



## Tax Reform Operation (P171892)

EUROPE AND CENTRAL ASIA | Tajikistan | Governance Global Practice | Requesting Unit: ECCCA | Responsible Unit: EECG1  
IBRD/IDA | Program-for-Results Financing | FY 2021 | Team Leader(s): Raul Felix Junquera-Varela, Hassan Aliev

Seq No: 6 | ARCHIVED on 22-Dec-2023 | ISR59480 | Created by: Hassan Aliev on 18-Dec-2023 | Modified by: Hassan Aliev on 22-Dec-2023

### Program Development Objectives

Program Development Objective (from Program Appraisal Document)

To simplify the tax system, enhance quality of taxpayer services, and improve voluntary compliance.

### Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Satisfactory
Overall Implementation Progress (IP)	<input type="checkbox"/> Satisfactory	<input type="checkbox"/> Satisfactory

### Implementation Status and Key Decisions

The operation continues to perform satisfactorily with in terms of progress towards respect to prospects of achieving its the development objective and overall implementation progress.

To date, the project has achieved several Disbursement Linked Indicator (DLI)/Disbursement Linked Result (DLR) which demonstrates strong commitment to the Program by from the Government. The project has already fully achieved two DLIs (DLI1 Selected preferential tax and customs incentives eliminated and DLI2 Regulatory foundations for improved tax system established). Likewise, two DLRs have been achieved (DLR 6.1 Taxpayer feedback mechanism has been established and functional in the Taxpayer Contact Center, DLR 7.1 Adoption of an action plan to address the gender gap in the Tax Committee. DLR 3.1. (Developing and publishing a tax expenditure report) will be soon finalized. TC has initiated the work on the cost-benefit analysis of tax incentives (DLR 3.2.).

TC also has achieved DLI 4 (Reduced burden of tax audit), DLR 5 (Percentage of VAT refunds processed using risk-based verification), DLR 6.1. (Taxpayer service standards have been enhanced and based on taxpayer feedback), DLR 7.1. (Developing Action Plan to address gender gap), and DLR 7.2. (Representation of women in managerial positions). The project is also generally on track with the implementation on of its Program Action Plan.

With respect to the Investment Project Financing Component of the operation, the progress has been slow due to delays in procurement.

As of December 15, 2023, total disbursement of funds is 57%.

### Data on Financial Performance

#### Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
---------	----------------	--------	----------	----------	---------	-----------	-----------	-------------	-------------



P171892	IDA-D8350	Effective	USD	50.00	50.00	0.00	26.79	20.20	<div style="width: 57%; height: 15px; background-color: #28a745;"></div>	57%
---------	-----------	-----------	-----	-------	-------	------	-------	-------	--	-----

**Key Dates (by loan)**

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P171892	IDA-D8350	Effective	28-May-2021	03-Jun-2021	06-Dec-2021	31-Dec-2026	31-Dec-2026

**Program Action Plan**

<b>Action Description</b>	Capacity building on PforR implementation is conducted for the Tax Reform Secretariat and PIG				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>
Technical		TC	Other	Within 2 months after effectiveness	Completed
<b>Completion Measurement</b>	Capacity building is delivered through a series of consultations, organized by WB team for Tax Reform Secretariat and PIG.				
<b>Comments</b>					

<b>Action Description</b>	Third party verification (TPV) agency is contracted.				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>
Technical		TC	Other	Within 3 months after effectiveness	Completed
<b>Completion Measurement</b>	Signed contract between PIU and TPV agency.				
<b>Comments</b>	Contracts are signed with a TPV per DLR readiness. To date, two consultancy contracts for verification of DLIs have been concluded.				

<b>Action Description</b>	Appointment of M&E specialist in PIG to ensure adequate M&E arrangements, data collection and monitoring of results under the Program				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>
Technical		TC	Other	Within 2 months after effectiveness	Completed
<b>Completion Measurement</b>	M&E Specialist is hired				
<b>Comments</b>					

<b>Action Description</b>	Appointment of 2 ICT specialists in PIG to ensure adequate implementation of ICT procurement under the Program				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>



Technical	DLI 4	TC, PIG	Other	Within two months after effectiveness	In Progress
<b>Completion Measurement</b>	IT Specialists are hired				
<b>Comments</b>	Initial process for hiring of the local IT-specialists under the IPF component was unsuccessful due to the insufficient budget allocated for these positions. Currently, hiring process is in progress.				

<b>Action Description</b>	Appointment of Environmental and Social (E&S) Specialists responsible for (1) communication and outreach, (2) outreach to taxpayers to ensure compliance, and (3) environmental and social risks mitigation, monitoring, and reporting at the PIG.				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>
Environmental and Social Systems		TC, PIG	Other	Within 2 months after effectiveness	Completed
<b>Completion Measurement</b>	E&S Specialists are hired				
<b>Comments</b>	The Environmental Specialist was hired and contracted on September 27, 2022. The Social Specialist was hired and contracted on February 20, 2022.				

<b>Action Description</b>	Strengthen the M&E capacity of the tax authorities based on modern methodologies to assess key performance indicators				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>
Technical	DLI 4	TC	Other	December 2021, throughout the Program implementation	In Progress
<b>Completion Measurement</b>	The M&E system is strengthened at the TC. Regular M&E reports on KPIs are produced				
<b>Comments</b>					

<b>Action Description</b>	Training on cost-benefit analysis of tax incentives				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>
Technical	DLI 3	MoF	Due Date	20-Dec-2023	Completed
<b>Completion Measurement</b>	Relevant MoF staff is trained on cost-benefit analysis of tax incentives				
<b>Comments</b>	With the support of the Bank-Executed TA, the Bank delivered training on the cost-benefit analysis of tax incentives.				

<b>Action Description</b>	Midline and endline taxpayer surveys				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>



Technical		TC	Other	Midline survey - 2023, endline survey - 2026	In Progress
<b>Completion Measurement</b>	Midline and endline taxpayer surveys are completed and data on taxpayer satisfaction with selected available and new services is available				
<b>Comments</b>	For mid-line survey, contract was signed in March 2023. The company submitted its inception report in November 2023.				

<b>Action Description</b>	Establish taxpayer service centers in all district level tax authorities, possibly in rural densely populated jamaots, where taxpayers have no access to the internet				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>
Environmental and Social Systems	DLI 6	TC	Due Date	31-Jan-2024	In Progress
<b>Completion Measurement</b>	Taxpayer service centers are established in all district level tax offices (68) and some densely populated jamaots				
<b>Comments</b>	Service Centers provide help with consultation to taxpayers, who have difficulties with submitting their electronic tax declarations. The work on establishing taxpayer service centers is in progress.				

<b>Action Description</b>	Modernize, strengthen and implement the system of continuous in-service training and on-job mentorship with specific focus on women promotion, including development and implementation of action plan on tax staff ICT capacity building				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>
Environmental and Social Systems	DLI 5	TC	Other	Annually throughout the Program implementation	In Progress
<b>Completion Measurement</b>	An action plan on ICT capacity building of tax staff is prepared and being implemented. Annual staff capacity building/training plans are approved, implemented and reported in each tax office.				
<b>Comments</b>	ICT Development Road Map has been approved, which provides for an action plan on capacity building for TC staff.				

