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SURINAME

PROGRAM FOR THE MODERNIZATION OF THE SURINAMESE TAX ADMINISTRATION

(SU-T1028)

PLAN OF OPERATIONS

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BASIC SOCIOECONOMIC DATA

For basic socioeconomic data, including public debt information, please refer to the following address:

<http://www.iadb.org/RES/index.cfm?fuseaction=externallinks.countrydata>

INFORMATION AVAILABLE IN THE FILES OF RE3/SC3

PREPARATION:

IDB/CARTAC 2004 - Assessment on tax administration, tax policy and customs operations.

ABBREVIATIONS

| | |
|--------|--|
| GOS | Government of Suriname |
| CARTAC | Caribbean Regional Technical Assistance Center |
| FSO | Fund for Special Operations |
| IDB | Inter-American Development Bank |
| IMF | International Monetary Fund |
| MOF | Ministry of Finance |
| OTA | Office of Tax Administration |
| PPU | Project Preparation Unit |
| RA | Revenue Authority |
| TC | Technical Cooperation |
| TORs | Terms of Reference |

PROGRAM FOR THE MODERNIZATION OF THE SURINAMESE TAX ADMINISTRATION

(SU-T1028)

I. EXECUTIVE SUMMARY

| | | | |
|---|---|------|-----------|
| Beneficiary: | Government of Suriname (GOS) | | |
| Executing agency: | Ministry of Finance (MOF) | | |
| Target Beneficiaries: | The project will benefit the GOS in the clarification of the key aspects necessary for the preparation of a tax administration modernization program (SU-L1003). | | |
| Financing: | IDB: Fund for Special Operations (FSO) | US\$ | 150,000 |
| | Co-financing: | US\$ | 0 |
| | Local: | US\$ | 0 |
| | Total: | US\$ | 150,000 |
| Objectives: | The ultimate objective of this operation is to support the GOS in the preparation and design of the sector facility SU-L1003 (Modernization of the Tax Administration System) by identifying the key elements necessary for the transition of the current Office of Tax Administration (OTA) into a new semi-autonomous organization and by setting up a project preparation unit to help on the identification of the aforementioned elements. | | |
| Execution and disbursement periods: | Execution: | | 12 months |
| | Disbursement: | | 15 months |
| Special contractual conditions | None | | |
| Exceptions to Bank Policies and Procedures | None | | |
| Environmental and social review: | The Technical Cooperation Plan of Operations was reviewed and approved by SDS and LEG on October 4, 2006. All recommendations made by LEG were included in the document. | | |
| Coordination with Other Donors: | The development of this technical cooperation was carried out in close coordination with the International Monetary Fund (IMF). The assessment on tax policy, tax administration, and customs operations was prepared in coordination with the Caribbean Regional Technical Assistance Center (CARTAC). | | |

II. BACKGROUND AND JUSTIFICATION

A. Finding the appropriate tax administration transition strategy for Suriname

- 2.1 The GOS and the Inter-American Development Bank (IDB) are currently in the identification phase for the preparation of a program for the Modernization of the Tax Administration System (SU-L1003). The objective of that program is to improve the performance, transparency, and compliance of the Surinamese tax administration system, by establishing a new tax department supported by an adequate legal framework, with a strengthened institutional capacity, utilizing modern processes and procedures, and with an appropriate physical and technological infrastructure.
- 2.2 In April 2005, at the request of the GOS, a joint IDB/CARTAC mission visited Paramaribo for two weeks and prepared a comprehensive assessment on tax policy, tax administration, and customs operations. It recommended the creation of a small revenue authority (RA) with approximately 30 employees to carry out the administration of large taxpayers. This was seen as an intermediate solution for the establishment of a full RA for tax and customs operations. The presidential and parliamentary elections of May 2005 and the formation and establishment of the current government took almost the remainder of the year 2005.
- 2.3 In December 2005, the IDB and the GOS agreed that would be important to know other countries' experiences in this field prior to making a decision about which strategy to be adopted for Suriname. With the knowledge that Jamaica had recently modernized its tax administration system, it was agreed that a joint mission should visit Jamaica, to evaluate its modernization process, and whether it could be carried out in Suriname. As a result of this mission, which took place in April 2006, the IDB, jointly with the GOS, prepared a strategy document outlining the most relevant aspects required for the transformation of the existing Office of Tax Administration (OTA) into a semi-autonomous Tax Department including Customs, within the existing civil service structure, similar to the Jamaican model.
- 2.4 Based on the aforementioned strategy document, in July 2006, the IDB prepared a draft project profile, with the key aspects relevant for the establishment of a semi-autonomous Tax Department, which was preliminarily reviewed and agreed upon by the GOS. At the same time, the GOS requested that the IDB develop the key aspects in more detail prior to carrying out any other activities. The key aspects are divided into two categories: (i) change management and (ii) technical aspects. In order to develop these aspects in more detail, the Bank and the GOS agreed to hire two short-term consultants to develop the key aspects of a road map for transition.

B. Local expertise for project preparation

- 2.5 The aforementioned assessment carried out in April 2005 by IDB and CARTAC interviewed all key personnel from the tax administration and customs operations involved in the process including all its senior and mid-level management. The mission also interviewed the Dutch consultants, who were providing technical assistance to the OTA and to Customs. In addition, the mission met with the representatives from the unions and some private sector key stakeholders.
- 2.6 In order to be able to continue the process for the preparation of the sector facility, the IDB and the GOS agreed on the need to establish a project preparation unit (PPU) within the Ministry of Finance, with the appropriate expertise and experience to manage this complex process, for the duration of the preparation phase. This unit would be comprised of a coordinator, an expert in tax administration and customs operations with a strong legal background, and an expert in organization management expert with a strong human resources background. The PPU would work closely with the two consultants to be contracted for the preparation of the key aspects of a road map for transition and would report directly to the Minister of Finance.

C. Linkage to the Bank's country strategy

- 2.7 The Bank strategy with Suriname, approved in March 2000 (as well as the strategy update approved in June 2005), does not include as one of its specific objectives, strengthening of the country's tax system. However, the Policy Dialogue paper, prepared by the IDB, which was discussed and agreed upon with the GOS, includes a comprehensive section entitled "Improving tax collections", (paragraph 4.10), which completely aligns this operation with the future Bank Country Strategy. More specifically, the document mentions the SU-L1003 project as one of the pillars for obtaining expected results.
- 2.8 The current Bank strategy for Modernization of the State (OP-1004) updated in 2000, in the section areas for Bank actions, public management, identifies the strengthening of the fiscal capacity of the state in order to improve efficiency as an area for Bank action. This technical cooperation insofar as it facilitates the transition to the establishment of the new tax administration department, responds to this area.

D. Coordination with other donors

- 2.9 This TC was prepared in close coordination with the International Monetary Fund (IMF). In this regard, the IMF will provide technical assistance to develop the legal aspects for the road map for transition, identifying and recommending solutions in how to best address the legal issues regarding the establishment of the new tax department, in addition to those legal issues related to the current tax and customs legislation

III. PROGRAM DESCRIPTION

A. Program goal and purpose

- 3.1 The ultimate objective of this operation is to support the GOS in the preparation and design of the sector facility SU-L1003 (Modernization of the Tax Administration System) by identifying the key elements necessary for the transition of the current Office of Tax Administration (OTA) into a new semi-autonomous organization and by setting up a project preparation unit to help on the identification of the aforementioned elements.

B. Components

- 3.2 To achieve the proposed goals, the resources of the technical cooperation will finance the hiring of consulting services to perform the following activities:

1. Key aspects of road map for transition preparation (US\$36,000)

- 3.3 The objective of this component is to prepare detailed road map, in order to facilitate the transition from the existing OTA to a new Tax Administration Department taking into consideration the following key aspects: (i) **change management**, including human resources policy and transition, financial sustainability, training programs, union relations, communication strategy, and risk assessments; and (ii) **technical aspects**, comprising legal framework, tax administration operational and structural model, physical and technological infrastructure, contingency plan, and institutional memory maintenance.
- 3.4 In order to achieve these goals, two consultants, one international and one local, will be hired for 30 non-consecutive days to develop the change management and technical concepts corresponding to key aspects. The attached terms of reference (TORs) describe the consultants' responsibilities and deliverables.

