

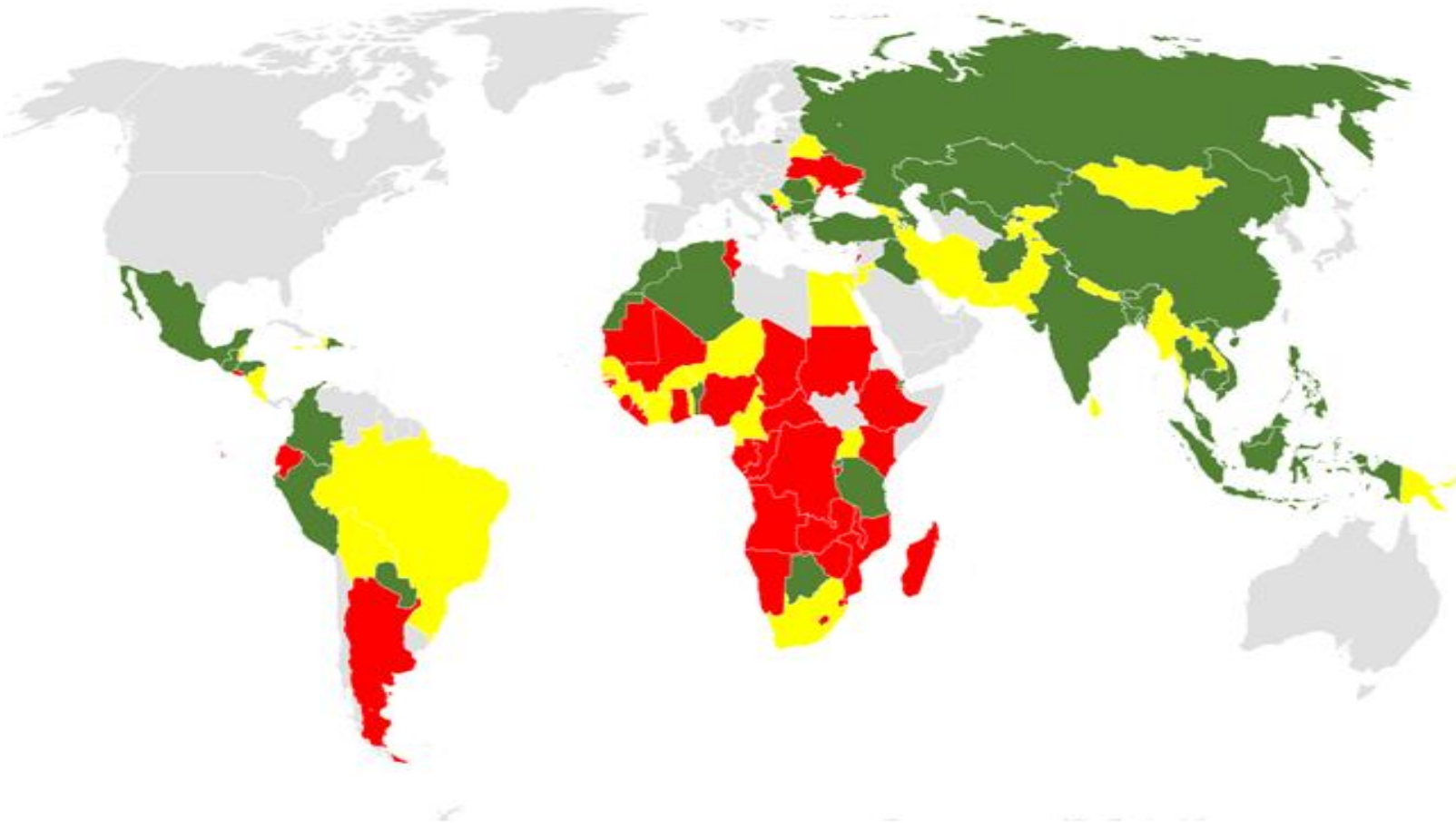


USAID
FROM THE AMERICAN PEOPLE

FIRST ANNUAL REPORT

Covering the period October 1, 2019 through September 30, 2020

Fiscal Accountability and Sustainable Trade (FAST)



Macroeconomic resilience in low- and middle-income countries

October 2020

This publication was produced for review by the United States Agency for International Development. It was prepared by DevTech Systems, Inc. under the Fiscal Accountability and Sustainable Trade Task Order, 7200AA18D00010/7200AA19F00015.

THIRD QUARTERLY REPORT

Covering the period April 1, 2020 through June 30, 2020

Fiscal Accountability and Sustainable Trade (FAST)

Program title:	Fiscal Accountability and Sustainable Trade
Sponsoring USAID office:	Bureau for Economic Growth, Education, and Environment's Offices of Economic Policy (E3/EP) and Trade and Regulatory Reform (E3/TRR)
COR:	Theresa Stattel
ACOR:	Anton Kamenov
Contract No.	7200AA18D00010 Task No. 7200AA19F00015
Chief of Party:	Mark Gallagher
Deputy Chief of Party:	Welmar Rosado
Contractor:	DevTech Systems, Inc.
Date of submission:	October 2020
Date of approval:	TBD , 2020

DISCLAIMER

This document is made possible by the support of the American people through the United States Agency for International Development (USAID). Its contents are the sole responsibility of the author(s) and do not necessarily reflect the views of USAID or the United States government.