<b>Action Description</b>	Prepare and implement Taxpayer Communication Plan with strengthened the taxpayer feedback mechanism at the Call Center and local tax offices.				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>
Environmental and Social Systems	DLI 1	TC	Other	Throughout the Program implementation	Completed
<b>Completion Measurement</b>	Taxpayer Communication Plan and Stakeholder Engagement Plan implemented and reported as part of Annual Program Implementation Reports; Effective GRM is in place in every tax office. Regular GRM reporting				



<b>Comments</b>	TC has submitted information on existing GRM mechanism. Currently, GRM is functioning in all tax offices.				
<b>Action Description</b>	Perform a gap analysis of licensed e-waste facilities in Tajikistan against the Bank's requirements/GIIP prior to sending e-waste to the facility and update ESMP to include corrective actions to address any identified material issues.				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>
Environmental and Social Systems	DLI 4	TC/State Property Committee	Other	Prior to sending e-waste to the facility	Completed
<b>Completion Measurement</b>	<p>Gap analysis of licensed e-waste facilities in Tajikistan is completed - report submitted to the Bank in April 2023.</p> <p>The ESMP is implemented.</p> <p>Reporting Progress through Annual Program Implementation Reports</p>				
<b>Comments</b>	The report was submitted in April 2023				

<b>Action Description</b>	Implement and report on the ESMP with e-waste management procedures				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>
Environmental and Social Systems	DLI 4	TC	Other	Throughout the Program implementation	In Progress
<b>Completion Measurement</b>	Annual Program Implementation Reports				
<b>Comments</b>	The first project Annual Program Implementation Report was submitted in April 2023.				

<b>Action Description</b>	Development of standard bidding documents and contract forms for the Program procurement of goods, works, non-consulting and consulting services				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>
Fiduciary Systems		TC	Other	No later than 6-months after the project effectiveness	Completed
<b>Completion Measurement</b>	TC shares standard bidding documents and contract forms with WB				
<b>Comments</b>	Documents received from the SAPP and sent to the World Bank for consideration. Bidding documents to be used for the Program (PforR) component were updated by the Procurement Specialist and were submitted for Bank review in June 2023.				



<b>Action Description</b>	Prepare a capacity building and training plan, acceptable to the Bank, for improving the TC staff fiduciary capacity. Dedicated TC staff to complete training and get certified in public procurement and national IA Certification of the MOF				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>
Fiduciary Systems		TC	Other	No later than 6 months after the Program effectiveness.	Completed
<b>Completion Measurement</b>	A capacity building and training plan is confirmed acceptable by WB.				
<b>Comments</b>	A Staff Capacity Building Strategy for the Tax Committee has been developed to improve the fiduciary system and is submitted to the management of the Tax Committee, the Ministry of Finance, SAPP, and also to the World Bank for consideration. .				

<b>Action Description</b>	The MoF to ensure for each fiscal year under the Program that the originally approved (revised) budget funding for activities that are supported by the PforR is set at least at a level of the actual TC commitment under respective budget lines.				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>
Fiduciary Systems		MoF	Other	During the budget approval (revision) cycle for the Borrower's each fiscal year under the Program.	In Progress
<b>Completion Measurement</b>	MoF confirms to WB allocation of budget funding annually.				
<b>Comments</b>	MoF confirmed allocation of budget funding for FY 23.				

<b>Action Description</b>	An independent private auditor, acceptable to the Bank, procured by the MoF to conduct audit of first two years of Program implementation.				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>
Fiduciary Systems		TC	Other	First two years of the Program implementation	Completed
<b>Completion Measurement</b>	Annual audits completed and submitted to the World Bank within six months after the end of the audit period.				
<b>Comments</b>	Audit was conducted in November 2023.				

<b>Action Description</b>	SAPP to establish a mechanism to check, before contract award under the Program, the World Bank's debarment ( <a href="http://www.worldbank.org/debarr">www.worldbank.org/debarr</a> ) and temporary suspension lists to avoid awarding to firms or individuals on the debarred list				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>
Fiduciary Systems		SAPP	Other	No later than 6 months after the project effectiveness	Completed



<b>Completion Measurement</b>	Copy of audit reports submitted to the Bank.
<b>Comments</b>	

<b>Action Description</b>	TC publishes annual Procurement Plans at the beginning of each fiscal year and conducts business outreach and market sounding events before launching tenders				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>
Fiduciary Systems		TC	Other	Throughout the Program implementation	In Progress
<b>Completion Measurement</b>	Evidence of published Procurement Plans at the beginning of TC fiscal year.				
<b>Comments</b>	The Procurement Plan for the PforR has been published on the TC websites in January 2023 (andoz.tj) and will be updated on an ongoing basis every year.				

<b>Action Description</b>	TC payments processed according to the contract conditions but not later than 3 months after fulfilment of contractors/suppliers/consultants contractual obligations. TC to ensure that all accounts payable are closed and there are no overdue payables.				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>
Fiduciary Systems		TC	Other	Throughout the Program implementation	In Progress
<b>Completion Measurement</b>	TC confirms to WB during implementation support missions				
<b>Comments</b>	There is no delays with paying to the project suppliers.				

<b>Action Description</b>	Enhanced use of functionalities of online complaint module at the SAPP web portal to address received procurement related complaints under the Program. Regular monitoring by TC of status of complaints review and resolution				
<b>Source</b>	<b>DLI#</b>	<b>Responsibility</b>	<b>Timing</b>	<b>Timing Value</b>	<b>Status</b>
Fiduciary Systems		TC	Other	Throughout the Program implementation	In Progress
<b>Completion Measurement</b>	TC confirms to WB during implementation support missions				
<b>Comments</b>	Continuously monitored.				