2. Establishment of the Project Preparation Unit (PPU) (US\$114,000)

- 3.5 The objective of this component is to support the establishment of a PPU under the direct supervision of the Minister of Finance to work for the GOS for the preparation of the SU-L1003 project. Under this component, three consultants will be hired for the duration of the project preparation, which is estimated to last up to 12 months. The PPU will be comprised of one coordinator, one tax and customs administration expert (preferable a lawyer), and one organization management expert. The attached TORs describe the functions of these consultants (Annex I).

IV. COST AND FINANCING

A. Summary cost table and sources of financing

- 4.1 The cost of this technical cooperation is US\$150,000, of which 100% is to be financed by the Bank on a non-reimbursable basis from the net income of the Fund for Special Operations (FSO) as per the following cost table. The GOS will provide logistical and material support necessary for the establishment and for the day-to-day functioning of the PPU. Annex III provides a detailed list of the activities to be carried out by the PPU during the project preparation period.

**Table IV-1 Cost table
(Thousands of US\$)**

| Category | | FSO | Local | Total |
|----------|---|------------|----------|------------|
| 1 | Key aspects of road map for transition preparation | 36 | 0 | 36 |
| 1.1 | International tax administration expert - 30 days | 17 | 0 | 17 |
| 1.2 | Trips and 17 per diems | 7 | 0 | 7 |
| 1.3 | Local change management expert - 30 days | 12 | 0 | 12 |
| 2 | Establishment of the project preparation unit | 114 | 0 | 114 |
| 2.1 | Coordinator - 12 months | 48 | 0 | 48 |
| 2.2 | Tax and customs expert - 12 months | 36 | 0 | 36 |
| 2.3 | Organization management expert - 12 months | 30 | 0 | 30 |
| | TOTAL | 150 | 0 | 150 |

V. EXECUTING AGENCY AND MECHANISM

A. Executing Agency

- 5.1 The executing agency will be the Ministry of Finance (MOF) of Suriname.

B. Executing mechanism

- 5.2 For purposes of the preparation of the SU-L1003 project, a PPU will be created within the Ministry of Finance under the direct supervision of the Minister, who will be the Bank's counterpart. The PPU will be headed by a Coordinator who will be responsible for day-to-day program management and technical leadership, and will serve as the focal point for communication between the executing agency, the Bank, and other participating public sector bodies. The PPU Coordinator will be supported by a tax and customs administration expert to help with the preparation of the individual program activities related to the technical aspects, and a organization management expert whose duties will include all activities regarding the institutional aspect issues and assist in the change management aspects of the project preparation. All the PPU personnel will be required to work on a fulltime basis, exclusively on this project.

- 5.3 The PPU will be responsible for: (i) management of the two consultants to be hired in component 2; and (ii) the compliance with contractual conditions including the required reporting and products approval. In addition, the PPU will serve as liaison for the IDB project team in all aspects related to the preparation of the SU-L1003 project. The PPU will prepare monthly reports, which contents are described in the monitoring and evaluation section of this document (see par. 6.1 and 6.2)

C. Execution period and disbursement schedule

- 5.4 The execution period will be 12 months and the disbursement period will be 15 months, from the approval date of the Plan of Operations.

D. Procurement

- 5.5 Consultancy services financed by this technical cooperation will be targeted to support the MOF, as well as to give assistance to the Bank project team, for the preparation of all documents needed for the approval of the project SU-L1003, including Project Profile, Project Report, First Year Annual Operating Plan, Operations Manual, and Procurement Plan. Selection and contracting of consultants will be carried out following the policy set out in document GN-2350-7 ("Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank") of July 2006.
- 5.6 The selection and contracting of all the PPU personnel, as well as the consultants who will develop the aspects of the road map for transition, will be carried out according to the IDB procurement rules and procedures. For this purpose, at least three Curriculum Vitae will be required for each position. The Ministry of Finance, through the PPU, will be responsible for carrying out project procurements in regard to selection of consultants and authorization of payments with the non-objection of the Bank. The Bank will be responsible for contracting and disbursements, and will conduct ex-ante reviews of procurements prior to each selection process. The members of the PPU will receive remuneration compatible with the rates customarily used by the Bank in Suriname; however, a performance bonus will be available once these members accomplish the targets established in their TORs. Corresponding funds have been included as part of the remuneration of the PPU personnel.

VI. MONITORING AND EVALUATION

A. Monitoring and evaluation

- 6.1 Due to the small scope of this Technical Cooperation (TC), the project team opted to use the TORs of the consultants as the mechanism to monitor the progress of this operation. For this purpose, all TORs will include specific products, with

specific targets, to be delivered in order to facilitate the aforementioned monitoring.

- 6.2 A simple evaluation system will be put in place in order to monitor and evaluate the activities to be carried out in this operation. This system will be comprised of a spreadsheet with a list of activities to be carried out by the consultants, grouped by components and broken down by products. Each activity will have a target date in order to ensure the compliance of the task, in addition to its respective responsibility. The PPU will prepare monthly progress reports and will send them to the MOF and the IDB, within the first week following the end of each month.

B. Technical and basic responsibility

- 6.3 Technical and basic responsibility: State and Civil Society Programs Division 3 and Country Office in Suriname respectively.

VII. PROGRAM BENEFITS AND RISKS

A. Program benefits and developmental impact

- 7.1 The main benefit of this TC is to provide expertise to identify the key aspects that could contribute to the achievement of the objectives of the SU-L1003 program, and at the same time to provide possible alternatives on how to best address the aforementioned aspects.

B. Target Beneficiaries

- 7.2 The project will benefit the GOS in clarifying the main key aspects necessary for the preparation of the SU-L1003 program.

C. Risks

- 7.3 The main risk associated with this TC is the possible difficulty in hiring local experts to carry out the activities of this operation. To mitigate this risk, in order to attract qualified personnel, the financing resources allocated for the remuneration of the consultants were based on competitive rates in the local market.
- 7.4 A second risk related to this operation is the possibility of lack of cooperation from the organizations involved in the process in providing the required information necessary for the completion of this operation. To minimize this risk, the PPU will be established under the MOF, thus giving it the appropriate level of authority to request the necessary information from the aforementioned organizations, which are also under the authority of the same Ministry. Furthermore, the PPU will seek the involvement of these organizations in the preparation of the project, starting with a logical framework seminar including all stakeholders involved in the process.

- 7.5 The final risk is the possibility of delays in the execution of this operation. In order to diminish this possibility, a detailed list of activities including a realistic timetable was developed, to guide and facilitate project execution. In addition, a monitoring and evaluation system based on product delivery, according to the aforementioned activities list, will be implemented and it will provide monthly reports on the progress of the activities to be carried out.

VIII. ENVIRONMENTAL AND SOCIAL REVIEW

A. Measures taken to avoid negative social and environmental impacts

- 8.1 It is not anticipated that the activities to be financed in this program will have negative direct social or environmental effects.