CONTENTS

TABLE OF TABLES.....	IV
TABLE OF FIGURES.....	IV
ACRONYMS.....	V
EXECUTIVE SUMMARY	I
I. INTRODUCTION	2
Management and reporting.....	2
II. WORKSTREAM I: TECHNICAL LEADERSHIP, INCLUDING STRENGTHENED UNDERSTANDING OF LEADING PRACTICES AND TOOLS	4
COVID-19 tools.....	4
FSR tracker and repository.....	8
Domestic resource mobilization training.....	8
Collecting Taxes Database.....	8
Revenue Performance and Tax Administration – an empirical analysis.....	9
III. WORKSTREAM 2: USAID OPERATING UNIT AND PARTNER COUNTRY SUPPORT	9
PFM for payment for ecosystem services.....	9
DRM and budget formulation in Sudan.....	10
Procurement reform in Kyrgyzstan.....	11
Bangladesh Tax Modernization Assessment.....	12
IV. IMPACT OF COVID-19 ON FAST IMPLEMENTATION.....	13
DRM training.....	13
Tax efficiency research.....	13
PFM for PES.....	13
DRM and PFM assessment in Sudan.....	13
Procurement reform in Kyrgyzstan.....	13
DRM in Bangladesh.....	13
FSR project tracker.....	13
V. FINANCIAL REPORT.....	14

Table of Tables

TABLE 1: DELIVERABLES SCHEDULE AND STATUS	3
TABLE 2: TECHNICAL LEADERSHIP RESULTS	4
TABLE 3: SCHEDULE FOR PFM FOR PES	10
TABLE 4: TRAININGS AND WORKSHOPS OR CONFERENCES FOR KYRGYZSTAN TASK	12
TABLE 5: PLANNED AND EXECUTED EXPENDITURES BY BUDGET LINE FOR FY2020	14
TABLE 6: PLANNED AND EXECUTED EXPENDITURE ACCORDING TO TASK FOR FY2020	15

Table of Figures

FIGURE 1: MAPPING COUNTRIES ACCORDING TO THEIR VULNERABILITY	6
FIGURE 2: MAPPING COUNTRIES ACCORDING TO THEIR MACROECONOMIC RESILIENCE.....	7
FIGURE 3: VAT GROSS COMPLIANCE RATE IN BANGLADESH AND AROUND THE WORLD	12

Acronyms

ACOR	Alternate Contracting Officer’s Resource
ADB	Asian Development Bank
AfDB	African Development Bank
CLTG	Civilian Led Transitional Government of Sudan
COP	Chief of Party
COR	Contracting Officer’s Representative
CSO	Civilian Society Organization
COVID-19	Coronavirus Disease 2019
CTD	Collecting Taxes Database
DCOP	Deputy Chief of Party
DEC	Development Experience Clearinghouse
DRM	Domestic Resource Mobilization
DPP	Department for Public Procurement
EBRD	European Bank for Reconstruction and Development
EC	European Commission
EGSC	Economic Growth Sector Council
E3	Bureau for Economic Growth, Education, and Environment
E3/EP	E3 Office of Economic Policy
E3/TRR E3	Office of Trade and Regulatory Reform
EEPI	Enabling Environment for Private Investment
FAST	Fiscal Accountability and Sustainable Trade
FFM	Functioning Financial Markets
FSR	Financing Self-Reliance
FTA	Fiscal Transparency and Accountability
GDP	Gross Domestic Product
GPA	Government Procurement Agreement
IADB	Inter-American Development Bank
ILO	International Labor Organization
IMF	International Monetary Fund
MAPS	Methodology for Assessing Procurement Systems
NBR	National Bureau of Revenue (Bangladesh)
NIWS	Natural Infrastructure for Water Security
OECD	Organization for Economic Co-operation and Development
PES	Payment for Ecosystem Services
PFM	Public Financial Management
PFM for PES	Public Financial Management for Payment for Ecosystem Services
TCB	Trade Capacity Building
UN	United Nations
UNCITRAL	United Nations Commission on International Trade Law
USAID	United States Agency for International Development
VAT	Value Added Tax
WB	World Bank
WDI	World Development Indicators
WEO	World Economic Outlook
WTO	World Trade Organization

Executive Summary

Fiscal Accountability and Sustainable Trade (FAST) is a contractual mechanism that enables USAID/Washington and Missions to rapidly respond to urgent needs for analysis, assessment, and knowledge sharing and building. While most FAST activities are of short duration, some can be for multiyear engagement. And we are fast. When USAID's Strengthening Public Financial Management and Public Accountability Training program urgently needed an expert to train USAID officers from around the world at a workshop in South Africa in February, we responded immediately. The training resulted in measurably enhanced staff knowledge of PFM and DRM. The workshop had been on the verge of cancellation.

COVID-19 defines 2020 and FAST has risen to the challenge. FAST developed tools and analyses that help USAID staff, partner countries, and others to better understand the impact of the pandemic on the world economy, on 133 specific economies, on employment and poverty and on women and men. The macroeconomic resilience tool highlights in bright, clear terms the challenges that 134 low- and middle-income countries face in being able to respond to the economic and financial assault the pandemic has wrought. These tools keep USAID's COVID-19 task force and the world apprised of developments in terms of research and methods on these topics developed by international organizations, donor agencies, and academic institutions. Outreach to USAID officers through two webinars as well as specific collaborations with three missions and the southern Africa regional economics office, has ensured that these tools would be supportive beyond Washington and reach into country-level programs.

