



**Fiscal Reform in Support of Trade Liberalization Project**

**First Quarterly Progress Report:**

**August – October 2003**

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*Introduction*

The Fiscal Reform in Support of Trade Liberalization (“The Project”) project, a Task Order (TO) under the SEGIR EP, Indefinite Quantity Contract. The TO was signed by USAID on July 24, 2003, sent to DAI on August 1, 2003, and signed and returned by DAI on the same day.

This progress report covers the period August 1 to October 30, 2003, the First Quarter of Project Operation.

The Project has made considerable progress in its first quarter of operations. The Project Office at 1250 I Street, NW in Washington, DC has been set up, fully furnished and equipped. The Project staff is on board – this only includes two persons: Mark Gallagher, Chief of Party, and Steve Rozner, Project Economist. Project staff prepared and delivered the Project Workplan, which USAID accepted on October 7, 2003.

The next section of this report discusses project according to the activity headings included in the detailed project workplan. This is followed by project financial information. Finally, this report includes a Tracking Gantt Chart that compares Project progress to the baseline planned activities.

*Progress reported by activity heading*

**Outreach**

Outreach is an important aspect of the Project. In this regard, the project has prepared a brochure, helped and supplemented EGAT in distributing information about the project to field missions, solicited field missions about their interest in next June’s fiscal workshop, and hosted with the Society for International Development a brownbag luncheon to discuss the Project’s launch, objectives, and other aspects of operations. This brownbag was attended by about 20 guests, most of whom were from USAID/W.

**Fiscal Website**

The Project has made a great deal of progress in getting the website up and running. Project team shared the designs with USAID and content has subsequently been developed and uploaded. The greatest amount of effort was required for developing the webLibrary, an HTML flat sheet that contains links to over 200 documents produced by some of the best thinkers in the field of fiscal reform. Maintenance and updating of the website will be a recurrent operation of the Project. The Project website is at [www.fiscalreform.net](http://www.fiscalreform.net).

Steve Rozner, project economist, will upload new items for the webLibrary on a monthly basis.

## **Applied Research Agenda**

The Project has made progress in defining its research agenda. USAID approved four research topics during the Workplan preparation process, these are: 1) Investigation into the Efficacy of Semi-Autonomous Revenue Authorities; 2) Anti-Corruption and Fiscal Reform; 3) Trade Reform and Fiscal Adjustment; and, 4) A Selected History of USAID Support for Fiscal Reform. As of the end of this quarter, the team has presented two complete research proposals that USAID has approved. The third research proposal, that on trade and fiscal reform, had been submitted in draft. After providing comments, the researcher, Joe Pelzman, is preparing a revised version of the proposal. The fourth project has been approved is already in progress, with Gallagher writing certain country experiences and a consultant, Sam Skogstad, having been contacted about providing input.

## **First annual workshop**

The team has held several meetings to discuss this workshop. In addition, Project staff have run a number of budget scenarios, but it is not yet clear for how many participants we should plan.

One consideration is that other EGAT sponsored workshops will be held around the same time as this one and we will work to execute this workshop in close coordination. Indeed, the COP will serve also as DAI's SEGIR Workshop coordinator for this purpose.

The Project's Activity Manager and the COP developed a survey and sent it to USAID Officers about the workshop. Project Economist tabulated the results. There were fewer than 25 respondents. The team and USAID have taken the following decisions: venue - Washington DC environs; date June 27-28; and a tentative set of 6 topics has been chosen.

## **First Annual Training in Fiscal/Trade Reform**

Project staff prepared materials for consideration and made recommendations for modules for the training event. Meeting with EGAT approved the recommendations. GSU has prepared a brief write up of the training, its schedule, trainers, etc. GSU will prepare more informative brochure within the next month.

We are planning on up to 20 participants, but selection criteria must be defined and demand determined. The training is announced on the [fiscalreform.net](http://fiscalreform.net) site and should elicit some response, but once a brochure is developed, this will be distributed and demand assessed. If there is great demand, we may repeat the training in the Fall of 2004.