**Risks**

**Systematic Operations Risk-rating Tool**



Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	☐ Substantial	☐ Moderate	☐ Moderate
Macroeconomic	☐ Substantial	☐ Substantial	☐ Substantial
Sector Strategies and Policies	☐ Moderate	☐ Moderate	☐ Moderate
Technical Design of Project or Program	☐ Moderate	☐ Moderate	☐ Moderate
Institutional Capacity for Implementation and Sustainability	☐ Moderate	☐ Moderate	☐ Moderate
Fiduciary	☐ Substantial	☐ Substantial	☐ Substantial
Environment and Social	☐ Moderate	☐ Moderate	☐ Moderate
Stakeholders	☐ Moderate	☐ Moderate	☐ Moderate
Other	☐ Moderate	☐ Moderate	☐ Moderate
Overall	☐ Substantial	☐ Moderate	☐ Moderate

## Results

### PDO Indicators by Objectives / Outcomes

Simplified Tax System				
▶ Selected preferential tax and customs incentives eliminated (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	A new edition of the Tax Code is developed and adopted. The amendments to the Tax Code propose to eliminate at least 14 incentives, related to two preferential tax regimes.	The new Tax Code of the Republic of Tajikistan (which was approved by the Government on September 2, 2021 and ratified and finally endorsed with Resolution No. 217 of Majlisi Milli of the Republic of Tajikistan on December 17, 2021) eliminated the incentives associated with the construction of hydroelectric power plants (Chapter 46) and persons benefitting from the right to apply for incentives in the implementation of production sharing agreements (Chapter 48), which provided for exemption from payment of 14 taxes and duties.	The new Tax Code of the Republic of Tajikistan (which was approved by the Government on September 2, 2021 and ratified and finally endorsed with Resolution No. 217 of Majlisi Milli of the Republic of Tajikistan on December 17, 2021) eliminated the incentives associated with the construction of hydroelectric power plants (Chapter 46) and persons benefitting from the right to apply for incentives in the implementation of production sharing agreements (Chapter 48), which provided for exemption from payment of 14 taxes and duties.	Tax incentives eliminated under each of the following preferential tax regimes for the new taxpayers:  (a) Construction of hydro power plants (for the investor, general contractor and suppliers) (10 incentives); (b) Supply of manufactured products by the investor implementing a production sharing agreement (4 incentives).
Date	31-Mar-2021	06-Jun-2023	20-Dec-2023	30-Sep-2026





Comments	The target is achieved.			
<b>Improved Quality of Taxpayer Services</b>				
<b>► (a) Taxpayer satisfaction with the quality of selected available taxpayer electronic services (Percentage, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	84.19	88.30	88.30	89.00
Date	12-Mar-2021	06-Jun-2023	20-Dec-2023	30-Sep-2026
Comments	This indicator was calculated as the average percentage of respondents satisfied, that is, having rated their level of satisfaction as 4 or 5 on a scale of 1 to 5 with the 3 available services tracked in the survey and listed below. At baseline, satisfaction with 3 existing available services are tracked . At mid and end line, 3 available and new services will be tracked. Currently, the following services are measured under this indicator: e-payments of taxes, electronic labeling of goods, and electronic appeals.			
<b>► (b) Taxpayer satisfaction with the quality of selected available taxpayer electronic services - women (Percentage, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	85.96	87.20	87.20	89.00
Date	30-Sep-2021	06-Jun-2023	20-Dec-2023	30-Sep-2026
Comments	This indicator measures women taxpayer satisfaction with the quality of selected available taxpayer electronic services. See definition of the indicator (a) Taxpayer satisfaction with the quality of selected available taxpayer electronic services.			
<b>► (c) Taxpayer satisfaction with the quality of selected new taxpayer electronic services (Percentage, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	87.70	87.70	84.19
Date	12-Mar-2021	06-Jun-2023	06-Jun-2023	30-Sep-2026
Comments	This indicator was calculated as the average percentage of respondents satisfied, that is, having rated their level of satisfaction as 4 or 5 on a scale of 1 to 5 with 3 new services tracked in the survey and listed below. At baseline, new services were not measured as they did not exist. At mid and end line, new services will be tracked too. The following services are measured under this indicator: New services: Registration of cash registers in electronic format, VAT refund, and E-assistant for all taxpayers (filing declaration, calculate taxes, payment of taxes etc.).			
<b>► (d) Taxpayer satisfaction with the quality of selected new taxpayer electronic services - woman (Percentage, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	89.80	89.80	84.19
Date	30-Sep-2022	06-Jun-2023	06-Jun-2023	30-Sep-2026
Comments	This indicator measured women taxpayer satisfaction with the quality of selected new taxpayer electronic services. See definition of the indicator (a) Taxpayer satisfaction with the quality of selected new taxpayer electronic services.			



Improved Voluntary Compliance				
▶ VAT Compliance Gap (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	45.90	45.90	45.90	33.40
Date	30-Oct-2020	06-Jun-2023	20-Dec-2023	30-Sep-2026
Comments	The indicator measured the difference between the total potential VAT revenues (net of refunds) if 100% of taxpayers are compliant, and percentage of total observed VAT revenue collected (net of refunds). The gap is expressed as a percentage of potential revenue. It should be noted that regarding the Gap in Compliance with VAT, an analysis is currently underway to finalize the revision presented by the World Bank and is being approved by the TC management, further analysis information will be provided, taking into account the rate reduction. It is expected that this information will be provided by end February 2023, but it has not been still provided.			

Intermediate Results Indicators by Results Areas

1. Simplified Tax System				
▶ 1.1 Regulatory foundations for improvement of the tax system established (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	The new edition of the Tax Code is developed and consulted but not approved. There are no secondary regulations in place to support implementation of the new Tax Code.	The Recipient's Government shall have issued official instructions for MoF, TC and other relevant ministries and agencies to develop and approve the required secondary regulations under the new Tax Code. On November 2, 2021, the Government of the Republic of Tajikistan instructed the Ministry of Finance, the Tax Code and other ministries and departments of the Republic of Tajikistan to develop and apply by-laws in support of the implementation of the new version of the Tax Code. At the moment, On 28 April, 2023, 74 legal acts supporting new Tax Code were developed and approved.	The Recipient's Government shall have issued official instructions for MoF, TC and other relevant ministries and agencies to develop and approve the required secondary regulations under the new Tax Code. On November 2, 2021, the Government of the Republic of Tajikistan instructed the Ministry of Finance, the Tax Code and other ministries and departments of the Republic of Tajikistan to develop and apply by-laws in support of the implementation of the new version of the Tax Code. At the moment, On 28 April, 2023, 74 legal acts supporting new Tax Code were developed and approved.	The Recipient has drafted, approved and published on one of the official web-sites the secondary regulations required under the new Tax Code.