The pandemic has made it impossible to conduct international travel and to physically field teams. In face of this challenge, FAST has developed methodologies to consult, assess, analyze, and even deliver training remotely. We do this using a variety of technologies, such as MS Teams, Google Meet, and Zoom, as well as WhatsApp and SharePoint. We match these technologies with extra-careful planning, structured discussions tools (discussion guides and surveys), dedicated note taking staff, access to local expertise, and rigorous coordination.

FAST has been working with several USAID Missions. The team has been collaborating with USAID/Sudan to assess the feasibility of PFM and DRM reform in support of the civilian-led transitional government of Sudan. In June 2020 we initiated a 30-month activity in Kyrgyzstan to help modernize the overall public procurement system as part of the mission to support the journey to self-reliance. In September 2020, we mobilized the Bangladesh Tax Benchmarking team to assess the performance, structure, and requirements of the tax system of that country and will advise the USAID Mission on the feasibility of providing longer term assistance, particularly to the Bangladesh National Board for Revenue (NBR). Our team has been collaborating with USAID/W and the Dominican Republic mission in determining best methods for ensuring the integrity, transparency, and inclusiveness of an innovative financing mechanism that creates incentives for better stewardship of the natural environment, called "payment for ecosystem services" (PES). This PES work will soon expand to include Peru and the Philippines. COVID-19 is not the only way that nature has impacted FAST work. The PES assessment in the Philippines was originally to start with visits to Manila and four other islands in January 2020, but this became impossible due to volcanic eruptions throughout the beginning months of the year and then postponed indefinitely due to the pandemic.

Despite the daunting challenges of pandemic, volcanic eruption, and street-level political unrest in both Kyrgyzstan and Sudan, FAST carries on the mission of technical leadership and field Mission support.

FIRST ANNUAL REPORT

This report covers the period October 1, 2019 to September 30, 2020. It summarizes activities and results of the ongoing FAST tasks throughout the Fiscal Year 2020, including a discussion of progress against the work plan.

I. INTRODUCTION

The Fiscal Accountability and Sustainable Trade (FAST) task order supports rapid, sustainable, and equitable economic growth in USAID-assisted countries by bringing a systems approach to addressing PFM (public revenue, budget, expenditure, and debt), trade capacity building (TCB), macroeconomic planning and policies, and other economic governance issues, such as regulatory reform, and by supporting missions to improve the following: a) host-country capacity to mobilize revenue and provide public services; b) policy climate for investment that generates more productive employment and inclusive growth, including issues specific to women and other disadvantaged populations; c) host-country ability to recover from, prevent, and mitigate the impact of conflict, natural disasters, or fiscal crises; and, d) host-country institutional capacity to identify, design, advocate for, and implement better economic policies to enhance inclusive growth and gender equity.

FAST team provides a dedicated core staff of experts with expertise in PFM, trade, macroeconomic planning and policies, and other areas of economic governance.

The COVID-19 pandemic and social distancing requirements have severely challenged implementation of FAST activities. The FAST team has addressed these challenges using electronic communications platforms and other means to carry out work under these conditions.

This report discusses core management and presents FAST activities and progress according to the two project workstreams:

Workstream 1: Technical leadership, including strengthened understanding of leading practices and tools, and,

Workstream 2: USAID Operating Unit and Partner Country Support

Management and reporting

FAST core management includes the Chief of party (COP) and the Deputy Chief of Party (DCOP), with access to a Trade Advisor, and project management support staff.

DevTech System, Inc. is the prime contractor with subcontractor support from Nathan Associates, Georgia State University (GSU), and The Economist Intelligent Unit. The COP and DCOP are DevTech staff and the Trade Advisor is a Nathan Associates staff member.

Table I lists deliverables in effect during FY2020 and their status. The table includes reporting deliverables and program deliverables. Reporting deliverables are requirements established in the FAST Task Order Contract, while program deliverables are established over execution of the annual work plan and based on specific approved work activities.

Table 1: Deliverables schedule and status

Deliverable	Task	Original due date	Revised due date	Status
Reporting				
Quarterly report 1	1 Core management	12/31/2019	12/31/2019	Approved
Quarterly report 2	1 Core management	3/31/2020	3/31/2020	Approved
Quarterly report 3	1 Core management	6/30/2020	6/30/2020	Approved
Year II Work Plan	1 Core management	9/15/2020	9/15/2020	Approved
First annual report	1 Core management	9/30/2020	10/30/2020	Submitted 10/30/20
Program Deliverables				
Presentation	2 Research on Revenue Performance	1/31/2020	2/5/2020	Approved
Final report	2 Research on Revenue Performance	4/1/2020	--	Cancelled
Training report 1	3 DRM training	5/1/2020	3/31/2020	Approved
Training report 2	3 DRM training	TBD	TBD	Cancelled due to COVID-19
Philippines assessment	4 PFM for PES	3/31/2020	TBD	COVID-19 delays
Peru assessment	4 PFM for PES	6/30/2020	TBD	COVID-19 delays
Dominican Republic assessment	4 PFM for PES	9/30/2020	9/19/2020	Being rescheduled
Global report	4 PFM for PES	9/30/2020	TBD	COVID-19 delays
Final report - Sudan	5 PFM Sudan	Upon delivery	Upon delivery	In progress
Final report - Kyrgyzstan	6 Procurement reform Kyrgyzstan	9/30/2022	9/30/2022	In progress
Final report - Bangladesh	7 Tax benchmarking assessment	10/30/2020	12/30/2020	In progress
Update 1 on FSR tracker	8 FSR tracker	10/30/2020	10/30/2020	In progress
Update 2 on FSR tracker	9 FSR tracker	1/30/2021	1/30/2021	In progress

II. WORKSTREAM I: TECHNICAL LEADERSHIP, INCLUDING STRENGTHENED UNDERSTANDING OF LEADING PRACTICES AND TOOLS

FAST carried out several technical leadership activities during FY 2021 that have already yielded results in terms of better understanding of best practices and useful analytic tools. Table 2: Technical Leadership briefly itemizes these results. The following paragraphs discuss these results in greater detail.