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TERMS OF REFERENCE

Project Preparation Unit Coordinator

I. BACKGROUND

- 1.1 The Government of Suriname (GOS) and the Inter-American Development Bank (IDB) are currently in the identification phase for the preparation of a program for the Modernization of the Tax Administration System (SU-L1003). The objective of that program is to improve the performance, transparency, and compliance of the Surinamese tax administration system, by establishing a new tax department supported by an adequate legal framework, with a strengthened institutional capacity, utilizing modern processes and procedures, and with an appropriate physical and technological infrastructure.
- 1.2 The assessment carried out in April 2005 by IDB and CARTAC interviewed all key personnel from the tax administration and customs operations involved in the process including all its senior and mid-level management. The mission also interviewed the Dutch consultants, who were providing technical assistance to the Office of Tax Administration (OTA) and to Customs. In addition, the mission met with the representatives from the unions and some private sector key stakeholders.
- 1.3 The IDB and the GOS agreed on the need to establish a project preparation unit (PPU) within the Ministry of Finance, with the appropriate expertise and experience to manage this complex process, for the duration of the preparation phase. This unit would be comprised of a coordinator, an expert in tax administration and customs operations, and an expert in organization management. The PPU would work closely with the two consultants to be contracted for the preparation of the key aspects of a road map for transition and would report directly to the Minister of Finance, who will be the Bank's counterpart.

II. GOALS AND RESPONSABILITIES

- 2.1 The objective of this consultancy is to support the GOS in the preparation and design of the sector facility SU-L1003 (Modernization of the Tax Administration System) by identifying the key elements necessary for the transition of the current OTA into a new semi-autonomous organization and by setting up a PPU to help on the identification of the aforementioned elements
- 2.2 The Coordinator will be responsible for the day-to-day program management and technical leadership, and will serve as the focal point for communications between the PPU, the IDB, and other participating public sector bodies. The Coordinator will be supported by a tax and customs expert to help with the preparation of the individual program activities related to the technical aspects, and an organization management expert to help with activities regarding the human resources

management issues, as well as the change management aspects of the project preparation. All the PPU personnel will be required to work on a fulltime basis, exclusively on this project.

2.3 In addition, the coordinator will be responsible for the following duties:

- Coordinate and facilitate the work of short-term technical experts engaged in the preparation project ensuring they have necessary access to senior government officials and tax and customs administration management and staff.
- Provide international experts with clear direction regarding local circumstances and needs that aimed to focus their work.
- Provide timely feedback on plans and proposals listed by international experts to ensure they are relevant to the Suriname environment.
- Ensure comprehensive communications strategy and appropriate communications materials are developed for internal and external stakeholders.
- Oversee the activities of the other preparation team members (tax and customs, and organization management experts).

III. CHARACTERISTICS

- 3.1 Type: Individual local consultant.
- 3.2 Duration: This consultancy will be for a total of 12 months, starting on October 1, 2006, and ending on October 1, 2007.
- 3.3 Place of Work: Paramaribo, Suriname.
- 3.4 Qualifications: University degree in business administration or related subjects; specialized courses in projects and government control; ten-year experience in public or private administration; five-year experience in project management, including procurement activities with international funding; and English and Dutch speaking (Dutch is desirable but not mandatory).

IV. COMPETENCIES

- 4.1 *Professional background:* Expert knowledge in the field of administration, including public sector management experience. In particular, proven ability to produce reports and papers on policy issues, and ability to review and edit the work of others.
- 4.2 *Planning and organizing:* Proven ability to plan and organize work, requiring an in-depth understanding of its strategic direction.
- 4.3 *Communication:* Excellent drafting ability and communication skills, both oral and written; ability to defend and explain difficult issues with respect to key decisions and positions to staff, senior officials and members of intergovernmental bodies; proven ability to communicate complex concepts orally; ability to prepare written reports that are clear, concise and meaningful.
- 4.4 *Teamwork:* Good interpersonal skills; demonstrated ability to work in a multicultural, multi-ethnic environment and to maintain effective working relations with people of different national and cultural backgrounds.

- 4.5 *Client orientation:* Ability to identify clients' needs and propose appropriate solutions as well as establish and maintain effective relationships with outside collaborators and other contacts.
- 4.6 *Vision:* Ability to identify strategic issues, opportunities, and risks; clearly communicate links between organization strategy and the Program's goals.
- 4.7 *Leadership:* Strong managerial/leadership skills; demonstrated flexibility in leadership for sensitive processes by performing and/or overseeing the analysis of complex human resources, financial or administrative management policy and Program issues; proven record of building and managing teams and creating an enabling environment, including the ability to effectively lead, supervise, mentor, develop and evaluate staff, and design training/skills enhancement initiatives to ensure effective transfer of knowledge/skills; negotiating skills.
- 4.8 *Judgment/Decision-making:* Mature judgment and initiative.
- 4.9 *Managing Performance:* Ability to establish priorities, and to plan, coordinate and monitor work of others; ability to facilitate consensus building, make timely decisions; and ability to coach, mentor, motivate and develop staff and encourage good performance.
- 4.10 *Building trust:* Reputation for dealing honestly and openly with issues and staff; recognized and highly respected by government, clients, peers and staff.

V. ACTIVITIES

- 5.1 The following activities will be carried out:
- Prepare the business plan for all activities to be carried out by the PPU and establish the monitoring and evaluation system (Annex III, Activity 1);
 - Organize and participate in the Logical Framework seminar (Act. 2);
 - Organize and participate in the Identification mission;
 - Support the Bank project team in the preparation of a preliminary action plan (Act. 4);
 - Coordinate and supervise, in consultation with the Ministry of Finance and tax and customs administration managers, the development of a transition plan to create a new department within the Ministry of Finance responsible for all tax administration activities. While this new department will be part of the civil service of Suriname, it is to have unique legal powers and authorities to deal with human resource management in regards to salaries, staffing, staff relations and discipline, and training needs (Act. 5);
 - Support the Bank project team in the preparation of the project profile document (Act. 6);
 - Coordinate the work for the preparation of the cost benefit analysis study (Act. 8);
 - Coordinate the development of a plan to mobilize political support and commitment of the highest authorities in Suriname (Act. 9);
 - Coordinate the development of the risk mitigation plan (Act. 10);
 - Coordinate the development of human resources transition plan (Act. 11);
 - Coordinate the development of the contingency plan (Act. 12);

- Organize and participate in the orientation mission;
- Participate in the preparation of a final project action plan (Act. 13);
- Participate in the preparation of the execution scheme (Act. 14);
- Participate in the preparation of the first year operating plan (Act. 15);
- Coordinate the preparation of the terms of reference for the first year operating plan (Act. 17);
- Coordinate the collection of the base line information for the logical framework document (Act. 18);
- Organize and participate in the Analysis mission;
- Support the Bank project team in the preparation of the project report, operating plan, operations manual, logical framework, and procurement plan documents and review and approve the aforementioned documents (Act. 22);
- Coordinate and participate in the negotiation process (Act 25); and
- Coordinate all activities related to the compliance with first disbursement conditions (Act. 29).

VI. REPORTS AND PRODUCTS

- 6.1 In order to monitor and evaluate the activities to be carried out in this operation, a simple monitoring and evaluation system will be put in place by the coordinator under the supervision of the Bank. This system will be comprised of a spreadsheet with a list of activities to be carried out by the consultants (including the coordinator), grouped by components and breakdown by products. Each activity will have a target date in order to ensure the compliance of the task, in addition to its respective responsibility. The Coordinator will prepare monthly progress reports and will send them to the MOF and the IDB.
- 6.2 In addition, the coordinator will present the following products:
- Business plan input for the monitoring and evaluation system;
 - Agenda for the logical framework seminar;
 - Preliminary action plan;
 - Transition plan (all aspects);
 - Cost benefit analysis study;
 - Plan to mobilize political support and commitment of the highest authorities;
 - Risk mitigation plan;
 - Human resources transition plan;
 - Contingency plan;
 - Terms of reference for the first year operating plan;
 - Base line information for the logical framework document; and
 - Compliance of the conditions for disbursement.
- 6.3 The payment schedule will be carried out on a monthly basis.

VII. COORDINATION

- 7.1 The consultancy will be carried out under the supervision of the Minister of Finance, through the PPU, in coordination with the IDB Country Office in Suriname and the State and Civil Society Programs Division 3 through the project team leader.