Date	31-Jan-2021	06-Jun-2023	20-Dec-2023	30-Sep-2026
Comments	Achieved.			
<b>► 1.2 Improved transparency of tax expenditure (Text, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Tax expenditure report is not prepared and published with the annual draft budget that is submitted to Parliament. Cost-benefit analysis of selected tax incentives/ exemptions is not conducted.	Tax expenditure report is prepared, but it has not been published. Cost-benefit analysis of selected tax incentives/ exemptions is not conducted.	Tax expenditure report is prepared, but it has not been published. Cost-benefit analysis of selected tax incentives/ exemptions is not conducted.	Tax expenditure report is published with the annual draft budget that is submitted to Parliament. Cost-benefit analysis of selected four tax incentives/ exemptions is conducted and published with the draft annual republican budget.
Date	31-Jan-2021	06-Jun-2023	20-Dec-2023	30-Sep-2026
Comments	In December 2023, the TC informed the World Bank team that a tax expenditure report (DLR 3.1) was prepared by the MoF. The Ministry shared during the mission a report and a list of tax incentives (only in Russian) and quantified the tax expenditures at 10.9% of GDP for 2022. The Bank will review the list of incentives - once translated - to determine whether the list includes only valid tax incentives as the level of revenue forgone (i.e., 10.9% of GDP) is deemed high. The Bank requested from the authorities to publish the tax expenditures report along with the national budget in order to meet DLR 3.1.			
<b>► 1.3 Rules for tax and financial accounting reporting for CPT and VAT are harmonized (Text, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Rules for establishing a tax base in tax and financial accounting reporting for CPT and VAT are not harmonized.	Analysis of international standards for establishing tax base in tax and financial accounting reporting for CPT and VAT is completed. Contradictions in the rules for establishing a tax base in tax and financial accounting reporting for CPT and VAT are identified.	Analysis of international standards for establishing tax base in tax and financial accounting reporting for CPT and VAT is completed. Contradictions in the rules for establishing a tax base in tax and financial accounting reporting for CPT and VAT are identified.	New harmonized rules for establishing a tax base in tax and financial accounting reporting for CPT and VAT are enforced.
Date	31-Jan-2021	06-Jun-2023	20-Dec-2023	30-Sep-2026
Comments	Achieved.			
<b>► 1.4 Percentage of MoF and TC professional staff in tax policy and intelligence functions trained on key tax policy analysis functions, including revenue forecasting, tax policy and data analytics (Percentage, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	49.00	51.00	95.00
Date	31-Jan-2021	06-Jun-2023	20-Dec-2023	30-Sep-2026



Comments	TC is finalizing the Action Plan, which will address all the above issues.			
<input type="checkbox"/> o/w women (percentage of all women in tax policy and intelligence functions) (Percentage, Custom Breakdown)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	22.20	24.00	50.00
Date	31-Jan-2021	06-Jun-2023	20-Dec-2023	30-Sep-2026
▶ 1.5 Improved representation of women in management positions in TC workforce (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	<p>Women in managerial positions out of all staff in TC managerial positions comprise 7.8 percent only.</p>	<p>At the moment, On 28 April, 2023 Women in managerial positions out of all staff in TC managerial positions comprise 9.1 percent only.</p> <p>190 women work in the Tax Committee, of which 38 are in senior positions .</p> <p>An action plan to address gender gap in TC workforce is developed and approved by TC management.</p> <p>This PforR (component) is being implemented as part of the Action Plan to eliminate the gender gap in leadership positions in the TC staff, which was approved by the order of the TC No. 118 dated February 23, 2022</p> <p>A female manager has been appointed to the Tax Committee to implement the Action Plan to close the gender gap in the leadership of the Tax Code Order dated January 27, 2022, No. 64-F .</p>	<p>At the moment, On December, 2023 Women in managerial positions out of all staff in TC managerial positions comprise 11 percent. The target is achieved.</p> <p>A female manager has been appointed to the Tax Committee to implement the Action Plan to close the gender gap in the leadership of the Tax Code Order dated January 27, 2022, No. 64-F .</p>	<p>Women in managerial positions out of all staff in TC managerial positions comprise 11.00 percent.</p>
Date	31-Jan-2021	06-Jun-2023	20-Dec-2023	30-Sep-2026
Comments	<p>An action plan to address the gender gap in TC workforce has been developed and approved by TC management. This IRP (component) is being implemented as part of the Action Plan to eliminate the gender gap in leadership positions in the NC staff, which was approved by the order of the NC No. 118 dated February 23, 2022</p> <p>A female manager has been appointed to the Tax Committee to implement the Action Plan to close the gender gap in the leadership of the Tax Code Order dated January 27, 2022, No. 64-F /</p>			



2. Improved Quality of Taxpayer Services				
▶ 2.1 Development and Implementation of a Modern ICT Governance Model (Text, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	The ICT department does not have an ICT governance model or ICT infrastructure upgrade plan.	A new ICT governance model has been developed and approved by the internal regulation. A plan for the implementation of the development of an automated tax administration system for 2020-2025 within the framework of the Project has been developed, information on the progress of execution by periods will be provided additionally.	A new ICT governance model has been developed and approved by the internal regulation. A plan for the implementation of the development of an automated tax administration system for 2020-2025 within the framework of the Project has been developed, information on the progress of execution by periods will be provided additionally.	The ICT department operates based on a modern ICT governance model with up to date infrastructure.
Date	31-Jan-2021	06-Jun-2023	20-Dec-2023	30-Sep-2026
Comments	The indicator measures the upgrade of the ICT infrastructure. Implementation will require that a new governance model for ICT department of the TC is developed and approved by the internal regulation. A plan for the implementation of an automated tax administration system for 2020-2025 within the framework of the project has been developed,			
▶ 2.2 Number of services reengineered / automated at Level 3 or 4 according to the United Nations (UN) four-stage maturity model of e-Government within the project (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	2.00	3.00	6.00
Date	31-Jan-2021	06-Jun-2023	20-Dec-2023	30-Sep-2026
Comments	TC has hired a consulting firm, which is helping with achieving this indicator. The first results were achieved in August 2023.			
▶ 2.3 Number of TC offices equipped with the terminals for submission of e-declaration (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	30.00	42.00	42.00	70.00
Date	31-Jan-2021	06-Jun-2023	20-Dec-2023	30-Sep-2026
Comments	The indicator measures the number of TC offices, where terminals for submission of e-declaration, procured under the project, will be installed.			



<b>► 2.4 Percentage of taxpayers out of all registered taxpayers in the taxpayer group, submitting declaration electronically disaggregated by legal entities and individual entrepreneurs (Percentage, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	63.85	64.60	65.00	78.50
Date	31-Jan-2021	06-Jun-2023	20-Dec-2023	30-Sep-2026
Comments	The indicator measures the average percentage of: (a) Legal entities out of all registered legal entities as taxpayers, submitting declaration electronically and (b) Individual entrepreneurs out of all registered individual entrepreneurs as taxpayers, submitting declaration electronically.			
<b>► 2.5 Percentage of TC professional staff in taxpayer services and compliance functions, trained in use of e-applications for taxpayer services, reengineered and automated under the Project (Percentage, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	34.00	42.50	95.00
Date	31-Jan-2021	06-Jun-2023	20-Dec-2023	30-Sep-2026
Comments	The indicator will start reporting from September 2024. It will measure the percentage of staff occupying professional positions in taxpayer services and compliance functions in TC central office, contact center, local Tax Offices, out of all staff in professional positions in taxpayer services and compliance functions in TC central office, contact center and local Tax Offices, trained in the use of e-applications for taxpayer services, reengineering and automated under the project. The lists of relevant staff will be approved by the TC management annually. By the end of the project the target is to train 95 percent of the identified relevant staff.			
<b>◻ o/w women (percentage of all women taxpayer services and compliance functions) (Percentage, Custom Breakdown)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	81.00	50.00
Date	31-Jan-2021	06-Jun-2023	20-Dec-2023	30-Sep-2026
<b>► 2.6 Number of hours required for filing tax reporting (DB indicator) (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	224.00	224.00	1.00	180.00
Date	31-Jan-2021	06-Jun-2023	20-Dec-2023	30-Sep-2026
Comments	The indicator measures the administrative burden of paying 3 major taxes (social contributions, CIT and VAT) for medium size companies, expressed in time (number of hours) required for paying taxes and contributions and complying with post filing procedures (VAT refund and tax audit). Since DB discontinued now, the project and WB has agreed that during the project mid-term review to cancel or reformulate this indicator.			
<b>► 2.7 Taxpayer Service Standards have been enhanced and based on taxpayer feedback (Text, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Quality of taxpayer service is regulated by a Unified Standard for Taxpayer Service (the Standard),	The new version of the Unified Taxpayer Service Standards was developed in 2022 on the	The new version of the Unified Taxpayer Service Standards was developed in 2022 on	Taxpayer feedback mechanism is established and functional in the



