer Applications (on-going)  a) Equipment replacement b) Central Collection 1. Case control system 2. Time control system c) Audit Division 1. Case control system 2. Time control system d) Revenue Accounting Division	2/1/86		11/1/87						

2/17

### Impact Planning and Program Report

Host Country <b>Liberia</b>	Annual Work Plan For Year 7-1-86 - 6-30-87	Progress Report For Period Ended	Page Number 9 of 9
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Project Number				Program Area: <u>Outstations</u>	Start Target Date	Scheduled Dates		Status	Achievements or Problems
gram	Objec- tive	Proj- ect	Year	Start		Finish			
(a)				(b)	(c)	(d)	(e)	(f)	(g)
				<u>Develop Review Criteria for Outstations Visits</u>					Advisor: H. P. Stehmer Counterpart: Eric Cooper Outstation Commissioner Functional Coordinator: William Swen
a)				Develop visitation schedule	6/1/86				
b)				Develop pre-visit for data check sheet	6/1/86				
c)				Develop review check sheet	6/1/86				
				<u>Develop Expectations for Outstation Managers</u>					
a)				Develop measurable objectives for collectorates and managers	6/1/86				
b)				Assist in writing visitation replete with recommendations	6/1/86				
				<u>Assist in Implementing Visitation Recommendations</u>					
a)				Assist Outstation Commissioner in outlining overall plan to improve outstation performance					
b)				Assist Outstation Commissioner in his dealings with other functions to provide assistance.					

ANNEX C

GOL LETTERS OF REQUEST



REPUBLIC OF LIBERIA  
 MINISTRY OF PLANNING AND ECONOMIC AFFAIRS  
 P. O. BOX 9016  
 MONROVIA

BLOCK STAMP ROUTER		
ROUTE TO	ACT.	INFO.
D/DO		✓
DP/TRB		✓
SPND	✓	
ECON		
HRD		
CON		
ARD		
ED		
PER		
GN		
RF		✓
FILE STATION #: 03		
CER: Chyon		
DATE REPLY DUE: 9/15		
ANSW BY		
DRAFTED BY: TRZ NAN V		

August 29, 1986

OFFICE OF THE MINISTER

MPEA- 839/D-7.18/'86

Dear Dr. Kilgour:

The Government of Liberia and USAID entered into the Increased Revenue for Development Project Agreement on March 24, 1978, since amended. The project was designed to increase mobilization of domestic resources for development by strengthening and modernizing the Liberian internal tax system. To this end, a U.S. Internal Revenue Service (IRS) Tax Advisory Team has assisted the Ministry of Finance since 1979, augmented by a U.S. Customs Advisory Team at the Ministry of Finance and Freeport of Monrovia since mid 1983.

99 AUG 29 1986

During this period, numerous improvements have been initiated in the revenue collection process even during these present times of economic crisis. In joint discussions between USAID, and the Ministry of Finance we understand that an extension of this project is being sought to the end of 1988 (1) to fully implement computerization of revenue collections in a manner coordinated with the Economic and Financial Management and Training Project, (2) to provide additional training in this system and (3) to initiate improvements in tax audit.

Dr. Mary Kilgour  
 Director  
 USAID/Liberia  
 P.O. Box 1445  
 Monrovia, Liberia

25

The extension and training is to be funded as follows:

- (1) USAID will provide \$400,000 in new funding to the project;
- (2) The Government of Liberia would increase its contributions of services and facilities on an "in-kind" basis by approximately \$600,000.

Accordingly, the Ministry of Planning and Economic Affairs requests that USAID increase its funding as stated above to fund technical assistance and training so this valuable project activity may continue.

Kind regards,

Sincerely yours,

  
Paul R. Jerfy  
MINISTER



REPUBLIC OF LIBERIA  
 MINISTRY OF FINANCE  
 MONROVIA, LIBERIA

June 25, 1986

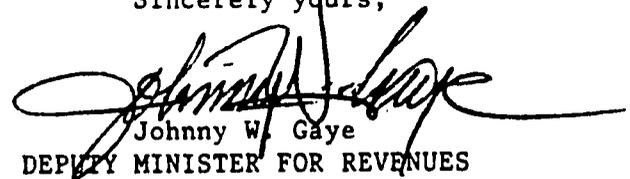
Ms. Mary Kilgour  
 Director, USAID  
 Sinkor, Monrovia

Dear Ms. Kilgour:

Pursuant to my discussions this morning with the Project Officer for the Revenue Project, I am requesting the assignment of a long term audit/training advisor to the Ministry. Given Mr. John Chupps professional background in auditing, training and his CPA stature, plus his two prior training visits to Liberia, we would prefer him to be assigned.

