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# SECOND ANNUAL WORKPLAN

Covering the period October 1, 2020 through September 30, 2021

## Fiscal Accountability and Sustainable Trade (FAST)



August 2020

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## Fiscal Accountability and Sustainable Trade (FAST)

Program title: Fiscal Accountability and Sustainable Trade

Sponsoring USAID office: The Bureau for Economic Growth, Education, and Environment's Offices of Economic Policy (E3/EP) and Trade and Regulatory Reform (E3/TRR)

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# Acronyms

ADVISE	USAID Data Services
CLTG	Civilian Led Transitional Government
COP	Chief of Party
COR	Contracting Officer Representative
CSIS	Center for Strategic and International Studies
CTD	Collecting Taxes Database
DCOP	Deputy Chief of Party
DRM	Domestic Resource Mobilization
DPP	Department of Public Procurement
E3	Bureau for Economic Growth, Education, and Environment
E3/EP	E3 Office of Economic Policy
E3/TRR	E3 Office of Trade and Regulatory Reform
EIU	The Economist Intelligence Unit
FAST	Fiscal Accountability and Sustainable Trade
FSR	Financing Self-Reliance
GSU	Georgia State University
IMF	International Monetary Fund
NBR	National Bureau of Revenue
PES	Payment for Ecosystem Services
PFM	Public Financial Management
PFM for PES	PFM for Payment for Ecosystem Services
TCB	Trade Capacity Building
USAID	United States Agency for International Development

## Second Annual Workplan

This annual workplan covers the period October 1, 2020 to September 30, 2021. It is a flexible workplan and new work will be added to FAST activities over the course of the year, as reflects the demand nature of the task order.

### **Project Purpose**

The Fiscal Accountability and Sustainable Trade (FAST) task order supports rapid, sustainable, and equitable economic growth in USAID-assisted countries by enabling USAID to bring a systems approach to addressing Public Financial Management (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 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 disadvantaged populations; c) host-country ability to recover from, prevent, and/or mitigate the impact of conflict, natural disasters, or fiscal crises; and, d) host-country institutional capacity to identify, design, advocate, and implement better economic policies to enhance inclusive growth and gender equity.

The FAST team provides the Bureau for Economic Growth, Education, and Environment (E3) with a dedicated core staff of experts, including gender-responsive technical experts who will provide on-call analysis and expertise on issues of PFM, trade, macroeconomic planning and policies, and other economic governance; rapidly mobilize experts to provide constructive short-term (primarily technical) assistance in PFM and trade to USAID missions and partner countries; serve as a training resource; and, serve as a communication resource.

### **Core Management**

The FAST project's core staff includes Chief of Party (COP), Mark Gallagher, Deputy Chief of Party (DCOP), Welmar Rosado, and Trade Advisor Kelly Gibbons. DevTech Systems, Inc. is the lead implementer of FAST, with contributions from Nathan Associates, Georgia State University, Abt Associates, and The Economist Intelligence Unit (EIU). The Center for Strategic and International Studies (CSIS) is a resource organization available to USAID.

Activities include preparing concept and budget notes, high-level scopes of work, work plans, quick responses to USAID's requests, and general administrative support. Similarly, part of the Core Management work is to prepare initial responses to USAID to conduct specific activities. This includes costing out and preparing high-level approaches to conduct specific tasks. DevTech staff may be helpful in coordinating meetings, taking notes, and other project support.

## Work Plan and Reporting

FAST will deliver three quarterly reports and one combined quarterly-annual report, per Table I. FAST will also be available for weekly phone reporting with the COR and others from USAID, as appropriate.

**Table I: Work Plan and Report Schedule**

Report	Due Date
Combined Annual and Quarterly report 1:4*	October 31, 2020
Quarterly report 2:1*	January 31, 2021
Quarterly report 2:2*	April 30, 2021
Quarterly report 2:3*	July 31, 2021
Combined Annual and Quarterly report 2:4*	October 31, 2021
Year Three Workplan	August 15, 2021
* deliverable	

This work plan anticipates authorized activities already in implementation, as of this writing, as well as likely upcoming work. Activities are under either part of “Component 1: Technical leadership, including strengthened understanding of leading practices and tools” or “Component 2: USAID Operating Unit and Partner Country Support.”