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TERMS OF REFERENCE

Project Preparation Unit Tax and Customs Expert

I. BACKGROUND

- 1.1 The Government of Suriname (GOS) and the Inter-American Development Bank (IDB) are currently in the identification phase for the preparation of a program for the Modernization of the Tax Administration System (SU-L1003). The objective of that program is to improve the performance, transparency, and compliance of the Surinamese tax administration system, by establishing a new tax department supported by an adequate legal framework, with a strengthened institutional capacity, utilizing modern processes and procedures, and with an appropriate physical and technological infrastructure.
- 1.2 The assessment carried out in April 2005 by IDB and CARTAC interviewed all key personnel from the tax administration and customs operations involved in the process including all its senior and mid-level management. The mission also interviewed the Dutch consultants, who were providing technical assistance to the Office of Tax Administration (OTA) and to Customs. In addition, the mission met with the representatives from the unions and some private sector key stakeholders.
- 1.3 The IDB and the GOS agreed on the need to establish a project preparation unit (PPU) within the Ministry of Finance, with the appropriate expertise and experience to manage this complex process, for the duration of the preparation phase. This unit would be comprised of a coordinator, an expert in tax administration and customs operations, and an expert in organization management. The PPU would work closely with the two consultants to be contracted for the preparation of the key aspects of a road map for transition and would report directly to the Minister of Finance, who will be the Bank's counterpart.

II. GOALS AND RESPONSABILITIES

- 2.1 The objective of this consultancy is to support the GOS in the preparation and design of the sector facility SU-L1003 (Modernization of the Tax Administration System) by establishing a transition project preparation unit and monitoring the development of a transition plan for the migration of the current OTA into a new semi-autonomous organization.
- 2.2 The consultant will assist the coordinator of the transition unit in all subjects regarding the legal aspects of the modernization and on the development of implementation plans for the reorganization of the tax and customs functions into the new department. All the PPU personnel will be required to work on a fulltime basis, exclusively on this project.

2.3 In addition, the consultant will be responsible for the following duties:

- Recommend and draft all necessary legislative and regulation changes, decrees, new legislation or regulations necessary to implement a new department within the Ministry of Finance in charge of all aspects of tax administration, including: (i) all those changes in terms of salaries, staffing, staff relations, discipline, training and promotion, needed to ensure a transparent, efficient and effective tax administration; and (ii) legislative changes necessary to allow for flexibility in the way the department is organized and how to administer tax legislation with regards to legal authorities being vested in the department head or his/her delegates.
- Make an inventory of all tax laws of Suriname that need to be rewritten and those that need to be amended, and make recommendations for related laws.
- Recommend and draft tax legislation, particularly priorities set forth by the Minister of Finance, and other changes necessary to update various tax laws of Suriname in accordance with previous assessments and diagnostics of several national and international organizations and experts.

III. CHARACTERISTICS

- 3.1 Type: Individual local consultant.
- 3.2 Duration: This consultancy will be for a total of 6 months, starting on October 1, 2006, and ending on October 1, 2007.
- 3.3 Place of Work: Paramaribo, Suriname.
- 3.4 Qualifications: University degree in business administration or law school (preferable a lawyer); 10 years of experience in tax administration and customs operations; strong background in legal aspects of tax and customs administration; five-year experience in project management, including procurement activities with international funding; and English and Dutch speaking (Dutch is desirable but not mandatory).

IV. COMPETENCIES

- 4.1 *Professional background:* Expert knowledge in tax and customs administration, including a strong legal background in tax and customs legislation.
- 4.2 *Planning and organizing:* Proven ability to plan and organize work, requiring an in-depth understanding of its strategic direction.
- 4.3 *Communication:* Excellent drafting ability and communication skills, both oral and written; ability to defend and explain difficult issues with respect to key decisions and positions to staff, senior officials and members of intergovernmental bodies; proven ability to communicate complex concepts orally; ability to prepare written reports that are clear, concise and meaningful.

- 4.4 *Teamwork*: Good interpersonal skills; demonstrated ability to work in a multicultural, multi-ethnic environment and to maintain effective working relations with people of different national and cultural backgrounds.
- 4.5 *Client orientation*: Ability to identify clients' needs and propose appropriate solutions as well as establish and maintain effective relationships with outside collaborators and other contacts.
- 4.6 *Vision*: Ability to identify strategic issues, opportunities and risks; clearly communicate links between the organization strategy and the Program's goals.
- 4.7 *Judgment/Decision-making*: Mature judgment and initiative.
- 4.8 *Building trust*: Reputation for dealing honestly and openly with issues and staff; recognized and highly respected by government, clients, peers and staff.

V. ACTIVITIES

- 5.1 The following activities will be carried out:

- Participate in the preparation of the business plan for all activities to be carried out and establish the monitoring and evaluation system (Act. 1);
- Participate in the Logical Framework seminar (Act. 2);
- Participate in the Identification mission;
- Support the Bank project team in the preparation of a preliminary action plan (Act. 4);
- Assist the coordinator to supervise, in consultation with the Ministry of Finance and tax and customs administration managers, the development of a transition plan to create a new department within the Ministry of Finance responsible for all tax administration activities. While this new department will be part of the civil service of Suriname, it is to have unique legal powers and authorities to deal with human resource management in regards to salaries, staffing, staff relations and discipline, and training needs (Act. 5);
- Support the Bank project team in the preparation of the project profile document (Act. 6);
- Develop the plan to mobilize political support and commitment of the highest authorities in Suriname (Act. 9);
- Assist the development of the risk mitigation plan (Act. 10);
- Assist the Development of the human resources transition plan (Act. 11);
- Develop the contingency plan (Act. 12);
- Participate in the orientation mission;
- Participate in the preparation of the first year operating plan (Act. 15);
- Participate in the preparation of the terms of reference for the first year operating plan (Act. 17);
- Participate in the Analysis mission;
- Assist the Bank project team in the preparation of the project report, operating plan, operations manual, logical framework, and procurement plan documents and review and approve the aforementioned documents (Act. 22); and

- Assist the coordinator in all activities related to the compliance with first disbursement conditions (Act. 29).

VI. REPORTS AND PRODUCTS

- 6.1 In order to monitor and evaluate the activities to be carried out in this operation, a simple monitoring and evaluation system will be put in place by the coordinator under the supervision of the Bank. This system will be comprised of a spreadsheet with a list of activities to be carried out by the consultants (including the coordinator), grouped by components and breakdown by products. Each activity will have a target date in order to ensure the compliance of the task, in addition to its respective responsibility.
- 6.2 The following products will be delivered:
- Draft of all necessary legislative and regulation changes, decrees, new legislation or regulations necessary to implement a new department within the Ministry of Finance in charge of all aspects of tax administration;
 - Document including the changes necessary to establish the new department selected semi-autonomous authorities: salaries, staffing, staff relations and discipline, and training necessary to ensure a transparent, efficient and effective tax administration.
 - Document describing legislative changes necessary to allow for flexibility in the way the department is organized and, how to administer tax legislation with regards to legal authorities delegations;
 - Plan to mobilize political support and commitment of the highest authorities in Suriname; and
 - Contingency plan.
- 6.3 The payment schedule will be carried out in a monthly basis.

II. COORDINATION

- 7.1 The consultancy will be carried out under the supervision of the Minister of Finance, through the PPU, in coordination with the IDB Country Office in Suriname and the State and Civil Society Programs Division 3 through the project team leader.