	<p>enacted in 2017. Implementation of the Standard is not monitored. There is no system for monitoring and continuously enhancing taxpayer services.</p>	<p>basis of the Tax Code, which was adopted taking into account proposals from both international financial institutions and feedback from the private sector. Monitoring of the implementation of the Unified Standards is monitored by the relevant Department of the TC and its results are published in the weekly newspaper, and also posted on the official website. Services to taxpayers are constantly being improved. In 2022, 10 new services were introduced, and in the first quarter of 2023, 2 new types of services were developed and provided for use. By 1 April 2023, the Taxpayer Services Department received a total of 30,360 appeals,</p>	<p>the basis of the Tax Code, which was adopted taking into account proposals from both international financial institutions and feedback from the private sector. Monitoring of the implementation of the Unified Standards is monitored by the relevant Department of the TC and its results are published in the weekly newspaper, and also posted on the official website. Services to taxpayers are constantly being improved. In 2022, 10 new services were introduced, and in 2023, 8 new types of services were developed and provided for use. By 1 December 2023, the Taxpayer Services Department received a total of 40,450 appeals,</p>	<p>Taxpayer Contact Center. Taxpayer feedback mechanism is functional in the Taxpayer Contact Center. Annual reports on taxpayer feedback, collected through the taxpayer feedback mechanism, are published at TC website. A Unified Standard for Taxpayer Service is revised based on taxpayer feedback.</p>
Date	31-Jan-2021	06-Jun-2023	20-Dec-2023	30-Sep-2026
Comments	The indicator will measure achievements of DLI 6 and DLR 6.1 and is expected to achieve its targets by September 2024.			

### 3. Improved Voluntary Compliance

#### ► 3.1 Reduced burden of tax audit (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	<p>Audits are not risk-based. Risk-based selection methodology is developed, but not consistent with international approaches.</p>	<p>The criteria for assessing the level of risk presented by taxpayers (tax agents) are formed on the basis of the annexes of the order of the Tax Committee under the Government of the Republic of Tajikistan and the decision of the State Committee for Investments and State Property Management of the Republic of Tajikistan "On Criteria for Assessing the Level of Risk". The criteria for assessing the level of</p>	<p>The criteria for assessing the level of risk presented by taxpayers (tax agents) are formed on the basis of the annexes of the order of the Tax Committee under the Government of the Republic of Tajikistan and the decision of the State Committee for Investments and State Property Management of the Republic of Tajikistan "On Criteria for Assessing the Level of Risk". The criteria for</p>	<p>At least 90% of field audits of large taxpayers (i.e. taxpayers with annual turnover above 25 million Somoni) during the Government financial year are conducted for cases selected by the risk-based selection tool.</p>



risk based on the provisions of the above document, risk assessment is carried out within the data of the Unified Information System for Tax Administration, tax declarations (reports), as well as information from authorized bodies, in accordance with which the level of risk of the taxpayer's activities under a special program is assessed.

assessing the level of risk based on the provisions of the above document, risk assessment is carried out within the data of the Unified Information System for Tax Administration, tax declarations (reports), as well as information from authorized bodies, in accordance with which the level of risk of the taxpayer's activities under a special program is assessed. The Bank provided in-person (field visits in August and September 2023) and remote support to ensure completion of the risk analysis matrix and meet DLR 4.2. The TC added and adjusted the risk weight to various indicators leading to the adoption of a revised risk matrix in October 2023 by the Risk Analysis department. The TC developed a risk management automated module, which became operational on October 1, 2023. The TC also developed and adopted a methodology document (i.e., Standard Operating Procedures - SOP) describing in detail: the process of the development of the risk indicators; the selection of the risky taxpayers; the development of the risk-based audit plan; and the evaluation of the audit outcome to adjust the risk matrix. The TC also developed an audit plan according to the risk-based approach for the large taxpayers' segment.





Date	31-Jan-2021	06-Jun-2023	20-Dec-2023	30-Sep-2026
Comments	<p>The indicator will be measured through the implementation and achievements of DLR 4.1 and DLR 4.2. DLR 4.2 was achieved in November 2023.</p> <p>DLR 4.1 - the TC shall have approved the risk assessment methodology enhanced based on relevant international experience.</p> <p>DLR 4.2 - 90 percent of field audits of large taxpayers are conducted for cases selected by the risk-based selection tool between October 1, 2023 – September 30, 2026.</p>			
<b>► 3.2 Coverage of corporate taxpayers with annual turnover above 25 million Somoni by Tax Monitoring Program (Text, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	<p>Tax monitoring is not conducted.</p> <p>There are 242 corporate taxpayers with annual turnover above 25 million Somoni as of September 1, 2020.</p>	<p>There are 459 corporate taxpayers with annual turnover above 25 million Somoni as of May1, 2023.</p> <p>According to the Order of the Chairman of the Tax Committee, monitoring and accounting of taxpayers with an annual turnover of more than 25 million somoni began from January 01, 2023.</p>	10%	<p>Tax Monitoring Program is fully operational and covers 10 percent of legal entities out of all registered corporate taxpayers with annual turnover above 25 million Somoni.</p>
Date	31-Jan-2021	21-Dec-2022	20-Dec-2023	30-Sep-2026
Comments	<p>This composite indicator measures the development and institutionalization of Tax Monitoring Program for corporate taxpayers with annual turnover above 25 million Somoni. In Years 1-2 this will include the development of the Concept for tax monitoring and mechanisms of information exchange between TC and taxpayers, the development and the approval of the methodology for assessing reliability of taxpayer information, the piloting of the Tax Monitoring Program and the approval of the regulation, introducing tax monitoring process and Program. In Years 3-5 of the project the indicator will measure the percentage of legal entities, covered by Tax Monitoring Program, out of all registered corporate taxpayers.</p> <p>Tax Monitoring Program is fully operational and covers 10% of legal entities out of all registered corporate taxpayers with annual turnover above 25 million Somoni.</p>			
<b>► 3.3 Percentage of mass desk audits launched out of total number of audits launched during the financial year (Percentage, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	31.00	42.00	43.00	75.00
Date	31-Jan-2021	06-Jun-2023	20-Dec-2023	30-Sep-2026
Comments	<p>The indicator measures the percentage of mass desk audits as a share of the sum of all audit, launched during the GoT financial year.</p>			
<b>► 3.4 Percentage of VAT refunds processed using risk-based verification or fast track procedures between October 1, 2023 – September 30, 2026. (Text, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Risk criteria or fast track procedure are not used for verification of VAT refund.	Risk criteria or fast track procedure are not used	25%	95 % of VAT refunds out of all VAT refunds during the Government



