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# LOAN 4530-LAO: DOMESTIC RESOURCE MOBILIZATION MODERNIZATION PROJECT



## SCHEDULE & MILESTONE DATES

- Approval: 08 Nov 2024
- Project Period: 6 years
- Project Completion: 31 Dec 2030
- Closing date: 31 March 2031



# PROJECT OBJECTIVE

Strengthen the domestic resource mobilization capacity of the Borrower and to enhance the efficiency and transparency of the tax administration.



## THE PROJECT WILL:

to the Government of the Lao People's Democratic Republic (Lao PDR) strengthen its domestic resource mobilization (DRM) capacity to address macroeconomic vulnerabilities; enhanced the efficiency and transparency of tax administration; and enhanced to create fiscal space, reduce public debt, and foster sustainable financing of public service deliveries.



# PERFORMANCE INDICATORS

TO DO

## Output 1a

System enhancement to TaxRIS on online registration and management of sex-disaggregated taxpayer information developed and operationalized. (2023 baseline: no online taxpayer registration and information management system)

## Output 1b

System application on electronic tax filing and payment operationalized. (2023 baseline: no electronic tax filing and payment system).

# PERFORMANCE INDICATORS

**TO DO**

## OUTPUT 2:

**2a**

Computerized accounting system for taxpayers implemented. (2023 baseline: no computerized accounting system).

**2b**

Electronic tax invoicing system implemented. (2023 baseline: no electronic tax invoicing system)

# PERFORMANCE INDICATORS

## OUTPUT 3

**TO DO**

### 3a

Data servers enhanced and data storage expanded. (2023 baseline: No expanded data server and storage).

### 3b

Data analytics framework and methodologies that prioritize use of sex disaggregated taxpayer data approved and implemented. (2023 baseline: no data analytics framework).

# PERFORMANCE INDICATORS

**TO DO**

## OUTPUT 4:

### 4a

At least 200 tax officials trained on tax administration, at least 50% of whom are female tax officials. (2023: no tax officials trained)

### 4b

At least 500 registered taxpayers educated on modernized tax compliance procedures, at least 50% of whom are female taxpayers (2023: no taxpayers educated)

Component	Scope	Objective
<p><b>OUTPUT 1:</b> Taxpayer services modernized through digital transformation.</p>	<ul style="list-style-type: none"> <li>➤ Upgrade TaxRIS</li> <li>➤ Develop online registration, filing, and payment systems</li> <li>➤ Integrate with banking systems</li> <li>➤ Review of Cloud Adoption for PDC/BDC System enhancement</li> <li>➤ Review of Internet/ bandwidth connectivity</li> </ul>	<ul style="list-style-type: none"> <li>➤ Improve service delivery</li> <li>➤ Increase tax compliance and ease of access</li> <li>➤ Streamline tax refunds</li> <li>➤ Enhancement TaxRIS System with cloud</li> <li>➤ Network Facility upgrade for Cloud System</li> </ul>

Component	Scope	Objective
<p><b>OUTPUT 2:</b> Computerized accounting and e-invoicing systems developed</p>	<ul style="list-style-type: none"> <li>➤ Implement e-invoicing</li> <li>➤ Create uniform tax accounting systems</li> </ul>	<ul style="list-style-type: none"> <li>➤ Enhance tax assessment</li> <li>➤ Include MSMEs in the tax system</li> <li>➤ Simplify transaction verification</li> </ul>

Component	Scope	Objective
<p><b>OUTPUT 3:</b> Data analytics capacity enhanced</p>	<ul style="list-style-type: none"> <li>➤ Strengthen systems for data use</li> <li>➤ Improve database infrastructure</li> <li>➤ Link with other government databases</li> </ul>	<ul style="list-style-type: none"> <li>➤ Utilize data for risk profiling and audits</li> <li>➤ Formulate strategic policies based on comprehensive data</li> <li>➤ Enhance tax assessment</li> </ul>

Component	Scope	Objective
<p><b>OUTPUT 4:</b> Tax academy established</p>	<ul style="list-style-type: none"> <li>➤ Create capacity building facilities</li> <li>➤ Focus on accessibility and gender inclusion</li> </ul>	<ul style="list-style-type: none"> <li>➤ Develop technical skills</li> <li>➤ Promote career advancement among tax officials</li> <li>➤ Integrate taxpayer education</li> </ul>

# PROJECT TECHNICAL AND IMPLEMENTATION SUPPORT

Provision of:

1. Equipment (computer, data server, technology and tools);
2. Capacity Building (training courses and refurbishment of training center);
3. Consulting Services;
4. Project Management; and
5. Technical Assistance Grant for \$2 million (administered by ADB)

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ADB

# FINANCING PLAN: ADB FINANCING

ADB Loan 4530-LAO for \$25,000,000 (concessional ordinary capital resources lending)

To finance: ICT equipment, Consulting services, Capacity Building, Recurrent Cost and Project Management, Contingencies, and Financing charges during Implementation.

TA 10377-LAO for \$2,000,000 (technical assistance grant from the Technical Assistance Special Fund [TASF 7]).

# GOVERNMENT FINANCING

The government's in-kind contribution of \$3 million representing government staff salaries, office space, and recurrent costs.



# IMPLEMENTATION ARRANGEMENTS

## **Executing Agency: Tax Department of the MOF:**

- Technical Working Group which will supervise overall project implementation
- Project Management Unit shall be responsible for the day-to-day operations of the project

## **Implementing Agency Output 1, 2, 3 and 4:**

- Tax Department of the MOF**
- **Provide overall coordination of project implementation;**
  - **Serve as focal agency to ADB and development partners, and government offices;**
  - **Establish the project management unit (PMU);**
  - **Oversee and provide technical advice to the PMU;**  
**and**
  - **Review and approve rolling work plans:**

# ESTIMATED COST OUTPUT 1-4

		COMPONENTS	Amount (\$)
1		Application Development	10,808,391
2		Equipment	
	2.1	Cloud Equipment	1,909,454
	2.2	ICT Equipment	3,158,558
3		Migration	
	3.1	Cloud Migration	4,505,499
	3.2	Network Migration	364,720
4		Capacity Building	450,000
		<b>Total (estimate)</b>	<b>21,196,622</b>

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# ADB: SECTOR GROUP, PUBLIC SECTOR MANAGEMENT AND GOVERNANCE

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The ADB logo consists of the letters "ADB" in a white, serif font, centered within a solid blue square. The background of the slide features large, overlapping blue circles of varying shades, creating a modern, abstract design.

We have just started.

**THANK YOU!**

