

**PLAN OF OPERATIONS
VENEZUELA**

TITLE OF PROJECT: Support for Implementation of the Tax Reform and Modernization of the Tax Administration System

PROJECT NO. TC-90-07-04-9

EXECUTING AGENCY: Ministry of Finance

FINANCING:

BANK: US\$10,000,000

LOCAL: US\$10,000,000

TOTAL: US\$20,000,000

SIGNATORIES: The Bank and the Government of Venezuela will sign an agreement within 30 days after approval of the project by the Board of Executive Directors.

TERMS: Within six months from the date of the agreement to hire the consulting firm and the consulting firm or agency to execute, respectively, the two subprograms.

EXECUTION PERIOD: Within 46 months after the signature of the agreement.

TERM FOR DISBURSEMENT: Within 52 months after the signature of the agreement.

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OBJECTIVE: To help improve the domestic efficiency of the Venezuelan economy and its competitiveness abroad by restructuring the tax system.

DESCRIPTION: This operation would collaborate toward this goal by supporting implementation and operation of the tax reform, modernization and reorganization of the tax administration under the Ministry of Finance, and institutional strengthening of the Escuela Nacional de Administración y Hacienda Pública - Instituto Universitario Tecnológico [National School of Public Administration and Finance].

I. BACKGROUND

General

- 1.1 Since the beginning of 1989 the Government of Venezuela has been embarked on an ambitious economic program for putting the country back on its track of sustained development. The program consists essentially of: (i) a short-term stabilization program to restore equilibrium on the exchange and finance markets, reduce the public deficit and liberalize the price system, and (ii) a plan of structural adjustment and investments in the medium term for improving efficiency at home and competitiveness abroad as a foundation for economic and social growth.
- 1.2 A year after the launching of adjustment measures to achieve economic stabilization and lay a foundation for economic growth, in 1990 Venezuela posted a real GDP growth of 4.4%. This growth rate and the fiscal, monetary, credit and exchange aspects of the economy were significantly influenced by the external sector.
- 1.3 In particular, despite an increase in public spending, the public sector as a whole achieved fiscal equilibrium owing to circumstances that increased oil revenues from 20% to 27% of GDP. Conversely, non-oil income continued to decline for the fifth year running.
- 1.4 This trend, though apparently not unfavorable in the short run, requires measures to reduce the dependence of public finances on unstable oil receipts.
- 1.5 Moreover, the proposed streamlining of the entire macroeconomic system has highlighted the part the Venezuelan government must play in achieving such a reduction, especially its inability, with its present structure, to implement the envisaged changes. A reform of the public sector has therefore also been launched, with modernization of the tax system as its central component. In addition to reducing dependence on the external sector, the reform will also promote private investment.

The tax system

- 1.6 Venezuela's present tax system has developed as the accumulation of legal regulations and administrative structures instituted in response to conditions that no longer apply.
- 1.7 The principal problems of the tax system may be divided into six areas: (i) high dependence on oil revenues; (ii) low total collections; (iii) a complex legal structure; (iv) distortion of economic decisions; (v) lack of equity; and (vi) administrative shortcomings.

Dependence on oil revenues

- 1.8 Over the last six years, taxes on petroleum have averaged more than 50% of all fiscal revenue, while other taxes, numbering about 26, have contributed an average of barely 20% (the balance was non-tax income). Individual income tax accounted for less than 2.5%, and all indirect taxes combined for a mere 15% (foreign trade taxes for 9%, and consumption, 6%).
- 1.9 The trend of the last two years has been toward even greater dependence on the petroleum sector. In 1989, the taxes paid by this sector provided almost 70% of fiscal revenue and all other taxes combined not even 15% (the proportion of non-tax receipts also decreased).

Low collections

- 1.10 If oil revenues are disregarded, the Venezuelan tax burden is one of the lowest in the world at around 3.3% of GDP. Despite seemingly high rates and the exceedingly large number of levies, the many exemptions and reductions and rampant evasion result in yearly losses in revenue of some US\$2.5 billion (estimate for 1990).
- 1.11 In addition to being low, tax collections have also been declining in recent years: those of some taxes have dropped to record lows, such as corporate tax receipts, which fell 60.7% in real terms from 1987 to 1990, and individual income tax receipts, which also dropped 67% in real terms between 1984 and 1988, even though the number of taxpayers increased 29% during that period.

Complex legal structure

- 1.12 The legal and regulatory framework of the Venezuelan tax system has always been based on a legislative concept that involved a degree of reliance on the good will of the tax-payer and was frequently divorced from the realities of economic processes. Thus, laws for the development of sectors or lines of activity have established schemes of incentives of their own, which have often clashed with or been independent of the provisions of the basic tax laws. At the same time, the perfectionist zeal of legislators has resulted in the enactment of numerous tax regulations that are complex and difficult to enforce, a proliferation of controls and prohibitions, and, on the whole, a tangled legal superstructure that has cost more than it has brought in.

Distortion of economic decisions

- 1.13 Based on the played out model of import substitution, the system has used taxes as an instrument for the development of certain sectors, providing an incoherent myriad of exemptions, credits and

arbitrary reductions, which has made the Venezuelan tax system one of the most serious structural impediments to efficient resource allocation.

Lack of equity

- 1.14 The Venezuelan tax burden, together with such other factors as evasion and the tax rates imposed, is in practice highly regressive. Owing to its inherent shortcomings, the system is most onerous for taxpayers bound in formal employment situations (mainly wage-earners) and those whose low income or weak economic power leaves them unprotected by exemptions and incentive schemes. It has been estimated that since 1988 more than 50% of the tax burden has been borne by taxpayers in the lowest income quartile, as against only 19% by the highest income quartile.

Deficient tax administration

- 1.15 The Venezuelan tax administration is characterized by: (i) complex systems and procedures; (ii) heavy centralization; (iii) a large backlog of collections and audits; and (iv) a serious degradation of its human and material resources.
- 1.16 The complexity of the systems and procedures is reflected chiefly in the information and control systems: the accounts, files, and records of taxpayers and withholdings, for which data is incomplete and unreliable.
- 1.17 The high degree of centralization conflicts with general flexibility in the system and a rapid flow of accurate information, and generates needless duplications of effort.
- 1.18 The large backlog of collections and audits, combined with the deficient legal framework referred to above, reduces collections, since action is rarely taken against taxpayers in arrears. The shortcomings are particularly noteworthy in auditing, audits being based solely on tax payer returns, which are never checked for consistency.
- 1.19 There is an overabundance of undertrained and underproductive human resources, which is incompatible with any modern tax administration structure that would be implemented. Nor are the material resources any better suited to this purpose, especially the data processing hardware.

The reform

- 1.20 Aware of these problems and in keeping with the guidelines laid down in the Eighth Plan of the Nation, a group of technical experts from the Venezuelan government, assisted by the International Monetary Fund (IMF) and World Bank, has been working on a reform of

the tax system which includes chiefly a change in the Income Tax Law and the establishment of a value-added tax on sales of goods and services.

- 1.21 As the best strategy from the standpoint of its domestic policy, the Venezuelan Government has decided to implement this reform gradually. Thus, the first component of the reform (income tax) has already been passed by the Congress of the Republic, at the close of the legislative session in June of this year. Debate on the other components by the Congress began in March 1991, and these are expected to be approved in stages in accordance with the established strategy. Debate on the value-added tax is expected to resume with the opening of the next legislative session in October of this year.
- 1.22 In conjunction with this reform of the tax legislation, the Venezuelan Government has proposed as an even higher priority an indispensable reform of the tax administration, in which mutually complementary reforms will be implemented in the organization of systems and procedures, human resources, and infrastructure. The existence of a modern structure in the tax administration will make it possible to carry out successfully the reforms already passed and any other reforms to be instituted in the future.
- 1.23 The tax administration reform, which has been named "Modernization of the Tax Administration", includes improvements to support implementation of the new provisions, but more importantly targets the permanent changes needed to solve the system's structural problems. The modernization reform also encompasses the Escuela Nacional de Administración y Hacienda Pública - Instituto Universitario Tecnológico [National School of Public Administration and Finance in the University Institute of Technology] (ENAHPI-IUT) (see Annex I), which will play an active role in implementation of the above-mentioned reforms. Internal changes are also called for to enable the ENAHPI-IUT to contribute to the modernization of the Ministry of Finance as a whole. The Venezuelan government has requested the Bank's technical cooperation to support these reforms.
- 1.24 Meanwhile, in view of the urgent structural reform objectives and the strategy worked out in the joint programming exercises, the Bank's action in regard to Venezuela has initially focused precisely on the financing of sector operations designed to support the aforementioned macroeconomic adjustments (loan 595/OC-VE, Adjustment Program for the Financial Sector, and loan 600/OC-VE, Government Enterprise Reform Program [PERL]).
- 1.25 In particular, it was determined during programming that enhancing the efficiency of the public sector is a key factor in the restructuring process and that the Bank must continue to support measures to that end either with investments or technical cooperation.

- 1.26 The Bank has extensive experience in the provision of technical assistance in the area of taxation. There are at this writing 14 such technical cooperation projects in execution, to which the Bank is contributing more than US\$25 million. In Bolivia and Paraguay the Bank is supporting the implementation of tax reforms that include the introduction and implementation of the VAT, while in eight countries there are projects for enhancing the efficiency of tax administration through improvements in the management information systems and control machinery, and increases in the productivity of the human resources of those administrations through training programs. The Bank is also funding regional projects in the area of taxation and others in the related area of customs administration.
- 1.27 In November 1989 the Bank sent out the first identification mission to Venezuela to review information on the reform and determine the requirements for the request for financing. In the first half of 1990 the Government of Venezuela, with the support of IMF and World Bank consultants, drew up the proposal for general reform. In July 1990 an analysis mission was carried out. In the second half of 1990 the country provided the additional information that had been requested to determine how the Bank would participate in the operation. Finally, in the first half of this year, the beneficiary drew up the proposal to incorporate Subprogram II into the operation.
- 1.28 The results of these missions and meetings for coordination with the above-mentioned organizations and the Government of Venezuela are set forth below.
- 1.29 In addition to the amount proposed in this operation, the World Bank has agreed to contribute the equivalent of US\$500,000 to implementation of the tax reform as part of a technical assistance operation for preinvestment. About US\$300,000 of this amount will be used to finance international consultants in areas complementary to this operation (legislation and conversion), and the balance will be used for the purchase of computer equipment.
- 1.30 Under the preinvestment project, the World Bank will execute four additional subprograms for strengthening the Ministry of Finance: a program for strengthening the National Treasury (US\$1 million), a program for strengthening the Administrative Accounting Office (DINCA) (US\$300,000), support for the administrative reform of the Ministry of Finance (US\$350,000), and support for computerization (US\$350,000).

II. PURPOSES

A. General purpose

- 2.1 The general purpose of the project is to help improve the domestic efficiency of the Venezuelan economy and its competitiveness abroad by restructuring the tax system. The proposed operation would collaborate toward this goal by supporting implementation of the tax reform and institutional strengthening of the ENAHP-IUT.

B. Specific objectives:

- 2.2 Reduction in the dependence on oil revenues for the financing of public activities by supporting the implementation of a tax reform that will increase receipts from a diversified tax base.
- 2.3 Elimination of the distortions and inequities of the present tax system by collaborating in the implementation of a system that is less biased and based on taxation according to real tax-paying capacity.
- 2.4 Adaptation of the tax administration to the requirements generated by the tax reform to be implemented by means of specific management programs for monitoring and evaluating tax receipts, collection, control and auditing.
- 2.5 Improvement of the ratio of the administrative costs of the tax system to revenue it takes in by modernizing the tax administration structures and systems.
- 2.6 Increase in the productivity of the human resources in the tax area of the public sector through institutional strengthening of the ENAHP-IUT.
- 2.7 In-service training of the staff of the Ministry of Finance in accordance with the requirements of the tax reform.

C. Goals

- 2.8 Reorganization and implementation of the tax administration under the Ministry of Finance based on functional subsystems in replacement of the current organization for each type of tax.
- 2.9 Reconditioning of the physical infrastructure of the tax administration in the Ministry of Finance through a reallocation of space and equipment.
- 2.10 Design and launching of five programs for in-service training and ongoing instruction by the ENAHP-IUT.

- 2.11 Performance of four studies on the structure and function of the ENAHP-IUT, and the formulation of a plan of action for the reorganization of the school.

III. DESCRIPTION OF THE PROJECT

A. Components

- 3.1 The Program of Support for Implementation of the Tax Reform and Modernization of the Tax Administration System will consist of two subprograms.

