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## Implementing a Financial Management Information System in a Fragile State—Afghanistan's Successful Experience



With the primary and huge support of U.S. Agency for International Development (USAID), the Ministry of Finance of Afghanistan announced in May 2010 the completion of the Automated Financial Management Information System (AFMIS). The AFMIS improves the efficiency of the public financial management system by automating and integrating the budget execution cycle. This work also benefited over the past few years from a complementary IMF/FAD and METAC assistance aimed at improving budget execution. FAD provided a peripatetic expert support until 2006 and METAC provided technical assistance (TA) through February 2010. FAD and METAC also helped in assessing the AFMIS and business process' development. This is a major accomplishment in a fragile state with tenuous security conditions and some 34 provinces, and a testament to the positive impact of collaboration between TA providers.

## Assessment Visit to Jordan

Mr. Saade Chami, METAC Coordinator, visited Jordan, from August 2-3 to listen to the authorities' views on the technical assistance (TA) provided by METAC and to assess future TA needs. Meetings were held with the Minister of Finance, the Secretary General of the Ministry of Finance, the Deputy Governor of the Central Bank of Jordan, the Director of the Department of Statistics, and other high officials. Overall, the authorities were very appreciative of the work done by METAC and noted Jordan's increased benefit from METAC in the past couple of years. They requested some new and follow up TA in public financial management (TSA), debt management and restructuring, results-based budgeting, and in Islamic banking and the issuance of Islamic instruments (Sukuk) in particular.

## Mission to Jordan to support tax collections and arrears management

Short-term expert, Mr. Donald Collins, visited Jordan to provide assistance with the processing and management of tax collections and arrears. The mission reviewed current operations and provided guidance and recommendations to build capacity in developing effective collection enforcement programs. The mission also developed a comprehensive collection enforcement strategy and produced an action plan including tasks, timeframes and measurement criteria.

## PPI mission to Lebanon

A price statistics mission visited Beirut from July 19-30, to provide assistance with developing a Producer Price Index (PPI). The PPI project is a continuation of METAC's efforts to improve price statistics in Lebanon, following the development of a monthly Consumer Price Index (CPI) for "all Lebanon", which was launched in March 2008. The new PPI will be a monthly index that will be released on a quarterly basis. Coverage will initially be restricted to manufacturing and utilities and will be expanded to include other economic activities if resources permit. The mission participated in initial meetings with key user groups to introduce and explain the index and noted that there is great enthusiasm and support for this project. The new PPI is expected to be released in February 2011.

## Preparations for VAT in Syria

METAC organized a mission to support the tax administration in Syria in its preparations for the forthcoming introduction of VAT. Short-term expert, Mr. Wael Khaddaj, held intensive meetings with the authorities and organized on-site workshops to present VAT critical issues and develop an action plan covering major components of the preparatory phase. The authorities praised METAC's assistance in this critical tax reform area and valued highly the substantial input of the mission.

## VAT implementation in Yemen

Further to the decision of Yemen to implement the Value Added Tax (VAT) starting July 2010, METAC fielded a mission to Sana'a to strengthen the capacity of the tax administration in this area. Short term expert, Mr. Georges Maarawi, worked with the authorities on developing appropriate compliance and awareness programs and held intensive training sessions and on-site workshops. The mission was highly appreciated by the authorities as it contributed substantially to the building of staff capacity in administering VAT.

## Restructuring and Integration plans of the tax administration in Lebanon

METAC conducted a mission to the Ministry of Finance in Lebanon to provide support for the restructuring of the tax administration functions and the integration of Revenue and VAT Departments. Short-term expert, Mrs. Maureen Kidd, worked with ministry of finance officials to develop an organizational structure with relevant functional statements, and an implementation plan covering the integration components and the transitory phase. The mission paved the way to the launching of the integration process in the near future.