Table 2: Technical Leadership Results

Type	Brief Description	Status
Tool	A. Handy guide to literature on COVID-19 related research and tools.	Completed
Tool	B. Cross-country economic impact model -- COVID-19	Completed
Tool	C. Macroeconomic resilience tables and heatmap – COVID-19	Completed
Tool	D. Country assessment tool -- COVID-19	Completed
Learning Events	E. Strengthened USAID understanding through two presentations and working collaboratively with two USAID missions in applying the COVID-19 tools.	Completed
Learning Event	F. Improved the knowledge of 20 USAID officers in DRM, public procurement, budget planning and preparation, and intergovernmental fiscal relations.	Completed
Knowledge Management	G. Enabling USAID to track its worldwide projects and activities in Financing the Journey to Self-Reliance (FSR).	In progress
Knowledge Management	H. Curated repository for payment for ecosystems and related landscape literature.	In progress
Knowledge Management	I. Advice and quality control to the production of USAID's Collecting Taxes Database (CTD).	Completed
Research	J. Preliminary empirical research into impact of tax administration on revenue performance.	Completed

COVID-19 tools

Purpose: Provide USAID/W, Missions, and other operating units with tools and knowledge to understand and respond to the economic, financial, and social impacts of COVID-19 around the world and in partner countries.

Result: FAST developed four tools: 1) a handy guide to literature to inform USAID officers of the research and tools being developed by other organizations to confront the COVID-19 around the world; 2) a tool to assess overall economic and job loss vulnerability of countries arising from the COVID-19 crisis; 3) a tool to present the macroeconomic resilience of countries and the flexibility they may have with respect to accessing financing as they recover from

COVID-19 impacts; 4) a country assessment tool to analyze the impact of shutdowns in a given country in terms of near-term output declines, employment of men and women, and poverty.

As economies around the world struggle with the economic impact of the COVID-19 pandemic, governments are seeking ways to respond. Meanwhile, appropriate planning requires a good understanding of how a country's economy might be vulnerable to economic consequences and what policy levers might be available to mitigate the impact. To respond to this need, FAST developed a series of tools to help Missions scenario plan based on solid data and sound economic principles that focus on changes in employment of men and women, and poverty, and the degree of macroeconomic resilience governments have to respond.

FAST COP presented the set of tools in a USAID Economic Growth Sector Council meeting on June 25, 2020, and to the DRG Center on August 26, 2020. The following sections provide an overview of each.

Literature review

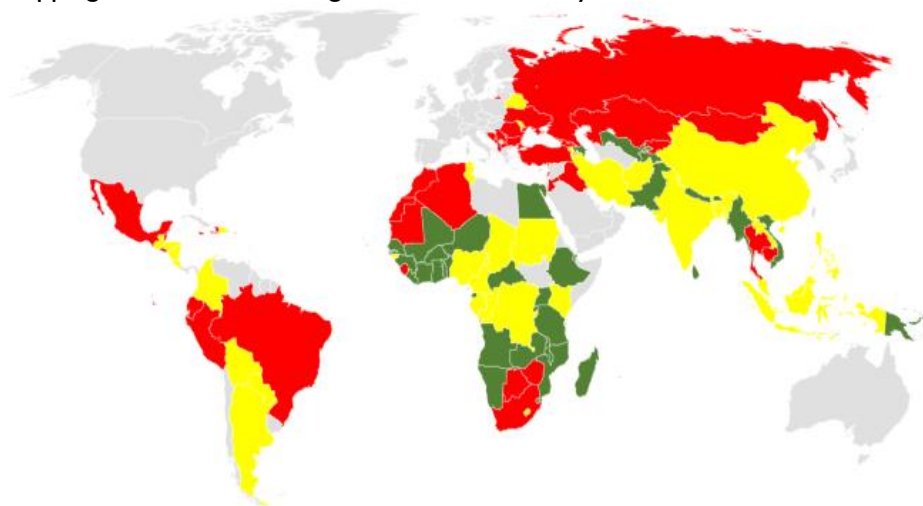
FAST prepared a guide to international literature on the economic impact of COVID-19 to provide a broad understanding of what other institutions and researchers were doing in terms of estimating the economic impact of the pandemic. FAST reviewed documents by the International Monetary Fund (IMF), World Bank (WB), the Organization for Economic Co-operation and Development (OECD), Asian Development Bank (ADB), African Development Bank (AfDB), Inter-American Development Bank (IADB), the European Bank for Reconstruction and Development (EBRD), the European Commission (EC), and from various academic outlets to identify gaps in the analyses. FAST found that despite the volume of work produced, there was no one had developed tools to estimate economic losses in GDP and jobs (economic vulnerability) and macroeconomic resilience.

