Kyrgyz Republic: Business Process Reengineering and Change Management for Tax Administration Modernization

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Business Process Reengineering and Change Management for Tax Administration Modernization</th>
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<tr>
<td>Project Number</td>
<td>39015-022</td>
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<tr>
<td>Country</td>
<td>Kyrgyz Republic</td>
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<td>Project Status</td>
<td>Closed</td>
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<tr>
<td>Project Type / Modality of Assistance</td>
<td>Technical Assistance</td>
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<tr>
<td>Source of Funding / Amount</td>
<td>TA 4940-KGZ: Business Process Reengineering and Change Management for Tax Administration Modernization Republic of Korea e-Asia and Knowledge Partnership Fund US$ 500,000.00</td>
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Strategic Agendas
Inclusive economic growth

Drivers of Change
Governance and capacity development

Sector / Subsector
Public sector management - Public expenditure and fiscal management

Gender Equity and Mainstreaming
No gender elements

Description
The TA will help State Tax Service (STS) to: (i) develop its staff's skills in basic and advanced information and communication technology (ICT) methods and business analytics; (ii) undertake business process reengineering, and (iii) implement a change management program.

Project Rationale and Linkage to Country/Regional Strategy
The TAs piggy-backed to Grant 0077-KGZ will ensure effective implementation of the Project by addressing two complementary areas: (1) reform measure that are independent of computerization and physical upgrading, but are essential for tax administration reform; and (ii) adjustment measures to enable STS to make optimal use of its modern facilities.

Impact
Increased contribution of tax administration to fiscal consolidation and macroeconomic stability

Project Outcome
Effective, modernized, and efficient State Tax Service

Progress Toward Outcome
The TA supported the revision of the STS business process reengineering and provided programs to allow smooth transition and adaption of STS staff to the project's modernization efforts.

Implementation Progress
SCTC (now State Tax Service) staff skills in basic and advanced ICT upgraded
STS business processes reengineered
STS change management program implemented

Status of Implementation Progress (Outputs, Activities, and Issues)
The consultants revised STS business processes on audit, collection, taxpayer service and education, returns processing and revenue accounting, and appeals.
Focus group discussions, consultations and surveys of STS staff were conducted to develop the STS change management program.
Training of STS staff on the revised business processes and computer skills were funded by the TA.

Geographical Location

Summary of Environmental and Social Aspects

Environmental Aspects

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation
During Project Design Reforming the tax policy and tax administration is a key part of the Government's Country Development Strategy (CDS) for 2006-2010.

During Project Implementation The Government and fiscal agencies concerned remain committed to tax administration reform and modernization.

Business Opportunities
Consulting Services
The TA will finance the services of the following international consultants: (i) Tax Administration ICT Specialist (10 person-months), and (ii) Change Management Specialist (6 person-months). Two national consultants will also be recruited: (i) Tax Administration ICT Specialist (10 person-months), and (ii) Change Management Specialist (8 person-months).

Responsible ADB Officer
Jose Antonio R. Tan III

Responsible ADB Department
Central and West Asia Department
Responsible ADB Division: Public Management, Financial Sector and Trade Division, CWRD

Executing Agencies:
- Prime Minister’s Office
  58 Erkindik Street, Bishkek City
  720014, Kyrgyz Republic
- State Tax Service
  Mr. Ernst Kaldybaev, Deputy Chairman
  219, Chui Prospect, Bishkek, 720040 Kyrgyz Republic

Timetable:
- Concept Clearance: 23 Oct 2006
- Approval: 14 Jun 2007
- Last Review Mission: -
- PDS Creation Date: 27 Oct 2008
- Last PDS Update: 19 May 2011

TA 4940-KGZ

Milestones

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<th>Approval</th>
<th>Signing Date</th>
<th>Effectivity Date</th>
<th>Closing</th>
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<td>14 Jun 2007</td>
<td>11 Jul 2007</td>
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<td>31 Dec 2009</td>
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Financing Plan/TA Utilization

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Project Page: https://www.adb.org/projects/39015-022/main
Request for Information: http://www.adb.org/forms/request-information-form?subject=39015-022

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