PROGRAM FOR THE MODERNIZATION OF THE SURINAMESE TAX ADMINISTRATION

(SU-T1028)

TERMS OF REFERENCE

Project Preparation Unit Organization Management Expert

I. BACKGROUND

- 1.1 The Government of Suriname (GOS) and the Inter-American Development Bank (IDB) are currently in the identification phase for the preparation of a program for the Modernization of the Tax Administration System (SU-L1003). The objective of that program is to improve the performance, transparency, and compliance of the Surinamese tax administration system, by establishing a new tax department supported by an adequate legal framework, with a strengthened institutional capacity, utilizing modern processes and procedures, and with an appropriate physical and technological infrastructure.
- 1.2 The assessment carried out in April 2005 by IDB and CARTAC interviewed all key personnel from the tax administration and customs operations involved in the process including all its senior and mid-level management. The mission also interviewed the Dutch consultants, who were providing technical assistance to the Office of Tax Administration (OTA) and to Customs. In addition, the mission met with the representatives from the unions and some private sector key stakeholders.
- 1.3 The IDB and the GOS agreed on the need to establish a project preparation unit (PPU) within the Ministry of Finance, with the appropriate expertise and experience to manage this complex process, for the duration of the preparation phase. This unit would be comprised of a coordinator, an expert in tax administration and customs operations, and an expert in organization management. The PPU would work closely with the two consultants to be contracted for the preparation of the key aspects of a road map for transition and would report directly to the Minister of Finance, who will be the Bank's counterpart.

II. GOALS AND RESPONSABILITIES

- 2.1 The objective of this consultancy is to support the GOS in the preparation and design of the sector facility SU-L1003 (Modernization of the Tax Administration System) by establishing a project preparation unit and monitoring the development of a transition plan for the migration of the current OTA into a new semi-autonomous organization.
- 2.2 The consultant will assist the coordinator of the PPU in all subjects regarding the institutional aspects of the modernization and on the development of implementation plans for the reorganization of the tax functions into the new department. All the PPU personnel will be required to work on a fulltime basis, exclusively on this project.

2.3 In addition, the consultant will be responsible for the following duties:

- Work in cooperation with short-term consultants engaged on the project with regard to completing change management risk assessments and identifying and developing plans to address human resource management of change issues;
- Research and make recommendations of recruitment strategy, i.e. tests for new functions, and activities aimed to avoid lack of transparency; and analyze national and international best practices of integrity and functional tests to fit the Surinamese requirements;
- Develop appropriate communications plans addressed to stakeholder communities, and develop communications materials as recommended under the management of change plans;
- Adjust current code of conduct and conflict of interest code that are not approved yet by the authorities, to rule the activities of the new tax department staff and include these themes in the communications plans;
- Based on the legal framework for the new tax department: make recommendations for amendments of the Personnel Act; prepare any necessary human resource management frameworks and procedures manuals regarding compensation, classification, staffing, staff relations, promotion, and training that may be needed for the authorities and the management of the new semi-autonomous Tax Administration Department.
- Design a plan for the staff transition to the new department, with regards to recruitment, i.e. selection standards and processes, including staffing plans and tests from outside the existing tax and customs administration.

III. CHARACTERISTICS

- 3.1 Type: Individual local consultant.
- 3.2 Duration: This consultancy will be for a total of 6 months, starting on October 1, 2006, and ending on October 1, 2007.
- 3.3 Place of Work: Paramaribo, Suriname.
- 3.4 Qualifications: University degree in business administration or related subjects; ten years of experience in organization management; strong background in human resources; five-year experience in project management, including procurement activities, with international funding; and English and Dutch speaking (Dutch is desirable but not mandatory).

IV. COMPETENCIES

- 4.1 *Professional background*: Expert knowledge in organization management, including a strong human resources background.
- 4.2 *Planning and organizing*: Proven ability to plan and organize work, requiring an in-depth understanding of its strategic direction.

- 4.3 *Communication*: Excellent drafting ability and communication skills, both oral and written; ability to defend and explain difficult issues with respect to key decisions and positions to staff, senior officials and members of intergovernmental bodies; proven ability to communicate complex concepts orally; ability to prepare written reports that are clear, concise and meaningful.
- 4.4 *Teamwork*: Good interpersonal skills; demonstrated ability to work in a multicultural, multi-ethnic environment and to maintain effective working relations with people of different national and cultural backgrounds.
- 4.5 *Client orientation*: Ability to identify clients' needs and propose appropriate solutions as well as establish and maintain effective relationships with outside collaborators and other contacts.
- 4.6 *Vision*: Ability to identify strategic issues, opportunities and risks; clearly communicate links between organization strategy and the Program's goals.
- 4.7 *Judgment/Decision-making*: Mature judgment and initiative.
- 4.8 *Building trust*: Reputation for dealing honestly and openly with issues and staff; recognized and highly respected by government, clients, peers and staff.

V. ACTIVITIES

- 5.1 The following activities will be carried out:
 - Participate in the preparation of the business plan for all activities to be carried out by the PPU and establish the monitoring and evaluation system (Act. 1);
 - Participate in the Logical Framework seminar (Act. 2);
 - Participate in the Identification mission;
 - Support the Bank project team in the preparation of a preliminary action plan (Act. 4);
 - Assist the coordinator to supervise, in consultation with the Ministry of Finance and tax and customs administration managers, the development of a transition plan to create a new department within the Ministry of Finance responsible for all tax administration activities. While this new department will be part of the civil service of Suriname, it is to have unique legal powers and authorities to deal with human resource management in regards to salaries, staffing, staff relations and discipline, and training needs (Act. 5);
 - Support the Bank project team in the preparation of the project profile document (Act. 6);
 - Assist the develop the plan to mobilize political support and commitment of the highest authorities in Suriname (Act. 9);
 - Develop the of the risk mitigation plan (Act. 10);
 - Develop the human resources transition plan (Act. 11);
 - Assist the development of the contingency plan (Act. 12);
 - Participate in the orientation mission;
 - Participate in the preparation of the first year operating plan (Act. 15);
 - Participate in the preparation of the terms of reference for the first year operating plan (Act. 17);

- Participate in the Analysis mission;
- Assist the Bank project team in the preparation of the project report, operating plan, operations manual, logical framework, and procurement plan documents and review and approve the aforementioned documents (Act. 22); and
- Assist the coordinator in all activities related to the compliance with first disbursement conditions (Act. 29).

VI. REPORTS AND PRODUCTS

- 6.1 In order to monitor and evaluate the activities to be carried out in this operation, a simple monitoring and evaluation system will be put in place by the coordinator under the supervision of the Bank. This system will be comprised of a spreadsheet with a list of activities to be carried out by the consultants (including the coordinator), grouped by components and breakdown by products. Each activity will have a target date in order to ensure the compliance of the task, in addition to its respective responsibility.
- 6.2 The following products will be prepared
- Risk assessment draft plan;
 - Risk mitigation plan;
 - Communication plan;
 - Revise and adjust the Code of conduct;
 - Recommendations for amendments of the Personnel Act;
 - Human resource management frameworks and procedures manuals regarding compensation, classification, staffing, staff relations, promotions and training that may be needed for the authorities and the management of the new semi-autonomous Tax Administration Department.
 - Transition plan to migrate the human resources to the new department including the following aspects: a) strategy to address human resource management of change issues; b) recruitment strategy draft plan; c) communication draft plan; d) and recommendations to amend the personnel act.
- 6.3 The payment schedule will be carried out in a monthly basis.

VII. COORDINATION

- 7.1 The consultancy will be carried out under the supervision of the Minister of Finance, through the PPU, in coordination with the IDB Country Office in Suriname and the State and Civil Society Programs Division 3 through the project team leader.