Cross-country economic impact model

This model estimates the loss in Gross Domestic Product (GDP) and jobs by women and men during the crisis period for low- and middle-income countries and combines these losses into a "vulnerability" index. The model also scores and ranks countries from most to least likely to be affected.

The model calculates potential GDP loss due to the four-month period shutdowns, job losses, job losses as percentage of total employment, and the job losses by women and men. The model produces a vulnerability index, defined as the average of GDP and job losses during the crisis period. Figure 1 maps countries according to the economic vulnerability, a combination of economic decline and job loss. Countries are color-coded: red are highly vulnerable; yellow, moderately vulnerable; and green, less vulnerable.

Figure 1: Mapping countries according to their vulnerability



Macroeconomic resilience tables and heatmap

FAST assessed the macroeconomic resilience of nations using 14 indicators that determine potential fiscal and monetary space for 133 low- and middle-income countries.¹

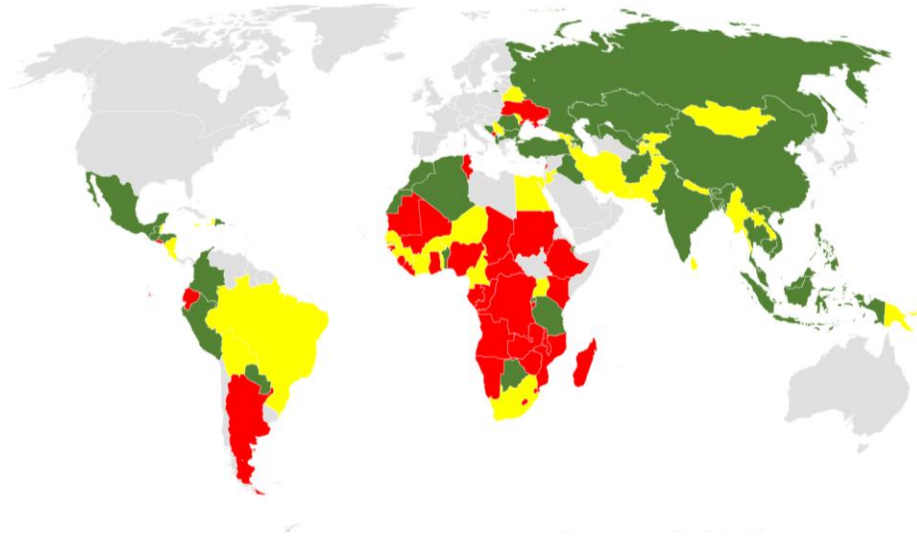
Fiscal space is the room in a government’s budget that allows it to allocate resources for a desired purpose without jeopardizing the sustainability of its financial position or the stability of the economy. Monetary space is the ability of a financial system to implement expansionary monetary policy to accommodate expansionary fiscal policy or to substitute for it, without creating extraordinary problems of inflation, surges in real interest rates, or disequilibria in international payments.

Green indicated countries, such as Malaysia and Thailand, are relatively resilient while those in red are less resilient. The less macroeconomic reliance the more difficulty a country is likely to face in meeting economic shocks, such as COVID-19. The red (low resilience) countries warrant greater vigilance and possibly donor assistance to help it avoid instability.

In general, there is a strong geographical face to macroeconomic resilience; with Africa being less resilient, South East Asia more resilient, and Latin America, Central Asia, and Eastern Europe in between. Figure 2 presents macroeconomic resilience across the globe.

¹ This is an update and expansion of the work of Mark Gallagher and Eunice Heredia-Ortiz (2013) “The Macroeconomic Resilience of Nations.”

Figure 2: Mapping countries according to their macroeconomic resilience



Country assessment tool

The country assessment tool analyzes the impact of COVID-19-related shutdowns in the country of interest in terms of near-term output declines, employment of men and women, and poverty. Country reports can inform USAID leaders and enable them to anticipate major events that may affect the welfare and development of the partner country.

To generate the model, the FAST team takes a deep dive into publicly available data of the country, in terms of the structure of economic production, employment, and poverty, and also utilizes information sources such as news media and reports to determine the relative shock to each sector. The methodology generates plausible scenarios based on how COVID-19 shutdowns are affecting behavior, such as lack of demand, inability to go to work, and supply chain disruptions for exports. Timing, intensity, and persistence of the shutdown is important, and the country model makes use of tools such as Google mobility reports, Apple mobility reports, the Yandex isolation index, and NO2 emissions to approximate the date and prevalence of shutdowns and their distribution across sectors. Based on the available information, the analyst assigns a distribution of impacts that aligns with the economic drop in GDP estimated by the IMF in its WEO reports and makes calculations on how the indicators of interest will be affected by the shutdown. Each country report considers three scenarios: High, Moderate, and Optimistic, depending on how much the economic shock is distributed through the year.

Economist Intelligence Unit country correspondents review and validate the model assumptions.

During the reporting period, the FAST team conducted assessments for Indonesia and Armenia and worked with USAID/Mozambique to conduct a study based on the FAST country-model.

Economic Growth Sector Council

On June 25th, COP Gallagher presented the FAST work for the Economic Growth Sector Council (EGSC) COVID-19 Discussion Series. 89 USAID staff attended the presentation and many actively participated. FAST also assisted USAID staff to prepare a blog write up of the tools, as well as provided USAID/EP with a brochure about the tools and how FAST could assist missions in their application.