As always, I appreciate your assistance in this matter.

Sincerely yours,

  
 Johnny W. Gaye  
 DEPUTY MINISTER FOR REVENUES

BLICK STAMP ROUTER		
ROUTE TO	ACT.	INFO.
ADD		✓
DP/TRG		
SPPD	✓	
ECON		
HRD		
CON		
ARD		
ED		
PER		
GOV		
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DRAFTED BY: J.E. NAN		

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REPUBLIC OF LIBERIA  
 MINISTRY OF FINANCE  
 MONROVIA, LIBERIA

JUN 25 98 AM

MEMORANDUM

TO : Thomas Eighmy  
 Project Officer

FROM : Johnny W. Gaye *[Signature]*  
 Deputy Minister for Revenues

SUBJECT: Automation at the Ministry of Finance

DATE : June 25, 1986

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The Ministry of Finance, with the assistance of the Tax Advisory Team and USAID, is embarking on an ambitious program of automating its operations. Pursuant to that objective, seven conditions listed in the attached document need to be followed.

I fully concur with these requirements. Thank you for your assistance.

Attachment  
 a/s

*NAN  
 File  
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 Computer  
 Dep. Computer*

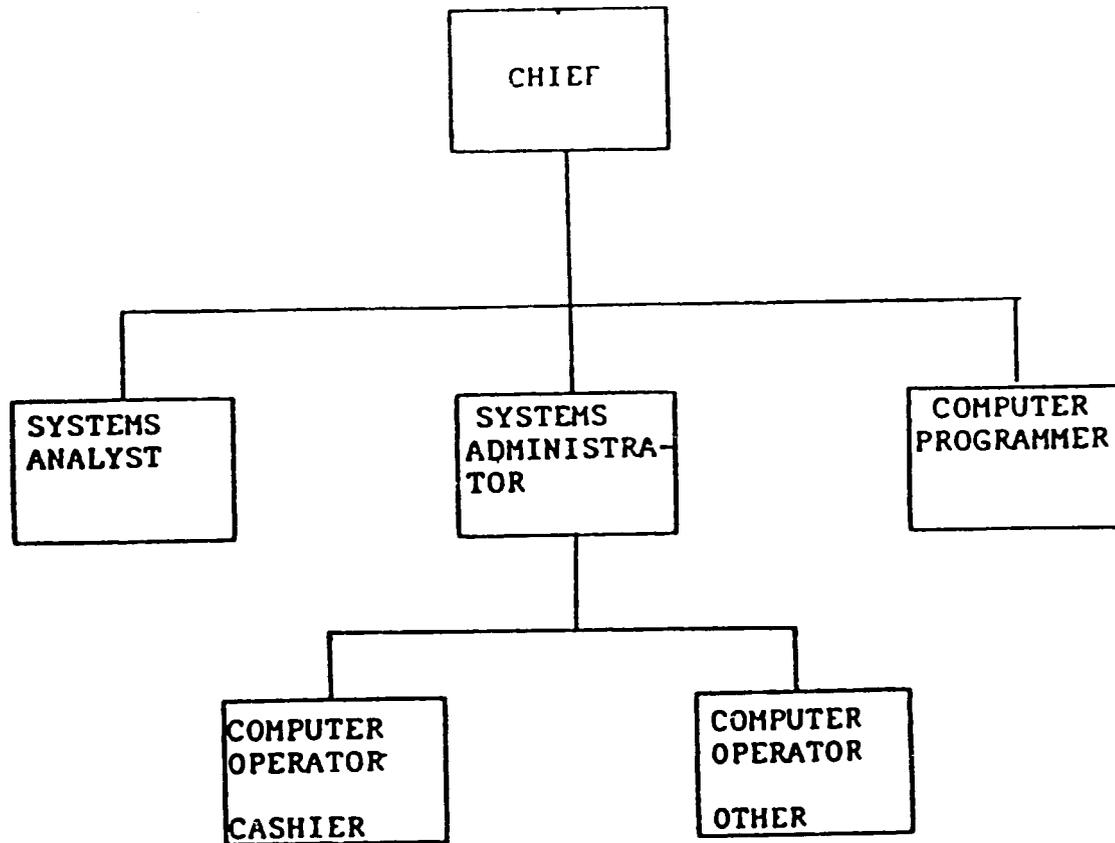
MINISTRY OF FINANCE

AUTOMATION

The following conditions are mandatory for an effective and viable automated data processing system for current and future needs in the Ministry of Finance for the next three years.