1. Subprogram I

- 3.2 Support for modernization of the tax administration

The purpose of Subprogram I is to collaborate with the Government of Venezuela in a restructuring of the tax administration under the Ministry of Finance. It consists of a series of activities for the implementation of a new, modern tax administration system whose units will be based on functional subsystems (records, filing, auditing, etc.) in place of the current archaic system organized by types of taxes and containing a multiplicity of functions at all levels. This structure of modular units organized by functions will cover more efficiently, and without any duplication of efforts, the administration of all current taxes, those that may be introduced by the reform, and any others that may be instituted later.

- 3.3 The basic subsystems to be implemented as a foundation for the new structure are as follows:

1. Tax Information Records
2. Withholdings
3. Returns - Payment
4. Taxpayer accounts
5. Accounting
6. Collections
7. Appeals and requests
8. Fiscal control
9. Statistics
10. Assistance to taxpayers
11. Administrative control
12. System audits
13. Files

- 3.4 These 13 subsystems will be implemented through a series of activities that have been divided into the following five areas of operational specialization:

1. Organization
 2. Systems and Procedures
 3. Data Processing
 4. Human Resources
 5. Infrastructure
- 3.5 To provide the services needed to carry out these activities, an international consulting firm will be hired, the terms of reference for which are presented in Annex II. Appendix A of Annex II describes the principal activities by area and the results they are expected to achieve.
- 3.6 To operate the information systems to be set up, equipment will be purchased consisting of a mainframe, a network of microcomputers, and software packages. The equipment will be purchased in accordance with the Bank's standards and procedures on the basis of an information processing plan to be drawn up by the Ministry of Finance and submitted to the Bank for review. These acquisitions will supplement those financed by the World Bank through its technical assistance operation.
- 3.7 The infrastructure activities proposed concern the basic reconditioning needed for the buildings at both the central and decentralized levels to meet the requirements of the new organizational structure to be implemented. The amount of US\$2 million has been budgeted for this purpose, and will be financed exclusively out of the contribution of the Government of Venezuela.

2. Subprogram II

- 3.8 Support for Implementation of the Tax Reform and Institutional Strengthening of the Escuela Nacional de Administración y Hacienda [National School of Public Administration and Finance] (ENAHPI-IUT).

The purpose of Subprogram II is to collaborate with the Government of Venezuela in generating the human resources needed for the operation of the new tax administration to be restructured under Subprogram I, including support for the implementation and start-up of the tax reform.

- 3.9 Subprogram II consists of the following activities: (i) in-service training to support implementation of the tax reform; (ii) ongoing instruction to generate professional staff capable of performing properly in the restructured tax administration; (iii) instruction in the design and implementation of taxation techniques to support decision-making in the medium term; and (iv) institutional strengthening of the ENAHPI-IUT aimed at modernizing and restructuring it as a key factor for personnel training in the tax area.

- 3.10 These activities have been divided into two areas: (i) instruction and training; and (ii) institutional modernization and strengthening. Annex IV contains the terms of reference for each of the activities in these two areas, the individual courses and the number of hours of each, and the terms of reference for the firm or specialized agency and for the international and local consultants under Subprogram II. Appendix A to Annex IV presents a descriptive table of the activities to be carried out in those areas and their expected results.
- 3.11 The amount of up to US\$100,000 will be provided for the purchase of computer equipment for the School of Computer Science of the ENAHP-IUT.

C. Organization of the operation

- 3.12 The Ministry of Finance will be responsible for the execution of this program. It will select and hire the consulting firms and/or specialized agency that will implement Subprograms I and II, respectively, in accordance with the rules and procedures of the Bank.
- 3.13 Subprogram I, Modernization of the Public Administration, will be executed by a specialized consulting firm that will provide the services of international consultants and hire directly the services of the local consultants referred to in Annexes I and II.
- 3.14 For the coordination and technical direction of Subprogram I the consulting firm will also provide a Technical Coordinator for the project during the 36 months of the execution period. The terms of reference for the hiring of this consultant are presented in Annex II.
- 3.15 As the local counterpart contribution, an executing unit will be created in the Ministry of Finance under the General Director of the Ministry. This unit will have a staff of at least 10 specialists, who will be employed in these activities full-time. The unit will be headed by the Local Coordinator, who will be hired on a full-time basis by the Ministry and act as the counterpart to the Technical Coordinator of the consulting firm.
- 3.16 A service firm or international organization will be commissioned to execute Subprogram II. It will support the ENAHP-IUT in the implementation of all the subprogram activities. The firm or organization may subcontract firms and agencies specializing in the different areas covered in the plan of activities. The total overhead under this subprogram will not exceed the proportion of 150% set forth in Bank regulations. The terms of reference for hiring the firm that will provide the services are presented in Annex IV.

- 3.17 For the coordination and technical direction of Subprogram II, the consulting firm or specialized agency will provide a General Coordinator, who must establish residence in the country for 36 months to hold this position. The terms of reference for the hiring of the General Coordinator are presented in Annex IV.
- 3.18 The local counterpart contribution for Subprogram II will be the creation of an executing unit to be set up in the ENAHP-IUT under the Sector General Director of the school with a staff of at least five full-time employees. The executing unit will be headed by a Local Coordinator employed on a full-time basis for 36 months, who will act as counterpart to the General Coordinator to be provided by the firm or specialized agency, as described in the preceding paragraph. The terms of reference for the National Coordinator of the project are set out in Annex IV.
- 3.19 The Ministry of Finance will exercise general supervision over the project activities. Owing to the complexity of the operation, the Ministry will employ an International Adviser with extensive experience in the implementation of tax reforms to assist in selecting the consulting firm for Subprogram I and to advise the National Coordinator in all areas of the project, especially in modernization of the Ministry of Finance, and in all matters relating to Subprogram II. The hiring of this adviser is to be financed with Bank resources. The terms of reference for the International Adviser are presented in Annex III.
- 3.20 To coordinate supervision, a Programming and Evaluation Committee will be set up, consisting of the technical personnel of the project, representatives of the consulting firms or international organization, technical staff from the Ministry of Finance, the ENAHP-IUT and the IDB, and the International Adviser of the program. The committee will be chaired by the General Director of the Ministry of Finance. The timetables for Subprograms I and II are presented in Annexes VII and VIII, respectively.

D. Monitoring and Reports

1. Monitoring

- 3.21 For purposes of execution of the project, the Programming and Evaluation Committee will meet upon start-up, not less than once a year, and again upon completion of the operation. The duties of this committee will include reviewing and approving the initial report and work plan, the progress reports on the project, and the final report. At these meetings, the committee will discuss the general and technical progress of the operation, the results obtained and the work program for the next period. The International Adviser for the program will be responsible for preparing the agenda and the minutes of the meetings.

- 3.22 The Ministry of Finance will be responsible for general supervision of the project through its General Director, the Sectoral General Director of the ENAHP-IUT, and the Programming and Evaluation Committee described in the foregoing paragraphs. The Bank will monitor the operation at intervals to advise in establishing general and technical guidelines for the operation and to be apprised of the results obtained. The Bank will monitor the project in the field through its participation in the Programming and Evaluation Committee meetings.

2. Reports

- 3.23 The Government of Venezuela must submit semiannual progress reports describing the activities and results in detail, and a final report summarizing the results of the program and the measures to be taken to carry out the operation.
- 3.24 The consulting firm to be hired to execute Subprogram I must submit to the Ministry of Finance: (i) quarterly progress reports; (ii) documents, computer programs, manuals and other related materials; and (iii) reports by the specialized consultants and a final report itemizing the activities carried out for the entire program, their results, and recommendations for the maintenance and coordination of the systems implemented.
- 3.25 The firm or organization hired to execute Subprogram II must submit to the Ministry of Finance: (i) quarterly progress reports indicating the courses conducted and internships served during each quarter; (ii) reports by the specialized consultants or firms commissioned to carry out the activities; and (iii) a final report describing in detail the activities carried out for the entire subprogram, its results, and related recommendations.
- 3.26 The International Adviser referred to in paragraph 3.19 must submit the following reports to the Ministry of Finance:
- a. a report summing up the outcome of each meeting of the Programming and Evaluation Committee; and
 - b. a final report evaluating the results of the operation and the performance of the agencies and experts hired to execute it.
- 3.27 The Ministry of Finance must submit to the Bank annual financial reports within 90 days after the end of each year of project execution and a final financial report within three months after the last disbursement. All financial reports must be audited by an independent firm approved by the Bank.

E. Cost of the Operation

- 3.28 The total cost of the operation has been estimated at the equivalent of US\$20 million. The Bank's contribution would amount

to the equivalent of US\$10 million, and that of the government the equivalent of US\$10 million, as shown in the following summary:

<u>Item</u>		<u>Bank</u>	<u>Government</u>	<u>Total</u>
1.0	Subprogram I Consulting Firm	5,441,500		5,441,500
1.1	Subprogram II Training & Instl. Strengthening	1,900,000		1,900,000
2.	International Adviser's Fees	360,000		360,000
2.2	Remunerations		1,000,000	1,000,000
2.5.2	Local Travel & Subsistence		800,000	800,000
6.	Logistical Support			
6.2	Materials & Supplies		200,000	200,000
6.3	Equipment	1,600,000		1,600,000
	Infrastructure		2,000,000	2,000,000
	Public Information		<u>6,000,000</u>	<u>6,000,000</u>
	SUBTOTAL	9,301,500	10,000,000	19,301,500
98	Contingencies	698,500		698,500
	TOTAL	<u>10,000,000</u>	<u>10,000,000</u>	<u>20,000,000</u>

3.29 The Bank's contribution, in the amount of US\$10 million, will be used to finance: (i) the hiring of the consulting firm and/or specialized agency that will carry out the two subprograms; (ii) the hiring of the international adviser for the program; and (iii) procurement of the necessary equipment (hardware, software, and a microcomputer network) for implementation of the tax reform under Subprogram I, as described in paragraph 3.6 above, and the data processing equipment for Subprogram II described in paragraph 3.11 above.

3.30 The contribution of the Government of Venezuela, in the amount of US\$10 million, would be used to finance: (i) the executing unit staff; (ii) travel expenses and the purchase of operational vehicles; (iii) about US\$2 million a year for public information during implementation of the reforms; (iv) infrastructural expenditures in connection with the decentralization of the Ministry of Finance and the alterations needed in the buildings in Caracas; and (v) materials and supplies for the operation. A detailed budget for Subprogram I is presented in Annex V, and one for Subprogram II in Annex VI.

- 3.31 To facilitate financial execution, the Bank may, at the request of the Government of Venezuela, make disbursements directly to the consulting firms in accordance with its procedures.
- 3.32 The Bank's contribution would be drawn from the ordinary capital resources. In accordance with current regulations, the terms of this operation would be as follows:
1. Amount and currency: Up to US\$10 million or the equivalent in other currencies, except that of Venezuela.
 2. Guarantee: The general responsibility of the borrower.
 3. Credit fee: 0.75% a year on the undisbursed portion of the financing, commencing to accrue 60 days after signature of the contract and payable in dollars of the United States of America on the same dates as the interest.
 4. Amortization and grace periods: The borrower will amortize the loan in a period of 20 years from the date of the contract by means of semiannual installments, the first of which is to be paid six months after the date of the last disbursement.
 5. Interest: Interest will be paid semiannually on the daily balances of the loan. The first payment will be made six months after the date of the contract. The rates will be set during the life of the loan in accordance with the Bank's lending policy.
 6. Disbursement: The term for disbursement of the loan proceeds will expire 52 months after the effective date of the loan contract.
 7. Special conditions:
 - a. The agreement to be signed must stipulate that, in selecting the participants from all offices for training, consideration will be given to the professional qualifications of the candidates and the relevance of their functions to the project activities. Whenever possible, admission and final tests will be required.
 - b. The agreement will also establish that the staff members selected under the fellowship and internship program must agree in writing to serve in their units of origin for at least two years after the completion of each activity in which they participate. Monetary penalties will be established for nonfulfillment of this obligation.
 - c. As a condition precedent to the first disbursement, the executing units of Subprograms I and II, described in

paragraphs 3.15 and 3.18, respectively, must be set up to the Bank's satisfaction.

- d. Within 90 days following the close of each calendar year during the period of execution of the project and on the date of the last disbursement, the executing unit must submit financial statements on the use made of the resources of the Bank and the local counterpart contribution, audited by an independent firm satisfactory to the Bank, as indicated in paragraph 3.27.
- e. The agreement must establish that, before any disbursement is made for the purchase of computer equipment, a document on the general data processing policy for the Ministry of Finance as a whole, and for the Sectoral General Directorate for Revenue in particular, must have been prepared and approved by the Bank.