		for verification of VAT refund.		financial year are processed using risk-based verification or fast track procedures.
Date	31-Jan-2021	06-Jun-2023	20-Dec-2023	30-Sep-2026
Comments	Currently, 25% of VAT refunds are processed using risk-based verification or fast track procedures.			
<b>► 3.5 Percentage of active taxpayers in the total number of taxpayers registered (Number, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	70.10	74.00	78.00	90.00
Date	31-Jan-2021	06-Jun-2023	20-Dec-2023	30-Sep-2026
Comments	The indicator measures the percentage of active taxpayers (taxpayers, submitted tax declaration in the Government financial year) as a share of all registered taxpayers, including legal entities, branches and representative offices of foreign legal entities, individual entrepreneurs, dekhkan farms.			
<b>► 3.6 Percentage of TC professional staff in compliance risk management and tax audit functions trained in risk management, risk-based audits, and arrears management (Percentage, Custom)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	10.00	57.70	83.00	95.00
Date	31-Jan-2021	06-Jun-2023	20-Dec-2023	30-Sep-2026
Comments	The indicator measures the percentage of staff occupying professional positions in compliance risk management and audit functions out of all staff in professional positions in compliance risk management and audit functions in TC, trained in risk management, risk-based audits and arrear management. The lists of relevant staff will be approved by the TC management annually. By the end of the project the target is to train 95 percent of the identified relevant staff.			
<b>◻ o/w women (Percentage of all women in compliance risk management and audit functions) (Percentage, Custom Breakdown)</b>				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	8.00	8.70	50.00
Date	31-Jan-2021	06-Jun-2023	20-Dec-2023	30-Sep-2026

#### Disbursement Linked Indicators

<b>► DLI 1 Selected preferential tax and customs incentives eliminated (Intermediate Outcome, 3,750,000.00, 0%)</b>				
	Baseline	Actual (Previous)	Actual (Current)	October 1, 2025 - September 30, 2026
Value	A new edition of the Tax Code is developed and consulted. The amendments to the Tax Code propose to eliminate at least 14 incentives, related to two preferential tax regimes.	Achieved. The new Tax Code of the Republic of Tajikistan was approved by the Government on September 2, 2021 and ratified and finally endorsed with Resolution No. 217 of Majlisi Milli of	Achieved. The new Tax Code of the Republic of Tajikistan was approved by the Government on September 2, 2021 and ratified and finally endorsed with Resolution No. 217 of Majlisi Milli of	N/A



		Majlisi Oli of the Republic of Tajikistan on December 17, 2021. It's currently available on the Tax Committee website: www.andoz.tj. The Bank confirmed the results achievement of DLI/DLR 1 through a letter dated January 17, 2022.	Majlisi Oli of the Republic of Tajikistan on December 17, 2021. It's currently available on the Tax Committee website: www.andoz.tj. The Bank confirmed the results achievement of DLI/DLR 1 through a letter dated January 17, 2022.	
Date	--	06-Jun-2023	20-Dec-2023	--
<b>Comments</b>				

► DLI 2 Regulatory foundations for improved tax system established (Intermediate Outcome, 7,500,000.00, 0%)				
	Baseline	Actual (Previous)	Actual (Current)	October 1, 2025 - September 30, 2026
Value	The new edition of the Tax Code is developed, consulted and expected to be approved by the Government by the Program effectiveness. There are no secondary regulations in place to support implementation of the new Tax Code. The Government Plan of the Regulatory Acts to be Approved under the New Edition of the Tax Code, is drafted and expected to be finalized by the Tax Code approval.	Significant progress has been made in drafting, approving, and publishing the secondary regulations/complementary regulations required to implement the tax code. Out of 96 by-laws identified by the government, all have already been drafted. The team was informed that to date 74 have already been approved and published on the website. It is also worth mentioning that all over the country a taxpayers' awareness campaign is in place to disseminate the tax code and complementary regulations. This includes reaching out to social media and mass media to further disseminate and interpret tax legislation.	Significant progress has been made in drafting, approving, and publishing the secondary regulations/complementary regulations required to implement the tax code. Out of 96 by-laws identified by the government, all have already been drafted. The team was informed that to date 84 have already been approved and published on the website. It is also worth mentioning that all over the country a taxpayers' awareness campaign is in place to disseminate the tax code and complementary regulations. This includes reaching out to social media and mass media to further disseminate and interpret tax legislation.	N/A
Date	--	06-Jun-2023	20-Dec-2023	--
<b>Comments</b> Achieved.				

► DLI 3 Improved transparency of tax expenditure (Intermediate Outcome, 7,500,000.00, 0%)				
	Baseline	Actual (Previous)	Actual (Current)	October 1, 2025 - September 30, 2026
Value	Tax expenditure report is not prepared and published with the annual draft budget	WB team was informed that a tax expenditure report was prepared by	. In December 2023, the TC informed the World Bank team that a tax	See DLIs (DLRs) 3.1 and 3.2



	<p>that is submitted to Parliament.</p>	<p>the Ministry of Finance (MoF), but it has not been published yet.</p>	<p>expenditure report (DLR 3.1) was prepared by the MoF. The Ministry shared during the mission a report and a list of tax incentives (only in Russian) and quantified the tax expenditures at 10.9% of GDP for 2022. The Bank will review the list of incentives - once translated - to determine whether the list includes only valid tax incentives as the level of revenue forgone (i.e., 10.9% of GDP) is deemed high. To meet DLR 3.1, the Bank requested from the authorities to publish the tax expenditures report along with the national budget. Moreover, the TC initiated the work on the cost-benefit analysis of tax incentives (DLR 3.2). The TC is focused on VAT and Corporate Income Tax (CIT) and they have so far identified 7 key benefits related to VAT-type of incentives and 12 key benefits related to CIT-type incentives. The Bank welcomed the progress on DLI 3 and requested from the TC to focus on two tax incentives and finalize the cost-benefit analysis. Given the work registered to date, it is expected that both DLR 3.1 and DLR 3.2 can be achieved in calendar year 2024.</p>
Date	--	06-Jun-2023	20-Dec-2023 --
<b>Comments</b>	<p>The tax code removed some tax benefits, and the operation aspires for improving the transparency of tax incentives as indicated by publishing annually a tax expenditure report and conducting a cost-benefit analysis of selected tax incentives. A starting point is the tax gap analysis recently conducted by the WB where the size of the tax policy gap is estimated. Prior to making a decision regarding the potential removal of a tax benefit, it is recommended to initiate a gradual process of comprehensive and systematic evaluation of tax expenditures as a policy instrument. An evaluation of this nature considers the objective of and justification for government intervention, its potential beneficiaries, and alternative policy interventions such as budgetary outlays or regulation. It also includes a careful evaluation of the costs and benefits of intervention.</p>		
	<p><input type="checkbox"/> DLI 3.1 Tax expenditure report is published with the annual draft budget that is submitted to Parliament (Output, 3,000,000.00, 0%)</p> <p>Unit of Measure: Text</p> <p>Indicator Type:</p>		



