



Reforms of Tax Administration and Systems:
A Mapping of Current Analytical Tools and Frameworks

Frode Lindseth

Norwegian Tax Administration

This report is prepared for Norad as part of a bilateral agreement with the Norwegian Tax Administration under the Tax for Development program. The objective of this report is to do a systematic mapping of various aspects of a selection of analytical tools and frameworks developed to support tax administrations and tax system reforms. I would like to thank all assessment tool owners and tax administrations who have willingly shared information and experiences, which together form the most important source of information for this report. I would also like to thank Alan Robidoux (Senior Advisor United States Treasury Office), Marco Salm (Adviser at Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)) and Duncan Cleary (Assistant Director – Transfer Pricing Branch, Revenue – Irish Tax and Customs) for constructive comments on earlier drafts. Points of view, possible errors or misinterpretations rest entirely with the author.

Contents

Abbreviations.....	4
1 Background.....	5
2 Tools and frameworks designed to support tax administrations.....	7
3 Survey on tools and frameworks developed to support tax reforms.....	8
4 Revenue Administration analytical assessment tools.....	9
4.1 OECD Maturity Models.....	9
4.1.1 Assessment modalities.....	10
4.1.2 Coverage and costs.....	10
4.1.3 Transparency and dissemination of results.....	11
4.1.4 Prerequisite and subsequent engagements.....	11
4.2 Revenue Administration Gap Analysis Program.....	12
4.2.1 Assessment modalities.....	12
4.2.2 Coverage and costs.....	12
4.2.3 Transparency and dissemination of results.....	12
4.2.4 Prerequisite and subsequent engagements.....	13
4.3 Tax Administration Diagnostic Assessment Tool.....	14
4.3.1 Assessment process and modalities.....	14
4.3.2 Coverage and costs.....	15
4.3.3 Ownership and transparency.....	15
4.3.4 Prerequisite and subsequent engagements.....	16
4.4 Tax Administration Fiscal Blueprints.....	17
4.4.1 Assessment modalities.....	17
4.4.2 Coverage and costs.....	18
4.4.3 Transparency and dissemination of results.....	18
4.4.4 Prerequisite and subsequent engagements.....	18
4.5 Tax DIAMOND.....	19
4.5.1 Assessment modalities.....	19
4.5.2 Coverage and costs.....	20
4.5.3 Transparency and dissemination of results.....	20
4.5.4 Prerequisite and subsequent engagements.....	20
5 Data collection and reporting tools.....	22
5.1 ATAF African Tax Outlook Project.....	22

5.1.1	Coverage and costs	24
5.1.2	Transparency and dissemination of results.....	24
5.2	ATI Indicators.....	25
5.2.1	Coverage and costs	25
5.2.2	Transparency and dissemination of results.....	25
5.3	The International Survey on Revenue Administration (ISORA)	26
5.3.1	Coverage and costs	27
5.3.2	Transparency and dissemination of results.....	27
5.4	USAID Collecting Taxes Database (CTD).....	29
5.4.1	Coverage and costs	29
5.4.2	Transparency and dissemination of results.....	29
6	Conclusions and recommendations.....	31
7	Appendix. Survey Template	33

Abbreviations

ATAF	African Tax Administration Forum
ATI	Addis Tax Initiative
ATO	African Tax Outlook
AU	African Union
CBN	Capacity Building Network
CD	Capacity Development
CIAT	Inter-American Center of Tax Administrations
CTD	Collecting Taxes Database
DRM	Domestic Resource Mobilization
FB	Tax Administration Fiscal Blueprints
FTA	Forum on Tax Administration
IMF	International Monetary Fund
IOTA	Intra-European Organization of Tax Administrations
ISORA	International Survey on Revenue Administration
MOU	Memorandum of Understanding
MoFPED	Ministry of Finance Planning and Development
Norad	Norwegian Agency for Development Cooperation
NTA	Norwegian Tax Administration
NRA	The Polish National Revenue Administration
OECD	Organization for Economic Co-operation and Development
PCT	Platform for Collaboration on Tax
PEFA	Public Expenditure and Financial Accountability Framework
RA-GAP	Revenue Administration Gap Analysis Program
RMTF	Revenue Mobilization Thematic Fund
SUNAT	The Peruvian Tax Administration
TADAT	Tax Administration Diagnostic Assessment Tool
Tax DIAMOND	Development of Implementation And Monitoring Directives for tax reform
TfD	Tax for Development
TWG	Technical Working Group
URA	Uganda Revenue Authority
USAID	United States Agency for International Development
WB	World Bank

1 Background

The Government of Norway re-launched its Tax for Development (TfD) program in 2017 as a response to obligations under the Addis Tax Initiative (ATI). Under the first year of operations, funding for tax related development through the program expanded from NOK 2 million (around 0.2 million USD) to more than NOK 50 million (around 6 million USD), which again increased to NOK 211 million (around 25 million USD) in 2019. Norway's total tax-related development assistance was pre-COVID-19 expected to increase to at least 268 million NOK (around 32 million USD) in 2020. The Norwegian Agency for Development Cooperation (Norad) and the Norwegian Tax Administration (NTA) have entered into a 5-year agreement as a key component of the bilateral work stream in the TfD program. This agreement also includes tax related analytical work.

The TfD program provides financial support to different multilateral organizations involved in tax reforms. As part of their analytical work, several organizations have developed tools to support tax administrations and tax system reforms. For all stakeholders, (tax administrations and development partners in particular), it is important to understand the characteristics and comparative advantages of the different tools and frameworks that are currently available or in development. As the number of available tools continues to grow, so does the complexity in selecting the right tool or combination of tools. With this background, Norad and NTA took the initiative to do a systematic mapping of various aspects of a selection of analytical tools and frameworks developed to support tax administrations and tax system reforms.

The PCT Progress Report 2018 – 2019² provides a more complete overview of existing tools and frameworks organized across tax reform phases and categorized by *revenue administration analytical assessment tools* and *data collection and reporting tools*. This report will use this categorization while presenting the tools selected for this mapping. However, as this mapping exercise will illustrate, there is not always a clear-cut answer on what tax system reform stage(s) the tools/frameworks best support. The tools selected for this mapping are:

Revenue Administration analytical assessment tools:

- Organization for Economic Co-operation and Development (OECD) Forum on Tax Administration (FTA) Maturity Models
- Revenue Administration Gap Analysis (RA-GAP)
- Tax Administration Diagnostic Assessment Tool (TADAT)
- Tax Administration Fiscal Blueprints (FB)
- Tax DIAMOND (Development of Implementation and Monitoring Directives for tax reform)

Data collection and reporting tools:

- African Tax Administration Forum (ATAF) African Tax Outlook (ATO)

² See Annex 1, Figure A-1 in the PCT Progress Report 2018 – 2019 for a more complete overview of existing tools and frameworks available to support tax administrations and tax system reforms:

<http://documents.worldbank.org/curated/en/702411559936259607/pdf/Platform-for-Collaboration-on-Tax-PCT-Progress-Report-2018-2019.pdf>

- ATI Indicators
- International Survey on Revenue Administration (ISORA)
- United States Agency for International Development (USAID) Collecting Taxes Database (CTD)

The mapping includes a comparison of scope, coverage and other relevant characteristics that are important to understand the differences, similarities and comparative advantages. Hopefully, this mapping will contribute to more informed decisions among tax administrations, donors and development partners, on funding, use and application of assessment tools based on country specific needs and resources available.