DRG- Economic tools for COVID-19 and governance implications.

On August 26th, COP Gallagher presented the FAST work to USAID’s Center of Excellence on Democracy, Human Rights, and Governance (DRG). 59 USAID staff attended the presentation and there was active participation. The objective of this presentation was to disseminate the tools developed by FAST to help DRG officers incorporate the economic implications into the analysis of the governance challenges unfolding and the challenges yet to come.

FSR tracker and repository

Purpose: The FSR Tracker serves two purposes. The first is to improve the Financing Self-Reliance Working Group’ (FSR-WG) capability to track and account for all USAID activities supporting the Agency’s FSR initiative and to aggregate recurring reporting and lessons learned from the implementation of activities that contribute to FSR. The second purpose is to build and curate an Agency-wide repository of related activity documents. The tracker and repository incorporate activities in the following five functional areas of FSR: domestic revenue mobilization, public financial management, fiscal transparency and accountability (FTA), enabling environment for private investment (EEPI), and functioning financial markets (FFM).

Result: In September 2020 a FAST analyst began populating the FSR tracker using information and documents from the Development Experience Clearinghouse (DEC) website. FAST is now hosting the FSR repository using its Google Drive cloud storage.

Domestic resource mobilization training

Purpose: To support USAID E3/EP trainings in PFM and other areas for USAID staff, workshops, and other events for the PFM “community of practice” -- to contribute to improved analysis and design of USAID assisted tax and budget activities. FAST provides support for trainings, as required, such as providing an expert to facilitate course delivery.

Result: COP Gallagher served as a trainer for the “Strengthening Public Financial Management and Public Accountability” from February 24 to 28, 2020. Gallagher covered macro-fiscal policy and analysis, domestic revenue mobilization, budget planning and preparation, public procurement, and intergovernmental fiscal relations, as well as served as a resource person for the rest of the training and was a member of a discussion panel about donor coordination in PFM activities.

Participant feedback, as captured in daily evaluations, was very positive.



Trainers and participants at the Pretoria Training:
Picture courtesy of Thomas Solomon.

Collecting Taxes Database

Purpose: Support FSR by providing technical expertise to the team that compiles the Collecting Taxes Database (CTD).

Results: The CTD was improved and more people became aware of its usefulness in supporting FSR. Specific support included:

- Correction of the Tax Effort indicator. This made the indicator much more meaningful to Supporting the Journey to Self-Reliance.
- Implemented a series of checks on the quality of the CTD.
- Review and advice on other CTD indicators, such as on the correct indicator for VAT threshold, calculation of personal income tax productivity, currency use for the VAT Threshold indicator, drafting of technical notes for all the CTD database, and others.
- Presentation (along E3 Senior DRM expert, Steve Rozner) of the 2019 CTD at the December forum of the International Consortium on Governmental Financial Management (ICGFM) held at the International Monetary Fund headquarters in Washington, DC.

CTD work was completed by January 2020.

Revenue Performance and Tax Administration – an empirical analysis

FAST conducted a number of exploratory analyses of how the CTD information could be used to test a number of hypotheses relating to tax administration and revenue performance. Results were presented in February 2020. No further investigation is contemplated.

III. WORKSTREAM 2: USAID OPERATING UNIT AND PARTNER COUNTRY SUPPORT

FAST worked on four activities during this year: 1) Public financial management for payment for economic services (PFM for PES); 2) Increasing government transparency and accountability in Sudan by supporting responsible government budget formulation and increased and equitable domestic revenue mobilization (PFM Sudan), 3) Effective public procurement for Kyrgyzstani taxpayers (Procurement Kyrgyzstan), and 4) DRM assessment in Bangladesh. Details on these activities follow.

PFM for payment for ecosystem services

Purpose: Assess and provide design recommendations for payment for ecosystem services (PES) programs from a public financial management lens to strengthen their effectiveness, efficiency, equitability, and transparency in use of funds. This task includes assessment in the Philippines, Peru, and the Dominican Republic. The task also includes providing support to the USAID EP/Human Capacity Building in Knowledge Management.

Progress:

FAST workplan established that the assessments were to be conducted in the following order: Philippines, Peru, and the Dominican Republic. However, due to the eruption of the Taal volcano in the Philippines in January 2020, and the worldwide COVID-19 pandemic in March 2020, all non-essential travel for USAID staff and contractors was curtailed. USAID/Philippines determined that it was impossible to conduct the assessment remotely and has postponed the work until travel becomes feasible.

In coordination with stakeholders, FAST rearranged its calendar to begin with its work in the Dominican Republic. Between May and July 2020, the FAST team participated in weekly meetings with USAID/DR and the U.S. Army Corps of Engineers (USACE) to discuss a new water management system in the Guayubin sub-watershed. FAST provided feedback about the inputs to evaluate the sub-watershed system.

Early in July 2020, FAST met with colleagues from the PES office of the Yaque del Norte River Basin within the Dominican Ministry of Environment to define the scope of the work and request

documentation to inform the assessment. FAST received the requested documentation on September 22, 2020, as there was a change in the Ministry of Environment leadership due to the general elections occurred in July which delayed the transmission of information. Upon reception of the information, the FAST team reviewed it, and began the interview process, which continues to this day. This next phase should conclude in December 2020. FAST will prepare a draft report in January 2021 and finalize it after receiving observations from stakeholders.