SURINAME
PROGRAM FOR THE MODERNIZATION OF THE SURINAMESE TAX ADMINISTRATION
(SU-T1028)

TERMS OF REFERENCE
Technical Concepts Transition Plan

I. BACKGROUND

- 1.1 The Government of Suriname (GOS) and the Inter-American Development Bank (IDB) are currently in the identification phase for the preparation of a program for the Modernization of the Tax Administration System (SU-L1003). The objective of that program is to improve the performance, transparency, and compliance of the Surinamese tax administration system, by establishing a new tax department supported by an adequate legal framework, with a strengthened institutional capacity, utilizing modern processes and procedures, and with an appropriate physical and technological infrastructure.
- 1.2 In April 2005, at the request of the GOS, a joint IDB/CARTAC mission visited Paramaribo for two weeks and prepared a comprehensive assessment on tax policy, tax administration, and customs operations. It recommended the creation of a small revenue authority (RA) with approximately 30 employees to carry out the administration of large taxpayers. This was seen as an intermediate solution for the establishment of a full RA for tax and customs operations. The presidential and parliamentary elections of May 2005 and the formation and establishment of the current government took almost the remainder of the year 2005.
- 1.3 In December 2005, the IDB and the GOS agreed that would be important to know other countries' experiences in this field prior to making a decision about which strategy to be adopted for Suriname. With the knowledge that Jamaica had recently modernized its tax administration system, it was agreed that a joint mission should visit Jamaica, to evaluate its modernization process, and whether it could be carried out in Suriname. As a result of this mission, which took place in April 2006, the IDB, jointly with the GOS, prepared a strategy document outlining the most relevant aspects required for the transformation of the existing Office of Tax Administration (OTA) into a semi-autonomous Tax Department including Customs, within the existing civil service structure, similar to the Jamaican model.
- 1.4 Based on the aforementioned strategy document, in July 2006, the IDB prepared a draft project profile, with the key aspects relevant for the establishment of a semi-autonomous Tax Department, which was preliminarily reviewed and agreed upon by the GOS. At the same time, the GOS requested that the IDB develop the key aspects in more detail prior to carrying out any other activities. The key aspects are divided into two categories: (i) change management, and (ii) technical aspects. In order to develop these aspects in more detail, the Bank and the GOS agreed to hire two short-term consultants to develop the key aspects of a road map for transition.

II. GOALS

- 2.1 This consultancy is directed to accomplish two main objectives: (i) to support the GOS in the clarification of the main aspects identified in the tax administration modernization roadmap for **technical aspects**, including legal framework, tax administration, operational and structural model, physical and technological infrastructure, contingency plan, and institutional memory maintenance; and (ii) to develop a detailed transition plan providing relevant steps, activities and instruments for the modernization of the identified areas.

III. CHARACTERISTICS

- 3.1 Type: Individual consultant.
- 3.2 Duration: This consultancy will be for a total of 30 nonconsecutive days (including 2 weeks mission to Suriname), starting on November 1, 2006 and ending on December 29, 2006.
- 3.3 Place of Work: Paramaribo, Suriname, and home country.
- 3.4 Qualifications: Master's degree in **Tax Administration** or related subject, 6 years of experience in the area, English speaking (Dutch is desirable but not mandatory).

IV. ACTIVITIES

- 4.1 The following activities will be carried out:
- Preparation of a questionnaire to be answered by the GOS, including all inputs necessary for the better understanding of the GOS current situation and intentions in technical areas. This questionnaire should be reviewed by IDB before submission to GOS authorities.
 - Carry out a series of meeting with the counterpart to discuss the questionnaire and help the GOS to clarify all aspects involved in the areas to be changed.
 - Preparation of a draft detailed transition plan including all activities necessary for the implementation of the modernization.
 - Preparation of a final transition plan including the comments from the GOS and IDB.

V. REPORTS

- 5.1 At the end of the work period the following deliverables will be presented covering legal framework, tax administration operational and structural model, physical and technological infrastructure, and contingency plan areas.
- Complete questionnaire.
 - Draft transition plan.
 - Final transition plan.

5.2 The payment schedule will be as follows:

- 40% upon signature of the contract.
- 20% upon completion of the first product.
- 20% upon completion of the second product.
- 20% upon presentation and acceptance by the IDB of the final transition plan.

VI. COORDINATION

6.1 The consultancy will be carried out under the coordination of the Minister of Finance, through the PPU, in coordination with the IDB Country Office in Suriname and the State and Civil Society Programs Division 3 through the project team leader.

SURINAME
PROGRAM FOR THE MODERNIZATION OF THE SURINAMESE TAX ADMINISTRATION
(SU-T1028)

TERMS OF REFERENCE
Change Management Expert

I. BACKGROUND

- 1.1 The Government of Suriname (GOS) and the Inter-American Development Bank (IDB) are currently in the identification phase for the preparation of a program for the Modernization of the Tax Administration System (SU-L1003). The objective of that program is to improve the performance, transparency, and compliance of the Surinamese tax administration system, by establishing a new tax department supported by an adequate legal framework, with a strengthened institutional capacity, utilizing modern processes and procedures, and with an appropriate physical and technological infrastructure.
- 1.2 In April 2005, at the request of the GOS, a joint IDB/CARTAC mission visited Paramaribo for two weeks and prepared a comprehensive assessment on tax policy, tax administration, and customs operations. It recommended the creation of a small revenue authority (RA) with approximately 30 employees to carry out the administration of large taxpayers. This was seen as an intermediate solution for the establishment of a full RA for tax and customs operations. The presidential and parliamentary elections of May 2005, and the formation and establishment of the current government took almost the remainder of the year 2005.
- 1.3 In December 2005, the IDB and the GOS agreed that it would be important to know other countries' experiences in this field prior to making a decision about which strategy to be adopted for Suriname. With the knowledge that Jamaica had recently modernized its tax administration system, it was agreed that a joint mission should visit Jamaica, to evaluate its modernization process, and whether it could be carried out in Suriname. As a result of this mission, which took place in April 2006, the IDB, jointly with the GOS, prepared a strategy document outlining the most relevant aspects required for the transformation of the existing Office of Tax Administration (OTA) into a semi-autonomous Tax Department, including Customs, within the existing civil service structure, similar to the Jamaican model.
- 1.4 Based on the aforementioned strategy document, in July 2006, the IDB prepared a draft project profile, with the key aspects relevant for the establishment of a semi-autonomous Tax Department, which was preliminarily reviewed and agreed upon by the GOS. At the same time, the GOS requested that the IDB develop the key aspects in more detail prior to carrying out any other activities. The key aspects are divided into two categories: (i) change management, and (ii) technical aspects. In order to develop these aspects in more detail, the Bank and the GOS agreed to hire two short-term consultants to develop the key aspects of a road map for transition.

II. GOALS

- 2.1 This consultancy is directed to accomplish two main objectives: (i) to support the GOS in determining the main aspects to be identified through a roadmap to modernize the tax administration. This focus will be on **change management**, and includes human resources policy and transition, financial sustainability, training programs, trade union relations, and risk assessments; and (ii) to develop a detailed transition plan providing relevant steps, activities and instruments for the modernization of the identified areas.

III. CHARACTERISTICS

- 3.1 Type: Individual local consultant.
- 3.2 Duration: This consultancy will be for a total of 30 nonconsecutive days, starting on November 1, 2006 and ending on December 29, 2006.
- 3.3 Place of Work: Paramaribo, Suriname.
- 3.4 Qualifications: Master's degree in **change management** or related subject, 6 years of experience in the area, Dutch and English speaking.

IV. ACTIVITIES

- 4.1 The following activities will be carried out:
- Preparation of a questionnaire to be answered by the GOS, including all inputs necessary for a better understanding of the GOS' current situation and intentions in change management areas. This questionnaire should be reviewed by the Coordinator and the IDB before submission to the Minister of Finance;.
 - Carry out a series of meeting with the GOS to discuss the questionnaire and help the GOS to clarify all aspects involved in the areas to be changed.
 - Preparation of a draft detailed transition plan including all activities necessary for the implementation of the modernization.
 - Preparation of a final transition plan, which includes the comments from the GOS and IDB on the draft.

V. REPORTS

- 5.1 At the end of the work period, the following deliverables will be presented covering human resources management policy and transition, financial sustainability, training programs, trade union relations, communication aspects, strategy, and risk assessment areas:
- Complete questionnaire.
 - Draft transition plan.
 - Final transition plan.

5.2 The payment schedule will be as follows:

- 40% upon signature of the contract.
- 20% upon completion of the first product.
- 20% upon completion of the second product.
- 20% upon presentation and acceptance by the IDB of the final transition plan.