Noting the Public Expenditure and Financial Accountability (PEFA) Stocktake of Public Financial Management Diagnostic Tools done in 2016³, this mapping exercise focuses on a selection of available tools for revenue administrations and tax system reforms only.

Another important aspect when applying different tools is the impact on the recipient tax administration. A few country examples are included in this report and describe the impact on the recipient tax administrations and the tax administrations' experiences with the assessment process and how tax administrations have different approaches when selecting tools and utilizing results.

This report makes no recommendation towards selection of specific assessment tools, as such a decision will depend on country specific circumstances.

³ Report available at: <https://pefa.org/resources/stocktake-pfm-diagnostic-tools-2016>

2 Tools and frameworks designed to support tax administrations⁴

Tools and frameworks designed to support tax administrations have been developed in different ways, by different institutions and for different purposes. Some were designed by one individual organization and some in cooperation between organizations and partners. The tools also vary in scope and comprehensiveness, to the extent they integrate with capacity building programs and what tax system reform stage they best support.

A tax system reform normally includes the following stages:⁵

1. **Diagnostic review of current situation.** The key output from this stage is a baseline of current performance and identified areas for improvement. There are two main categories of tools for this stage; (1) *Diagnostic tools* designed to assess different components of the tax system either targeted to a specific area or more comprehensively across several performance areas; and (2) *Data collection and reporting tools* designed to collect and compare cross-country information from tax administrations and tax systems. Data are collected for a region or worldwide and normally used as input for country specific diagnostics, studies and analytical work to guide revenue administration reforms and policy formulation.
2. **Reform strategy design.** Capacity development projects and missions are the most common approaches to design reform strategies. Building on results from diagnostics, targeted or comprehensive reform strategies can be designed to address weaknesses and improve performance.
3. **Reform implementation.** Building on the reform strategy design phase, strategies need to be implemented through specific actions. Implementation of tax reforms represents changes in multiple areas and need to be coordinated in a reform governance framework.
4. **Monitoring and evaluation.** Monitoring and evaluation frameworks monitor and evaluate whether desired results have been achieved according to plan and budget. Most of the tools developed for the diagnostic phase can serve as a part of the of the monitoring and evaluation framework. By repeated diagnostics or by tracking progress on tax administrations' performance and operational practice from international or regional databases, tax administrations and development partners can assess the success of the reform strategy and implementation.

⁴ This section draws extensively on the 2019 PCT Progress Report 2018 - 2019.

⁵ For more details, see PCT report "Enhancing the Effectiveness of External Support in Building Tax Capacity in Developing Countries (2016)": <http://www.oecd.org/tax/enhancing-the-effectiveness-of-external-support-in-building-tax-capacity-in-developing-countries.pdf>

3 Survey on tools and frameworks developed to support tax reforms

With multiple tools designed to support the same reform phase there is a risk of duplication and/or uncertainty for countries and development partners on what assessment tool to choose. Such decisions must be made to support the specific needs of the tax administration and the country together with information on the characteristics and comparative advantages of available tools.

The Platform for Collaboration on Tax (PCT)⁶ Progress Report 2018 – 2019 provides a comprehensive overview on tools and frameworks, organized by which reform phase they best support⁷. However, detailed information on important characteristics are not easily accessible to users and stakeholders. To collect comparable data on the different tools and frameworks, a survey was distributed in April 2019 to the owner/responsible organization for nine selected tools. The respondents were invited to describe the characteristics of tools and frameworks under their responsibility. The self-reported responses to the survey are the main source of information for this mapping exercise. The main areas covered by the survey included⁸:

1. **Objective.** Main objective of the tool.
2. **Comprehensiveness.** Areas covered and applicability regardless of capacity of the tax administration.
3. **Coverage.** Number of assessments undertaken.
4. **Methodology.** Main steps in the assessment process.
5. **Ownership.** How the tool was developed and how it is managed.
6. **Assessment process.** Is training a prerequisite for assessors and is quality assurance provided by the responsible institution?
7. **Costs.** Estimated costs for a stand-alone assessment.
8. **Transparency.** Are a website and supporting documents and templates available? Are reports published together with information on planned and completed assessments?
9. **Ownership.** Ownership of the final product and level of involvement of the host countries.
10. **Prerequisite.** Preconditions and preparations to be undertaken before the assessment.
11. **Subsequent engagements.** Preferred subsequent engagement based on the result of the assessment.

The selected tools cover most of the tax system reform phases and both analytical assessment and data collection tools.

⁶ PCT was established in 2016 and brings together experiences and expertise of the four largest multilateral organizations (IMF, OECD, UN and WBG) active in tax matters to enhance cooperation and exploitation of complementarities and synergies.

⁷ See Annex 1 in the PCT Progress Report 2018 – 2019.

⁸ See Annex 1 in this report for complete survey template.

4 Revenue Administration analytical assessment tools

The selected revenue administration analytical assessment tools cover most of the tax reform phases and are designed to assess different components of the tax system, either targeted to a specific area, or more comprehensively across several performance areas. The five selected tools focus on revenue administration only.

Revenue Administration analytical assessment tools organized across tax reform phases as reported in the PCT Progress Report 2018 – 2019.

	Diagnostic	Design	Implementation	Monitoring/ Evaluation
Maturity Models			✓	
RA-GAP	✓			✓
TADAT	✓			✓
Fiscal Blueprints	✓			✓
Tax DIAMOND			✓	

4.1 OECD Maturity Models

The OECD Maturity Models for tax administrations are under development by the OECD FTA Secretariat in cooperation with a smaller group of tax administrations. The main objective is to allow an administration to understand its strengths and weaknesses and to be able to compare its level of maturity to other tax administrations on an anonymized basis. Maturity Models are designed to support self-assessment which, combined with other inputs, can help a tax administration to assess its relative maturity in specific areas against objective criteria. However, nothing precludes its use by external assessors. So far, maturity models on *tax debt management* and *compliance burdens* have been developed and published⁹. Models on *human resources*, *analytics* and *enterprise risk management* are currently developed. All models will be published and can be used freely. Each model contains guidance on how to use the model and how to complete an assessment record sheet. Changes and updates are considered once it becomes clear that most administrations have reached the highest maturity levels or where uncertainty or ambiguity is reported from users.

Maturity models focus on the maturity of processes that need to be in place to support a certain level of development rather than on specific practices and/or metrics and tax types. For some functions, a suite of sub-models allows for a deeper understanding of important areas.

⁹ See: <https://www.oecd.org/tax/forum-on-tax-administration/about/maturity-model-series.htm>

The FTA plans to develop maturity models to cover all tax administration operational functions as well as key crosscutting functions. Maturity models can be used regardless of the capacity of the tax administration or income classification of the country.

Each model uses the same rating system in terms of levels of maturity:

- **Emerging.** The level represents tax administrations which have already developed to a certain extent but which, at least in the area under consideration, have significant further progress they could make.
- **Progressing.** The level represents tax administrations that have made or are undertaking reforms in the area as part of progressing to the level of advanced tax administrations.
- **Established.** The level represents where most advanced tax administrations, such as FTA members, might be expected to cluster.
- **Leading.** The level represents the cutting edge of what is generally possible at the time of the assessment.
- **Aspirational.** The intention of this level is to look forward at what might be possible in the medium term as the use of new technology develops. Few tax administrations are expected to be at this level currently, although some may be in some respects.