1. Operating Environment - A controlled environment that meets equipment specifications as recommended by the manufacturer.
2. Maintenance Contract - A maintenance contract that will maximize equipment utilization by providing preventative upkeep and major repair. Based on years of data processing experience, ADP managers have learned that it costs less to provide on-going preventative maintenance than to wait for equipment breakdown before calling a repairman.
3. Computer System - Equipment to meet current needs and expendable to meet future needs for the next three years.
4. Staff - Qualified and competent data processing personnel. See the attached ADP Organizational Chart for details.
5. Training - To include training on equipment and on-going training to maintain and attract qualified staff.
6. Uninterrupted Power Source (UPS) - To allow orderly shut down of the computer during electrical outages to protect the equipment, production programs and data files.
7. Support - Support and commitment of the Ministry of Finance is needed for facilities environment, and personnel required to continue the current and future computer applications during the next three years.

REVENUE AUTOMATED DATA PROCESSING CENTER



<u>POSITION</u>	<u>STAFF</u>
Chief	1
Systems Analyst	1
Systems Administrator	2
Compute Programmer	1
Operator (Cashier)	1
Operator (Other)	1

4



REPUBLIC OF LIBERIA  
 MINISTRY OF FINANCE  
 MONROVIA, LIBERIA

OFFICE OF THE MINISTER

MF/RCT/2-1-0460/'86

May 21, 1986

Dr. Mary Kilgore  
 DIRECTOR  
 USAID/Liberia  
 Monrovia, Liberia

Madam Director:

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APPROVED BY: [Signature]		
6/12/86		

I would like to appeal to you to increase the level of U.S. Customs advisory assistance that is now being planned by USAID. As you know, our advisors will be reduced from 4 to 2 in June of this year. While a large amount of short-term assistance has been promised to take place of the lost advisors, we believe that this will not make up for the 50% loss in full-time assistance.

The U.S. Customs Advisors have been of great help to us at the Ministry of Finance, help we cannot afford to lose at this critical time when we need to increase revenue collections. We have seen substantial improvements with the assistance of the advisors; improved collections through the introduction of commodity teams; improved controls over bonded warehouse operations; improved record systems in the duty-free and drawback areas; and improved management and training efforts. Additionally, we believe the planned computer operation at the Freeport will lead to increased collections and tighter controls. These are all important actions which require continued assistance.

22 MAY 86 10: 22

I recognize that a major reason for the USAID cutback for Customs is financial constraints on the program. However, I would suggest that USAID could better meet our needs, and also decrease expenditures, by maintaining a permanent 3-person staff in Liberia. While this would probably mean a loss in short-term assistance, I believe permanent assistance is always preferable. Because I understand that Advisor Larry Ellis will soon be leaving Liberia for family reasons, I suggest that the 3-person staff be composed of Advisors Weinstock, Beeman and Murphy.

With kind regards,

Sincerely yours,  
  
 Robert C. Libman  
 MINISTER OF FINANCE, R.L.

ANNEX D

AID/W DELEGATIONS OF AUTHORITY

ACTION: AID 5 INFO: AMB DCM ECON POL 9/L

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TAGS:

SUBJECT: INCREASED REVENUE FOR DEVELOPMENT PROJECT  
(669-0132)

1. THE AID ADMINISTRATOR HAS APPROVED THE EXTENSION OF THE PACT FOR THE SUBJECT PROJECT FOR A PERIOD NOT LATER THAN DECEMBER 31, 1988.

