



USAID
FROM THE AMERICAN PEOPLE

FIRST ANNUAL WORKPLAN

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

Fiscal Accountability and Sustainable Trade (FAST)



(Government of Lao PDR Officers Building a Medium-Term Fiscal Framework)

November 2019

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.

FIRST ANNUAL WORKPLAN

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

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)
COR: Theresa Stattel
Contract No. 7200AA18D00010 Task No. 7200AA19F00015
Contractor: DevTech Systems, Inc.
Date of submission: November 2019

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

Acronyms	iv
Project Purpose	1
Core Management and On-Demand Assistance	1
Core Management	1
On-Demand Technical Support	2
Work Plan and Reporting	2
Workstreams	3
Workstream 1: Technical leadership, including strengthened understanding of leading practices and tools	3
Workstream 2: USAID Operating Unit and Partner Country Support	4

Acronyms

ADVISE	USAID Data Services
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
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
GSU	Georgia State University
MERP	Middle East Regional Platform
MTFF	Medium-Term Fiscal Framework
PES	Payment for Ecosystem Services
PFM	Public Financial Management
PFM4PES	PFM for Payment for Ecosystem Services
SOW	Scope of Work
TCB	Trade Capacity Building
USAID	United States Agency for International Development

First Annual Workplan

This annual workplan covers the period October 1, 2019 to September 30, 2020. 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 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/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.

Although all work under the FAST task order is demand driven, i.e., as requested by USAID and approved by the COR, the FAST team provides 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 and On-Demand Assistance

The FAST project's core staff includes Chief of Party (COP), Mark Gallagher, and Deputy Chief of Party (DCOP), Welmar Rosado. DevTech Systems, Inc. is the lead implementer of FAST, with contributions from partners Nathan Associates, Georgia State University, and Abt Associates. The Economist Intelligence Unit (EIU) and the Center for Strategic and International Studies (CSIS) are resource organizations that are ready to provide services as may be required.

Core Management

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.

On-Demand Technical Support

USAID can call on DevTech leadership management (COP and DCOP) as well as DevTech (project management support), as well as technical advisory assistance from FAST partners, Nathan Associates, Georgia State University, and Abt Associates.

In order to support E3 requirements, FAST will respond to quick turnaround advisory tasks to respond to emerging issues. We anticipate four activities per quarter with approximately ten to twenty days level of effort. FAST provides quick turnaround, on-demand assistance to USAID for a variety of matters. Currently (at this writing), such assistance includes:

- FAST has drawn on advisory assistance from Georgia State University in the review of methodology developed under the earlier fiscal task order (LPFM II) in the calculation of the “tax effort” indicator. Professor Andrey Timofeev is providing a write up which the USAID/Advise Collecting Taxes Database team will incorporate into the technical notes they are preparing.
- FAST COP is providing oversight and guidance to the technical staff of the USAID-ADVISE team who are working on updating the collecting taxes database.

Timeframe: October 1, 2019 to September 30, 2020.

Work Plan and Reporting

FAST will provide the COR with three quarterly reports and one combined quarterly-annual report each project year, per the following schedule. FAST will also be available for weekly phone reporting with the COR, but this will be limited to COR’s needs and to the amount of activities being implemented.

Table 1: Work Plan and Report Schedule

Report	Due Date
First Year Workplan	November 30, 2019
Quarterly report 1:1*	December 31, 2019
Quarterly report 1:2*	March 31, 2020
Quarterly report 1:3*	June 30, 2020
Combined Annual and Quarterly report 1:4*	September 30, 2020
Year Two Workplan	August 15, 2020
* deliverable	

Workstreams

All work carried out under this task order will be based on specific tasks that are within the scope of the task order and are approved by the COR. This document presents these specific planned or already authorized tasks, as of this writing, as well as planned tasks that are in preparation. Tasks are included 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 may be called upon to design and conduct activities under this workstream to achieve technical leadership results as described below:

- 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/EP and 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.

The first two tasks under this workstream are to conduct a research project and to provide DRM training. These are each discussed below.

Revenue Performance and Tax Administration – an empirical analysis

This research project is an empirical investigation into the relationship between the main characteristics of a tax administration and revenue performance. The results of this project can be used to project the likely impact of tax administration changes or reforms on tax collections in countries throughout the world.

This research will include statistical analysis using the USAID Collecting Taxes Database (CTD) to assess the contributions of various tax administration characteristics to the productivity of the personal and corporate income taxes and to VAT, as well as the overall administrative cost efficiency of the tax system, i.e., cost of tax administration to collect \$100 in revenue.

This will build upon work Gallagher initiated in 2006 as the CTD was just being developed. Now that CTD has been fully developed and in operation for ten years, this is a good opportunity to gain knowledge from this database that USAID has been financing. USAID is the unique provider of this database and this new study can help to showcase USAID’s long-term commitment.

The work will be conducted in the following stages.

1. Compile data into single database (Excel and econometric package)
2. Conduct analyses
 At this stage we will assess the usefulness of the exercise and make a recommendation as to whether to proceed to completion.
3. Prepare report. FAST will work with the COR on dissemination of the report or results.

The following is the timeframe for this research project.

Table 2 Tax Administration and Revenue Performance, Timeframe

Activity	Dates
Data compilation and cleaning	December 1, 2019 – January 31, 2020
Data analysis and assessment	January 2 – 31, 2020*
Report preparation, review, delivery	February 1 – April 1, 2020*
* Deliverable	

Domestic Resource Mobilization Training

FAST will support USAID EP3 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.

The Bureau for Economic Growth, Education, and Environment (E3)’s Office of Economic Policy may offer its flagship domestic resource mobilization (DRM) course two times (this may change) during the project year. At present, one of these trainings is planned for April 20-24, 2020 at the USAID Middle East Regional Platform (MERP), U.S. Consulate, Frankfurt, Germany. Other trainings may also require support.

FAST will provide support for these trainings, as required, such as providing an expert to facilitate course delivery.

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, so 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.

At this writing, only the following operating unit task is in process.

PFM for Payment for Ecosystem Services (PFM4PES)

The purpose of this task is to 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. PES involves 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 public financial management (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 payment for ecosystem (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.

Field work will be conducted 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 I provides an estimated schedule for the PFM4PES activities.

Table 3 PFM4PES, Timeframe

Activity	Dates
Preparation, responses and planning	November – December 2019
Conduct Philippines Assessment	January – March 2020*
Conduct Peru Assessment	April – June 2020*
Conduct Dominican Republic Assessment	July – September 2020*
Other overall supporting activities, such as blog and responding to queries	January – September 2020*
Final report on activities	September 2020*
* Deliverable	

The team conducting the PFM for PES activity include Greg Michaels, Team Leader, Welmar Rosado, PFM Advisor, a local consultant in each country, and Mark Gallagher. Michaels and Rosado will conduct the field visits in The Philippines, Dominican Republic, and Peru, while a local consultant will provide support in each country. Mark Gallagher, COP, will oversee all activities and ensure quality deliverables. Field work is likely to be extended beyond the assessments to also include technical assistance in implementation.