4.1.1 Assessment modalities

Any authority, including sub-nationals that deal with tax assessment and collection, can use maturity models for self-assessment. The main steps of the assessment process are:

1. The administration decides which of the OECD maturity models to use.
2. Relevant stakeholders are brought together in a workshop-style meeting where a lead person guides all participants through the model, including the set of descriptors for each maturity level by sub-theme. To assist participants in the understanding of what a given level of maturity means, a set of indicative attributes is also contained under each maturity level.
3. The participants discuss each sub-theme, and guided by the indicative attributes, decide together the level of maturity the administration has for each sub-theme.
4. The outcomes are recorded in a self-assessment record sheet. Tax administrations are encouraged to record evidence as to why they arrive at a level of maturity to facilitate understanding of the assessment and provide the background for future assessments.

No specific training in how to use the models is necessary. There is no system in place for external quality assurance and the framework relies on internal governance to avoid functions scoring themselves higher than justified. However, nothing prevents a tax administration from having an external verification. Tax administrations are encouraged to have evidence-based discussions, including taking account of input from outside of the functional area as to whether it meets the criteria at an expected level of maturity. Since the assessments are anonymized for internal use, there is no external reputational risk that may skew results.

4.1.2 Coverage and costs

Maturity models are completed on a self-assessment basis, which make the total number of assessment impossible to track. As of April 2019, 21 administrations have shared their Tax Debt Management self-assessment and 21 administrations (not necessarily the same) have shared their Compliance Burdens self-assessment with the OECD FTA Secretariat.

The estimated costs for conducting a self-assessment are minimal. One to two working days are the estimated workload for each staff member participating in the working/discussion group.

4.1.3 Transparency and dissemination of results

The finalized models are publicly available from the OECD FTA web page¹⁰.

The results will always be owned by the administration conducting the self-assessment. However, administrations are encouraged to report results to the OECD FTA Secretariat on a confidential basis, which will produce anonymized heat-maps that allow administrations to see where they sit compared to others.

4.1.4 Prerequisite and subsequent engagements

Besides bringing together the relevant stakeholders for the internal workshop/discussion meetings, there are no specific preconditions or preparations needed before an assessment.

The outcomes are recorded in the self-assessment record sheet where the preferred subsequent action is to use this as input to design and implementation of reforms. The models also provide an opportunity for seeking peer-to-peer assistance and advice from other tax administrations. Once an administration has established its level of maturity and identified a specific area for improvement, it can contact the FTA Secretariat, which will then reach out to administrations that have scored high in that specific area enquiring interest in assisting the requesting administration in improving its level of maturity.

¹⁰ See: <https://www.oecd.org/tax/forum-on-tax-administration/about/maturity-model-series.htm>

4.2 Revenue Administration Gap Analysis Program

RA-GAP is a standard International Monetary Fund (IMF) Fiscal Affairs Department capacity development program and managed and governed as such. The objective is to develop a country's capacity to quantitatively assess and monitor revenue collection performance to provide tax administrators and policy makers with a measure of the amount of tax revenues lost through noncompliance, avoidance, and impact of policy choices. RA-GAP is a targeted diagnostic analytical tool in the sense that it focuses on revenue collection performance (gap analysis) for Value-Added Tax, Corporate Income Tax and Personal Income Tax. However, by giving an overall indicator of the general effectiveness of a tax administration's effort to execute its primary mission, as such, the tool covers all the important areas of a tax administration. RA-GAP can be used by any country, including sub-national revenue authorities regardless of capacity to assess their performance, provided a proper set of national accounts and tax administration records exists as RA-GAP analysis are highly dependent on national accounts statistics and tax administration micro data.

4.2.1 Assessment modalities

Initially RA-GAP assessments were conducted by IMF staff, but training is now provided and the goal is for the countries to develop their own self-assessment capacity.

The main steps of an IMF assisted assessment process include:

- A two-week data collection mission;
- Data analysis work and estimate production conducted at IMF HQ;
- A one-week country visit to review and refine the results as necessary; and
- Report completed at IMF HQ.

Training is required to conduct an assessment and training material is under development. In the past, training had to be performed on a case-by-case basis during the mission, but recently an on-line training program was released¹¹. The IMF provides quality assurance for all RA-GAP reports published.

4.2.2 Coverage and costs

As of the end of April 2019, 36 assessments are completed and five more are in production.

A typical IMF assisted RA-GAP assessment requires two country visits by an IMF staff person (one two-week visit and one one-week visit), and around three months of staff time at IMF HQ.

4.2.3 Transparency and dissemination of results

The models and methodologies used are published as IMF Technical Notes, and contact info for RA-GAP is available through the IMF webpage.

Publication of assessments results follows standard IMF capacity development report protocols where the choice to publish resides with the country. As per standard IMF protocols for capacity development assistance, information about planned and completed assessments are not published.

¹¹ See: <https://www.imf.org/en/Capacity-Development/Training/ICDTC/Courses/VGAPX>

4.2.4 Prerequisite and subsequent engagements

The country needs to provide sample data extractions for the required data sets before the assessment is undertaken and staff from the host country will be requested to complete the online training.

The results of the assessment would inform subsequent engagements focused on developing compliance improvement strategies.

4.3 Tax Administration Diagnostic Assessment Tool

Launched in 2015, TADAT is a publically available tool that can be used by any country to assess the relative strengths and weaknesses of the tax administration system. TADAT provides a standardized assessment of the health of key components of a country's tax administration system in the context of international good practice. The TADAT methodology is based on the PEFA approach and consists of nine performance outcome areas; (1) Integrity of the registered taxpayer base; (2) Effective risk management; (3) Supporting voluntary compliance; (4) On-time filing of declarations; (5) On-time payment of taxes; (6) Accurate reporting in declarations; (7) Effective tax dispute resolution; (8) Efficient revenue management; and (9) Accountability and transparency.

The framework for national assessments was last updated in April 2019 and the subnational assessment framework was launched in November 2019. The TADAT Field Guide gives comprehensive guidance with templates, background notes of good practice, questions for assessors and assessment criteria. The TADAT methodology scores both dimensions and indicators¹² on a four-point 'ABCD' scale. There is no score for the overall performance for the assessed tax administration and a stand-alone TADAT assessment does not give any direct recommendations for improvement.

A Technical Advisory Group advises the TADAT Secretariat on technical aspects of development, design, implementation and maintenance of the tool. The TADAT Steering Committee¹³ is responsible for implementing the TADAT program.

4.3.1 Assessment process and modalities

All TADAT related materials are available on the TADAT web page¹⁴ and can be downloaded and used for self-assessment by any tax administration.

The most common assessment modality is by a team with externally trained and certified assessors using the TADAT methodology to score dimensions and indicators and document supporting evidence in a Performance Assessment Report. The TADAT Secretariat then performs quality assurance on the report before it is finalized. There are examples of guided self-assessment¹⁵ where the TADAT Secretariat offer support and quality assurance throughout the process.