2. THE AAA/AFRICA BUREAU HAS GRANTED AD HOC DELEGATION OF AUTHORITY TO USAID/LIBERIA TO INCREASE THE PROJECT FUNDING BY UP TO DOLS 400,000 WHICH WILL INCREASE THE LOP LEVEL FROM DOLS 8,283,000 TO NO MORE THAN DOLS 8,683,000. WHITEHEAD  
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AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D.C. 20523

FILE #	03
PROJECT #	9/25
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ACTION MEMORANDUM FOR THE ASSISTANT ADMINISTRATOR FOR AFRICA

FROM: Laurence Hausman, AFR/PD *Clarkey for*

SUBJECT: Increased Revenue for Development Project (669-0132)

Problem: Your ad hoc delegation of authority is required to increase the Life of Project (LOP) funding for the subject project by \$400,000 from the current level of \$8,283,000 to \$8,683,000. This will increase the LOP funding level by more than 50 percent, which exceeds the delegated authority to Mission Directors provided through DOA 140.

*W.A.P.  
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Discussion: The purpose of the Increased Revenue for Development Project is to strengthen the capability of the Ministry of Finance to provide the Government of Liberia with the technical resources needed to increase revenue generations. The project consists of two technical assistance teams, one from the U.S. Internal Revenue Service, working with Liberian counterparts to institute various management systems which are expected to improve the revenue collection capability of the Ministry of Finance and to minimize revenue leakages within the tax collection system.

The Increased Revenue for Development Project was authorized in December, 1977, with a funding level of \$1,333,000 to upgrade the institutional capacity of the Ministry of Finance to increase revenue from taxes. Initially, the project provided three long-term advisors for 4 years from IRS. The project was amended in 1981 to increase the funding level from \$1,333,000 to \$1,633,000 and extend the PACD from March 20, 1982, to September 30, 1982. To help the Government of Liberia (GOL) address the problem of declining gross revenues, a decision was made in 1982 to extend the project from its scheduled completion date of September 30, 1982, to September 30, 1985, and to extend the project scope to provide technical assistance from the U.S. Customs Service in addition to the U.S. Internal Revenue Service. Under the terms of PP Amendment #2, dated September 1982, the A.I.D. LOP funding level was increased from \$1,633,000 to \$8,283,000 or a net increase of \$6,650,000. The GOL's contribution was planned at a level of \$4,312,000 for a total project cost of \$12,595,000. In September 1985 the project PACD was extended to January 30, 1986, and subsequently to December 12, 1987.

SEP 86 7:3

Over the last three years the project has also played a key role in U.S. - Liberian economic policy dialogue efforts. This aspect of the project is becoming increasingly more important in the wake of recent GOL macroeconomic and financial management initiatives, resulting from a senior level U.S. policy meeting with key GOL official during April 1986 (Crocker, Lyman, Richards). The additional \$400,000 which the Mission intends to obligate this year are required to retain at least three long-term technical advisors on the project from December 12, 1987 to December 31, 1988 by which time a comprehensive follow on fiscal and macroeconomic management assistance package is expected to be completed.

This project, in conjunction with the Economic and Financial Management and Training (669-0184) Project, is assisting various GOL agencies in improving their fiscal management and revenue generating capacities. Advisors under both projects contribute significantly to Mission economic policy dialogue efforts. The Mission is extending both projects to allow time for a joint evaluation in 1987 in preparation for a possible comprehensive follow-on assistance package in fiscal and macroeconomic management.

The purpose of the extension is to ensure that three critically needed long-term advisors remain in Liberia from December 12, 1987, to the proposed PACD (December 31, 1988) to assist in on-going revenue enhancement activities.

Since the PACD extension required to accommodate this obligation would exceed the ten-year life of project extension limitation authority delegated to you, a separate action memorandum was prepared for the Administrator to obtain an ad hoc delegation of the PACD extension authority for the Mission Director.

A.I.D. Delegation of Authority No. 133, as amended, delegates authority to you to amend any project authorization without limitation as to amount of funding and to delegate that authority to the principal officers of field posts up to a limit of LOP funding of \$30 million. The requested delegation of authority to the Mission Director is well within your authority under DOA 133.

Recommendation: That you delegate to the Mission Director, USAID/Liberia, the authority to raise the Increased Revenue for Development project funding level by \$400,000 from \$8,283,000 to \$8,683,000 by signing below.

