



TAX ADMINISTRATION DIAGNOSTIC
ASSESSMENT TOOL

PROGRAM DOCUMENT

December 2013



Multi-donor Trust Fund

-For-

**A TAX ADMINISTRATION DIAGNOSTIC ASSESSMENT TOOL
(TADAT)**

PROGRAM DOCUMENT

DECEMBER 2013



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I. OVERVIEW AND RATIONALE

A. Purpose and Benefits

1. The Tax Administration Diagnostic Assessment Tool (TADAT) is a means to provide an objective and standardized assessment of the relative strengths and weaknesses of the administration of a country's tax system.
2. It is an integrated monitoring framework that measures performance of a country's tax administration at a point in time. It is designed to provide objective and consistent assessments of the outcome performance across the essential tax administration functions. The tool addresses questions of "what" and "why" with respect to performance. The assessment report that is the output will have significant input into the reform objectives, and design, sequencing and prioritization of technical assistance (TA).
3. The TADAT initiative is part of a wider agenda of the international community to help countries strengthen their tax systems to better mobilize the domestic revenue they need to provide essential goods and services to their citizens in a sustainable and economically sound way.
4. All countries at all income levels, and at all stages of development face an ongoing challenge to deliver the highest quality tax administration services to meet the needs and expectations of government, taxpayers of many types, and the wider community. Governments face fiscal pressures, businesses demand even-handedness and higher service standards—with ways of interacting with the tax administration as modern as those found in the best areas of the private sector, and the public demand accountability and transparency from the tax administration which has extensive reach into the community.
5. A TADAT assessment provides country authorities with a better understanding of the health of the system of tax administration, the extent of reform required, the relative priorities for attention, and the basis on which to develop plans for future reform initiatives. Where external technical assistance is used to advance reforms, with or without donor support, a TADAT assessment ensures that all stakeholders have a common view of the health of the tax administration system. There are major benefits from applying the TADAT approach:
 - Better identification of the relative strengths and the main weaknesses in the tax administration system.
 - Facilitating discussion towards a shared view among all stakeholders (country authorities, civil society, businesses and other taxpayers, international organizations, donor countries and TA providers).
 - Improvements in setting reform objectives, establishing priorities and implementation sequencing—and strengthening of the design of tax administration reform initiatives.

- Better coordination of external support for reforms—faster and more efficient implementation. This means that limited donor financing for reforms can be used more effectively.
- A basis for monitoring and evaluating reform progress towards established targets, through repeat assessments.

Background and Initial Development Work Leading to this Program Document

The public expenditure and financial accountability (PEFA) program Steering Committee commissioned a feasibility study of the merits of developing a PEFA-like tool for tax administration closely modeled on the PEFA design for public financial management (PFM).

The study report (May 2011) evaluated a number of other diagnostic approaches then in use against criteria consistent with the PEFA design and concluded that a comparable tool for tax administration would have considerable benefits for a range of stakeholders. The report examined a number of existing diagnostic initiatives and concluded that none was a close fit to critical design elements that underpin the PEFA.

It was agreed that IMF would take the first steps to develop the idea and considerable work was undertaken to develop a concept that was presented to a number of donors during a meeting in Washington, D.C. in May 2012. With strong support, IMF worked on a more detailed high level technical and governance design which was discussed with key development partners, including the World Bank.

Close consultation has also been maintained with the PEFA Secretariat, and TADAT project team members from the IMF and World Bank are also engaged in the current review of the three tax related indicators in the PEFA framework.

During 2013, extensive consultation, workshops and technical cooperation have taken place on the design of the tool. This has involved tax administration experts in the IMF and World Bank, three important international organizations (ATAF, CIAT, IOTA) that represent membership from a large number of tax administrations across the globe, and several tax administrations (including from the UK, Switzerland, Germany, Norway and South Africa). The outcome is the initial technical architecture set out in this program document that will form the basis of the finalized diagnostic assessment tool.

Extensive dialogue over several months with donors also culminated in a consensus to establish a governance arrangement that closely mirrors that for PEFA, including the establishment of a separate trust fund to financially support the tool: a steering committee that will comprise Donors, the IMF and the World Bank, and a Secretariat, to be housed in the IMF. A technical advisory group is also being established to provide technical support to the TADAT Secretariat and Steering Committee.