## **Second Annual Training in Fiscal/Trade Reform**

No action has been taken yet.

## **Buy ins and potential buy ins**

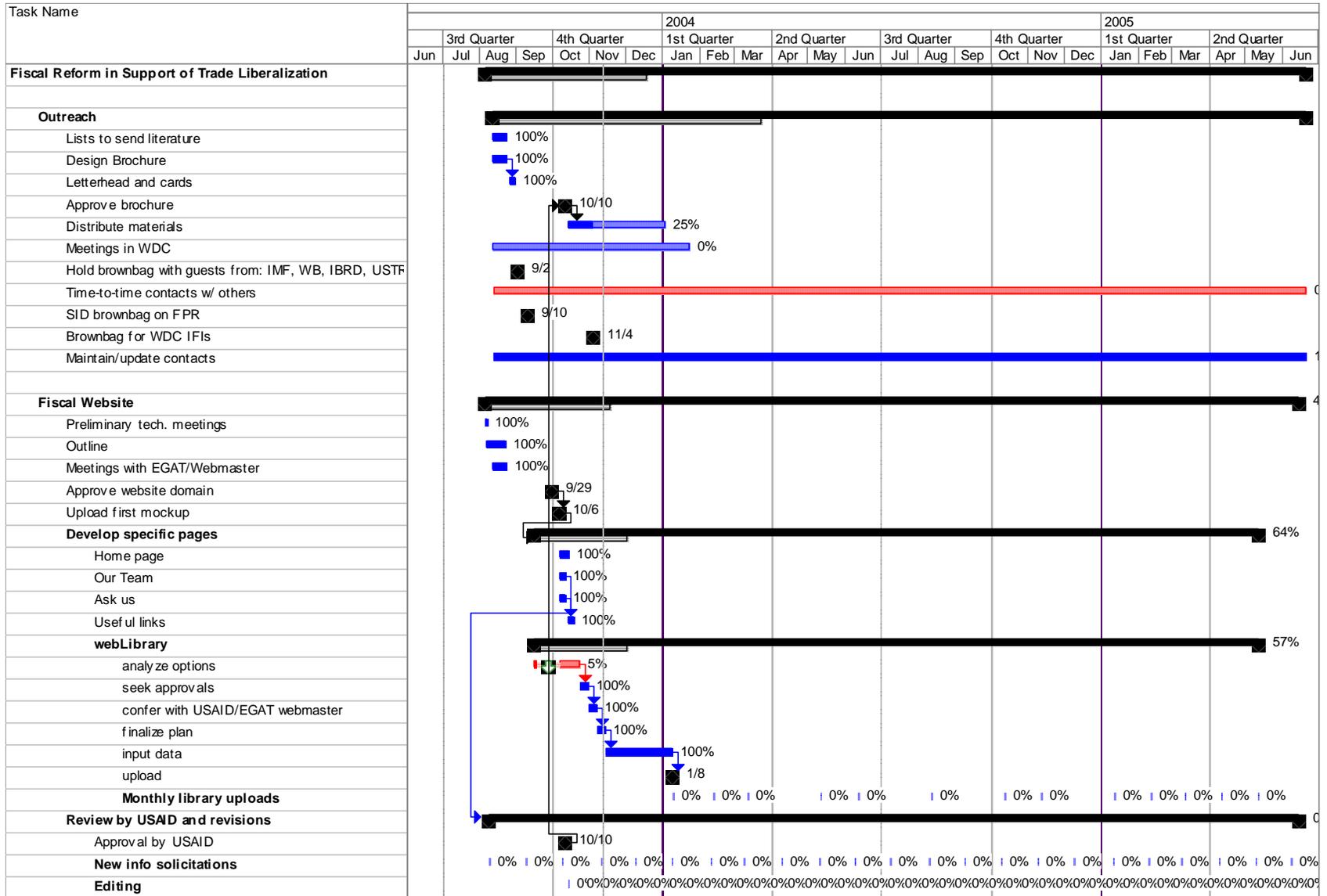
**India:** Steve Rozner and Bob Rafuse, consultant, have already visited India once, prepared the workplan, which has been accepted, and have begun implementation. Most of the international speakers have been identified, a site location for the December roundtables has been identified and reservations are tentatively made.