Training is a prerequisite for assessors and training material is available at [tadat.org](https://www.tadat.org). Training is delivered either on-line or through physical training workshops and results in two types of certificates depending on the candidate's qualification:

- **Trained TADAT Assessors**, certified to conduct TADAT assessments in any country;
- **TADAT Trained**, able to participate in their country's own benchmarking exercise, or be counterparts when their tax administration is undergoing TADAT assessment.

¹² In TADAT an indicator is a grouping of dimensions.

¹³ The TADAT Steering Committee comprises the following countries/entities: European Union, France, Germany, International Monetary Fund, Japan, Netherlands, Norway, Switzerland, United Kingdom and the World Bank.

¹⁴ See <https://www.tadat.org/home>

¹⁵ See for example the Canada Revenue Agency guided self-assessment:

<https://www.canada.ca/en/revenue-agency/corporate/about-canada-revenue-agency-cra/tax-administration-diagnostic-assessment-tool-tadat-summary-report.html>

The main steps in the assessment process include;

- **Assessment initiation:** All TADAT assessments require a formal request from the country authorities to the sponsoring organization or directly to the TADAT Secretariat;
- **Pre-assessment:** Planning and preparation begins 6 to 8 weeks prior to the in-country assessment phase;
- **In-country assessment:** The critical work of a TADAT assessment occurs during this phase and typically takes 2 to 3 weeks; and
- **Post-assessment:** Completion of the Performance Assessment Report.

4.3.2 Coverage and costs

As of end-April 2019, the total number of national assessments was 78¹⁶.

A standard costing estimate for a stand-alone assessment will be misleading because costs will differ between various agencies and the number of team members, which again normally depend on the size and complexity of the tax administration. On average, an assessment team counts four to five team members.

The TADAT methodology is standardized and describes in detail the actions to be carried out by the assessment team and the number of weeks required.

- **Pre-assessment preparations.** Non-intensive and spans over 6 – 8 weeks for both country officials and assessment team leader. If training is requested, 2 – 3 TADAT instructors and up to 30 tax officials for a training event lasting 2 – 4 days.
- **In-country assessment phase.** Intensive and spans over 2 – 3 weeks for both country officials and team members and requires full-time attention of at least 2 country officials, and on-off attendance in discussion by country officials depending on their responsibilities.
- **Post-assessment/report finalization phase.** Elapsed time to finalize report from in-country mission phase is 45 days. Comments on the draft performance assessment report are required from the authorities and the TADAT Secretariat then perform quality assurance on the report before deemed final.

All in all, a complete TADAT assessment takes up to four months with varying levels of intensity.

4.3.3 Ownership and transparency

Only reports authorized by country authorities are published and available on tadat.org along with a list of completed assessments. Given the ad-hoc nature of requests by countries, it is not possible to list upcoming assessments. Only confirmed requests are advised to all Steering Committee members and interested capacity development partners.

The TADAT framework is publicly available and any capacity development (CD) partner can undertake a TADAT assessment.

¹⁶ See tadat.org for updated number of assessments, included subnational and repeated national assessments.

4.3.4 Prerequisite and subsequent engagements

Many tax authorities prefer training in the TADAT methodology prior to an assessment. Training gives tax officials the opportunity to engage more and increases knowledge of good practice in tax administrations. Another prerequisite is for the tax administration to assign a counterpart that will be the focal point and support the team throughout all phases of the assessment.

TADAT is a standardized and publicly available tool not framed or linked to any specific capacity development methodology. The key output is a quality-assured and approved performance assessment report which facilitates a shared view on the strengths and weaknesses of the system of tax administration among all stakeholders (e.g., country authorities, international organizations, and technical assistance providers). Any CD provider can pick up the results from an assessment and use the diagnostic as input to targeted capacity building or to more comprehensive tax reform strategies.

4.4 Tax Administration Fiscal Blueprints

The 1999 Fiscal Blueprints was developed as a tool for candidate countries for accession to the EU to enhance their administrative capacity in adopting, applying and enforcing the community legislation in preparation for membership. Based on the benchmarks established in the blueprints, each candidate country, in cooperation with the Intra-European Organization of Tax Administrations (IOTA), carried out gaps and needs analysis as input for a business change management plan, which in turn is used to determine needs for technical assistance. The Fiscal Blueprints is designed for national assessment and applicable regardless of capacity of the tax administration. The framework includes the following areas of the system of tax administration;

- **Framework, structure and basis**
 - Overall framework of tax administrations
 - Structure and organization
 - Tax legislation
- **Human and behavioral issues**
 - Ethics
 - HR management
- **Systems and functioning**
 - Revenue Collection and Enforcement
 - Tax Audit
 - Administrative Cooperation and Mutual Assistance
 - Fraud and Tax Avoidance
- **Taxpayer services**
 - Taxpayer Rights and Obligations
 - Systems for Taxpayers' Management
 - Voluntary Compliance
- **Support**
 - Information Technology
 - Communications

4.4.1 Assessment modalities

The fiscal blueprints are designed to be used as a self-assessment tool and provide the overall framework and necessary benchmarks to assess each technical and organizational area of a tax administration.

The assessment includes the following elements:

- **Ownership, management and coordination** of the exercise should be at the highest level. The nomination of an official, who will ultimately be responsible for the overall coordination of the exercise and the proper implementation of the results, is essential.
- **A diagnostic phase**, including a comparison between the actual situation on the ground and the fiscal blueprints benchmark.
- **An analysis of needs**, identifying at the same time possible solutions to address each individual disparity between the blueprint standard and the real situation.
- **An action phase**, which includes drafting of an action plan considering the results of the diagnosis and specifying ways and means as well as the timetable for the implementation of actions.

- **The drafting of project proposals for external technical assistance.** Future technical assistance projects to be designed based on a sound and logical process.

This process is flexible and can be applied to specific areas of the tax administration, using individual or groups of blueprints, or to the entire administration by using the full set of blueprints. Repeating the exercise allows monitoring of progress. Training is not a prerequisite for assessors.

4.4.2 Coverage and costs

The number of assessments is not known due to the self-assessment modality. There are indications that the tool has not been used lately.

Estimated costs for a stand-alone self-assessment do not exist as it depends on country specific matters.

4.4.3 Transparency and dissemination of results

The fiscal blueprints as a guideline to EU best practice for tax or fiscal administrations are available online¹⁷.

No reports or any other results from the assessments are published.

4.4.4 Prerequisite and subsequent engagements

There are no preconditions or preparations necessary before the self-assessment takes place.

The preferred subsequent actions should be alignment of national legislation and practices based on the results of the assessment.

¹⁷ See:

<https://op.europa.eu/en/publication-detail/-/publication/50c10975-0e41-4aaf-8bdb-6992d3740207/language-en>

4.5 Tax DIAMOND

Tax DIAMOND is an on-line data management platform used by the World Bank (WB) to support implementation of technical assistance and to prepare and implement lending projects. Tax DIAMOND provides WB teams with the necessary systematic guidance to engage with client countries and facilitates WB domestic revenue mobilization engagements. The framework is available for countries' individual use and was developed following demand from revenue administrations (tax and customs) to identify relative strengths and weaknesses and translate these observations into a concrete action plan.

Tax DIAMOND touches on all key areas and functions of a revenue administration covering institutional set-up, legal framework and operations for both tax and customs. Tax DIAMOND can conduct initial diagnostics, produce action plans, support implementation of tax reforms, function as a performance management system and help to build capacity through training courses.