VI. COORDINATION

6.1 The consultancy will be carried out under the coordination of the Minister of Finance, through the PPU, in coordination with the IDB Country Office in Suriname and the State and Civil Society Programs Division 3 through the project team leader.

SURINAME
Program for the Modernization of the Surinamese Tax Administration

(SU-T1028)

Procurement plan

Country: Republic of Suriname

Beneficiary: Government of Suriname (GOS)

Executing agency: Ministry of Finance (MOF)

Project name: Program for the Modernization of the Surinamese Tax Administration

Project number: SU-T1028

Brief description of the project's objectives and components: To support the GOS in the preparation and design of the sector facility SU-L1003 (Modernization of the Tax Administration System) by identifying the key elements necessary for the transition of the current Office of Tax Administration (OTA) into a new semi-autonomous organization and by setting up a project preparation unit to help on the identification of the aforementioned elements.

Estimated date of TC approval by the Division Chief: September 29, 2006

Estimated date of signature of the letter of agreement: October 13, 2006

Estimated date of the final disbursement: January 2008

Address of the executing agency office responsible for the procurement plan:
Ministry of Finance, Tamarindelaan 3, Paramaribo, Suriname

A. Introduction

Consultancy services financed by this technical cooperation will be targeted to support the MOF, as well as to give assistance to the Bank project team, for the preparation of all documents needed for the approval of the project, including Project Profile, Project Report, First Year Annual Operating Plan, Operations Manual, and Procurement Plan. Selection and contracting of consultants will be carried out following the policy set out in document GN-2350-7 ("Policies for the Selection and Contracting of Consultants Financed by the Inter-American Development Bank") of July 2006.

B. Procurement plan

The procurement plan for the Program for the Modernization of the Surinamese Tax Administration covering 12 months of project execution has been agreed between the Bank and the Ministry of Finance. The plan, which is summarized in Appendix 1, indicates the method of selecting consultants for each contract or group of contracts. It also indicates cases requiring prequalification; the estimated cost of each contract or group of contracts; the requirement for prior or post review by the Bank; and estimated dates for the publication of specific procurement notices and completion of the contracts included in this project. The procurement plan will be updated whenever necessary or as required by the Bank. The detailed procurement plan is available at: the Ministry of Finance, Tamarindelaan 3, Paramaribo, Suriname.

C. Project procurement

Works Procurement: N/A

Goods procurement: N/A

Procurement of non-consulting services: N/A

Procurement of consulting services: Consulting services under the project include the hiring of: (i) coordinator of the project preparation unit; (ii) tax and customs expert to assist the project preparation unit; (iii) organization management expert to assist the project preparation unit; (iv) tax administration consultant to prepare the technical aspects of the transition plan; and (v) change management consultant to prepare the strategic aspects of the transition plan.

D. Procurement methods:

Consultants will be selected through comparison of qualifications of at least three candidates for each position.

Operating expenses: N/A

Advance contracting and retroactive financing: N/A

E. Bank review of procurement decisions: N/A

F. Domestic preference: N/A

G. Capacity of the executing agency and supervision of procurement by the Bank

(i) Assessment of the executing agency's capacity to administer procurement

The Ministry of Finance, through the PPU, will be responsible for carrying out project procurements in regards to selection of consultants, and authorization of payments. The Bank will be responsible for contracting and disbursements. The capacity of the executing agency to carry out procurement of this operation was rated by the project team as medium risk. In order to mitigate the aforementioned risk, it will be required to all the members of the PPU relevant experience in project execution, including procurement activities.

(ii) Frequency of procurement supervision

The Bank will conduct ex-ante reviews of procurement prior to each selection process. It is not anticipated that reviews and adjustments will be necessary for the procurement plan.

SURINAME
Program for the Modernization of the Surinamese Tax Administration
(SU-T1028)

Appendix 1 to ANNEX II

Procurement Action Plan

| Ref. No. | Description of the contract and estimated cost of procurement | Procurement method | Review (prior or post) | Source of financing and percentage | | Prequali-fication (Yes/No) | Estimated dates | | Status (pending, in process, awarded, cancelled) |
|----------|---|--|------------------------|------------------------------------|---------------|----------------------------|--|------------------------|--|
| | | | | IDB % | Local/other % | | Publication of specific procurement notice | Completion of contract | |
| | 1. <u>Goods</u> N/A | | | | | | | | |
| | 2. <u>Civil works</u> N/A | | | | | | | | |
| 1 | 3. <u>Consulting services</u> ○ PPU coordinator (US\$ 48.000) | Comparison of qualifications | Prior | 100% | N/A | No | N/A | October, 2007 | Pending |
| 2 | ○ Tax and customs expert for the PPU (US\$36.000) | Same as above | Prior | 100% | N/A | No | N/A | October, 2007 | Pending |
| 3 | ○ Organization management expert for the PPU (US\$30.000) | Same as above | Prior | 100% | N/A | No | N/A | October, 2007 | Pending |
| 4 | ○ Change management consultant to develop the transition plan (US\$12.000) | Same as above | Prior | 100% | N/A | No | N/A | December, 2006 | Pending |
| 5 | ○ Tax administration consultant to develop the transition plan (US\$24.000) | International comparison of qualifications | Prior | 100% | N/A | No | N/A | December, 2006 | Pending |







































SURINAME
Program for the Modernization of the Surinamese Tax Administration
(SU-T1028)

Activities to be carried for project preparation
(starting after the project preparation unit establishment)

| Activities | Responsible | Start | Duration | Deliverable |
|---|--------------------------------|--------------|------------------------------------|--|
| 1- Prepare business plan and establish the monitoring and evaluation system (based on the terms of reference) | PPU / IDB | M1 | 10 days | Spread sheet with products to be delivered and report format |
| Identification mission | | | | |
| 2- Organize the logical framework seminar | PPU / IDB | M1 | 5 days | Agenda, list of participants and local arrangements |
| 3- Carry out the logical framework seminar comprising all relevant stakeholders. | IDB / PPU / GOS / Stakeholders | M1 | 3 days | Main guidelines, mission, vision, matrix with problems / causes / solutions, indicators, and assumptions. |
| 4 - Prepare a preliminary action plan | IDB / PPU | M1 | 2 days | Preliminary action plan with components /activities /resources / duration / and budget |
| End Identification mission | | | | |
| 5- Develop the key aspects of the road map for transition (change management and technical) | Consultants / PPU | M2 | 2 months (20 non-consecutive days) | Change management report, including human resources policy and transition, financial sustainability, training programs, union relations, communication strategy, and risk assessments; and technical aspects report, comprising legal framework, tax administration operational and structural model, physical and technological infrastructure, contingency plan, and institutional memory maintenance. |
| 6- Prepare the Project Profile document | IDB | M4 | 10 days | Project Profile document |
| 7- Management Review Committee (CRG) for the profile | IDB | M4 | 12 days | Approved profile |
| 8- Develop cost benefit analysis study | External consultant / IDB | M4 | 1 month | Cost benefit analysis document |
| 9- Develop a plan to mobilize political support | PPU / consultants | M4 | 11 days | Political support plan document |