	Baseline	Actual (Previous)	Actual (Current)	October 1, 2025 - September 30, 2026
Value	Tax expenditure report is not published with the annual draft budget that is submitted to Parliament.	WB team was informed that a tax expenditure report was prepared by MoF, but it has not been published yet.	In December 2023, the TC informed the World Bank team that a tax expenditure report (DLR 3.1) was prepared by the MoF. The Ministry shared during the mission a report and a list of tax incentives (only in Russian) and quantified the tax expenditures at 10.9% of GDP for 2022. The Bank will review the list of incentives - once translated - to determine whether the list includes only valid tax incentives as the level of revenue forgone (i.e., 10.9% of GDP) is deemed high. To meet DLR 3.1, the Bank requested from the authorities to publish the tax expenditures report along with the national budget. Moreover, the TC initiated the work on the cost-benefit analysis of tax incentives (DLR 3.2). The TC is focused on VAT and Corporate Income Tax (CIT) and they have so far identified 7 key benefits related to VAT-type of incentives and 12 key benefits related to CIT-type incentives. The Bank welcomed the progress on DLI 3 and requested from the TC to focus on two tax incentives and finalize the cost-benefit analysis. Given the work registered to date, it is expected that both DLR 3.1 and DLR 3.2 can be achieved in calendar year 2024.	DLR 3.1. Tax expenditure report is published with the annual draft budget that is submitted to Parliament.
Date	--	06-Jun-2023	20-Dec-2023	--
Comments	The tax code removed some tax benefits, and the operation aspires for improving the transparency of tax incentives as indicated by publishing annually a tax expenditure report and conducting a cost-benefit analysis of selected tax incentives. A starting point is the tax gap analysis recently conducted by the WB where the size of the tax policy gap is estimated. Prior to making a decision regarding the potential removal of a tax benefit, it is recommended to initiate a gradual process of comprehensive and systematic evaluation of tax expenditures as a policy instrument. An evaluation of this nature considers the objective of and justification for government intervention, its potential beneficiaries, and alternative policy interventions such as budgetary outlays or regulation. It also includes a careful evaluation of the costs and benefits of intervention.			



□ DLI 3.2 Cost-benefit analysis of selected tax incentives/ exemptions is conducted and published with the draft annual republican budget (Output, 4,500,000.00, 0%)  
Unit of Measure: Text  
Indicator Type:

	Baseline	Actual (Previous)	Actual (Current)	October 1, 2025 - September 30, 2026
Value	Cost-benefit analysis of selected tax incentives/ exemptions is not conducted.	Not yet due.	Not yet due.	DLR 3.2. Cost-benefit analysis of four targeted tax incentives/ exemptions is conducted and published with the draft annual republican budget.
Date	--	06-Jun-2023	20-Dec-2023	--
<b>Comments</b>				

► DLI 4 Reduced burden of tax audit (Intermediate Outcome, 5,500,000.00, 0%)

	Baseline	Actual (Previous)	Actual (Current)	October 1, 2025 - September 30, 2026
Value	Audits are not risk-based.	Not yet due.	The Bank provided in-person (field visits in August and September 2023) and remote support to ensure completion of the risk analysis matrix and meet DLR 4.2. The TC added and adjusted the risk weight to various indicators leading to the adoption of a revised risk matrix in October 2023 by the Risk Analysis department. The TC developed a risk management automated module, which became operational on October 1, 2023. The TC also developed and adopted a methodology document (i.e., Standard Operating Procedures - SOP) describing in detail: the process of the development of the risk indicators; the selection of the risky taxpayers; the development of the risk-based audit plan; and the evaluation of the audit outcome to adjust the risk matrix. The TC also developed an audit plan according to the risk-	See DLI (DLR) 4.2



				based approach for the large taxpayers' segment.
Date	--	06-Jun-2023	20-Dec-2023	--
<b>Comments</b>				
<p>□DLI 4.1 The TC shall have approved the risk assessment methodology enhanced based on relevant international experience (Output, 1,000,000.00, 0%) Unit of Measure: Text Indicator Type:</p>				
	Baseline	Actual (Previous)	Actual (Current)	October 1, 2025 - September 30, 2026
Value	Risk assessment methodology is developed, but is not consistent with modern tax administration approaches.	Not yet due.	The Bank provided in-person (field visits in August and September 2023) and remote support to ensure completion of the risk analysis matrix and meet DLR 4.2. The TC added and adjusted the risk weight to various indicators leading to the adoption of a revised risk matrix in October 2023 by the Risk Analysis department. The TC developed a risk management automated module, which became operational on October 1, 2023. The TC also developed and adopted a methodology document (i.e., Standard Operating Procedures - SOP) describing in detail: the process of the development of the risk indicators; the selection of the risky taxpayers; the development of the risk-based audit plan; and the evaluation of the audit outcome to adjust the risk matrix. The TC also developed an audit plan according to the risk-based approach for the large taxpayers' segment.	N/A
Date	--	06-Jun-2023	20-Dec-2023	--
<b>Comments</b>				
<p>□DLI 4.2 90% of field audits of large taxpayers are conducted for cases selected by the risk-based selection tool between October 1, 2023 – September 30, 2026 (Output, 4,500,000.00, 0%) Unit of Measure: Text Indicator Type:</p>				



	Baseline	Actual (Previous)	Actual (Current)	October 1, 2025 - September 30, 2026
Value	Audits are not risk-based.	Not yet due.	The Bank provided in-person (field visits in August and September 2023) and remote support to ensure completion of the risk analysis matrix and meet DLR 4.2. The TC added and adjusted the risk weight to various indicators leading to the adoption of a revised risk matrix in October 2023 by the Risk Analysis department. The TC developed a risk management automated module, which became operational on October 1, 2023. The TC also developed and adopted a methodology document (i.e., Standard Operating Procedures - SOP) describing in detail: the process of the development of the risk indicators; the selection of the risky taxpayers; the development of the risk-based audit plan; and the evaluation of the audit outcome to adjust the risk matrix. The TC also developed an audit plan according to the risk-based approach for the large taxpayers' segment.	DLR 4.2. At least 90% of field audits of large taxpayers (i.e. taxpayers, registered in TC Large Taxpayers Directorate and regional TC offices for large taxpayers) during the Government financial year are conducted for cases selected by the risk-based selection tool.
Date	--	06-Jun-2023	20-Dec-2023	--
<b>Comments</b>				

► DLI 5 Percent of VAT refunds processed using risk-based verification or fast track procedures between October 1, 2023 – September 30, 2026 (Outcome, 7,500,000.00, 0%)

	Baseline	Actual (Previous)	Actual (Current)	October 1, 2025 - September 30, 2026
Value	Risk criteria or fast track procedure are not used for verification of VAT refund.	Not yet due.	The Bank also provided in-person and remote support to assist the TC in developing a solution for the automated VAT risk-based approach. The TC developed an e-filing solution to submit a VAT refund claim electronically and automated the process for the treatment of the VAT refund claims.	95 % of VAT refunds out of all VAT refunds during the Government financial year are processed using risk-based verification or fast track procedures.