This developmental work provides a solid platform, under the proposed governance arrangements, for the further development and finalization of the diagnostic tool envisaged by the PEFA commissioned feasibility study.

B. Scope and Coverage

6. TADAT assesses the performance outcomes achieved for the major direct and indirect taxes critical to central government budget outcomes—corporate income tax (CIT) and personal income tax (PIT) of the self-employed, employer and other withholding taxes, and value-added tax (VAT). By assessing outcomes in relation to these core central government tax streams a picture can be developed of the overall status of tax administration.

7. TADAT is not designed to assess special tax regimes, such as those applying in the natural resource sector.¹ Nor does it assess customs administration.²

8. It provides an assessment within the existing revenue policy framework in a country, with assessments highlighting performance issues that may be best dealt with by a mix of administrative and policy responses.

C. Ownership and Critical Success Factors

9. Like the PEFA, the TADAT represents an international public good that is available to be used by country authorities and those assisting them to improve public services and social outcomes. Its design vision contemplates four long-term critical success factors:

- *It is a design which mirrors the Public Expenditure and Financial Accountability (PEFA) framework for PFM.* It is expected to allow a standardized assessment of institutional performance of countries' tax administrations. It is envisaged that a similar volume of assessments would be possible—around 50 per year when the framework is fully operational.³
- *It has broad international acceptance.* Like the PEFA-PFM tool, the TADAT is expected to be internationally recognized as a public good and principal assessment tool for objectively assessing tax administration performance in a country.
- *It acts as a basis for reform strategies and TA dialogue.* It is expected that TADAT assessments routinely serve as the basis for dialogue among stakeholders on reform directions, priorities and sequencing.

¹ It does address the direct tax administration functions associated with these sectors.

² The World Customs Organization (WCO) has already developed and actively promotes a diagnostic process for customs reform and modernization and this body of work is an obvious basis for developing a diagnostic tool for customs that could have characteristics and features similar to those proposed here for tax administration.

³ In comparison, over 300 PEFA assessments have been undertaken during 2006-12, by some 20 providers.

- *It is a tool that is administered under an inter-institutional arrangement.* TADAT will be managed by a dedicated Secretariat hosted by the IMF and have a multi-donor steering committee as well as a technical advisory group.

D. Relationship to Other Initiatives

PEFA

10. PEFA has developed a performance measurement framework that incorporates a PFM Report and a set of high level performance indicators, which draw on internationally accepted standards and codes (e.g., the IMF Fiscal Transparency Code). In some areas of financial management (e.g., procurement and debt management), the PEFA framework is being supported by more detailed performance assessment tools, called drill-down tools.

11. TADAT as a diagnostic assessment tool for tax administration is deliberately modeled on the PEFA framework and is designed to be the revenue counterpart to the PFM assessments—providing a more comprehensive view of the whole fiscal picture.

Other international initiatives

12. There are other initiatives⁴ that are used to assess aspects of tax administration—using a variety of approaches. In some cases these focus on generating comparative statistical data about the performance of tax administration functions across countries, some are incomplete in coverage of the tax administration functions or seek to address more specialized aspects of tax administration, and some are very detailed in their analytical approach. Sometimes the application of these tools is extensively tailored to the needs of a country, and sometimes the extensive scope means considerable time and resources are required to deliver an assessment.

13. TADAT is an efficient way to provide a comprehensive assessment across the whole tax administration using a manageable set of core performance outcome indicators.

⁴ Examples include: the OECD comparative series; the USAID collecting taxes database; the PEFA framework (three tax indicators); EU fiscal blueprints; tax simplification handbook, diagnostic framework for tax administration and IAMTAX (all World Bank); IMF *Revenue Administration Fiscal Information Tool* (RA-FIT) and IMF diagnostic missions—some of which are funded under the *Tax Policy and Administration Topical Trust Fund* (TPA-TTF) and *Managing Natural Resource Wealth Topical Trust Fund* (MNRW-TTF).