IV. BENEFITS AND RISKS

A. Benefits

- 4.1 The proposed technical cooperation operation will bring direct benefits to the Venezuelan economy by contributing to the attainment of one of the key objectives of the adjustment program that the government is now implementing. The increase in revenue expected from the greater effectiveness of the tax administration will improve the fiscal balance sheet, slow the pace of inflation and reduce foreign indebtedness. This impact will be strongly intensified once the proposed tax reform enters into effect.
- 4.2 Together with this quantitative impact on the fiscal balance sheet, implementation of the reforms supported by the proposed program will reduce the risk entailed by financing public activities essentially with oil revenues. The reforms will make the Venezuelan economy more independent of unstable and uncontrollable factors.
- 4.3 In addition to these benefits to the public sector, the program will bring direct benefits to resource allocation in the economy as a whole. A less biased tax scheme and more rational and reliable tax administration will reduce distortions in the Venezuelan economy, lead to better domestic economic decisions, and make the country more competitive abroad.
- 4.4 The program will also confer benefits in income distribution. By supporting a tax reform that introduces a scheme of greater equity and a more rational tax administration, which will tend to reduce evasion and false reporting, this technical cooperation will benefit the relatively lower-income earning sectors.

- 4.5 Benefits will also derive from the greater saving of time by taxpayers (individuals and firms) in their dealings with the tax authorities. Better access, administrative simplification, etc., will generate economies of effort and a general rise in public morale.

B. Risks

- 4.6 Like any other operation of this scope and complexity, the proposed program poses risks that can affect the accomplishment of its purposes. The principal significant risks that could be identified in an operation of this kind derive from: (i) lags that could arise between legislative passage of the tax reform and implementation of the project, with the extreme possibility of no tax reform being passed beyond the one already approved; and (ii) difficulties in implementation that might arise out of existing institutional weaknesses in this area within the Ministry of Finance.
- 4.7 In view of the risks noted during the processing of the proposed technical cooperation operation, several provisions have been made to reduce them and ensure the continuity of execution:
1. The design of the project for modernization of the tax administration is based on the installation of functional subsystems that can be implemented as modules, independently of the different types of taxes that the tax system may consist of. Their installation can also be scheduled flexibly over time in keeping with the priorities set by the government regarding implementation of the tax reform.
 2. It should be noted that the changes to be made in the organization and operation of the tax administration are so far-reaching, and so badly needed, that the proposed program would yield abundant benefits even in the extreme case of a complete lack of coordination between the two reforms or even in the absence of any reform. In any event, modernization of the tax administration will lay the foundation for subsequent implementation of a tax reform, regardless of its components.
 3. The remarks in subparagraphs 1 and 2, above, are equally true of the two components of Subprogram II, support for the tax reform and institutional strengthening.
 4. To reduce the risks that may arise from the institutional weakness of the Ministry of Finance in relation to program execution, provision has been made precisely for hiring a specialized consulting firm to implement and begin operation of the new subsystems, and at the same time generate in the national counterpart the human resources that will be needed to operate them later on.

5. Also, since the institutional weakness of the ENAHP-IUT prevents it from designing and implementing the support and ongoing training programs, and especially its own internal reorganization, a consulting firm or specialized agency is to be hired, and will be responsible for the execution of Subprogram II.
6. In addition, to reinforce the executing unit in its implementation of the reforms of the system, an international adviser is to be hired for the duration of project execution. This adviser will also assist in the initial selection of the consulting firms and in the evaluation of their performance.

V. EVALUATION

A. Monitoring

- 5.1 The contract to be entered into between the Bank and the Ministry of Finance must stipulate that the Ministry must prepare certain reports and submit them to the country office in Venezuela, which will hold basic responsibility for monitoring the project. The following reports, of which copies will be forwarded to the supporting units at Headquarters, will be required:

1. Initial Report

Within 60 days after the signing of the Agreement, an initial report containing the timetable and work plan for the various project activities must be submitted. A description of the activities and the machinery for coordination and execution during the first six months must be included.

2. Progress Reports

Throughout the execution period, a progress report on each six-month period must be submitted within 30 days after the end of the period. The report must include a description of the progress made relative to the original timetable, deviations, and the work plan for the next six-month period.

3. Final Report

Within 60 days after completion of the project, a final report must be submitted describing the results obtained and presenting conclusions and recommendations.

B. Evaluation

- 5.2 Evaluation of the project will be an ongoing process through the progress reports described above to be prepared by the executing agency and forwarded to the Bank semiannually. In addition, the

country office in Venezuela will hold basic responsibility for administration of the program and will conduct periodic inspections. During execution of the program, the Bank will use missions scheduled for other purposes to also perform technical supervision missions, which must coincide with the meetings of the Programming and Evaluation Committee referred to in paragraph 3.23. The final evaluation will be conducted at the time and in the terms stated in the preceding paragraph on the Final Report.

- 5.3 The parameters to be used for the evaluation of the operation must be consistent with those used to measure the objectives of the project.
- 5.4 Twenty-four months after the Final Report is presented by the executing agency, the Ministry will present to the Bank a report on the project's impact and the dissemination of its results, which will evaluate the various activities carried out in tax administration, particularly performance in the collection of the envisaged taxes and the reduction of tax arrears and evasion. The report will also include an evaluation of the school to verify the results of the project. Finally, it will indicate where the various local counterpart staff and the personnel trained under the project are currently employed.

PROPOSED RESOLUTION

VENEZUELA. REIMBURSABLE TECHNICAL COOPERATION TO SUPPORT TO THE
IMPLEMENTATION OF TAX REFORM, MODERNIZATION OF THE SYSTEM
OF TAX ADMINISTRATION AND THE STRENGTHENING AND
ADAPTATION OF THE ESCUELA NACIONAL DE ADMINISTRACION
Y HACIENDA PUBLICA-INSTITUTO UNIVERSITARIO
TECNOLOGICO (ENAHPIUT)

The Board of Executive Directors

RESOLVES:

1. That the President of the Bank, or such representative as he shall designate, is authorized, in the name and on behalf of the Bank, to enter into such agreements as may be necessary and to adopt such other measures as may be pertinent for the execution of the plan of operations referred to in Document AT- with respect to a reimbursable technical cooperation with the Government of Venezuela to support the implementation of the tax reform, the modernization of the system of tax administration and the strengthening and adaptation of the Escuela Nacional de Administración y Hacienda Pública-Instituto Universitario Tecnológico (ENAHPIUT).

2. That up to the sum of US\$10,000,000, or its equivalent is authorized for the purpose of this resolution, chargeable to the ordinary capital resources of the Bank.

3. That the above-mentioned sum is to be provided on a reimbursable basis.

LIST OF ANNEXES

- ANNEX I: Background of the Escuela Nacional de Administración y Hacienda Pública Instituto Universitario Tecnológico.
- ANNEX II: Terms of reference of Subprogram I for the consulting firm.
Appendix A: Activities and results.
- ANNEX III: Terms of reference of the international adviser to the program.
- ANNEX IV: Terms of reference of Subprogram II.
Appendix A: Support for Implementation of the Tax Reform and Institutional Strengthening of the ENAHP-IUT.
- ANNEX V: Itemized budget of the Bank's contribution to the subprogram.
- ANNEX VI: Itemized budget of the Bank's contribution to Subprogram II.
- ANNEX VII: Timetable of activities in Subprogram I.
- ANNEX VIII: Timetable of activities Subprogram II.

BACKGROUND OF THE
ESCUELA NACIONAL DE ADMINISTRACION Y HACIENDA PUBLICA
INSTITUTO UNIVERSITARIO TECNOLOGICO
(NATIONAL SCHOOL OF PUBLIC ADMINISTRATION AND FINANCE
UNIVERSITY INSTITUTE OF TECHNOLOGY)

The Escuela Nacional de Administración y Hacienda Pública - Instituto Universitario Tecnológico (ENAHPI-IUT) is a specialized agency of the Ministry engaging in the education and training of the human resources that the public sector employs for the performance of its functions.

The ENAHPI-IUT was created by Decree No. 2546 of January 17, 1938, published in *Official Gazette* No. 31.406 of that date, and functions as a university-level institute of technology. The studies pursued in it have official status and are governed by laws, decrees and regulations, and the degrees awarded are recognized both at home and abroad.

The experience of the ENAHPI-IUT over the 30 years of its existence is reflected in four main programs: the extension courses, the program for the licentiate in Public Finance, the graduate and research studies, and the Fellowship Program.

The ENAHPI-IUT educates, instructs and trains, at both the undergraduate and graduate level, the officers and employees of the Centralized Administration, the autonomous institutions, and the enterprises in which the Government and its decentralized entities are the sole or majority stockholders.

The organizational structure is reflected in the General Regulations approved by a joint resolution of the Ministries of the Treasury and Education in *Official Gazette* No. 34.145 of January 26, 1989.

The structure of the ENAHPI-IUT is as follows:

- Directing Council, whose members are the top officers of the Ministry of the Treasury and the ENAHPI-IUT.
- Academic Council, whose members are the top officers of the ENAHPI-IUT and representatives of the faculty.
- Consultative Council, whose members are the top officers of the ENAHPI-IUT, two (2) representatives of the faculty, and two (2) representatives of the students.
- General Directorate, which plans, coordinates and directs the academic and administrative operations of the ENAHPI-IUT.

- Academic Directorate, which plans, coordinates and carries out the academic activities of the ENAHP-IUT.
- Administrative Directorate, which plans, coordinates and carries out the administrative activities of the ENAHP-IUT.
- Administrative and Academic Units, which carry on the academic and administrative tasks.

The main headquarters building has eight floors suitable for an establishment of this kind, with classrooms, auditoriums and offices. In addition, there are nine training and instruction units in other parts of the country.

In the current year the Institution has a permanent staff of 41 professional officers, 24 administrative employees, and 150 part-time teachers, who conduct classes for an annual average of 2,000 students employed in the public sector, with a budget of 55.5 million bolivars.

The Institution's work force breaks down as follows:

Personnel

Directorial	3
Professional and Technical	41
Administrative	24
Support	36

Part-time professional staff employed by the ENAHP-IUT, broken down by professions:

Economists	16
Lawyers	14
Administrators	6
Accountants	14
Licentiates in Public Finance (with major in Revenues)	24
Licentiates (with major in customs)	22
Licentiates in Education	10
Engineers	2
Statisticians	2

The ENAHP-IUT offers studies at different academic levels:

- Extension courses
- University-level technical studies
- Licentiate
 - a. Major in Customs
 - b. Major in Revenues

Licentiate in Public Finance

- a. Major in Revenues
- b. Major in Public Finance

Graduate Level

Taxation

- a. Areas of specialization:
 - Customs
 - Administration
 - Other Areas of Public Finance
 - Public Enterprises
- b. Master's degrees in:
 - Human Resources
 - Public Administration

In the course of its long career the ENAHP-IUT has conducted more than 700 extension courses in the following areas:

- Administration
- Customs
- Taxes
- Accounting
- Law
- Economics and Finance

It has awarded licentiate in Public Finance with the two majors to more than 2,000 persons in 13 graduating classes.

At the graduate level it has conducted 3 master's courses in the following majors:

- Public Administration
- Public Enterprises
- Human Resources

It has conducted more than 50 specialization courses in:

- Budget Administration
- Human Resources Administration, and
- Other areas of Public Finance.

Other Activities:

- a. Internationally, the ENAHP-IUT maintains ongoing exchanges of technical-educational missions with the United States, Europe and Latin America, and under those arrangements a variety of seminars and other events are held in coordination with such organizations as CIAT, the OAS, GETULIO VARGAS, the French ENAP, the Instituto de Capacitación Fiscal of Spain, and others.

- b. In addition, the ENAHP-IUT has a documentation center with more than 10,000 volumes.
- c. There is a periodicals center with subscriptions to the world's leading public finance journals.
- d. There is an audiovisual aids center for the support of classroom instruction.
- e. The reproductions and publications service has issued more than 100 technical papers written under the research program.

TERMS OF REFERENCE OF SUBPROGRAM I
FOR THE CONSULTING FIRM

I. GENERAL CLAUSE

The consulting firm will program and carry out its activities to accomplish the purposes of the project as established and described in this plan of operations. In pursuit of those purposes the consulting firm will carry out the following activities for the Income Tax, the Value-Added Tax, the Law on Revenue Stamps and other Domestic Taxes of major fiscal significance. The Executing Unit will sequence their implementation in accordance with their relative priority and state of advancement.