### Workstream I: Technical Leadership, including Strengthened Understanding of Leading Practices and Tools

FAST will carry out activities under this workstream to achieve the following technical leadership results:

- Improved analysis and design of USAID-assisted PFM, trade, macroeconomic planning and policies, and other economic governance activities, including USAID staff trained in the design and implementation of activities in PFM and trade;
- Enhanced ability of E3 Office of Economic Policy (E3/EP) and E3 Office of Trade and Regulatory Reform (E3/TRR) to monitor progress of USAID-assisted activities in the aforementioned areas and maintain a central repository of related information;
- Enhanced ability of E3/EP and E3/TRR to promote leading practices and tools in PFM, trade, macroeconomic planning and policies, and other economic governance issues to other USAID operating units, identify current trends in related assistance, and illuminate practical issues and obstacles facing USAID host countries;

- Enhanced availability and visibility of information about the successes of USAID programs in PFM, trade, macroeconomic planning and policies, and other economic governance; and,
- Strengthened ability of USAID staff across USAID operating units to undertake cost-benefit analysis of existing or future activities, including in PFM, trade, and other sectors.

### **On-Demand Technical Support**

FAST provides quick turnaround, on-demand assistance to USAID for a variety of matters. Due to the on-demand nature of this task, it is not possible to incorporate all activities into the Annual Workplan. However, in an illustrative manner, we enumerate examples of activities implemented under this task during the first year of implementation of FAST.

During the first year of implementation, FAST experts:

- Reviewed statistical anomalies arising from how the Collecting Taxes Database (CTD).
- Provided technical input and review to the CTD Team. FAST expects to continue providing support to the USAID/Data services team during this workplan year.
- Prepared “Tax System from 30,000 Feet” reports.
- Participated in meetings with USAID and other stakeholders.
- Provided USAID/W, Missions, and other operating units with a toolkit to better understand the economic, financial, and social impacts of COVID-19, and delivered a webinar on the topic to USAID’s Economic Growth Sector Council.

Work in progress or anticipated at the time of this writing include: core management; tracking Financing Self-Reliance (FSR) activities; supporting the Collecting Taxes Database effort; and DRM/PFM training.

### **Core Management**

*Purpose:* Overall FAST leadership and management.

*Timeframe:* October 2020 – September 2021.

*Description:* Activities include preparing concept and budget notes, high-level scopes of work, work plans, quick responses to USAID’s requests, and general administrative support. Similarly, part of the Core Management work is to prepare initial responses to USAID to conduct specific activities. This includes costing out and preparing high-level approaches to conduct specific activities, working with USAID officers to refine scopes and develop plans, and assign staff.

Core management is also responsible for preparing overall FAST planning and reporting, overseeing finances and processes, and communicating and coordinating with USAID and others, as appropriate.



### **Financing Self-Reliance Tracker**

*Purpose:* Update, expand, and revise the existing E3/EP project tracker to account for all USAID activities supporting the Agency's FSR initiative.

*Timeframe:* October 2020 to November 2020.

*Description:* FAST will refine and update the information in the current FSR tracker to aggregate recurring reporting and lessons learned from the implementation of activities that contribute to FSR. FAST will bring the FSR tracker with full information as well as develop a repository of supporting documents. Activity began in August 2020.

### **Collecting Taxes Database**

*Purpose:* Provide guidance and other input to the USAID ADVISE contract team preparing the CTD. Target date for CTD production this year is November 2020.

*Timeframe:* October 2020 – December 2020.

*Description:* Review and advise on data collection and interpretation of indicators, check consistency and concepts, as well as analysis of issues related to the use and interpretation of CTD indicators.

### **DRM and PFM Training**

*Purpose:* Support training 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.

*Timeframe:* Tentatively planned for November 2020 and March 2021.

*Description:* E3/EP may offer its flagship domestic resource mobilization (DRM) course two times (this may change) during the project year. FAST will provide support for these trainings, as required, such as providing an expert or trainer to facilitate course delivery. This workplan anticipates two overseas trainings.

