**TAX ADMINISTRATION AND STATISTICAL SYSTEM**

**MODERNIZATION PROJECT**

 In 2020, the International Development Association (IDA) had signed the Financing Agreement with the National Statistical Committee of the Kyrgyz Republic (NSC KR) for the implementation of Tax Administration and Statistical System Modernization Project (TASSMP).

The TASSMP is an institutional reform project comprising four following components:

* Component 1: State Tax Service (STS) Institutional Development;
* Component 2: STS Operational Development;
* Component 3: NSC KR Institutional Development;
* Component 4: NSC KR Data Development.
* Component 5: Project management

 The total budget allocated for statistical components of the Project is 17,5 mln. USD.

 Areas of project support on statistics will include the operationalization of the new Law on Official Statistics and associated regulatory reforms, the digitalization of administrative data, IT modernization, improved interoperability of government systems and streamlining of business process for greater data utilization, as well as improvements in methodologies and capacities to bring NSC services up to international standards

Component 3. NSC KR Institutional Development:This component will support the modernization of the National Statistical System (NSS) and enhancement of human resources capacity in statistics. This will require the following inputs: consultancy and training/workshops, software, hardware, and operating costs. The component will include the following sub-components:

* Sub-component 3.1 Modernization of the NSS.This sub-component will support modernization of the NSS through: (i) reviewing and drafting the statistical system’s legal and regulatory framework to provide support for the implementation of the Law on Official Statistics; (ii) modification of the institutional structure of the NSC’s headquarters and regional units; and (iii) enhancement of NSC KR business processes and the national statistical system by introducing the generic statistical business process model.
* Sub-component 3.2 Development of human capacity.This sub-component will provide support for development of human capacity through: (i)developing curricula and university program courses in official statistics for universities; (ii) improving the human resources management system of NSC KR; and (iii) development of capacity in the Institute of Statistical Research and Capacity Building of NSC KR to apply international statistics standards and methodologies in all areas of statistics.

Component 4. NSC Data Development.This component will support the improvement of statistical infrastructure that will enable management of large data warehouses, collection of data via electronic means and secure transmission, storage, and dissemination of the data in open data formats. This will require the following inputs: consultancy and training/workshops, software, hardware, and operating costs. This component will consist of the following sub-components:

* Sub-component 4.1. Data collection and dissemination.This sub-component will provide support for data collection and dissemination through: (i) carrying out analyses and changes in the data collection process with a view to reducing the number of forms and indicators collected; (ii) improving the statistical databases and calculation methodologies in main areas of statistics; (iii) improving the data dissemination in an open and user-friendly format, as well as, capacity building in the NSC to analyze data and present it to users with metadata, basic manipulation tools, and explanations.
* Sub-component 4.2. Enhancement of the statistical and IT infrastructure.This sub-component will provide support for: (i) enhancement of the statistical infrastructure of NSC’s headquarters and regional and local offices; (ii) enhancement of the statistical infrastructure to conduct population, agricultural and economic censuses; (iii) digitalization of the Rural Household Register (RHR); (iv) improving the capacity of municipal civil servants responsible for collecting statistics at the local (cities and villages) level; and (v) enhancement of technological capacity and IT infrastructure to support data collection, processing, dissemination and secure network management through provision of software, equipment and technical assistance.

Component 5. Project management. Under this component Project Management Units (PMU) of STS and NSC KR will provide support for Project management, implementation, and monitoring, evaluation, and reporting, including in the areas of financial management, Project audits, and financing of Operating Costs, procurement, disbursement, and social and environmental protection.

The project had been launched in December 2020. The NSC KR had set up a Project Implementation Unit (PMU) comprising of 7 staff members. The PMU will coordinate and support the overall implementation of the Project. The PMU is currently drafting project implementation plan and budget jointly with relevant staff members of the NSC KR.

In addition, the NSC KR shall select a twinning partner (a consortium comprised of private sector consultancies and well-established statistical agencies) through competitive bidding to carry out most of the consulting and training activities based on detailed ToRs prepared by NSC KR. In this way, the national statistical system of the Kyrgyz Republic will acquire the best possible expertise in a single package. This will help significantly reduce the transaction time and costs. It will also facilitate timely implementation of such a comprehensive and complex project by providing, in a sense, one-stop-shop for expertise. The twinning partnership will also help ensure proper sequencing of project activities