II. DESCRIPTION OF THE ACTIVITIES

The activities of this operation are to be carried on in the following areas:

1. Systems and Procedures
2. Information Processing
3. Organization and Institutional Strengthening
4. Human Resources
5. Infrastructure

For the taxes mentioned, these areas will cover the following thirteen (13) subsystems:

1. Tax Information Records (RIF)
2. Withholding (RET)
3. Declarations - Payments
4. The Taxpayer Account
5. Accounting
6. Collections
7. Appeals and Requests
8. Fiscal Control
9. Statistics
10. Assistance to Taxpayers
11. Administrative Control
12. Systems Auditing
13. Files

III. SYSTEMS AND PROCEDURES AREA

The principal activities will be as follows:

1. General subsystem guidelines, which must cover the general procedure, information flows, relations with other subsystems, governing legal provisions, etc.
2. Logical design of each subsystem, with definition of the general design, inputs, processing, outputs, supporting information, subsystem control and security requirements, and governing legal provisions.
3. Preparation of user's manual comprising policies, rules, instructions, procedures, forms to be used, instructions for printing and filling out, legal basis, and supporting documentation.
4. Implementation and monitoring of subsystems.

To carry out these activities the following personnel must be hired:

IV. INTERNATIONAL CONSULTANTS: 102 MAN-MONTHS

- 1 senior expert in tax administration, 36 months
- 1 expert in tax administration, 24 months
- 1 expert in the system of withholding agents, 6 months
- 1 expert in statistics, 12 months
- 2 experts in auditing, 12 months each

The terms of reference of these consultants are presented at the end of this annex.

V. INFORMATION PROCESSING AREA

The following principal activities will be based on the logical design for the thirteen (13) subsystems:

1. Physical design (construction, testing and implementation of computer programs).
2. Design and installation of a telecommunications network to support the operation of the different subsystems.
3. Preparation of manuals for the documentation of systems for developed computer programs.

4. Definition of specifications of the equipment needed for implementation of the subsystems.
5. Procurement and installation of equipment.
6. Monitoring of and adjustments to the installed subsystems.

The following personnel must be hired to carry out the foregoing activities:

A. International Consultants: 156 man-months.

A senior expert in automated information systems for the Technical Directorate of the Information Processing area. 36 months.
2 senior specialists in systems analysis, 24 months each.
3 Systems analysts, 24 months each.

B. Local Consultants: 144 man-months.

- 1 Systems analyst, 18 months; 2 systems analysts, 12 months each.
- 6 Programmer analysts, 12 months each.
- 2 Programmer analysts, 6 months each.
- 1 Programmer analyst, 18 months.

The terms of reference of these consultants are presented at the end of this annex.

VI. ORGANIZATIONAL AREA

The principal activities will be as follows:

1. Review of the diagnosis of the organizational structure.
2. Design of a new organizational structure taking account of the requirements generated by the tax reform, the information systems to be implemented, and the decentralization scheme required.
3. Determination of the human, material and budgetary resources required by the organization.
4. Assistance in implementing the new structure, with special attention to selection of the human resources.
5. Advisory services in organizational aspects for the strengthening of the computer services area.
6. Strengthening of the training area in the organizational aspects.

The following personnel will have to be hired to carry out the above activities:

A. International Consultants: 48 man-months.

- 1 senior expert in organization and methods, 24 months.
- 2 experts in organization and methods, 12 months each.

B. Local Consultants: 72 man-months.

- 6 experts in organization and methods, 12 months each.

The terms of reference of these consultants are presented at the end of this annex.

VII. HUMAN RESOURCES AREA

The following principal activities are required for the formulation of a policy on personnel:

1. Definition of the required personnel profiles.
2. Design of personnel selection methods.
3. Design of machinery for personnel recruitment.
4. Formulation of a remunerations policy.
5. Formulation of evaluation criteria and systems.
6. Definition of a policy on benefits.

The following personnel will have to be hired to carry out the above activities:

1. International Consultants: 12 man-months.

- 1 Expert in personnel career schemes, 12 months.

2. Local Consultants: 36 man-months.

- 2 Experts in personnel systems, 18 months each.

TECHNICAL CONSULTANT TO THE PROJECT

1. QUALIFICATIONS AND EXPERIENCE

- a. A university degree in administration, economics or engineering with a doctorate or specialization in administration.
- b. At least ten (10) years of experience in, the direction, organization and management of multidisciplinary projects.
- c. Extensive experience in, the management of human resources.
- d. Knowledge of, and experience in, the application of programming techniques.

2. PRINCIPAL FUNCTIONS

The expert's principal function will be the coordination and technical direction of the project, in which he will direct the activities of its long- and short-term consultants in coordination with the local authorities and the local coordinator of the project. In this regard, the consultant must:

- a. Draw up the plans and timetables for execution of the project and evaluate its progress.
- b. Supervise the activities of the international and local personnel to be hired to advance the plan of work for final implementation of the new fiscal policy.
- c. Coordinate with the authorities through the local coordinator of the program the allocation of counterpart resources to activities in progress for implementation of the reform.
- d. Present to the International Adviser of the Program, and through him to the Government and the Bank, quarterly progress reports and a final report on the work done and results achieved.
- e. Define the activities not formally specified that must be carried out by the principal experts in each area and by those under them.
- f. Coordinate the functions of the different experts for implementation in each of the areas.

3. The Technical Director will perform functions in relation to all envisaged activities.

CONTRACTUAL TERM OF SERVICE: 36 months.

TERMS OF REFERENCE
SYSTEMS AND PROCEDURES AREA

PRINCIPAL EXPERT IN TAX ADMINISTRATION

1. QUALIFICATIONS AND EXPERIENCE

- a. A university degree in administration, economics or engineering or the equivalent with a master's degree or specialization in tax administration.
- b. At least ten (10) years of experience in, tax legislation, methods and procedures for application of the law; and the collection and auditing of taxes.
- c. Knowledge of, and experience in, the application of programming techniques for the analysis and design of information systems.

2. PRINCIPAL DUTIES

Under the supervision of the Technical Director of the Project and in coordination with the other principal area experts, the incumbent must:

- a. Assist in the final preparation of the plans and timetables for execution of the Project and the evaluation of its progress.
- b. Prepare the detailed terms of reference and the timetable of activities of the long- and short-term consultants to be hired in his area.
- c. Frame the general guidelines for each subsystem in all his areas, covering the general procedure of each, a functional scheme, information flows, relations with other subsystems, governing legal provisions, and other aspects.
- d. Draw up the general logical design of each subsystem, defining the general design, inputs, processing, outputs, supporting information, control and security requirements of the subsystems, and their governing legal provisions.
- e. Prepare integrated user manuals on policies, rules, instructions, procedures, forms to be used, instructions for printing them and filling them out, the legal basis, and supporting documentation.
- f. Participate and assist in implementation of the subsystems (D and E).
- g. Participate and assist in implementation of the maintenance systems and evaluate their performance.

- h. Formulate the logical design of the cross-information system to support the auditing functions and coordinate its implementation.
- i. Assist in the design of, and implement, the procedures for the control and monitoring of taxpayers in arrears and who do not file returns under the new systems and taxes to be introduced.
- j. Participate in the preparation of the documents for evaluation of the methods and procedures adopted in the activities for the control of tax arrears and evasion.
- k. Assist in the introduction of a manual on tax statistics.
- l. Assist in the design and implementation of methods and procedures for the efficient use of the information contained in the different subsystems.
- m. Advise in the drawing up of the plan of instruction and training in his area of specialization.
- n. Supervise the work of the experts in tax administration, auditing and statistics in his area.
- o. Present semiannual progress reports and a final report containing his conclusions and recommendations to the Technical Director.

CONTRACTUAL TERM OF SERVICE: 36 months.

EXPERT IN TAX ADMINISTRATION

1. QUALIFICATIONS AND EXPERIENCE

- a. A university degree in administration, economics, engineering, or the equivalent, with a master's degree or specialization in tax administration.
- b. At least five (5) years of experience in, tax legislation, methods and procedures in application of the law, and the collection and auditing of taxes.
- c. Knowledge of, and experience in, the application of programming techniques for the analysis and design of information systems.

2. PRINCIPAL DUTIES

Under the supervision of the principal expert and in coordination with the other experts, the incumbent must:

- a. Assist in framing the general guidelines for each subsystem in all his areas, covering the general procedure of each, a functional scheme, information flows, relations with other subsystems, governing legal provisions, and other aspects.
- b. Assist in drawing up the general logical design of each subsystem, defining the general design, inputs, processing, outputs, supporting information, control and security requirements of the subsystems, and their governing legal provisions.
- c. Prepare integrated user manuals for policies, rules, instructions, procedures, forms to be used, instructions for printing them and filling them out, the legal basis, and supporting documentation.
- d. Participate and assist in implementation of the subsystems (D and E).
- e. Participate and assist in the maintenance systems and evaluate their performance.
- f. Train users in the use of the systems.
- g. Conduct courses in his area of specialization.
- h. Prepare semiannual progress reports and a final report containing recommendations for future use.

CONTRACTUAL TERM OF SERVICE: 24 months.

CONSULTANT IN AUDITING

1. QUALIFICATIONS AND EXPERIENCE

- a. A university degree in administration, accounting, law or economics, and specialization in tax auditing.
- b. At least 10 years of experience in, tax auditing, including organization, rules, techniques and procedures.
- c. Knowledge of, the design of information systems for auditing purposes and for control of the administrative process.

2. PRINCIPAL DUTIES

Under the supervision of the Principal Expert in tax administration and in coordination with the other experts in his area, the incumbent must:

- a. Make a detailed analysis of the organization, rules, techniques and procedures of the auditing function in effect.
- b. Determine the information needs for the preparation of auditing plans.
- c. Determine the possible internal and external sources of information for purposes of setting up a cross-checking system.
- d. Advise in the design, development and implementation of programs for the collection of data from sworn returns of interest for audits and their loading into the national data base.
- e. Advise in the design, development and implementation of programs for the collection of data from third parties which validate the information entered by filers on their returns.
- f. Advise in the design, development and implementation of programs for producing ratios and curves of behavior as a basis for the selection of taxpayers to be audited, and to provide aggregate information in support of the decision-making process.
- g. Advise and participate in the design of the manuals and directives on auditing.
- h. Present quarterly progress reports on the program and a final report on its results, including conclusions and

recommendations in his area of specialization, accompanied by a summary not more than 500 words long.

CONTRACTUAL TERM OF SERVICE: 2 experts, 12 months each.

EXPERT IN TAX ADMINISTRATION
(WITHHOLDING AGENTS)

1. QUALIFICATIONS AND EXPERIENCE

- a. A university degree in administration, economics or law with graduate studies or specialization in treasury or tax aspects.
- b. At least ten (10) years of knowledge of, and experience in, the theory and practice of tax administration with emphasis on the design, development, coordination and execution of tax information systems.
- c. Working knowledge of, and experience in, the development of tax information systems, particularly in the areas of collection, auditing, and administrative control of certain taxes or groups of taxpayers.

2. PRINCIPAL DUTIES

Under the supervision of the Technical Director of the Project and in coordination with the other principal area experts, the incumbent must:

- a. Make an evaluation and diagnosis of the filing and payment procedures of the withholding agents and of the mechanisms for control and equipment mechanisms employed by the Directorate.
- b. Draw up a proposal containing the definition and design of a system for the identification, control and performance of withholding agents.
- c. Assist in implementing the system.
- d. Evaluate the mechanisms for servicing the public, guidance and information of and communication with withholding agents used by the Venezuelan tax administration.
- e. Draw up a proposal for the development of institutional improvement systems to enhance internal administrative mechanisms and channels of communication with withholding agents to facilitate the fulfillment of tax obligations.
- f. Participate in other activities assigned to him by the Office of Coordination of the Project as required in his area of competence.
- g. Prepare a final report on his consultancy and recommendations for subsequent implementation.

CONTRACTUAL TERM OF SERVICE: 6 MONTHS

CONSULTANT ON TAX STATISTICS

1. QUALIFICATIONS AND EXPERIENCE

- a. A university degree in statistics, administration or economics with graduate studies or specialization in statistical aspects.
- b. At least five (5) years of knowledge of, and experience in, the design of statistical systems, data analysis, and the supervision and preparation of economic and fiscal reports.
- c. Working knowledge of, and experience in, the design, analysis, preparation and use of statistical systems for tax purposes.

2. PRINCIPAL DUTIES

Under the supervision of the Principal Expert in administration and in coordination with the other experts under the Program, the incumbent must:

- a. Draw up a design for a system of statistics on the taxes that constitute the domestic tax system of Venezuela. In so doing he shall take account of the tax and administrative reform to be implemented.
- b. Design and evaluate a proposal for the development of a system of statistics for periodically evaluating the effects of taxation on the different sectors of the national economy and, additionally, facilitate analysis of the extent of taxpayer compliance.
- c. Write a manual on tax statistics and assist in its implementation.
- d. Frame the requisite suggestions for designing computer applications to carry out the information processing for these purposes.
- e. Participate as an instructor in the training of the local staff members assigned to these tasks.
- f. Prepare a quarterly report and a final report on the results of the consultancy carried out.

CONTRACTUAL TERM OF SERVICE: 12 MONTHS.