II. TECHNICAL DESIGN

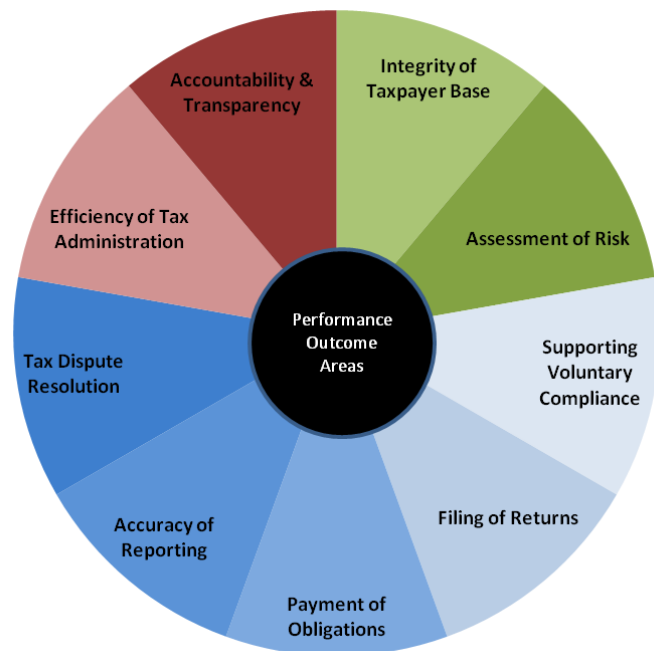
A. Performance Outcome Areas

14. A performance of a country's tax administration can be assessed by looking at nine outcome areas:

- **The integrity of the registered taxpayer base:** Without complete and accurate information about the taxpayers registered with the tax administration, and an understanding of the profile of those who choose to remain outside, it is not possible to provide effective and efficient services to support voluntary compliance and take action against non compliance.

- **The extent of understanding about the compliance risks in the tax system:** Without this, it is not possible to organize and manage the tax administration in a way that maximizes the collection of tax within the law.

- **The quality of support provided to taxpayers to promote voluntary compliance:** Usually, the majority of taxpayers will seek to meet their tax obligations if they are given the information they need in a way that is most useful to them.



- **The extent to which taxpayers meet their filing obligations:** The cornerstone of tax administration operations is the documentation that taxpayers are required to provide the tax administration. The extent to which this is provided when it is required has a significant impact on the cost structure and efficiency of the tax administration.
- **The extent to which taxpayers meet their payment obligations:** If taxpayers do not pay their tax obligations, or they pay late, the fiscal outcomes of the government are affected. Arrears collection is expensive and time consuming.

- **The accuracy with which taxpayers declare their tax obligations:** A major source of revenue under-performance is mis-declaration in tax returns—whether as a result of an innocent mistake or deliberate tax evasion or fraud.
- **The adequacy of tax dispute resolution:** Resolution of tax disputes in a way that is seen as independent, speedy and fair is critical to efficient closure of the tax cycle and positive public perceptions of the integrity of the tax administration.
- **The efficiency of tax administration:** The extent to which tax collection methods are efficient, tax administration revenue accounting systems are sound and a focus is maintained on the most important tax streams directly contributes to government fiscal outcomes both in terms of revenue contribution and cost of collection. Efficient administration also contributes to lower compliance costs for business and economic efficiency.
- **The level of accountability and transparency:** The extent to which the tax administration is transparent in the conduct of its activities and accountable for its operation and performance directly contributes to public and business perceptions of the integrity of the tax system and, more generally, to the soundness of all public sector institutions.

B. Indicators and their Dimensions

15. A set of high level indicators critical to tax administration performance is linked to these nine performance outcome areas, and these indicators will be scored and reported on. A number of measurement dimensions are taken into account in arriving at each indicator score.

16. The indicator set is set out in the *TADAT Performance Measurement Framework* to be issued by the TADAT Secretariat following ratification by the TADAT Steering Committee.

17. The indicators are oriented towards providing an assessment of main performance outcomes (but in some cases outputs are necessary proxies) rather than inputs. In doing so, the tool avoids judgments about capacity levels, and the measurement of the myriad of inputs and enabling factors⁵ that go to achieve these outcomes. Rather the focus is on the assessment on what is produced with the input mix selected by the authorities.