## **Workstream 2: USAID Operating Unit and Partner Country Support**

FAST provides, at the initiative of E3 or the request of USAID field missions or other operating units, specialized or rapid in-field support as to give missions access to state-of-the-art services and to take advantage of the technical oversight and leadership that E3 can offer. Support will be in technical subject areas, such as PFM, DRM, trade macroeconomic planning and policies, and other economic governance issues; and may include current situation analysis, reform recommendation, and implementation. Support may be provided to USAID missions or to host-country counterparts.

There are three ongoing activities that will continue during FY2021: Public Financial Management for Payment for Ecosystem Services (PFM for PES); Increasing Government Transparency and Accountability in Sudan (PFM Sudan); and, Effective Public procurement for Kyrgyzstani Taxpayers (Procurement Kyrgyzstan).

## **PFM for Payment for Ecosystem Services (PFM for PES)**

*Purpose:* Assess and assist payment for ecosystem services (PES) programs from a public financial management lens to strengthen their effectiveness, efficiency, equitability, and transparency in the use of funds.

*Timeframe:* October 2019 to September 2021.

*Description:* PES matches beneficiaries of ecosystem services with stewards of those ecosystems by charging the beneficiaries and rewarding the stewards for good natural resource management. The success of a PES depends on its effectiveness, efficiency, equitability, and transparency in its design and operation. Assessments of the perceptions of participants and observers of a PES can inform operational improvements, public outreach efforts, and sharing of lessons learned with others. Application of the principles of good PFM to the design and operations of PES programs will help protect the long-term legitimacy and success of PES programs. If PES programs are well designed, operated, and monitored, they can create incentives for ecologically responsible behavior and mobilize new sources of financing for biodiversity conservation, climate adaptation, and sustainable landscapes.

The objectives of this task are to

- (1) Assess the design, capacity, systems, and operations of existing PES or other payment-for-performance programs in designated countries against principles of good PFM.
- (2) Provide recommendations and technical assistance to improve processes related to collection of fees and administration and allocation of revenues from existing PES programs.
- (3) Assess the extent to which the assessed PES activities are perceived as equitable, effective, and efficient by participants and other stakeholders.
- (4) Provide country-specific and global lessons learned and recommendations for the design, operation, monitoring, and evaluation of future PES activities.

FAST team includes international experts, working remotely due to COVID-19 restrictions, and local experts in the Philippines, Dominican Republic, and Peru. At this time, it is expected that there will be the need to provide ongoing assistance to the Dominican Republic and Peru. Table 2 provides an estimated schedule for the PFM for PES activities.

**Table 2 PFM for PES, Timeframe**

Activity	Dates (including prior to FY2021)
Dominican Republic Assessment	July – November 2020*
Peru Assessment	September – February 2021*
Philippines Assessment	March – August 2021*
Other overall supporting activities, such as blog and responding to queries, preparation of literature review and development of document repository	August 2020 – September 2021*
Final report on activities	September 2021*
* Deliverable	

## PFM Sudan

*Purpose:* Independent and objective assessment of the context and rationale for USAID assistance to the Civilian Led Transitional Government (CLTG) in Sudan to enhance domestic revenue mobilization (DRM) and budget formulation and to provide a menu of options for USAID programming in these areas. The results of this effort will provide USAID a foundation for informed decision making related to investing in Sudan to support DRM and/or improved budget formulation.

*Timeframe:* October 2020 to October 2021. Initiated June 2020.

*Description:* The FAST team will address two multi-part questions:

**Question 1:** What is the strategic case for USAID intervention in the DRM space, and what are the options for engagement?

**Question 2:** What is the strategic case for USAID intervention in the government budgeting space, and what are the options for engagement?

FAST will deliver a final report that will include responses to both questions and all sub-questions. In addressing these question and sub-questions, FAST will consider the role of the tax system in the promotion of inclusive economic growth, employment creation, fiscal sustainability, and democratic accountability. The answers will also consider the best practices in taxation, budget planning and formulation, key stakeholder perspectives, and the feasibility, scope, and sequencing of implementation. The answers will identify short-, medium-, and longer-term intervention options.