TERMS OF REFERENCE
INFORMATION PROCESSING AREA

SENIOR EXPERT IN AUTOMATED INFORMATION SYSTEMS

1. QUALIFICATIONS AND EXPERIENCE

- a. A university degree in engineering, economics or administration with a masters' degree or specialization in computer sciences.
- b. At least ten (10) years of working experience in, the design of information systems and especially in the logical and physical design of data bases, taxpayer records/current account, telecommunications, and advanced programming.
- c. At least five (5) years of working experience in, the handling of data base software and SUPRA MANTIS or similar high-level languages.

2. PRINCIPAL DUTIES

Under the supervision of the Technical Director and in coordination with the other principal area experts, the incumbent must:

- a. Advise the tax administration authorities in the design of information systems employing electronic data processing.
- b. Assist the Project Director in the direction and evaluation of the activities involved in the design and implementation of information systems for tax administration.
- c. Guide and provide technical support to the work of the experts in computer systems hired to design, program and start up the new information systems for the collection and control of taxes and their application to the control of credits included on sworn tax returns.
- d. Draw up the final plan and detailed work timetable for execution of the project in the area of information processing.
 - 1. Administrative control.
 - 2. System auditing
 - 3. Archives
- e. Draw up the plan for testing the systems referred to in paragraph b, above, and supervise its execution.
- f. Collaborate in drawing up the plan for the instruction of users and in its execution for the systems referred to in paragraph b, above.
- g. Supervise the documentation of the systems referred to in paragraph b.

- h. Prepare partial reports on the tasks carried out and their results.

CONTRACTUAL SERVICE PERIOD: 36 months.

SENIOR SPECIALISTS IN SYSTEMS ANALYSIS

1. QUALIFICATIONS AND EXPERIENCE

- a. A university degree in engineering, economics or administration with a master's degree or specialization in computer sciences.
- b. At least ten (10) years of working experience in, the design of information systems and especially in the logical and physical design of data bases, taxpayer records/current account, telecommunications and advanced programming.
- c. At least five (5) years of working experience in, the handling of data base software and SUPRA MANTIS or similar high-level languages.

2. PRINCIPAL DUTIES

Under the supervision of the Senior Expert in automated information processing systems, and in coordination with the other principal area experts, the incumbent must:

- a. Participate in drawing up the final plan and detailed timetable for development of the project.
 1. Administrative control.
 2. System auditing
 3. Archives
- b. Draw up the plan for testing the systems referred to in paragraph 1.b, above, and supervise its execution.
- c. Collaborate in drawing up the plan for the instruction of users and in its execution for the systems referred to in paragraph 1.b, above.
- d. Supervise the documentation of the systems referred to in paragraph 1.b.
- e. Prepare partial reports on the tasks carried out and their results.

CONTRACTUAL SERVICE PERIOD: 2 for 24 months each.

SYSTEMS ANALYSTS

1. QUALIFICATIONS AND EXPERIENCE

- a. A university degree in engineering, economics or administration with a master's degree or specialization in computer sciences.
- b. At least five (5) years of working experience in, the analysis and development of automated information systems.

2. PRINCIPAL DUTIES

Under the supervision of a Senior Specialist in Systems Analysis, the incumbent will perform the following duties:

- a. Lead a group of local systems analysts in analyzing the functional requirements and defining the architecture and detailed specifications of the following computer subsystems:
 - 1. Fiscal Information Records (RIF), Withholding Agents, Income Tax (Personal and Corporate), and Value-Added Tax (VAT).
 - 2. Withholdings (RET).
 - 3. Filing - Paying
 - 4. Individual Taxpayer Account
 - 5. Accounting
 - 6. Collection
 - 7. Appeals and Requests
 - 8. Fiscal Control
 - 9. Statistics
 - 10. Taxpayer Assistance
 - 11. Administrative Control
 - 12. Systems auditing
 - 13. Archives
- b. Design the computer program testing plan and supervise its execution for the systems referred to in paragraph a.

- c. Collaborate in the preparation of documentation for the systems (a systems binder, a programs binder, manual of operation, and user's manual).
- d. Participate in instruction of users on the systems listed in paragraph a.
- e. Define the procedures for operation of the systems referred to in paragraph a.
- f. Assist in implementation and monitoring of the subsystems.

CONTRACTUAL SERVICE PERIOD: 3 for 24 months each.

LOCAL CONSULTANTS IN SYSTEMS ANALYSIS

1. QUALIFICATIONS AND EXPERIENCE

- a. Advanced training in computer systems.
- b. Not less than five (5) years of experience in, the analysis and development of automated information systems.
- c. Knowledge of, and experience in, the development of Venezuelan tax administration systems.

2. PRINCIPAL DUTIES

Under the supervision of an International Consultant in Analyses and Programming, the incumbent shall:

- a. Analyze the functional requirements and define the architecture and detailed specifications of the computer subsystems assigned to him.
- b. Design the plan for the testing of computer programs for the systems assigned to him and supervise their execution.
- c. Collaborate in drafting the documentation for the systems (binders on systems, binder on programs, operating manual, and user's manual).
- d. Participate in the instruction of users of the systems assigned to him.
- e. Define the procedures for operation of the systems assigned to him.
- f. Any other area of his specialty assigned to him by his supervisor.

CONTRACTUAL TERM OF SERVICE: 1 Specialist for 18 months.
2 Specialists for 12 months each.

LOCAL PROGRAMMER-ANALYSTS

1. QUALIFICATIONS AND EXPERIENCE

- a. Training in computer systems.
- b. Not less than five (5) years of experience in, the analysis and development of automated information systems.
- c. Experience in, the development of the systems of the Venezuelan Tax Administration is preferred.

2. PRINCIPAL DUTIES

Under the supervision of a consultant in information analysis and programming, the incumbent shall:

- a. Collaborate in the phase of detailed specification of the computer programs of the systems assigned to him.
- b. Code, test and document some of the computer programs of the systems assigned to him.
- c. Participate in the writing of the manuals on operation of the systems assigned to him.
- d. Any other area in his specialty assigned to him by his supervisor.

CONTRACTUAL TERM OF SERVICE: 6 Specialists for 12 months each.
2 Specialists for 6 months each.
1 Specialist for 18 months.

TERMS OF REFERENCE
ORGANIZATIONAL AREA

PRINCIPAL EXPERT IN ORGANIZATION

1. QUALIFICATIONS AND EXPERIENCE

- a. A university degree in administration and organization, and graduate studies and specialization in organization and methods.
- b. Knowledge of, and at least ten (10) years of experience in, the design of methodologies of administrative analysis, organization and methods, the writing of manuals of functions and procedures, and work simplification.
- c. Working knowledge of, and experience in, the reorganization of a tax administration office.

2. PRINCIPAL DUTIES

Under the supervision of the Technical Director of the project and in coordination with the other experts, the incumbent must:

- a. Assist in the final preparation of the plans and timetables for execution of the project and the evaluation of its development.
- b. Prepare the detailed terms of reference and activities timetable of the consultants to be hired in his area of specialization.
- c. Review the diagnosis of the organizational structure, evaluate it, and make recommendations. The diagnosis must identify the problems of organization, functions, decision-making, and administrative control.
- d. Design a new organizational structure in light of the requirements generated by the tax reform, the information systems to be implemented and the required decentralization scheme.
- e. Determine the human and material resources required by the organization.
- f. Assist in implementing the new structure, with special attention to the selection of human resources in the units directly involved in the operation of the new systems being implemented.
- g. Advise in the writing of manuals on operations control so that they may be used for reference, work, and the training of the personnel who will be responsible for their operation.
- h. Conduct courses in his area of specialization.

- i. Supervise and direct the work of the experts in the administration area.
- j. Write semiannual reports and a final report with recommendations.

CONTRACTUAL TERM OF SERVICE: 24 months.

EXPERT IN ORGANIZATION AND METHODS

1. QUALIFICATIONS AND EXPERIENCE

- a. A university degree in administration and organization, and graduate studies and specialization in organization and methods.
- b. Knowledge of, and at least five (5) years of experience in, the design of methodologies of administrative analysis, organization and methods, the writing of manuals of functions and procedures, and work simplification.
- c. Working knowledge of, and experience in, the reorganization of a tax administration office.

2. PRINCIPAL DUTIES

- a. Assist in the design of the new organizational structure in light of the requirements generated by the tax reform, the information systems to be implemented and the required decentralization scheme.
- b. Assist in the determination of the human and material resources required by the organization.
- c. Assist in implementing the new structure and the organization of the units directly involved in the operation of the new subsystems being implemented.
- d. Assist in the writing of the operating manuals.
- e. Prepare semiannual reports and a final report on his work, with recommendations.

CONTRACTUAL TERM OF SERVICE: 2 experts, 12 months each.

LOCAL EXPERTS IN ORGANIZATION AND METHODS

1. QUALIFICATIONS AND EXPERIENCE

- a. A university degree in administration, organization, or a related area of specialization.
- b. Knowledge of, and at least five (5) years of experience in, the design of methodologies for administrative analysis, organization and methods, the writing of manuals of functions and procedures, and work simplification.

2. SPECIAL DUTIES

- a. Assist in the design of a new organizational structure in light of the requirements generated by the tax reform, the information systems to be implemented and the required decentralization scheme.
- b. Assist in the determination of the human and material resources required by the organization.
- c. Assist in implementing the new structure and the organization of the units directly involved in the operation of the new subsystems being implemented.
- d. Assist in the writing of the operating manuals.

CONTRACTUAL TERM OF SERVICE: 6 experts, 12 months each.

TERMS OF REFERENCE
HUMAN RESOURCES AREA

CONSULTANT IN PERSONNEL CAREER SYSTEMS

1. QUALIFICATIONS AND EXPERIENCE

- a. A university degree in the administrative sciences with specialization in human resources.
- b. At least five (5) years of working experience in, personnel career systems for public administration.

2. SPECIAL DUTIES

- a. To frame policies, criteria and guidelines for the design and development of an integrated personnel administration system for the General Directorate, with emphasis on career schemes and personal development.
- b. To frame basic rules for the functioning of the integrated system under the current laws, and to draft legal reforms in the aspects required for the purpose.
- c. To coordinate his activities with the Technical Director of the project and with the staff of the General Directorate.
- d. To present a semiannual report and a final report with conclusions and recommendations.

CONTRACTUAL TERM OF SERVICE: 12 months.

LOCAL CONSULTANTS IN PERSONNEL CAREER SYSTEMS

1. QUALIFICATIONS AND EXPERIENCE

- a. A university degree in the field of the administrative sciences with specialization in human resources.
- b. At least five (5) years of working experience in, personnel career systems for public administration.

2. SPECIAL DUTIES

Under the supervision of the Technical Director of the project and in coordination with the other experts, the incumbent must:

- a. Assist in framing the personnel policy to be used in the aspects of:
 - Definition of required profiles
 - Personnel selection
 - Recruitment
 - Remuneration policy
 - Evaluations
 - Welfare benefits, etc.
- b. Assist in the implementation of this new personnel policy in all its aspects.
- c. Write semiannual reports and a final report on his results, with recommendations.

CONTRACTUAL TERM OF SERVICE: 2 experts for 18 months.

SUBPROGRAM I. SUPPORT TO THE MODERNIZATION OF THE TAX ADMINISTRATION

ACTIVITIES AND RESULTS

ACTIVITIES

RESULTS

Organizational Area

- a. Review of the diagnosis of the structural organization.
- b. Design of a new structure allowing for the requirements generated by the tax reform, the new information systems, and the required decentralization scheme.
- c. Determination of the human, material and budgetary resources required by the organization.
- d. Assistance in implementing the new structure, with special attention to the selection of human resources.
- e. Advising in organizational aspects for the strengthening of the computer area.
- f. Strengthening of the training area (ENAHPIUT) in the organizational aspects.

1. Organizational Area

- A modern organizational structure at the center and in the regions, endowed with human, financial, material and information resources that meet the requirements generated by the reform to be implemented.
- Up-to-date manuals of functions and procedures at the center and in the regions.
- Proposals for administrative controls for the fulfillment of the regulatory and operational plans.

Area of Systems and Procedures

For each of the 13 subsystems:

- a. Framing the subsystem's general guidelines, which must cover the general procedure, information flows, relations with other subsystems, governing legal provisions, and other aspects.
- b. Logical design of the subsystem, defining the general design, inputs, processing, outputs, supporting information, requirements for control and security of the subsystem, and governing legal provisions.
- c. Design of the user's manual, comprising policies, rules, instructions, procedures, forms to be used, instructions for printing them and filling them out, legal basis, and supporting documentation.
- d. Implementation and monitoring of the subsystem.