  
\_\_\_\_\_  
Approved

\_\_\_\_\_  
Disapproved

Aug 29, 1986  
\_\_\_\_\_  
Date

Clearances:

AFR/CCWA:CSteele	<u>DRAFT</u>	Date	<u>8/27/86</u>
AFR/DP:DWilson	<u>DRAFT</u>	Date	<u>8/28/86</u>
GC/AFR:E. Dragon	<u>EDD</u>	Date	<u>8/29/86</u>
DAA/AFR:LRichards	<u>LR</u>	Date	<u>8/29/86</u>
AFR/PD/CCWAP:GHazel	<u>(DRAFT)</u>	Date	<u>8/26/86</u>

Drafted:CBrown/TEighmy USAID/Liberia:2581K:AFS:8/26/86

AGENCY FOR INTERNATIONAL DEVELOPMENT  
WASHINGTON, D.C. 20523

ASSISTANT  
ADMINISTRATOR

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ACTION MEMORANDUM FOR THE ADMINISTRATOR

THRU: Martin Dagata, A/AA/PPC

FROM: Mark Edelman, AA/AFB

SUBJECT: Liberia Increased Revenue for Development Project  
(669-0132)

Problem: You are requested to approve an extension of the Project Assistance Completion Date (PACD) for the subject project to December 31, 1988. This date is approximately nine months beyond the ten year life of project limit for PACD extensions which has been delegated to Assistant Administrators of Geographic Bureaus, under AID Delegation of Authority No. 133 as amended.

Discussion: The Increased Revenue for Development Project was authorized in December, 1977, and obligated by a Project Grant Agreement dated March 24, 1978 with a funding level of \$1,333,000 to upgrade the institutional capacity of the Ministry of Finance to increase revenue from taxes. Initially, the project provided three long-term advisors for 4 years from IRS. The project was amended in 1981 to increase the funding level from \$1,333,000 to \$1,633,000 and extend the PACD from March 20, 1982, to September 30, 1982. To help the Government of Liberia (GOL) address the problem of declining gross revenues, a decision was made in 1982 to extend the project from its scheduled completion date of September 30, 1982, to September 30, 1985, and to extend the project scope to provide technical assistance from the U.S. Customs Service in addition to the U.S. Internal Revenue Service. Under the terms of PP Amendment #2, dated September 1982, the A.I.D. LOP funding level was increased from \$1,633,000 to \$8,283,000 or a net increase of \$6,650,000. The GOL's contribution was planned at a level of \$4,312,000 for a total project cost of \$12,595,000. In September 1985 the project PACD was extended to January 30, 1986, and subsequently to December 12, 1987.

The project consists of two technical assistance teams, one from the U.S. Customs Service and one from the U.S. Internal Revenue Service, working with Liberian counterparts to institute management systems which will increase the efficiency of revenue collection efforts and minimize leakages within the revenue collection system.

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Over the last three years the project has also played a key role in enhancing U.S. policy dialogue efforts. This aspect of the project is becoming increasingly more important in the wake of recent GOL macroeconomic and financial management initiatives resulting from a high level U.S. policy dialogue meeting (Crocker, Lyman, Richards) with key GOL officials in April 1986.

This project, in conjunction with the Economic and Financial Management and Training Project (669-0184), which is also being extended, assists various GOL agencies with the technical aspects of increasing revenues on the one hand and controlling expenditures on the other. The mission is extending both projects to facilitate a joint evaluation in 1987 in preparation for a comprehensive follow-on assistance effort in fiscal management and revenue enhancement. The purpose of the extension is to ensure that three critically needed long-term advisors remain in Liberia from December 12, 1987, to the revised PACD of December 31, 1988, to assist in ongoing revenue enhancement efforts. By separate action, the Africa Bureau will increase the LOP funding by \$400,000 from the current level of \$8,283,000 to \$8,683,000.

We believe and submit that the extension of the project beyond ten years is justified in light of the substantial benefits to be achieved within the extended period of time. We have also considered any disadvantage to AID in this request and believe that there are no disadvantages to the extension of the PACD, either in substantive or management matters.

Recommendations: That you extend the Increased Revenue for Development project's PACD from December 12, 1987, to December 31, 1988.