Tax DIAMOND is module-based where tax administrations can select the number of modules to apply. The modules can be tailored for each assessment, e.g. by excluding indicators that are not relevant in a certain context. By customizing the framework to each country, Tax DIAMOND is applicable regardless of size and capacity of the revenue administration and can be applied either at national or sub-national level. The assessments also include an analysis of the capacity of the revenue administration, which makes it possible to tailor the recommendations to the specific context on the ground.

Tax DIAMOND is continuously updated and developed based on feedback from field assessments and revenue administrations. Examples of modules include; (1) Core Tax Assessment; (2) Core Customs Assessment; (3) ICT Assessment¹⁸; (4) System Functional Review; (5) Human Resources Assessment; (6) Risk Based Audit; (7) Political Economy; (8) Security Review; and (9) Business Process Mapping. Further, there are topic-oriented assessments like international tax, audit and tax gap analysis. Each module consists of a range of indicators, which are scored/benchmarked against good international practice.

4.5.1 Assessment modalities

The Tax DIAMOND platform facilitates self-assessments and guided assessments which create a strong ownership to the process and the results by the revenue administration. Every module includes a methodology document and a Field Guide that explains the steps of the assessment process.

For self-assessment, the WB guides the revenue administration through the assessment remotely or via a desk-review. Validation of evidence is also done remotely. Assessment reports are not produced by the WB for self-assessments.

For guided assessment, the WB brings in a team of experts to assist the revenue administration in carrying out the assessment, validating evidence etc. Guided assessment starts with an initial one-week desk review. This is then followed-up by a field mission where the evidence and scoring are validated together with the counterpart. If necessary, a workshop is organized where the assessments are reviewed together with the counterpart and an action plan or priority roadmap is drafted. The development of an action plan, etc. is conducted jointly with staff across the revenue administration.

Quality assurance is provided either in the field or, in case of self-assessments, remotely. In addition, reports go through the internal quality assurance process of the WB.

¹⁸ The Tax DIAMOND ICT assessment has a range of optional modules.

Training is a prerequisite and typically take place in the field during assessments by junior assessors joining a team of senior assessors. Training material, methodology documents, background material and videos explaining the use of the tool are available.

There are both specific scores for individual indicators, as well as an overall score for dimensions¹⁹. The assessments also summarize the entire diagnostic into one based on how well the organization manages all its formal aspects (“practices”), as well as how well the organization executes these practices (“performance”).

4.5.2 Coverage and costs

The number of assessments (including sub-nationals) as of end April 2019 is around sixty spread across all modules.

The costs for a stand-alone assessment can not be estimated as it depends on country-specific matters like availability of data, the number of modules applied, assessment modality etc.

4.5.3 Transparency and dissemination of results

All supporting documents and templates are available to institutions and revenue administrations that have been granted access to the online platform. General information about Tax DIAMOND can be found at www.taxdiamond.org. Information about planned and completed assessment can be requested from support@taxdiamond.org.

The ownership of the final report is with the host country which decides whether to publish or not. Reports are confidential unless the revenue administration specifies differently. If agreed upon by the host government, reports can be shared with other donors and international partners.

4.5.4 Prerequisite and subsequent engagements

The only prerequisite is institutional ownership and an assigned focal point for different areas of the assessment that can lead the self-assessment or work with the Tax DIAMOND team to complete the assessment and provide the required evidence and information.

As the result of the assessment is a proposed action plan, the preferred subsequent engagement would be for the revenue administration to embark on the implementation of the selected actions with WB assistance if desired.

¹⁹ In Tax DIAMOND a dimension is a grouping of indicators.

Country examples on how tax administrations take different approaches when selecting tools and utilizing results.

The Peruvian Tax Administration (SUNAT) conducted a standard TADAT assessment back in 2017 and has since made use of several modules from Tax DIAMOND, including assessment of tax audit and international tax unit. All assessment reports were used at the central level to evaluate and promote changes in operational processes, organizational and legal modifications. SUNAT staff had good experience and learning effects from all assessments and received good support from assessment teams. The most important experience drawn from using these two frameworks is that they are complementary tools that can work well together to identify opportunities for improvements and identify the correct driver to implement actions needed to improve performance.

Source: SUNAT

The Polish National Revenue Administration (NRA) considered different tools to support implementation of a comprehensive tax reform²⁰. The scope of the reform is to design a system for performance measurement and monitoring and evaluation in the NRA. As a starting point a comprehensive "as is" diagnostic was needed to guide development and implementation of the project which covered both tax and customs. Tax DIAMOND was chosen based on specific needs mainly because the framework offers core functional reviews for both customs and tax administration, but also due to the flexibility to include additional modules in the assessment as needed.

Self-assessment was chosen as the assessment modality and with guidance and support from WB staff the process of data preparation and validation started in May 2019. Only a few short training sessions were needed and provided by the WB as the tool was considered easy and intuitive to use.

The results from the assessments are used in different ways. In addition, to guide implementation of the ongoing tax reform, the results will be used as an input to develop medium-term goals for the NRA after 2020. Also, an action plan for improvements in some areas has been developed based on gaps against what Tax DIAMOND identifies as good practice. The results will be also used to identify KPIs for NRA operations.

Source: NRA

Uganda Revenue Authority (URA) has shown significant interest in different tools developed to support tax administrations and tax system reforms. During recent years, the URA has conducted several assessments using different tools and frameworks. The initiatives have been driven partly by development partners demanding diagnostics as guidance for financing reforms, partly internally to improve performance, raise awareness and build capacity on good international practice for tax administrations, and partly by the Ministry of Finance Planning and Development in Uganda (MoFPED).

Both TADAT and the tax administration module in Tax DIAMOND has been used to assess URA's performance providing different perspectives and areas of application of results. TADAT results are used to redesign tax administration reform strategies and for assessing ongoing reforms. The results are also used to restructure some functional areas to optimize performance and as input to a DRM strategy. Tax DIAMOND results feed in to DRM initiatives for both tax policy and tax administration. Reform initiatives beyond URA's control, like policy reforms, are handed over to MoFPED.

Source: URA

²⁰ The project is called "Development and implementation of the Measurement, Monitoring and Evaluation System in the National Revenue Administration" (MME Project) and was launched in 2018.

5 Data collection and reporting tools

Data collection and reporting tools are designed to collect and compare cross-country information from tax administrations and tax systems. These tools are especially important for diagnostics and monitoring and evaluation of tax reforms, but also to inform revenue administration reforms and policy formulation as the data are used producing comprehensive reports providing internationally comparative data on aspects of tax systems and their administration²¹.

The four tools were selected for this mapping are:

Data collection and reporting tools organized across tax reform phases as reported in the PCT Progress Report 2018 – 2019.

	Diagnostic	Design	Implementation	Monitoring/ Evaluation
ATO	✓			✓
ATI Indicators	✓			✓
ISORA	✓			✓
USAID CTD	✓			✓

5.1 ATAF African Tax Outlook Project

As a response to international databases considered fragmented in focus, methodologies and comprehensiveness, and with poor coverage of African countries, ATAF arranged an inception workshop in August 2014. The participating tax administrations agreed on design, structure and content of the first ATO publication²² based on country specificities and consideration of what would help in assessing and improving tax system performance in Africa. With strong regional support the ATO publication now provides reliable information on taxation in 37 African countries creating a reference manual for African tax administrations, tax policy makers and tax practitioners to compare and improve tax administration and revenue performance.