FAST team includes international experts and one expert in Sudan. The team is conducting the work remotely as conditions do not allow for international travel. The team has conducted a “tax system from 30,000 feet analysis” based on CTD; gathered available international agency documents from documentation as well as other documentation; collected and translated various laws and other documents from Sudan; held teleconferences with World Bank and IMF officers, and with USAID staff, both in Washington and in Khartoum; and will conduct teleconferences with Government of Sudan counterparts as well as private sector actors.

### **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 where needed to improve transparency and reduce corruption.

*Timeframe:* October 2020 – September 2022. Initiated June 2020.

*Description:* The FAST team works with the Ministry of Finance’s Department for Public Procurement (DPP), State Committee on Information Technology, and other media and civil society groups. Significant portions of the activity will be related to digitalization of public procurements to increase transparency, reduce corruption, and enable civic oversight and participation at the budget planning and execution process. FAST will locate two long-term local advisors in office space provided by DPP.

FAST has initiated preliminary work being carried out by international experts working remotely along with local experts. The task will be executed with intermittent international and local experts as well as two long-term resident staff located in the DPP.

FAST supports the DPP through trainings and communications support to help raise knowledge and awareness of procurement regulatory framework, rules, and regulations. Table 3 lays out the planned trainings and workshops. In some instances, DPP employees may be the trainers or presenters, with support from FAST. FAST will 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 3 Trainings and Workshops in Kyrgyzstan**

	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

### **Bangladesh Tax System Modernization Assessment**

*Purpose:* The purpose of the USAID/Bangladesh tax system modernization assessment activity is to identify opportunities to support Bangladesh in FSR through improved DRM.

*Timeframe:* October 2020 to December 2020. Work initiated in prior fiscal year.

*Description:* FAST will conduct a tax benchmarking activity that reviews revenue performance, tax administration organization, processes, resources, and identifies opportunities for improvement as well as indicators for reform and modernization. The assessment will identify areas where USAID might provide follow-on assistance. Identified interventions will focus on strengthening be with the National Bureau of Revenue (NBR), which includes both domestic revenues and customs. This will obviate the need to assess DRM opportunities with other line ministries and this will also afford the assessors the opportunity to understand with greater certainty the extent of potential cooperation with the NBR. Nevertheless, any potential tax intervention might have on secondary development impacts will be highlighted by the assessment.

The assessment will be conducted by international experts working remotely with local advisors working in Bangladesh.

### **Responding to COVID-19**

COVID-19 has had a major impact on economies and societies around the world. FAST has responded to COVID-19 in two ways. First by developing a three-part set of analytical tools to assess the likely immediate impact of COVID-19 on economies, jobs, and poverty around the world. This contribution is more fully discussed above in the “On Demand” section.

Second by developing alternative means to carry out FAST activities that would under other circumstances require travel overseas and interactions with counterparts and other stakeholders. To overcome these obstacles the FAST team has developed protocols for the use of a variety of technologies, including three major teleconference tools of MS Teams, Zoom, and Google Meet, depending on the capabilities of partners

and the particular situations. Among these protocols is that for each cyber-meeting or teleconference we will assign a staff member to keep meeting notes, to enable full attention of the participants. For FAST PFM for PES work in the Dominican Republic, the team is developing survey type questionnaires, whereas for other work, such as for Bangladesh the assessment team will develop structured interview notes. These questionnaires or structured interview notes will be sent to interlocutors before meetings to better facilitate the conversations and ensure that nuances are captured in cyber meetings.

FAST has conducted investigation into effective means to conduct remote consultation under very trying circumstances and has gathered experience of others, in particular from DevTech projects taking place in various countries. FAST will establish modalities, such as providing key informants with skype credits to ensure they can actively participate in interviews. FAST has investigated the use of the teleconferencing platforms to hold longer conferences or to put on trainings and is able to provide training remotely and can use methods that are being deployed on other projects.

Our approach will also evolve in that the local consultants, such as in Dominican Republic, Sudan, and Bangladesh will need to work more independently than under normal circumstances. At the same time this places greater stress on the international experts and FAST management to ensure coordination, common message, understanding, and task supervision.