2. Area of Systems and Procedures

- a. A redesigned record of fiscal information, v the administrative rules, methods procedures for full and unequiv identification of all natural and legal pers required by law to file and pay taxes. updating system that keeps the taxpa identification data current.
- b. Administrative procedures for the monitoring collections.
- c. Rules, methods and manual procedures carrying taxpayer accounts on which are ente and kept all the debits and credits genera by tax returns, payments, settlements, fi and all other transactions between the taxpa and the administration.
- d. Programs and measures to promote modernization and improve the quality and yi of the auditing function.
- e. Statistical information on all tax proces and the production of economic indicators the planning and support of future action the tax area by the administration.

Information Processing Area

- a. Physical design (computer programs, testing and implementation).
- b. Design and installation of a telecommunications network to support the operations of the different subsystems.
- c. Design of system documentation manuals for the computer programs developed.
- d. Definition of the specifications of the equipment required for implementation of the subsystems.
- e. Procurement and installation of equipment.
- f. Monitoring and adjustment of the installed subsystems.

Human Resources Area

- a. Definition of the required personnel profiles.
- b. Design of personnel selection methods.
- c. Design of personnel recruitment mechanisms.
- d. Formulation of the remuneration policy.
- e. Framing of evaluation systems and criteria.
- f. Definition of policy on social benefits.

3. Information Processing Area

- Implemented computer programs, well documented and with an established data base for the subsystem developed.
- A functioning data processing area using modern development techniques, with responsibility for the operation and maintenance of the information processing systems developed, with human resources able to operate and maintain the information processing systems effectively.
- Manuals of procedures for the definition, design, development and operation of information processing systems.

4. Human Resources Area

- A modern and appropriate personnel administration system based on merit, with the means and methods for recruitment, selection, the definition of post profiles, appropriate salary scales, and performance evaluation programs to ensure retention of the most qualified workers.
- Rules, systems and procedures for the implementation of a personnel selection and evaluation program.

Infrastructure Area

A. Architecture

1. Compilation of information and coordination.
2. Preparation of the Space Distribution Plan.
3. Preparation of the Partitions and Finishes Plan.
4. Preparation of the Furnishings Plan.
5. Preparation of the Details Plan.

B. Electrical Installations

1. Verification of the capacity of the electric wiring on each floor.
2. Preparation of the Lighting Plan.
3. Preparation of the Electric Outlets Plan.
4. Preparation of the Telephones Plan.
5. Preparation of the Plan for the Computer and Information Processing Plan.

C. Air-conditioning System

1. Adjustment of the existing project.

5. Infrastructure Area

- Alterations both at the center and in regions to permit implementation of the organizational structure.

2. Installation of air-conditioning grills and distribution ducts.
3. Adjustment of the forced ventilation system.

D. Fire Detection and Alarm System

1. Preparation of the Project.
2. Installation of fire detection, alarm and control systems.
3. Installation of emergency lighting.
4. Marking of escape routes.

E. Quantity Calculations

1. Architecture
2. Installation
3. Systems

F. Signs and Signals

1. Signs, signals and identification of spaces.

G. Communications

1. Determination of telephone lines required.

H. Partitions

TERMS OF REFERENCE OF THE INTERNATIONAL ADVISER TO THE PROGRAM

1. QUALIFICATIONS AND EXPERIENCE

- a. A university degree and training related to the economic and administrative sciences.
- b. Must be expert in the high-level public sector, with wide professional experience, and a recognized authority nationally and internationally.
- c. Must be acquainted with the country and have a command of the Spanish language.

2. PRINCIPAL DUTIES

In close coordination with the National Coordinator of the Project, the expert must:

- a. Advise the government authorities in all aspects of implementation of the tax reform, and particularly of those relating to tax administration.
- b. Ensure effective coordination between the actions and contributions of the international financing agencies in regard to tax policy and administration.
- c. Advise the authorities in the process of identifying, selecting and hiring the consulting firm, and of evaluating its performance.
- d. Coordinate with the authorities all matters relating to the provision of offices and of administrative support, communications and logistical services, and the allocation of personnel, equipment and materials included in the counterpart contribution.
- e. Review the quarterly progress reports of the consulting firm.
- f. Serve as Secretary to the Programming and Evaluation Committee, and in that capacity prepare the reports, agendas and minutes of the meetings and distribute them at the times and in the manner provided in the Agreement.
- g. Monitor the recommendations and decisions of the Committee and inform the authorities and the IDB of significant deviations from or difficulties in execution of the Program.

- h. Coordinate with the authorities, the IDB, and the specialized agencies and institutions on all matters relating to the hiring of services, procurement, payments and disbursements.
- i. Prepare the other reports and perform other tasks assigned to him by the Committee.

CONTRACTUAL TERM OF SERVICE: 36 months.

TERMS OF REFERENCE OF SUBPROGRAM II

TERMS OF REFERENCE OF THE CONSULTING FIRM OR SPECIALIZED AGENCY

1. QUALIFICATIONS AND EXPERIENCE

- a. Must present proof of extensive international experience in the implementation of tax reforms, especially in regard to instruction and training.
- b. International experience in the organization and operation of research, instruction and training centers in the area of public administration.

2. FUNCTIONS AND ACTIVITIES

The consulting firm or specialized agency will program and carry on its activities toward attainment of the goals of the project which are established and described for Subprogram II. In pursuit of those goals and results, the consulting firm or specialized agency will carry out the following principal activities:

- a. Instruction and training.
- b. Modernization and Institutional Strengthening of the Escuela Nacional de Administración y Hacienda Pública (National School of Public Administration and Finance).

3. SPECIFIC ACTIVITIES

- a. To advise in the organization and coordination, and concurrently in supervision, control and technical support for the effective implementation and execution of the program.
- b. To advise in the selection and hiring of the international and local experts and specialized teachers and in the control of results.
- c. To participate in the preparation of the detailed prospectus for the courses envisaged in Subprogram II.
- d. To collaborate in the preparation and implementation of the fellowship program, which involves identification of the places where the fellowship recipients will study, the studies they will pursue, and the duration thereof.

TERMS OF REFERENCE OF THE INTERNATIONAL COORDINATOR

1. QUALIFICATIONS AND EXPERIENCE

- a. An advanced university degree in administration, law, economics or social sciences with specialization in the techniques of human resource instruction and training.
- b. At least ten (10) years of experience as adviser in the management of training centers in tax administration, and training in the teaching area.
- c. Experience in the training and management of specialized or interdisciplinary professional groups.
- d. A strong command of the Spanish language.

2. PRINCIPAL DUTIES

Under the supervision of the specialized agency and in coordination with the Escuela Nacional de Administración y Hacienda Pública - IUT and the other experts, the incumbent must:

- a. Plan and conduct the activities of Subprogram II.
- b. Supervise the academic, technical and administrative activities of the program.
- c. Participate in the preparation of the questionnaires and forms for the tests for admission and final evaluation of the participants.
- d. Collaborate in the selection of the local professional personnel who will be employed as teachers, instructors and lecturers.
- e. Participate in the design of the curricula for the courses and in preparation of the material to be covered in each subject.
- f. Advise on the studies and research that the Ministry of the Treasury and the specialized agency decide are to be done during the program.
- g. Prepare reports on the results of execution of the program in keeping with the indications of the specialized agency.

CONTRACTUAL TERM OF SERVICE: 36 months.

TERMS OF REFERENCE OF THE EXPERT IN
DETERMINATION OF THE INSTRUCTION AND TRAINING NEEDS AND THE
DESIGN OF A FELLOWSHIP PROGRAM

1. QUALIFICATIONS AND EXPERIENCE

- a. A university degree in teaching or a related field.
- b. At least five (5) years of experience in instruction and training in public administration or a related field.
- c. Experience in the design, execution and control of fellowship and internship programs.
- d. An extensive command of the Spanish language.

2. DUTIES AND ACTIVITIES

To determine the training needs of the public administration personnel, and to schedule the projects and programs of education, training and instruction for the sector, with the following specific duties:

- a. To draw up the regular scheduling of courses derived from the study to be done in response to the demand for the required training.
- b. To define and evaluate the teaching methodology to be used to execute the teaching activities of the Escuela Nacional de Administración y Hacienda Pública - IUT.
- c. To advise and coordinate with the teaching staff on the preparation and conduct of each course.
- d. To work closely with the International General Coordinator, his local counterpart, and the local experts.
- e. To design, direct and monitor the fellowship program.

CONTRACTUAL TERM OF SERVICE: 12 months.

TERMS OF REFERENCE OF THE LOCAL EXPERT IN
THE DETERMINATION OF INSTRUCTION AND TRAINING NEEDS AND IN
THE FORMULATION OF A FELLOWSHIP PROGRAM

1. QUALIFICATIONS AND EXPERIENCE

- a. A university degree in teaching or a related field.
- b. Not less than five (5) years of experience in instruction and training in public administration or a related field.
- c. Experience in the formulation, execution and control of the Fellowship and Internship Programs.

2. DUTIES AND ACTIVITIES

In coordination with the international expert, the incumbent must collaborate in:

- a. Determining the training needs of the public administration personnel, and schedule the training and instruction projects and programs for the sector.
- b. Drawing up the regular schedule of courses derived from the study done by the international expert.
- c. Defining and evaluating the teaching methodology to be used to execute the teaching activities of the Escuela Nacional de Administración y Hacienda Pública - IUT.
- d. Advising and coordinating with the teaching staff on the programming and conduct of each course.
- e. Designing, conducting and monitoring the fellowship program.

CONTRACTUAL TERM OF SERVICE: 12 months.

TERMS OF REFERENCE OF THE EXPERT IN THE ORGANIZATION OF
CENTERS OF INSTRUCTION AND TRAINING IN PUBLIC ADMINISTRATION

1. QUALIFICATIONS AND EXPERIENCE

- a. A professional degree in the field of the administrative sciences with specialization in the organization of training centers and/or schools specializing in public administration.
- b. At least five (5) years of experience in the area.
- c. An extensive command of the Spanish language.

2. DUTIES AND ACTIVITIES

In coordination with the international expert, the incumbent must:

- a. Compile, analyze and interpret information for determining the existing needs in specific areas of public administration.
- b. Make a diagnosis of the structure and programs of the Escuela Nacional de Administración y Hacienda Pública - IUT for the purpose of determining whether it is able to provide the personnel education and training required by the public administration.
- c. Propose a model of organization and programs that meets the real needs of the Escuela Nacional de Administración y Hacienda Pública - IUT including the specific needs of the public administration.
- d. Write the reports required of him by the office of general coordination.

CONTRACTUAL TERM OF SERVICE: 8 months.

TERMS OF REFERENCE OF THE LOCAL EXPERT IN THE ORGANIZATION OF
CENTERS FOR INSTRUCTION AND TRAINING IN PUBLIC ADMINISTRATION

1. QUALIFICATIONS AND EXPERIENCE

- a. A university degree in the administrative sciences with specialization in the organization of training centers and/or schools specializing in public administration.
- b. At least five (5) years of experience in the area.

2. DUTIES AND ACTIVITIES

In coordination with the international expert, the incumbent must:

- a. Compile, analyze and interpret information for determining the existing needs in specific areas of public administration.
- b. Make a diagnosis of the structure and programs of the Escuela Nacional de Administración y Hacienda Pública - IUT for the purpose of determining whether it is able to provide the personnel education and training required by the public administration.
- c. Propose a model of organization and programs that meets the real needs of the Escuela Nacional de Administración y Hacienda Pública - IUT including the specific needs of the public administration.
- d. Preparation of the related reports.

CONTRACTUAL TERM OF SERVICE: 8 months.

TERMS OF REFERENCE OF THE INTERNATIONAL EXPERT IN THE
DESIGN AND SUPERVISION OF APPLIED RESEARCH PROJECTS AND OF THE
ACTIVITIES OF THE PROGRAM OF REGIONAL COMPLEMENTATION AND EXCHANGES
ON TAX MATTERS WITH COUNTRIES OF LATIN AMERICA

1. QUALIFICATIONS AND EXPERIENCE

- a. A university degree in economics, law, administration or public accounting with specialization in tax matters and knowledge in the area of basic research.
- b. Not less than five (5) years of recognized experience in applied research.
- c. An extensive command of the Spanish language.

2. DUTIES AND ACTIVITIES

The incumbent must collaborate with the international expert in all matters relating to:

- a. Evaluation of the existing resources for carrying out a program of applied research.
- b. The design of a plan of applied research in the areas involved in the Institution's activities.
- c. The development of an appropriate methodology for the research.
- d. The conduct of courses, conferences, seminars and any other disseminating activity on subjects relating to the applied research.
- e. Supervision of the applied research pursued in the area of his specialization.
- f. The design of a plan of activities for exchanges of knowledge, research and experts of the Latin American countries.

CONTRACTUAL TERM OF SERVICE: 15 expert/months.