More specifically ATO provides the necessary data and framework to support the following areas:

²¹ See for example ATAF African Tax Outlook 2019:

https://events.ataftax.org/index.php?page=documents&func=view&document_id=49

and OECD Tax Administration 2019 – Comparative Information on OECD and other Advanced and Emerging Economies:

<http://www.oecd.org/tax/forum-on-tax-administration/publications-and-products/tax-administration-23077727.htm>

²² See <https://events.ataftax.org/index.php?page=documents&folder=7>

- Analyzes of data on taxation trends around the continent;
- Identification of good practices used for cross-country or regional comparisons and benchmarking;
- Evidence-based recommendations to reform tax policies, tax administrations and tax systems in general; and
- Analysis of observed trends within and across countries.

ATAF's ambition is to become a Centre of Excellence of harmonized national data on tax and customs among ATAF's members and beyond by offering high quality data comparability, analysis, consistency, and accessibility. Another important goal is to ensure that the ATO data collection process is embedded in the daily work of tax administrations' research departments to minimize additional collection efforts and costs. Because indicators are decided upon and revised by tax administrations themselves, they are used internally by tax administrations for planning and decision-making purposes. ATAF also supports initiatives to reduce duplication of efforts across interested international organizations and thus reducing the burden on countries of reporting the same data to multiple international organizations. In 2019, ATAF, The African Union (AU), and the OECD started discussing a project to advance revenue statistics harmonization in Africa on how revenue statistics harmonization could fit within the AU Strategy for the Harmonization of Statistics in Africa group²³. Starting this year, the OECD-ATAF-AU Revenue Statistics in Africa project will be funded under the EU-AU Pan-African Statistics Programme. This provides an opportunity to collaborate on advancing work on revenue statistics harmonization in Africa.

The ATO is designed for self-assessment. Focal points for data collection commit to a documented data collection process using the online ATO data platform and ATO Guidebook. The main steps to prepare each annual edition of the ATO includes two workshops and a data collection period prior to the year of publication:

1. **A data collectors' capacity building workshop** with the purpose to establish a common understanding of indicators and definitions. The data collectors agree to the importance of ownership and to collate, check and validate the data using the online ATO data platform and ATO guidebook.
2. **Data collection period** where the drafting team regularly liaises with the tax administrations focal points to manage the data collection process, i.e. answering arising questions, providing assistance where needed, and ensuring that data collectors complete their country data on the ATO online data portal using the ATO Guidebook. During this period, experienced countries also provide assistance to newly joined countries.
3. **A validation workshop** attended by the participating countries to validate data and preliminary results, revise and add indicators where applicable. Countries are required to submit a consent form signed by Heads of tax administrations to guarantee authenticity of data.
4. **Drafting of the annual publication** is done in collaboration with the ATAF Secretariat and participating countries to ensure strong ownership, utilizing skills and using the ATO project as an opportunity to bring visibility to participating tax administrations.

²³ See: <https://au.int/en/ea/statistics/shasa>

5.1.1 Coverage and costs

There has been a steady growth in the number of ATO participating tax administrations since first launched in 2016. So far, four editions of the ATO has been published. The last 2019 edition covering the period from 2010 to 2017 included 34 tax administrations. The 2020 ATO edition will cover the period from 2010 to 2019 with 37 participating countries.

Participating countries have agreed to a cost sharing formula to ensure the financial sustainability of the ATO project.

5.1.2 Transparency and dissemination of results

The ATO publications and data are available through the ATAF website²⁴ in English, French and Portuguese. The ATO data platform provides users access to harmonized information and data on tax and customs administration and allows participating tax administrations to conduct their own analysis. Guidelines, templates and other supporting documents are only accessible for participating countries.

²⁴ See: <https://www.ataftax.org/>

5.2 ATI Indicators

The International Tax Compact (ITC) hosts the Secretariat for the ATI which is tasked to develop indicators for monitoring Domestic Resource Mobilization (DRM) progress. Currently, 20 development partners and 24 partner countries have signed the ATI Declaration with 16 ATI supporting organizations²⁵. The ATI Consultative groups, in consultation with ATI members, are responsible for managing the ATI Indicators and revising them when deemed necessary. Drawing from existing DRM-indicators, the ATI have agreed on eleven indicators to measure progress made by countries fulfilling their DRM commitments.

The data collection is based on publicly available data²⁶. The indicators cover all areas of tax system and tax administration performance for each country. ATI partner countries are also given the opportunity to report on the progress of their own national indicators of reforms. To reduce the burden of data collection and to avoid duplication of reporting, the ATI monitoring is based – amongst others – on data reported by ATI members to ISORA. The framework is based on voluntary reporting by ATI members. There is no score, except descriptive analysis. No extra specified training is required for analysts, and no verification is included in the framework due to reliance on existing data sources.

Preferred subsequent engagements would be identification of areas where DRM support can be increased and best practice and learning exchange opportunity amongst ATI members

5.2.1 Coverage and costs

The data provided by 24 ATI members across Africa, Asia, and Latin America is used for reporting on the progress made by ATI members in fulfillment of their commitment towards DRM. Three monitoring reports have been completed. There are no costs associated with carrying out the monitoring of DRM efforts by ATI members beyond staff costs.

5.2.2 Transparency and dissemination of results

The ATI indicators are an outcome of a consultative process between the ATI Consultative Group 2 (partner countries and developing partners as well as supporting organizations) and interested parties. The results of the monitoring are made available at the ATI website and the report is released annually at the ATI meeting. Part of the report are country pages which provide detailed information on the ATI partner countries.

²⁵ See ATI webpage for more information: <https://www.addistaxinitiative.net/>

²⁶ The ATI Commitments can be found on the ATI web page: <https://www.addistaxinitiative.net/ati-commitments>

5.3 The International Survey on Revenue Administration (ISORA)

ISORA is designed to collect and present data for tax administrations on a bi-annual basis to:

- Provide an improved focus on data management, performance measurement and reporting by tax administrations internationally;
- Provide a large set of comparable and standardized quantitative and qualitative tax administration information to improve advice and analysis;
- Develop data and analyses that can improve cross-country comparisons;
- Assist in developing international revenue administration performance measurement and reporting standards;
- Improve the quality of revenue administration technical assistance to strengthen institutions;
- Provide necessary data to better calibrate other revenue administration tools; and
- Assist senior executives of revenue administrations in managing and evaluating their administrations' performance.

Tax administrations participate in ISORA regardless of capacity and the data collection is currently conducted every two years. ISORA is designed to collect information on tax administration at the national level. However, sub-national tax administrations and tax administrations with jurisdiction over a territory also participate in ISORA and complete the questionnaire.

The ISORA Technical Working Group (TWG) reviews the questionnaire and survey approach after each round to improve the quality of data collected.

The governance around the ISORA partnership is based on a Memorandum of Understanding (MOU) between the participating partners (Inter-American Center of Tax Administration (CIAT), IOTA, IMF and OECD) and establishes a framework for voluntary cooperation to collect tax administration data. The MOU sets out the terms of reference for an Executive Committee and the TWG on which all partners are represented. The TWG meets at least annually, to review past surveys and plan new data collections. The TWG is also responsible for proposing changes to the survey and developing guidance materials for tax administrations that participate in ISORA.