ANNEX III

| Activities | Responsible | Start | Duration | Deliverable |
|---|---------------------------|-------|----------|--|
| 10- Develop a plan for risk mitigation | PPU /consultants | M4 | 11 days | Risk mitigation plan document |
| 11- Develop a plan for human resources transition | PPU / consultants | M4 | 11 days | Human resources plan document |
| 12- Develop a contingency plan | PPU / consultants | M4 | 11 days | Contingency plan document |
| Orientation Mission | | | | |
| 13- Prepare the final action plan | IDB/PPU | M5 | 2 days | Final action plan document |
| 14- Prepare the execution scheme | IDB/PPU | M5 | 1 days | Execution scheme |
| 15- Prepare the first year operating plan | IDB/PPU | M5 | 2 days | First year operating plan |
| End orientation mission | | | | |
| 16- Prepare the operations manual | IDB | M5 | 10 days | Operations Manual |
| 17- Prepare the first year terms of reference (TORs) including project coordination unit | External consultant / IDB | M5 | 22 days | First year TORs |
| 18- Collect base line information for Logical framework | PPU | M5 | 17 days | Base line information collected |
| 19- Prepare the project report document | IDB | M6 | 20 days | Draft project report document |
| 20- Prepare the procurement plan | IDB | M6 | 2 days | Procurement plan |
| Analysis Mission | | | | |
| 21- Prepare the logical frame work | IDB/PPU | M7 | 2 days | Logical framework |
| 22- Review project report document, operating plan, operations manual, procurement plan, TORs | IDB/PPU | M7 | 8 days | All project documents reviewed and agreed with GOS |
| End Analysis mission | | | | |
| 23- Finalize project report document | IDB | M7 | 12 days | Project report document |
| 24- CRG for project report document | IDB | M8 | | Project report document approved by CRG |
| 25- Negotiation | IDB / GOS | M8 | | Negotiation Minute signed by GOS |
| 26- Executive Vice President review (EVP) | IDB | M9 | | Last approval |
| 27- Project Approval | IDB | M9 | | President's approval |
| 28- Project contract signature | IDB/GOS | M10 | | Contract signed |
| 29- Compliance with first disbursement conditions | PPU | M9 | 4 months | Project coordination unit established, operations manual and first year operating plan reviewed and agreed |
| IDB – Inter-American Development Bank GOS – Government of Suriname PPU – Project Preparation Unit | | | | |

| TC TAX OFFICE PREPARATION | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---------------------------|---|------------------------------|----------|--------------|--------------|---|---|-------------|---|------------|---|---|-------------|---|-------------|---|-------------|---|---|-------------|---|---|-------------|--|--|-------|
| ID |  | Task Name | Duration | Start | Finish | , '06 | | Sep 10, '06 | | Nov 5, '06 | | | Dec 31, '06 | | Feb 25, '07 | | Apr 22, '07 | | | Jun 17, '07 | | | Aug 12, '07 | | | Oct 7 |
| | | | | | | T | M | F | T | S | W | S | T | M | F | T | S | W | S | T | M | F | T | | | |
| 1 | | PROJECT PREP. ACTIVITIES | 257 days | Mon 10/2/06 | Tue 9/25/07 |  | | | | | | | | | | | | | | | | | | | | |
| 2 | | Prepare Business Plan | 5 days | Mon 10/2/06 | Fri 10/6/06 |  | | | | | | | | | | | | | | | | | | | | |
| 3 | | Identification Mission | 10 days | Mon 10/2/06 | Fri 10/13/06 |  | | | | | | | | | | | | | | | | | | | | |
| 4 | | Organize LF Seminar | 5 days | Mon 10/2/06 | Fri 10/6/06 |  | | | | | | | | | | | | | | | | | | | | |
| 5 | | Carry out LF Seminar | 2 days | Mon 10/9/06 | Tue 10/10/06 |  | | | | | | | | | | | | | | | | | | | | |
| 6 | | Prepare Prel. Action Plan | 3 days | Wed 10/11/06 | Fri 10/13/06 |  | | | | | | | | | | | | | | | | | | | | |
| 7 |  | Develop Key Aspects of RM | 46 days | Mon 10/16/06 | Mon 12/18/06 |  | | | | | | | | | | | | | | | | | | | | |
| 8 | | Prepare Project Profile | 10 days | Tue 12/19/06 | Mon 1/1/07 |  | | | | | | | | | | | | | | | | | | | | |
| 9 | | CRG | 12 days | Tue 1/2/07 | Wed 1/17/07 |  | | | | | | | | | | | | | | | | | | | | |
| 10 | | Cost-Benefit Analysis | 22 days | Mon 10/16/06 | Tue 11/14/06 |  | | | | | | | | | | | | | | | | | | | | |
| 11 | | Plan Mobilize Political Supp | 11 days | Thu 1/18/07 | Thu 2/1/07 |  | | | | | | | | | | | | | | | | | | | | |
| 12 | | Plan Risk Mitigation | 11 days | Fri 2/2/07 | Fri 2/16/07 |  | | | | | | | | | | | | | | | | | | | | |
| 13 | | Plan HHRR transition | 11 days | Mon 2/19/07 | Mon 3/5/07 |  | | | | | | | | | | | | | | | | | | | | |
| 14 | | Contingency Plan | 11 days | Tue 3/6/07 | Tue 3/20/07 |  | | | | | | | | | | | | | | | | | | | | |
| 15 | | Orientation Mission | 5 days | Mon 3/26/07 | Fri 3/30/07 |  | | | | | | | | | | | | | | | | | | | | |
| 16 |  | Final action Plan | 2 days | Mon 3/26/07 | Tue 3/27/07 |  | | | | | | | | | | | | | | | | | | | | |
| 17 | | Prep Ex. Scheme | 1 day | Wed 3/28/07 | Wed 3/28/07 |  | | | | | | | | | | | | | | | | | | | | |
| 18 | | 1st. Year POA | 2 days | Thu 3/29/07 | Fri 3/30/07 |  | | | | | | | | | | | | | | | | | | | | |
| 19 | | Prepare Ops Manual | 10 days | Mon 4/2/07 | Fri 4/13/07 |  | | | | | | | | | | | | | | | | | | | | |
| 20 | | 1st. Year TORS | 22 days | Wed 3/28/07 | Thu 4/26/07 |  | | | | | | | | | | | | | | | | | | | | |
| 21 | | Get Baseline information | 17 days | Thu 3/29/07 | Fri 4/20/07 |  | | | | | | | | | | | | | | | | | | | | |
| 22 | | Prep Project Report | 20 days | Mon 4/2/07 | Fri 4/27/07 |  | | | | | | | | | | | | | | | | | | | | |
| 23 | | Prep Proc Plan | 2 days | Mon 4/30/07 | Tue 5/1/07 |  | | | | | | | | | | | | | | | | | | | | |
| 24 | | Analysis Mission | 10 days | Mon 5/7/07 | Fri 5/18/07 |  | | | | | | | | | | | | | | | | | | | | |
| 25 |  | Prep Logical Frame | 2 days | Mon 5/7/07 | Tue 5/8/07 |  | | | | | | | | | | | | | | | | | | | | |
| 26 | | Review report,OP,LF,PP,etc | 8 days | Wed 5/9/07 | Fri 5/18/07 |  | | | | | | | | | | | | | | | | | | | | |
| 27 | | Finalize Project Report | 12 days | Mon 5/21/07 | Tue 6/5/07 |  | | | | | | | | | | | | | | | | | | | | |
| 28 | | Distribute for CRG | 5 days | Wed 6/6/07 | Tue 6/12/07 |  | | | | | | | | | | | | | | | | | | | | |
| 29 | | CRG | 1 day | Wed 6/13/07 | Wed 6/13/07 |  | | | | | | | | | | | | | | | | | | | | |
| 30 | | Negotiation | 1 day | Thu 6/14/07 | Thu 6/14/07 |  | | | | | | | | | | | | | | | | | | | | |
| 31 | | EVPs review | 10 days | Fri 6/15/07 | Thu 6/28/07 |  | | | | | | | | | | | | | | | | | | | | |
| 32 | | Project Approval | 1 day | Fri 6/29/07 | Fri 6/29/07 |  | | | | | | | | | | | | | | | | | | | | |
| 33 | | Signing of Contract | 20 days | Mon 7/2/07 | Fri 7/27/07 |  | | | | | | | | | | | | | | | | | | | | |
| 34 | | Compliance 1st Disbursement | 80 days | Wed 6/6/07 | Tue 9/25/07 |  | | | | | | | | | | | | | | | | | | | | |