REQUIREMENTS:

5 experts for three (3) months each, who will perform their services while the project is in progress. Not fewer than 4 experts will be hired to direct, execute and control the events to be held and studies to be performed.

TERMS OF REFERENCE OF THE LOCAL EXPERT IN THE
DESIGN AND SUPERVISION OF APPLIED RESEARCH PROJECTS AND OF THE
ACTIVITIES OF THE PROGRAM OF REGIONAL COMPLEMENTATION AND EXCHANGES
ON TAX MATTERS WITH COUNTRIES OF LATIN AMERICA

1. QUALIFICATIONS AND EXPERIENCE

- a. A university degree in economics, law, administration or public accounting with specialization in tax matters and knowledge in the area of basic research.
- b. Not less than five (5) years of recognized experience in applied research.

2. DUTIES AND ACTIVITIES

- a. Evaluation of the existing resources for carrying out a program of applied research.
- b. The design of a plan of applied research in the areas involved in the Institution's activities.
- c. The development of an appropriate methodology for the research.
- d. The conduct of courses, conferences, seminars and any other disseminating activity on subjects relating to the applied research.
- e. Supervision of the applied research pursued in the area of his specialization.
- f. The design of a plan of activities for exchanges of knowledge, research and experts of the Latin American countries.

CONTRACTUAL TERM OF SERVICE: 15 months.

TERMS OF REFERENCE OF THE INTERNATIONAL EXPERT
IN LIBRARY SCIENCE

1. QUALIFICATIONS AND EXPERIENCE

- a. A university degree in library science with knowledge of automated systems.
- b. Not less than five (5) years of experience in the organization, restructuring and modernization of specialized libraries and documentation centers.

2. PRINCIPAL DUTIES:

- a. To make a diagnosis of the library's needs in the area of automated systems.
- b. To suggest equipment through which the library may establish relations and exchange information with other local and international specialized centers.
- c. To determine the specific bibliographical needs and make proposals for updating the existing holdings.
- d. To recommend qualified personnel for the proper functioning of the library.

TERMS OF REFERENCE OF THE LOCAL EXPERT
IN LIBRARY SCIENCE

1. QUALIFICATIONS AND EXPERIENCE

- a. A university degree in library science with knowledge of automated systems.
- b. Not less than five (5) years of experience in the organization, restructuring and modernization of specialized libraries and documentation centers.

2. PRINCIPAL DUTIES:

- a. To make a diagnosis of the library's needs in the area of automated systems.
- b. To suggest equipment through which the library may establish relations and exchange information with other local and international specialized centers.
- c. To determine the specific bibliographical needs and make proposals for updating the existing holdings.
- d. To recommend qualified personnel for the proper functioning of the library.
- e. To make a study of the documentation center and determine the requirements for its modernization.
- f. In keeping with the preceding point, to establish a plan of action for the documentation center.

CONTRACTUAL TERM OF SERVICE: 4 expert/months.

TERMS OF REFERENCE OF THE EXPERT IN AUDIOVISUAL RESOURCES

1. QUALIFICATIONS AND EXPERIENCE

- a. A university degree in teaching with specialization in audiovisual resources.
- b. Not less than five (5) years of experience in the application of techniques in the area of audiovisual resources.
- c. Experience in the selection, installation, design and maintenance of equipment.

2. PRINCIPAL DUTIES

- a. To determine the needs in audiovisual equipment.
- b. To recommend the appropriate audiovisual aid equipment.
- c. To provide training in his areas of competence.
- d. To recommend a suitable plan for the maintenance of the equipment in use.

CONTRACTUAL TERM OF SERVICE: 2 expert/months.

TERMS OF REFERENCE OF THE LOCAL EXPERT IN AUDIOVISUAL RESOURCES

1. QUALIFICATIONS AND EXPERIENCE

- a. A university degree in teaching with specialization in audiovisual resources.
- b. Not less than five (5) years of experience in the application of techniques in the area of audiovisual resources.
- c. Experience in the selection, installation, design and maintenance of equipment.

2. PRINCIPAL DUTIES

- a. To determine the needs in audiovisual equipment.
- b. To recommend the appropriate audiovisual aid equipment.
- c. To provide training in his areas of competence.
- d. To recommend a suitable plan for the maintenance of the equipment in use.

CONTRACTUAL TERM OF SERVICE: 2 expert/months.

TERMS OF REFERENCE OF THE EXPERT IN SYSTEMS AND
INFORMATION PROCESSING

1. QUALIFICATIONS AND EXPERIENCE

- a. A university engineering degree in systems analysis or specialization in information processing.
- b. Not less than five (5) years of experience in the analysis of computer systems.
- c. Experience in systems design and development.

2. PRINCIPAL DUTIES

- a. To design and develop the requisite systems.
- b. To advise on the procurement of equipment on the basis of durability and cost.
- c. To provide standards for the instruction and training of the users of the system.
- d. To recommend a suitable plan for maintenance of the entire system.

CONTRACTUAL TERM OF SERVICE: 4 expert/months.

TERMS OF REFERENCE OF THE LOCAL EXPERT
IN SYSTEMS AND INFORMATION PROCESSING

1. QUALIFICATIONS AND EXPERIENCE

- a. A university engineering degree in systems analysis or specialization in information processing.
- b. Not less than five (5) years of experience in the analysis of computer systems.
- c. Experience in the selection, design, installation and maintenance of equipment.
- d. Experience in systems design and development.

2. PRINCIPAL DUTIES

In coordination with the international expert, the incumbent must collaborate in:

- a. To design and develop the requisite systems.
- b. To advise on the procurement of equipment on the basis of durability and cost.
- c. To provide standards for the instruction and training of the users of the system.
- d. To recommend a suitable plan for maintenance of the entire system.

CONTRACTUAL TERM OF SERVICE: 4 expert/months.

TERMS OF REFERENCE OF THE INTERNATIONAL EXPERT
TO CONDUCT THE COURSES AND/OR SEMINARS

1. QUALIFICATIONS AND EXPERIENCE

- a. A university degree in economics, administration, accounting or law, or specialization in fiscal matters.
- b. Not less than five (5) years of teaching experience in tax matters.
- c. Professional experience in positions in the tax field.
- d. Extensive command of the Spanish language.

2. DUTIES AND ACTIVITIES

- a. To conduct the courses, lectures, seminars and all other scheduled classroom activities.
- b. To guide the participants in their studies and research for the classroom.
- c. To prepare the supporting material required to conduct the courses.
- d. To make an ongoing evaluation of the conduct of the courses and performance of the participants and to report the results to the coordination office.

CONTRACTUAL TERM OF SERVICE:

It is considered that at least 33 expert/months will have to be contracted to conduct the different courses and/or seminars.

TERMS OF REFERENCE OF THE LOCAL TEACHERS

1. QUALIFICATIONS AND EXPERIENCE

- a. A university licentiate in public finance, law, economics, administration and/or public accounting.
- b. The incumbent must have conducted specialization courses in the areas of interest in specialized institutions.
- c. Five (5) years of teaching experience in the training and guidance of specialized and interdisciplinary professional groups.

2. DUTIES AND ACTIVITIES

- a. To structure a methodology that accomplishes the general and specific purposes of the course.
- b. To prepare the teaching materials required (thesis, graphics, audiovisual resources, etc.)
- c. To implement the program content in support of the set goals.
- d. To prepare a report presenting the results obtained in conducting the course.

CONTRACTUAL TERM OF SERVICE:

It is considered that at least 66 expert/months will have to be contracted to conduct the different courses and/or seminars.

TERMS OF REFERENCE OF THE COURSE ON THE VALUE-ADDED TAX (VAT)

1. PURPOSE

To transmit the experience of other Latin American countries in the theory and practice of general consumer taxes and most particularly of the value-added technique, its implementation and administration, and to transmit the knowledge needed for a proper understanding of the local laws on this tax.

2. ADDRESSED TO: Officials of the Sectoral General Directorate for Revenue.

3. FREQUENCY: 30 courses.

4. NUMBER OF PARTICIPANTS: 40 per course

5. DURATION: 40 hours

6. CONTENT:

- Conceptual analysis of taxes on consumption, fundamentals and purposes of taxes on consumption.
- Different forms of taxation of goods and services. Differences in the economic effects of the different forms. Forms most commonly used in the Americas.
- Technical analysis of the value-added tax. Value-added as a taxation technique. Criteria for setting the tax. Who is subject to the tax. Taxable base. Setting the rate.
- Technical analysis of selective taxation of consumption.
- Selection criteria. Form of the tax. Who is subject to the tax. Taxable base. Rates. Setting the rate.

TERMS OF REFERENCE OF THE COURSE ON THE
ORGANIC TAX CODE

1. PURPOSE

To examine and update the different aspects of the Organic Tax Code through the experience of its application in countries of Latin America.

2. ADDRESSED TO: Officials of the Sectoral General Directorate for Revenue in the Ministry of the Treasury.

3. FREQUENCY: 4 courses or seminars.

4. NUMBER OF PARTICIPANTS: 20 hours per course.

5. CONTENT:

- Preliminary provisions. Tax Liabilities.
- Violations and Penalties. Tax Administration. Litigation Procedures.
- Transitory and Final Provisions.

TERMS OF REFERENCE OF THE COURSE IN
TAX ADMINISTRATION

1. PURPOSE:

To enable officials to create the conditions and develop systems and procedures for implementing the modernization of the Tax Administration.

2. ADDRESSED TO: High-level officials of the Ministry of the Treasury.

3. NUMBER OF PARTICIPANTS: 30 per course.

4. DURATION: 30 hours.

5. GENERAL CONTENT:

- Basic notions of administration.
- Principal tax administration functions.
- Operating functions
- Supporting functions
- Regulatory functions
- Directorial functions
- The Venezuelan Tax Administration.
- Unusual features of the administration of the leading Venezuelan taxes.

TERMS OF REFERENCE OF COURSES OR SEMINARS ON
TAX DECENTRALIZATION

1. PURPOSE:

To examine the financial relations between the income and expenditures of the Central, State and Municipal Administrations.

- To study the salient features of the sources of finance at the state and municipal levels that bear on taxation.
- To examine the possibilities of strengthening the tax administration capabilities of the states and municipalities.

2. ADDRESSED TO: Officials of the centralized and decentralized public administration.

3. FREQUENCY: 4 seminars

4. NUMBER OF PARTICIPANTS: 40 per course.

5. DURATION: 40 hours.

6. CONTENT:

- Preliminary provisions applicable to all national taxes (Organic Tax Code) and supplemental relationship to the taxes of states and municipalities.
- Examination of the different sources of state and municipal taxes.
- Tax liabilities.
- Violations and penalties in state and municipal taxation.
- State and municipal tax administration.
- Litigation procedures in state and municipal taxation.
- The law of the municipal administration.
- The legal foundations of municipal taxation.
- Municipal ordinances on taxation.

TERMS OF REFERENCE OF THE COURSE ON INCOME TAXES
WITH EMPHASIS ON ADJUSTMENT FOR INFLATION

1. PURPOSE:

To train officials to promote and advise on changes needed in the tax system and its administration to attain a degree of efficiency in its application and results.

2. ADDRESSED TO: Officials of the Sectoral General Directorate for Revenue of the Ministry of the Treasury, and related units.

3. FREQUENCY: 6 courses.

4. NUMBER OF PARTICIPANTS: 40 per course.

5. DURATION: 30 hours per course.

6. CONTENT:

- Concept, foundation and purposes of the income tax.
- Types of taxes.
- Single tax.
- The nature of taxable income.
- Subjects liable for taxes.
- Criteria and rules for charges.
- Economic effects of inflation on taxation.
- Effects of corrective measures on the determination of the tax liability.
- Taxation of the income of natural persons. Adjustment for personal deductions.
- Adjustment of taxable income. Adjustment of rates.
- Determining the income of firms.
- Discretionary mechanisms, the revaluation of assets and revaluation of transferrable assets.
- Automatic and semiautomatic mechanisms.

- Partial adjustment, comprehensive adjustment, intermediate systems for overall adjustment, overall adjustment systems.
- Effects on tax liability, corrective measures.

Subprogram II. Support for Implementation of the Tax Reform
and Institutional Strengthening of the ENAHP-IUT

ACTIVITIES TO BE CARRIED OUT

EXPECTED RESULTS

Instruction and Training Area

Five (5) programs are scheduled for implementation in this area.