The survey comprises a set of ten forms focused on the following areas:

- Revenue Collections;
- Institutional Arrangements;
- Budget and Human Resources;
- Segmentation;
- Registration;
- Return Filing and Payment;
- Service and Education;
- Collection and Enforcement;
- Audit/Verification; and
- Dispute Resolution.

The database is a comprehensive source of data available for tax administrations on performance outcomes, profile information and administrative and operational practice. Data from the survey are accessible through an online database and this allows for inter-administration comparisons of operational practices and performance outcomes based on standardized and comparable data provided by tax administrations based on self-assessment. Data provided in ISORA (roughly 900 variables) span across all core tax administration processes and the main tax types.

The main steps in the ISORA process are:

1. **Questionnaire design and implementation:** The questionnaire is designed/revised by the ISORA partners based on previous survey experience, in tandem with the need to probe emerging tax administrations issues. The questionnaire is then implemented on an online platform incorporating validation rules to ensure completeness and internal consistency of country responses.
2. **Data collection:** Participating countries are given controlled access to the data collection platform. Countries can access documentation covering concepts, definitions and general guidelines to complete the survey. The ISORA partners provide further support to countries while data is being collected by answering ad-hoc queries and providing additional guidelines should the need arise.
3. **Data review:** The data provided by tax administrations is reviewed by ISORA partners and feedback is provided to the participants.
4. **Data release and dissemination:** The data are made available in aggregate for public use and at an administration-level to participating administrations and the partners.
5. **Analysis and publication:** ISORA partners produce reports and papers that draw on analysis of the data provided through the survey²⁷.

Training and guidance materials are provided to tax administrations participating in ISORA. No specific training is required for tax administrations staff involved in the data collection process.

5.3.1 Coverage and costs

The first survey was launched in 2016 and completed by 135 tax administration. The most recent round in 2018 included 159 tax administrations and 131 tax administrations participated in both ISORA 2016 and ISORA 2018.

ISORA partners carry the costs of staff involved in all phases of ISORA. The IMF carries the cost of the development and hosting of the data collection platform and the dissemination portal. The IMF has also received support under the Revenue Mobilization Thematic Fund (RMTF)²⁸ to provide training and assistance to participants in need of support.

5.3.2 Transparency and dissemination of results

Current and past questionnaires, guidelines, agreed timelines and publications based on ISORA data are available at the ISORA portal²⁹. Aggregate and anonymized data are available to the public through the

²⁷ See for example IMF ISORA 2016: Understanding Revenue Administration:

<https://www.imf.org/en/Publications/Departmental-Papers-Policy-Papers/Issues/2019/03/07/ISORA-2016-Understanding-Revenue-Administration-46337>

and OECD Tax Administration 2019 – Comparative Information on OECD and other Advanced and Emerging Economies:

<http://www.oecd.org/tax/forum-on-tax-administration/publications-and-products/tax-administration-23077727.htm>

²⁸ The RMTF was launched by the IMF in June 2016, in partnership with several donor agencies, to help meet increased demand for technical assistance from low- and lower middle-income countries in DRM.

²⁹ See <http://data.rafit.org>

portal where ISORA partners and participating administrations have access to all data collected through the survey. ISORA partner organizations publish analyzes of survey results through their own channels, generally targeted to their respective audiences. Tax administrations need to agree to terms and conditions before access is granted to the data collection platform.

5.4 USAID Collecting Taxes Database (CTD)

USAID CTD is funded, monitored, and maintained by USAID and includes comparative information on a range of tax performance and tax administration variables for close to 200 countries and territories regardless of capacity or income classification. CTD complements other publicly available datasets with cross-country statistics on revenue collection and structural features of national tax systems. The database was initially developed in 2004-2005 based on a tax system benchmarking methodology found in Gallagher (2005)³⁰. Data collection is based on publicly available information and data with focus on a selection of tax administration indicators and characteristics like organizational structure, segmentation, cost-to-collection ratio, etc. CTD is not exclusively focused on tax administration, but addresses other measures of tax system design, efficiency, and revenue productivity as well. No sub-national revenue authorities are covered in the database.

CTD provides a basis for international comparisons of tax systems. It can be used for benchmarking, research, and analysis by a range of stakeholders, including host-country policy makers, technical assistance providers, the research community and academia³¹.

USAID's Washington-based DRM team oversees CTD, including guidance and direction on the methodology, data quality, and overall quality assurance. Annual reviews of data and methodology may give rise to revisions and improving the database.

A methodology document that describes each indicator, its calculation, and other parameters is available. Training on how to use the CTD is not necessary.

5.4.1 Coverage and costs

CTD includes comparative information for close to 200 countries and territories.

Indicators are either compiled or calculated and most of the data inputs are derived from existing databases or materials published by third-party sources. Hence, it is the USAID that bears the entire cost, inclusive data collection, data visualization, and quality assurance.

5.4.2 Transparency and dissemination of results

A program document, methodology paper and full dataset are available at the USAID website³². By the end of 2019, USAID will finalize the process of transitioning the CTD to an interactive data platform³³.

³⁰ See: Gallagher, M. (2005). Benchmarking Tax Systems, *Public Administration and Development*, 25, 125-40.

³¹ See for example:

<https://www.dai.com/uploads/BENCHMARKING%20THE%20TAX%20SYSTEM%20IN%20LIBERIA%5B2%5D.pdf>

³² See:

<https://www.usaid.gov/what-we-do/economic-growth-and-trade/domestic-resource-mobilization/collecting-taxes-database>

³³ See: <https://idea.usaid.gov/>

Examples on use and design of data collection and reporting tools.

Uganda Revenue Authority (URA) uses information from ATO to set benchmarks and to assess performance compared with other ATO tax authorities. Furthermore, data from ATO is used as input when dealing with different scenarios of revenue administration like policy formulation and analysis. ISORA information supplements other tools used by URA, and some data are reused for TADAT assessments. Time series data based on ISORA variables are also important for URA's internal evaluation.

Source: URA

ISORA is a good example on a successful collaboration and partnership between CIAT, IOTA, IMF and OECD. Prior to the ISORA partnership, all four organizations collected data from member tax administrations through separate surveys with duplications both across respondents—due to multiple membership—and survey design and administration. With ISORA, data collection is merged in a bi-annual on-line single shared survey. The first survey, launched in 2016, was completed by 135 tax administration and now with the Asian Development Bank using the survey for the first time to gather data from tax administrations in the Asia and Pacific Region, a total of 159 tax administrations participated in the most recent round in 2018. Data is collected through an on-line platform that ensures consistency and facilitates application of validation and completion checks. Information that is unlikely to change frequently is pre-filled for participants using their responses from the previous round. The survey data is accessible for participating jurisdictions on a secured online database (<http://data.rafit.org>) and aggregated data from completed ISORA surveys are available to the public. ISORA partner organizations publish analyses of survey results through their own channels, generally targeted to their respective audiences. The ISORA partnership has resulted in reduced compliance costs for tax administrations and increased data quality through harmonization of definitions and systematic quality checks. The database is the most comprehensive source of data available for tax administrations on performance outcomes, profile information and administrative and operational practice.