Marshall D. Brown  
Approved

\_\_\_\_\_  
Disapproved

August 29, 1986  
Date

Clearances:

GC:HFry HFry

DAA/AFR:LRichards LRichards

AFR/PD:CPeasley CPeasley (Draft)

GC/AFR:EDragon EDragon

PPC/PB:RMaushammer Maushammer (Draft)

AFR/CCWA:CSteele CSteele (Draft)

AFR/PD/CCWAP:GHazel GHazel (Draft)

AFR/DP:DWilson DWilson (Draft)

Date 8/27/86

Date 8/29/86

Date 8/28/86

Date 8/29/86

Date 8/28/86

Date 8/27/86

Date 8/26/86

Date 8/28/86

Drafted:CBrown/TEighmy USAID/Liberia:2582K:AFS:8/26/86

ANNEX E  
PROJECT GRANT AGREEMENT  
AMENDMENT

AMENDMENT NUMBER THIRTEEN  
OF THE  
PROJECT GRANT AGREEMENT  
BETWEEN  
THE REPUBLIC OF LIBERIA  
AND  
THE UNITED STATES OF AMERICA  
FOR  
INCREASED REVENUE FOR DEVELOPMENT PROJECT

PROJECT NUMBER: 669-0132

The Grant Agreement dated March 24, 19787, as amended February 14, 1979, August 28, 1979, February 21, 1980, December 29, 1980, February 27, 1981, September 30, 1982, May 3, 1983, March 9, 1984, March 26, 1984, December 12, 1984, July 10, 1985, and August 23, 1985 is hereby amended as follows:

Section 3.1 is deleted in its entirety and the following is substituted in lieu thereof:

"SECTION 3.1 The Grant. To assist the Grantee to meet the costs of carrying out the project, A.I.D., pursuant to the Foreign Assistance Act of 1961, as amended, agrees to provide the Grantee, a total of eight million six hundred and eighty-three thousand United States (U.S.) dollars (\$8,683,000). The incremental amount being provided through this Amendment is four hundred thousand U.S. dollars (\$400,000). It is anticipated that subject to Section 2.2 of the original agreement, the life of project contribution of the United States Government will not exceed eight million six hundred eighty-three thousand U.S. dollars (\$8,683,000)."

2. Annex 1, Project Summary cost estimate, is deleted in its entirety and a revised "Illustrative Project Financial Plan" is hereby substituted in lieu thereof.

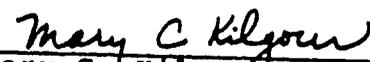
3. Except as specifically modified and amended hereby, the original Agreement dated March 24, 1978 as previously amended remains in full force and effect.

IN WITNESS WHEREOF, the Cooperating Country and the United States of America, each acting through its respective duly authorized representative, have caused this Thirteenth Amendment to be signed in their names and delivered as of the 31 day of August, 1986.

FOR THE REPUBLIC OF LIBERIA:

  
\_\_\_\_\_  
Hon. Robert C. Tubman  
Minister of Finance

FOR THE UNITED STATES OF AMERICA:

  
\_\_\_\_\_  
Mary C. Kilgour  
Director  
USAID Mission to Liberia

  
\_\_\_\_\_  
Hon. Paul R. Jeffy  
Minister of Planning & Economic  
Affairs

Date: August 31, 1986

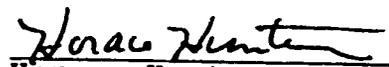
Date: August 31, 1986

ILLUSTRATIVE FINANCIAL PLAN  
(\$000)

<u>Project Inputs</u>	<u>Previous Increments</u>	<u>Current Increment</u>	<u>Anticipated Future Years</u>	<u>Total</u>	
	<u>AID</u>	<u>AID</u>	<u>AID</u>	<u>AID</u>	<u>GOL</u>
Technical Assistance	4,656	200	-0-	4,856	40
Training	693	100	-0-	793	900
Commodities	1,442	-0-	-0-	1,442	200
Construction	-0-	-0-	-0-	-0-	400
Evaluation	60	-0-	-0-	60	-0-
Inflation	410	100	-0-	510	300
Contingency	653	-0-	-0-	653	250
Other Costs	<u>369</u>	<u>-0-</u>	<u>-0-</u>	<u>369</u>	<u>1,500</u>
TOTAL	8,283	400	-0-	8,683	3,590

Funds Available:

Appropriation: 72-1161021.6  
Budget Plan Code: GDAA-86-21669-DG13

  
Horace Hunter  
Acting Controller