**Vietnam:** Mark Gallagher and Rozner, along with USAID staff, met with Jean Gilson, USAID/Vietnam, and prepared a note that the MOF could use to request assistance from the Project. However, it turns out that the IMF will be undertaking very similar work as was being requested from Jean. The Project has proposed assistance that could supplement the IMF work, namely in modeling and capacity building.

*Project financial information*

As of the end of the first project quarter, 4.9% of contract ceiling has been reached.

	Budget amount	Actual		Expected	Cumulative to date	Remaining to end of contract
		Aug-03	Sep-03	Oct-03		
Direct labor	2,736,401	22,477	45,940	67,185	135,602	2,600,799
ODCs w/o G&A	680,828	2,477	16,672	12,477	31,625	649,203
G&A	56,124	204	1,367	1,023	2,594	53,530
TOTAL	3,473,353	25,157	63,979	80,685	169,822	3,303,531
of which: Core	1,600,000	25,157	55,624	50,170	130,951	1,469,049
of which: buy ins	395,000	-	8,356	30,515	38,871	356,129
India	395,000	-	8,356	30,515	38,871	356,129





Task Name	2004												2005											
	3rd Quarter			4th Quarter			1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			1st Quarter			2nd Quarter		
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
<b>Applied Research Agenda</b>																								
Assembly draft agenda for discussion	■ 100%																							
Discussions with USAID and decisions on topics	■ 9/16																							
Define Semi-Autonomous Revenue Authorities project	■ 100%																							
Define AntiCorruption project	■ 100%																							
Define Fiscal Implications of Trade Lib. Project	■ 0%																							
Define success stories	■ 0%																							
Review research project proposals	■ 75%																							
Approve research project proposals	■ 75%																							
Implement research projects	■ 1%																							
<b>First annual workshop</b>																								
Define possible agenda	■ 9/16																							
Define number of participants	■ 11/12																							
Decide on venue	■ 8/11																							
Establish methodologies for conference	■ 0%																							
Query USAID staff on interest in participation	■ 100%																							
Develop full workshop implementation plan	■ 0%																							
Contract for venue	■ 0%																							
Contact invited guests	■ 0%																							
Arrange for any consultant participations	■ 0%																							
Arrange all other logistics	■ 0%																							
Work with consultants, guest speakers, USAID	■ 0%																							
Prepare workshop materials	■ 0%																							
Hold workshops	■ 0%																							
Prepare and distribute post workshop materials	■ 0%																							
Report on workshop	■ 0%																							

Task Name	2004												2005												
	3rd Quarter			4th Quarter			1st Quarter			2nd Quarter			3rd Quarter			4th Quarter			1st Quarter			2nd Quarter			
	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
<b>First Annual Training in Fiscal/Trade Reform</b>	16%																								
Module menu				50%																					
Discussions in EGAT and others				50%																					
Develop single, coherent one-week course					50%																				
Assess demand						0%																			
Participant selection										0%															
Logistics											0%														
Hold one-week training in Atlanta												0%													
<b>Second Annual Training in Fiscal/Trade Reform</b>	7%																								
Module menu																									
Discussions in EGAT and others																									
Develop single, coherent one-week course																									
Assess demand																									
Participant selection																									
Logistics																									
Hold one-week training in Atlanta																									
<b>Mission Buy Ins</b>	8%																								
Implement India buy in																									
<b>Assist with other buy in concept papers</b>	1%																								
Viet Nam																									
Macedonia																									
Guatemala																									
others																									