Source: IMF Fiscal Affairs Department

ATI and USAID CTD are both good examples where data and information are compiled from already available data sources avoiding duplication in data collection from revenue administrations and reducing compliance costs.

Source: ATI and USAID

6 Conclusions and recommendations

Increased focus on DRM has encouraged the development of tools and frameworks to assess and support tax administrations and tax system reforms. Together they represent a comprehensive toolbox for various approaches to develop capacity in tax administrations. This mapping exercise shows how they obtained their characteristics when it comes to design, methodology and active involvement required from the recipient tax administration. However, they also have, not surprisingly, similarities. While there should be a free market for good ideas on new and better ways to assess and support tax administrations and tax system reforms, international organizations and donors must be aware that uncoordinated development and updates of tools and frameworks may lead to duplication and increased compliance burden for revenue administrations.

A few initiatives stand out to be considered—both by donors and assessment tool owners—to ensure cost efficiency in future development and use of assessment tools and to reduce the compliance burden for revenue administrations. These are:

- **Frequent stock-take of tools to support tax administrations and tax system reforms.** All tools surveyed in this report have special features which allow CD partners and revenue administrations to select tools based on needs and capacity. However, as the survey responses indicate, there is not always a clear-cut answer on what tax system reform stage(s) the tools/frameworks best support. Consequently, it is challenging to facilitate informed decisions about what tool, or combination of tools, for a tax administration to choose. This can only be done by a more in-depth understanding of their characteristics and comparative advantages and how they meet the specific needs and capacity of each tax administration. To achieve this, a regular review of available tools should be carried out, preferably by one of the existing multilateral organizations or existing forums for collaboration on tax matters. Furthermore, the selection of the right analytical framework might be a combination of tools where it is not easy for a revenue administration to understand synergies and complementarities and how to combine them. Assessment tool owners should therefore be encouraged to showcase synergies and how assessment tools may support each other.
- **Continue collaboration and coordination among all CD partners.** CD partners will normally apply tools and frameworks under their own responsibility. This could result in multiple assessments for the recipient revenue administration when cooperating with multiple CD partners. To minimize the risk for overlapping assessments and to enable reuse of results, CD partners should continue to publish and share results from completed and planned assessments, preferably coordinated and presented in one single place accessible to all stakeholders. Several initiatives already exist. These include (but are not limited to):
 - An ongoing initiative in the OECD FTA Capacity Building Network (CBN) is to support coordination by maintaining and updating a catalogue on CBN member's ongoing and planned DRM projects.
 - The IMF distributes monthly mission activity reports to RMTF Steering Committee members.
 - Recently the PCT partners launched a database that brings together DRM activities and projects by PCT partner organizations³⁴. The database allows to search for tax-related

³⁴ See: <https://www.tax-platform.org/countries-map>

projects and activities implemented by PCT partners around the world by country, regions or organization.

All initiatives listed above gives insights into ongoing and planned DRM activities from the PCT partners and OECD FTA CBN members and are available to different groups of recipients in different formats and with different levels of details. However, there is no single access point to coordinated global data on DRM projects and activities to facilitate collaboration among all CD partners.

- **Donors should encourage to undertake feasibility studies to prove the need for new assessment tools and frameworks.** Donors must coordinate and avoid financing competing tools that might lead to duplication and unnecessary burden for tax administrations. When new tools are to be developed, it would be advisable, next to checking possible overlaps with existing tools, to examine together with donors, partner countries, regional tax organizations and international organizations if there is a perceived need for the envisaged tool.
- **Continue to look for opportunities to merge definitions and data collection processes.** All data gathering tools and most of the diagnostic tools are fueled by revenue administration data. The compliance burden for revenue administrations must be take into account when developing new tools/modules or when revising definitions.

Together, these recommendations provide opportunities for development partners to reduce the compliance burden for tax administrations and reduce the risk for overlapping assessments. This is only possible by donors and assessment tool owners supporting coordinated development of existing and new tools, and by sharing and reusing results.

7 Appendix. Survey Template

NAME:	<name of tool>
1. Objective.	
What is the main objective of <name of tool>?	<i>Please enter your answer.</i>
2. Comprehensiveness.	
Does <name of tool> cover all or most of the important areas of the system of tax administration?	<i>Please enter your answer.</i>
Is the design applicable regardless of capacity of the tax administration and income classification of the country?	<i>Please enter your answer.</i>
Is <name of tool> designed to cover sub-national assessments?	<i>Please enter your answer.</i>
Is there any planned updates or changes to <name of tool>, including the assessment process or methodology?	<i>Please enter your answer.</i>
3. Coverage.	
What is the number of assessments (including sub-nationals) as of end April 2019?	<i>Please enter your answer.</i>
4. Methodology.	
What are the main steps of the assessment process?	<i>Please enter your answer.</i>
Is there a specific governance process in place?	<i>Please enter your answer.</i>
Is the assessment supported through specific tax administration performance indicators?	<i>Please enter your answer.</i>
Does <name of tool> require assessments to be based on specific verifiable evidence?	<i>Please enter your answer.</i>

5. Ownership.	
How was <name of tool> developed and how is it managed?	<i>Please enter your answer.</i>
Is there a formal ownership by an international body or donor whereby use is monitored, changes and enhancements considered, guidance provided, etc.?	<i>Please enter your answer.</i>
Are tax administrations directly involved in the development and maintenance of <name of tool>?	<i>Please enter your answer.</i>
6. Assessment process.	
Is <name of tool> designed for self-assessment, assessment by accredited assessors or by the responsible institution/owner only?	<i>Please enter your answer.</i>
Does the responsible institution provide quality assurance?	<i>Please enter your answer.</i>
Are there specific scores for the various indicators, and/or an overall score?	<i>Please enter your answer.</i>
Is training a prerequisite for assessors? Is training material available?	<i>Please enter your answer.</i>
7. Costs.	
What are the estimated costs for a stand-alone assessment (in US\$ and/or labor days) split by the recipient country, the assessment team and support from the institution responsible for <name of tool>?	<i>Please enter your answer.</i>
8. Transparency.	
Is there a website and/or contact info available?	<i>Please enter your answer.</i>
Are all supporting documents and templates publicly available?	<i>Please enter your answer.</i>

Are the reports or outcome from assessments published?	<i>Please enter your answer.</i>
Is information about planned and completed assessments published?	<i>Please enter your answer.</i>
9. Ownership of the final product.	
How is the ownership of the final report by the institution that is being analyzed ensured?	<i>Please enter your answer.</i>
What is the level of involvement of the host countries in the assessment process?	<i>Please enter your answer.</i>
10. Prerequisite.	
Are there any preconditions or preparations that should be undertaken before the assessment?	<i>Please enter your answer.</i>
11. Subsequent engagements.	
What would be the preferred subsequent engagement based on the result of the assessment?	<i>Please enter your answer.</i>
12. Other.	
Any other relevant information you want to share?	<i>Please enter your answer.</i>

Norad
Norwegian Agency for Development Cooperation

Postal address: P.O. Box 1303 Vika 0112 Oslo
Office address: Bygdøy Allé 2, Oslo, Norway
Tel: +47 23 98 00 00 / Fax: +47 23 98 00 99
www.norad.no / postmottak@norad.no