In Peru FAST will provide organizational evaluation and design to improve the PES mechanism, which currently does not have the capacity to execute its budget. FAST developed a new plan to carry out the assessment, integrated a team, and expects to begin the next stages of the assessment November 2020.

In parallel to the assessments in the three countries, FAST is preparing a literature review and curating a repository of documents on PFM and PES. This repository includes internal USAID work, documents produced by other international development organizations, and academic outlets.

Table 3 presents the current planned schedule of activities and milestone dates.

Table 3: Schedule for PFM for PES

Activity	Original Dates	Progress
Preparation, responses, and planning	November – December 2019	Completed but subject to adjustment.
Conduct Philippines Assessment	January – March 2020	Assessment postponed.
Conduct Peru Assessment	April – June 2020	SOW approved, assessment to begin November 2020.
Conduct Dominican Republic Assessment	July – September 2020	In progress.
Other overall supporting activities, such as blog and responding to queries	January – September 2020	Continuing
Final report on activities	September 2020	Will be revised.

FAST will report **results** in Q1:Y2 Quarterly Progress Report.

DRM and budget formulation in Sudan

Purpose: Provide a foundation for informed decision making related to investing in Sudan to support DRM and improved budget formulation. FAST is conducting an independent and objective assessment of the context and rationale for assistance to the Civilian Led Transitional Government (CLTG) in Sudan to enhance DRM and budget formulation and to provide a menu of options for programming in these areas.

Progress: FAST experts have reviewed documents, data, and news items, as well as have met with USAID staff leadership in both Washington DC and Khartoum office and has had meetings with international donors, namely the World Bank and the IMF. The team has prepared an initial assessment, which it will validate in meetings with donors, CLTG, Civilian Society Organizations (CSOs), and the private sector.

Sudan currently faces severe challenges. COVID-19 is preventing people from meeting for discussions. Electrical outages impede communications, including, especially teleconferences, but also email service and texting are also not always reliable. Work with the USAID Mission is also subject to these challenges. In addition, recent unrest and street movements have led to an important reshuffle of the cabinet, including the removal of the Minister of Finance and Economic Planning and his replacement with an acting Minister.

Results are expected by December 2020.

Procurement reform in Kyrgyzstan

Purpose: Improve self-reliance in Kyrgyzstan's public procurement systems by increasing capacity to properly evaluate public proposals and support reforms in public procurement systems and processes. These changes will improve transparency and reduce corruption. The FAST team works with the Ministry of Finance's Department for Public Procurement, State Committee on Information Technology, and other media and civil society groups. In particular, this effort supports digitalization of public procurements to increase transparency, reduce corruption, and enable civic oversight and participation at the budget planning and execution process.

Progress: FAST developed an initial full life of task workplan. Activities initiated in June 2020.

During phase one (June – September 2020) the FAST implementing team, which includes both international and local experts, has developed a scoping study. This scoping study is based on a wide review of materials, such as analytical documents and laws and regulations, and consultations with USAID/Kyrgyzstan, the Kyrgyz Ministry of Finance's Department for Public Procurement, and other stakeholders.

The team has conducted a technical review based on available literature and consultation with local experts applying tools or standards such as the UNCITRAL, UN model legislation for public procurement; the WTO's GPA standards; and the OECD's MAPS tool.

Phase II execution (October 2020 to September 2022) will initiate in FY2021. FAST will place a coordinator and a procurement modernization advisor within the DPP's facilities. However, due to spikes in COVID-19 incidence in Bishkek, the country's capital, physically posting staff in DPP will be put off until conditions allow.

The project will support the DPP through trainings and communications support to help raise knowledge and awareness of procurement regulatory framework, rules, and regulations. In some instances, DPP employees may be the trainers or presenters, with support from FAST. The team will also provide technical assistance and trainings in e-procurement or e-government methods and processes; private sector awareness; meeting international standards; and developing a procurement from start to completion.

Table 4 presents the schedule of workshops and conferences planned for phase II.

Table 4: Trainings and Workshops or Conferences for Kyrgyzstan Task

	FY2021	FY2022
Number of trainings in Bishkek	2	3
Number of trainings in Oblasts	3	4
Number of days per training	2	2
Number of participants in each training	20	20
Workshops or conferences in Bishkek	2	2
Number of days per workshop or conference	2	2
Number of participants in each workshop or conference	50	50
FY2021 is October 1, 2020 to September 30, 2021		
FY2022 is October 1, 2021 to September 30, 2022		

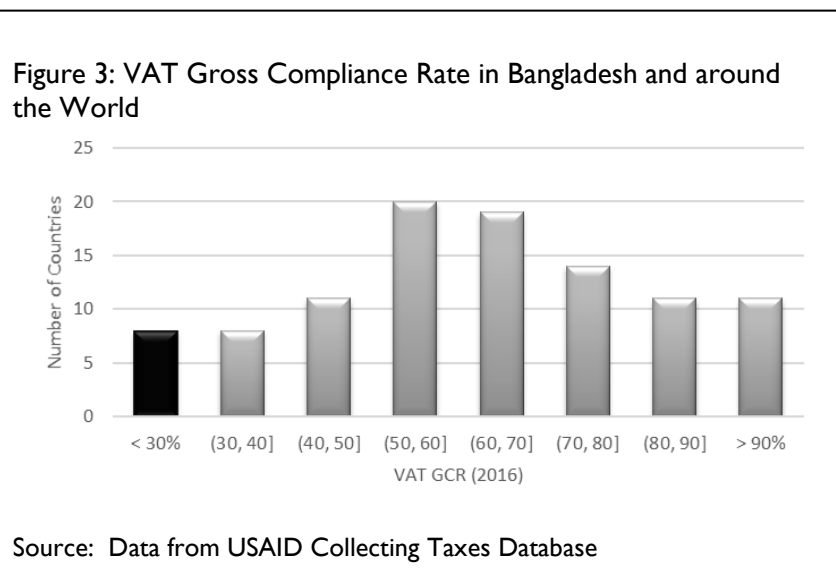
Results: The team has prepared and submitted the scoping study, but review by counterparts is still pending.