1. Basic Support to the Tax Reform

The following courses will be conducted:

- | | | | |
|----|--|---|---|
| a. | On the Value-Added Tax, owing to lack of familiarity with this tax in the country, ten (10) forty-hour courses or seminars will be conducted on the technical, legislative and administrative aspects. | - | 400 technical staff members trained in technical aspects of the VAT. |
| b. | On Adjustment for Inflation, a novel subject in Venezuelan legislation, six (6) courses of thirty (30) hours each will be offered. | - | 240 technical staff trained in adjustment for inflation. |
| c. | On Tax Code Reforms four (4) courses of twenty (20) hours each will be conducted. | - | 160 technicians trained in code reform. |
| d. | On Tax Decentralization at the state and municipal levels, four (4) courses of forty (40) hours each will be conducted. | - | 160 technicians trained in aspects of tax decentralization. |
| e. | On Modernization of the Tax Administration, four (4) courses of thirty (30) hours each will be offered for high-level staff of the Ministry of the Treasury. | - | 120 high-level technicians trained in modern techniques to improve the performance of their duties. |

2. Ongoing Training Program

Activities will be conducted for diagnosis and design of the Program, such as:

- a. Diagnosis of the instruction and training needs at both the central and decentralized levels, in the policy, technical, legislation, and tax administration areas.
- b. Drafting of a detailed Ongoing Training Program with objectives, material, methodological and evaluation strategies and the requisite supporting resources.
- c. Construction of a data bank for the maintenance of a Register of Trained Personnel.

While the results of the diagnosis and the Ongoing Training Plan will determine specifically the number, types and analytical content of new courses, it has already been estimated that the ENAHP-IUT will initially conduct, in accordance with the needs of the public administration, at least forty (40) courses in the following specializations:

- (i) In the tax field, in the political, technical, legislative and administrative areas, six (6) sixty (60)-hour courses a year over a period of 24 months attended by forty (40) participants each;
- (ii) In the foreign trade field, the areas of customs (nomenclature, valuation, legislation, Harmonized System, etc.), integration and export policies, a total of six (6) sixty (60)-hour courses attended by forty (40) participants each over a 24-month period, and
- (iii) in other areas of public finance, such as budget, banking, insurance and public credit, eight (8) sixty (60)-hour courses attended by forty (40) persons each over a 24-month period.

3. Program of Regional Complementation and Exchanges in tax matters with Latin American countries

Seminars are scheduled on the following subjects:

- a. The comparative study of VAT implementation experiences in the Latin American countries invited to the event.
- b. The comparative study of auditing and control aspects of the VAT in the countries invited to these workshops.
- c. The comparative study of tax codes and experiences of their application in the countries participating in the event.
- d. An exchange on experiences in the adjustment for inflation of the income tax in the invited countries.

Four seminars on experiences implementation of the VAT, aspects of auditing the VAT, tax codes, adjustments for inflation.

4. Applied Research

To implement this program a diagnosis is proposed to determine the specific purposes, draw up a plan of work and list the requirements in human and material resources for the conduct of an Ongoing Program of Studies and Applied Research, and materials will be prepared to support instruction and training in tax matters.

An ongoing program of studies applied research to generate knowledge of different tax systems and procedures, to support taking of decisions on tax reform policy and administration.

5. Internship and Fellowship Program

Under this program the following activities are envisaged:

- a. The establishment, in the short run, of thirty (30) local and international fellowships for internships in support of the tax reform program.

Execution of a program of these internships for the desired improvement of the knowledge of technical staff in support of tax reform.

- b. The drafting, in the medium term, of a document setting forth a program of internship fellowships and defining the needs of the Ministry of the Treasury, the international offers, and the monitoring of the staff members proposed and trained, in keeping with the requirements of the tax modernization and reform process.
- c. Design of the mechanisms for the selection of participants in the Program (together with those of the Ongoing Training Program to be designed in the ENAHP-IUT).

Modernization and Institutional Strengthening Area

The following activities will be carried on in this area:

- 1. Diagnosis of the organizational structures, definition of aims and proposal of changes. Includes performance of a critical study of the present organizational structure of the School in order to determine, in accordance with the new responsibilities to be generated by Subprogram II, the changes to be made in the Institution to support the Ministry of the Treasury and other finance agencies in the accomplishment of their reform purposes.
- 2. Drawing up of a concrete plan of action for bringing about the desired change in the School's organizational structure. This plan must spell out the timetables for execution and implementation of the measures provided for making adjustments in the structure and upgrading the technical, teaching and administrative personnel required to take on the new responsibilities.
- 3. Performance of four (4) studies to identify the needs of the School in information processing, library and publications, audiovisual services, and the documentation center. These studies will contribute to the

A modern organizational structure for the ENAHP-IUT, endowed with human, financial, material and information resources that meet the needs of the modernization of the Ministry of the Treasury. In particular, special attention will be given to the restructuring of the School in information processing, the library and publications, audiovisual services, and the Documentation Center.

restructuring of some academic support units: the library, the documentation center, the audiovisual services center, and the publications service in keeping with the new responsibilities. A sum of up to US\$100,000 will be provided to purchase computer equipment for the School of Information Processing.

ITEMIZED BUDGET OF THE BANK'S CONTRIBUTION TO THE SUBPROGRAM
(US DOLLARS)

INTERNATIONAL EXPERTS	1,782,600
A. <u>Technical Director of the Project</u> (36 months @ US\$5,000)	180,000
B. <u>Systems and Procedures Area</u>	
- Senior Expert in Tax Administration (36 months @ US\$5,000)	180,000
- Experts in Tax Administration, Withholding Agents, Statistics, Auditing (66 months @ US\$5,000)	297,000
C. <u>Information Processing Area</u>	
- Senior Expert in Automated Systems (36 months @ US\$5,000)	180,000
- Senior Specialist in Systems Analysis (48 months @ US\$4,700)	225,600
- Systems Analysts (72 months @ US\$4,500)	324,000
D. <u>Area of Organization and Methods, and Institutional Strengthening</u>	
- Senior Expert in Organization (24 months @ US\$4,500)	108,000
- Expert in Organization and Methods (24 months @ US\$4,000)	96,000
E. <u>Area of Training and Instruction</u>	
- Training and Instruction (36 months @ US\$4,000)	144,000
- Personnel Career Systems (12 months at US\$4,000)	48,000

LOCAL EXPERTS

A.	<u>Information Processing Area</u>	394,000
-	Systems Analyst (42 months @ US\$2,000)	84,000
-	Programming Analysts (102 months @ US\$1,500)	153,000
B.	<u>Organization Area</u>	
-	Local experts (10 months @ US\$1,100) (62 months @ US\$1,000)	73,000
-	<u>Training and Human Resources Area</u>	
-	Training Experts (48 months @ US\$1,000)	48,000
-	Experts in Personnel Systems (36 months @ US\$1,000)	<u>36,000</u>
	SUBTOTAL	2,176,600
	OVERHEAD (150%)	3,264,900
	TOTAL CONSULTING FIRM	<u>5,441,500</u>

ITEMIZED BUDGET OF THE BANK'S CONTRIBUTION TO SUBPROGRAM II
(US\$ DOLLARS)

Category of Funds	Specialized Agency	Int'l Coordntor 36 months US\$4500/m	Expert in Training & Instructn. 8 months US\$4500/m	Expert in Training & Instructn. Centers 8 months US\$4500/m	Expert in Research Programs & Inter-Amer Activities 15 months US\$3500/m	Expert in Library Info Audio Visual Programs 10 months US\$3500/m	Short Term Teachers 30 months US\$3500/m	Teachers Ongoing Program 20 months US\$3500/m	Fellow- Ship Program 30 Scho- larships 6 meses	Inter-Ame- rican Seminars
lzd. Agency	261.326									
erations	261.326									
em (35 days)	6.000									
travel	7.500									
xpenditures	247.826									
Consultants		277.333	88.085	67.389	149.645	89.269	152.427	229.526		180.00
		225.000	56.250	37.500	52.500	35.000	45.500	70.000		80.00
Salaries		216.000	54.000	36.000	52.500	35.000	45.500	70.000		80.00
		9.000	2.250	1.500						
and iation		43.333	28.835	27.859	97.145	54.269	106.927	159.526		100.00
Fares		9.000	4.500	4.500	22.500	4.500	42.000	60.000		60.00

[illegible]

Category Funds	Specialized Agency	Int'l Coordntor 36 months US\$4500/m	Expert in Training & Instructn. 8 months US\$4500/m	Expert in Training & Instructn. Centers 8 months US\$4500/m	Expert in Research Programs & Inter-Amer Activities 15 months US\$3500/m	Expert in Library Info Audio Visual Programs 10 months US\$3500/m	Short Term Teachers 30 months US\$3500/m	Teachers Ongoing Program 20 months US\$3500/m	Fellow- Ship Program 30 Scho- larships 6 meses	Inter-Ame- rican Seminars
Ship reci- and pants									405.000	
y and Duties									150.000	
ence									180.00	
Travel									45.000	
cional									45.000	
l fares										
ce									15.000	
g Material									15.000	
Support						150.000				
nt						150.000				
s										
r Services										
encies 5%)	12.985	13.638	4.347	3.331	7.429	4.428	7.563	11.405	20.250	9.000

Category Funds	Specialized Agency	Int'l Coordntor 36 months <u>US\$4500/m</u>	Expert in Training & Instructn. 8 months <u>US\$4500/m</u>	Expert in Training & Instructn. Centers 8 months <u>US\$4500/m</u>	Expert in Research Programs & Inter-Amer Activities 15 months <u>US\$3500/m</u>	Expert in Library Info Audio Visual Programs 10 months <u>US\$3500/m</u>	Short Term Teachers 30 months <u>US\$3500/m</u>	Teachers Ongoing Program 20 months <u>US\$3500/m</u>	Fellow- Ship Program 30 Scho- larships <u>6 meses</u>	Inter-Ame rican <u>Seminars</u>
AL 1-3 1/	261.326	277.333	88.085	67.389	149.645	89.269	152.427	229.526	405.000	480.000
ID	274.311	290.971	92.432	70.720	157.074	243.697	159.990	240.931	425.250	189.000

t include purchase of equipment or contingencies.

TIME TABLE OF ACTIVITIES IN SUBPROGRAM I																																						
MONTHS	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38
ing of International Consulting																																						
Systems and Procedures (for each Subsystem)																																						
General Guidellness																																						
Logical Design																																						
Writing User's Manual																																						
Implementation																																						
Monitoring																																						
Information Processing Area																																						
Physical Design																																						
Telecommunications Network																																						
Systems Manual																																						
Equipment																																						
Implementation																																						
Monitoring																																						
Organización Area																																						
Review of Diagnosis																																						
Proposal of New Structure																																						
Computer Area																																						
Training Area																																						
Implementation of New Structure																																						
Human Resources Area																																						
Profile Definition																																						
Personnel Selection																																						
Recruitment																																						
Evaluation																																						
Benefits Policy																																						
In-Service Training																																						
Infrastructure																																						

Note: This Annex will be completed upon conclusion of the consultations with the Government.

TIMETABLE OF ACTIVITIES SUBPROGRAM II

Activities	FIRST YEAR				SECOND YEAR				THIRD YEAR			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
1. Consulting Firm or Agency	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX
2. General Coordinator	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX
AREA I												
3. Execution of Basic Training Program		XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX				
VAT COURSES		XX XX	XX XX	XX XX	XX XX	XX XX	XX XX	XX XX				
INCOME TAX COURSES		XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX				
TAX CODE COURSES		XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX				
DECENTRALIZED TAXATION COURSES		XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX				
TAX ADMINISTRATION COURSES		XXXX	XXXX	XXXX	XXXX	XXXX	XXXX	XXXX				
4. Preparation Diagnosis and Training Plan for Remaining Program			XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX				
5. COURSES:												
DOMESTIC TAXATION								XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX
FOREIGN TRADE								XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX
OTHER AREAS OF PUBLIC FINANCE								XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX
6. Preparation of Diagnosis and Aspects Plan of Taxation at Regional Level			XXXX									
7. Conduction of Inter-American Seminars:				XXX		XX		XXXX		XXX		
VAT				XXX		XX		XXXX		XXX		
AUDITING												
ADJUSTMENTS FOR VIOLATIONS												
ORGANIC TAX CODE												
8. Preparation of Diagnosis of Research Applied on the Monitoring of Plan					XXXXXX		XXXXXX		XXXXXX		XXXXXX	
9. Fellowships Program for Internships:							XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX
- Preparation of Program and Technical Facts							XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX
- Execution of the Program								XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX

Activities	FIRST YEAR				SECOND YEAR				THIRD YEAR			
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
<u>AREA II</u>												
1. Preparation of Diagnosis and Organizational Structure Plan of the School			XXXXXXXXXX									
2. Determination of Needs:												
- Library			XXXXXX									
- Information Center				XXXXXXXXXX								
- Audiovisual Services				XXXXXXXXXX								
3. Purchase and Incorporation of Information Processing and Other Equipment						XXXXXXXXXX	XXXXXXXXXX					

A-VIII