		As a result of these changes, the refund claims - within the reporting period – are now processed via a VAT refund risk matrix with a preset threshold to sort the claims that would undergo a fast track or an in-depth track treatment. This allowed the TC to meet DLR 5 with 25% of VAT refund claims processed using a risk-based verification system.		
Date	--	06-Jun-2023	20-Dec-2023	--
<b>Comments</b>				

► DLI 6 Taxpayer Service Standards have been enhanced and based on taxpayer feedback (Intermediate Outcome, 3,750,000.00, 0%)				
	Baseline	Actual (Previous)	Actual (Current)	October 1, 2025 - September 30, 2026
Value	Quality of taxpayer service is regulated by a Unified Standard for Taxpayer Service (the Standard), enacted in 2017. Implementation of the Standard is not monitored. There is no system for monitoring and continuously enhancing taxpayer services.	In progress.	The TC established a taxpayer feedback mechanism (DLR 6.1) and the Bank formally informed the MoF of this achievement in a letter dated April 24, 2023. The new version of the Unified Taxpayer Service Standards was developed in 2022 on the basis of the Tax Code. No major progress was recorded since the May 2023 mission. The next steps include producing and publishing annual reports on taxpayer feedback collected through the feedback mechanism (DLR 6.2); and publishing revised unified standards for taxpayer service on the TC website (DLR 6.3).	See DLI (DLR) 6.2
Date	--	06-Jun-2023	20-Dec-2023	--
<b>Comments</b>				
<input type="checkbox"/> DLI 6.1 Taxpayer feedback mechanism has been established and functional in the Taxpayer Contact Center (Intermediate Outcome, 1,000,000.00, 0%) Unit of Measure: Yes/No Indicator Type:				
	Baseline	Actual (Previous)	Actual (Current)	October 1, 2025 - September 30, 2026



Value	No	Yes	Yes	Yes
Date	--	06-Jun-2023	20-Dec-2023	--
<b>Comments</b>	Taxpayers' feedback on tax services provided by the tax administration. The TC has a Call Center in place that receives feedback from taxpayers on a regular basis. The TC has also put in place a Hotline where taxpayers can complain or submit information requests. Overall, including the Call-Centers, chats, emails, or the Hotline, the TC has received in 2022 so far around 20,900 complains/requests.			
<p><input type="checkbox"/> DLI 6.2 Annual reports on taxpayer feedback, collected through the taxpayer feedback mechanism, has been published on TC website annually between October 1, 2024 – September 30, 2026. (Intermediate Outcome, 1,000,000.00, 0%)</p> <p>Unit of Measure: Text</p> <p>Indicator Type:</p>				
	Baseline	Actual (Previous)	Actual (Current)	October 1, 2025 - September 30, 2026
Value	There is no system for monitoring and continuously enhancing taxpayer services.	Not yet due	The TC established a taxpayer feedback mechanism (DLR 6.1) and the Bank formally informed the MoF of this achievement in a letter dated April 24, 2023. The new version of the Unified Taxpayer Service Standards was developed in 2022 on the basis of the Tax Code. No major progress was recorded since the May 2023 mission. The next steps include producing and publishing annual reports on taxpayer feedback collected through the feedback mechanism (DLR 6.2); and publishing revised unified standards for taxpayer service on the TC website (DLR 6.3).	DLR 6.2. Annual reports on taxpayer feedback, collected through the taxpayer feedback mechanism, has been published on TC website.
Date	--	06-Jun-2023	20-Dec-2023	--
<b>Comments</b>	<p><input type="checkbox"/> DLI 6.3 A Unified Standard for Taxpayer Service has been revised based on taxpayer feedback and published on TC website between October 1, 2023 – September 30, 2024. (Intermediate Outcome, 1,750,000.00, 0%)</p> <p>Unit of Measure: Yes/No</p> <p>Indicator Type:</p>			
	Baseline	Actual (Previous)	Actual (Current)	October 1, 2025 - September 30, 2026
Value	No	No	No	No
Date	--	06-Jun-2023	20-Dec-2023	--



<b>Comments</b>	The work is expected to start by the end 2023.
-----------------	--

<b>► DLI 7 Improved representation of women in management positions in TC workforce (Intermediate Outcome, 2,000,000.00, 0%)</b>				
	Baseline	Actual (Previous)	Actual (Current)	October 1, 2025 - September 30, 2026
Value	Women in managerial positions out of all staff in TC managerial positions comprise 7.8 percent only.	9.10	11.00	See DLI (DLR) 7.2
Date	--	21-Dec-2022	20-Dec-2023	--

<b>Comments</b>	An action Plan is approved and being implemented.
-----------------	---

<input type="checkbox"/> DLI 7.1 An action plan to address gender gap in TC workforce has been developed and approved by TC management between October 1, 2021 – September 30, 2022. (Intermediate Outcome, 750,000.00, 0%) Unit of Measure: Yes/No Indicator Type:				
	Baseline	Actual (Previous)	Actual (Current)	October 1, 2025 - September 30, 2026
Value	No	Yes	Yes	No
Date	--	06-Jun-2023	20-Dec-2023	--

<b>Comments</b>	An action plan is approved and being implemented.
-----------------	---

<input type="checkbox"/> DLI 7.2 Representation of women in TC managerial positions increased to 11% by September 30, 2026. (Intermediate Outcome, 1,250,000.00, 0%) Unit of Measure: Text Indicator Type:				
	Baseline	Actual (Previous)	Actual (Current)	October 1, 2025 - September 30, 2026
Value	Women in managerial positions out of all staff in TC managerial positions comprise 7.8 percent only.	9.10	11.00	DLR 7.2. Woman in TC managerial positions out of all staff in managerial positions comprise 11%.
Date	--	06-Jun-2023	20-Dec-2023	--

<b>Comments</b>	A lot of work has been done on gender balance, especially in terms of hiring women and having more women at a managerial level. In this regard, TC is working in close collaboration with the National University. Currently around 12.3 percent of the total staff of the TC are women (221 women including 23 in managerial positions). The TC pointed to a research that was recently conducted by the Asian Development Bank (ADB) in the region where the revenue administration of Tajikistan has the higher percentages of women. While recognizing progress in this area, it is important to continue moving in this direction to increase the percentage of women working in the institution especially in managerial positions in alignment with the indicators included in the			
-----------------	---	--	--	--



project. The TC has developed the gender action plan, which the Bank provided comments on December 7, 2022