Bangladesh Tax Modernization Assessment

Purpose: Provide USAID a foundation for informed decision making related to investing in Bangladesh to support FSR and DRM. FAST experts are independently and objectively identifying opportunities to support Bangladesh in Financing Self-Reliance (FSR) in general, and Domestic Resource Mobilization (DRM) in particular. Identified opportunities could include new standalone activities, or interventions that support existing Mission activities, whether directly or indirectly.

Progress: The FAST team produced a “Bangladesh Tax System from 30,000 Feet” analysis, conducted a desk review, met with USAID/Bangladesh colleagues, other donors, and is currently interviewing staff from the Government of Bangladesh National Bureau of Revenue (NBR), private sector, and civil society. COVID-19 restrictions afford only about 1-2 virtual meetings in a day. This makes the study timeline to be more extended than it would otherwise have been. The draft report will be prepared in November 2020.

Results expected in December 2020.



IV. IMPACT OF COVID-19 ON FAST IMPLEMENTATION

This section summarizes current and expected impact of the COVID-19 situation on FAST implementation.

Throughout the reporting period, FAST operated through teleworking mechanism while implementing social and physical distancing. All FAST activities were conducted remotely.

DRM training

Due to COVID-19 USAID cancelled the “Flagship DRM Training” planned for April 20-24, 2020 in Frankfurt, Germany. FAST had planned to provide an expert to help facilitate this training.

Tax efficiency research

No changes in this task attributed to COVID-19.

PFM for PES

FAST FY 2020 workplan contemplated three country assessments under this task: the Philippines, Peru, and the Dominican Republic. Due to the eruption of Taal volcano in January 2020, and the travel restrictions imposed by COVID-19, the assessment in the Philippines will take place at later date. FAST will conduct remote interviews with stakeholders in the DR starting in August 2020 and expects to conduct the assessment for Peru remotely starting in October 2020.

DRM and PFM assessment in Sudan

There have been significant disruptions in this task due to COVID-19, civil unrest, electricity shortages, and government instability. The country has been in shutdown with limited access to the government personnel and infrastructure, so the information gathering process has been arduous.

FAST is developing a new approach to undertake the assessment, gain local knowledge and feedback, and produce as report meeting specifications.

Procurement reform in Kyrgyzstan

COVID-19 has affected the roll-out of this task. FAST will have office space within the Department of Procurement, but meanwhile access to government buildings is restricted due to the political emergency in country. FAST will collaborate remotely with counterparts to the extent possible to continue with the work.

DRM in Bangladesh

FAST designed this task to be consistent under the COVID-19 restrictions. FAST team comprised of both international and local experts has full coordination using electronic resources such as cloud-based storage system, videoconference tools, and email. The local consultants have been providing coordination with local stakeholders and gathering documents not available online.

FSR project tracker

No changes in this task attributed to COVID-19.

V. FINANCIAL REPORT

As of September 30, 2020, FAST has invoiced and accrued \$642,596. This represents 13% of total obligated funds or 3% of total project value.

Table 5 presents FAST budget execution against the financial plan and amendments against tasks. The planned expenditures are in the initial financial plan for the year plus approved additions made over the course of the year to accommodate additional buy-ins or tasks.

As of September 30, 2020, FAST has invoiced and accrued \$642,596. This represents 13% of total obligated funds or 3% of total project value.

Table 5: Planned and executed expenditures by budget line for FY2020

	Planned budget	Invoiced	Accrued	Total Expended
Personnel	310,409	190,484	0	190,484
Consultants	316,400	107,011	66,029	173,040
Fringe	112,299	69,680	0	69,680
Travel	150,471	8,260	0	8,260
Supplies	13,580	9,501	0	9,501
Subcontractors	60,688	3,680	4,200	7,880
Training	20,560	0	0	0
Other Direct Costs	24,499	11,516	0	11,516
Total Direct Charges	1,008,907	400,131	0	470,360
Indirect Charges and fee	366,018	165,212	7,023	172,235
TOTAL	1,374,924	565,344	70,229	642,596

Table 6 presents expenditures according to tasks.

Table 6: Planned and executed expenditure according to task for FY2020

Task	Planned budget	Invoiced	Accrued	Total Expended
1. Core management and response to E3/TRR	265,687	316,410	2,200	318,610
2. Tax research study	59,011	23,247	0	23,247
3. DRM training facilitation	44,200	12,932	0	12,932
4. PFM for PES	591,817	89,410	4,510	93,920
5. PFM Sudan	116,329	51,618	18,927	70,545
6. Procurement Kyrgyzstan	101,821	52,737	17,403	70,140
7. Tax benchmarking Bangladesh	142,932	18,742	31,792	50,534
8. FSR tracker	53,127	248.39	2,420	2,668
TOTAL	1,374,924	565,344	77,252	642,596