⁵ For example, organization structures, human resources, administrative budgets, information technology, legislation and regulations.

18. It is expected that repeated application of the assessments will provide information on the extent to which a country's tax administration is improving as a result of post assessment responses by the government.

19. Over time, as more assessments are produced, a picture will emerge of relative performance differences across countries, regions and country income groups. This may assist researchers to understand the strengths of different administrative responses, and this might inform thinking at a more global level about the more effective approaches to tax administration.

20. The assessment report that is produced using the TADAT will provide the basis for discussions about reform goals and implementation strategies and tactics. It will not, however, include recommendations for specific reforms or assumptions as to the potential impact of ongoing reforms on tax administration performance.

C. Scoring Methodology

21. The assessment of indicators will follow the same approach as for the PEFA tool, to aid comparability where both tools have been used.

22. Most of the indicators have between one and four measurement dimensions. Each of these dimensions is assessed separately. The overall score for an indicator is based on the assessment of the individual dimensions of the indicator. Combining the scores for dimensions into an overall score for an indicator is done using one of two methods (M1 or M2). The appropriate scoring method to be used for each indicator is set out in the *TADAT Performance Measurement Framework*.

23. Method 1 (M1) is used for all single dimensional indicators and for multi-dimensional indicators where poor performance on one dimension of the indicator is likely to undermine the impact of good performance on other dimensions of the same indicator.

24. Method 2 (M2) is based on averaging the scores for individual dimensions of an indicator. It is used for selected multi-dimensional indicators where a low score on one dimension of the indicator does not necessarily undermine the impact of higher scores on other dimensions for the same indicator.

D. TADAT Performance Assessment Reports

25. The objective of the TADAT performance assessment report (TADAT-PAR) is to provide an assessment of the tax administration system, undertaken by TADAT accredited assessors, based on an indicator-led analysis in a concise and standardized manner. The report will be a principal input into the reform dialogue. Its structure is likely to be:

- A summary assessment (at the beginning) using an indicator-led analysis to provide an integrated assessment of the country's tax administration system against the nine POA's, and a statement of the likely impact of the strengths and weaknesses on the country's fiscal performance.
- An introductory section that presents the context and process of preparing the TADAT-PAR and setting out the scope of the assessment.
- A section presenting country-related information which is necessary to understand the indicator-led and overall assessment of tax administration performance.
- The main body of the report which assesses the current performance of the tax administration system, processes and institutions based on the indicators.
- A section on government reform processes briefly summarizing recent and ongoing reform measures in tax administration, and institutional factors likely to impact reform planning and implementation in the future.

26. In the case of materially different views between the assessors and the government, these will be recorded in the final assessment report.

27. The *TADAT Performance Measurement Framework* will provide information and guidance on the preparation of a TADAT-PAR.

28. In terms of delivery approach, TADAT will rely on accredited assessors applying the TADAT methodology on the basis of approved and standardized terms of reference, and standards set out in the field guide. The Secretariat would validate that assessment reports meet required minimum standards to ensure quality and consistency is maintained.

III. TADAT GOVERNANCE ARRANGEMENTS

A. Introduction

29. TADAT is a partnership between the IMF, the World Bank and donors contributing to the TADAT initiative (the TADAT partners). The TADAT partners jointly establish the objective and scope of the TADAT program, define the content of the TADAT and criteria for its use, provide institutional support for its implementation and mobilize the necessary resources for its activities.

30. The TADAT program is managed and implemented through a structure comprising the TADAT Steering Committee, which directs and monitors the TADAT program, the TADAT Secretariat, which implements the program's activities. The TADAT Secretariat is hosted by the IMF as a technical service to its members. The structure and responsibilities are set out in the following sections.

B. TADAT Steering Committee

Membership

31. The membership of the TADAT Steering Committee will comprise a nominee from each of the TADAT partners:

- Contributors to the subaccount
- IMF
- World Bank Group

32. The position of Chair will rotate annually among all of the Partners.

33. The Steering Committee may also include as observers, with the unanimous consent of the existing partners, potential contributors to the subaccount during the period until June 30, 2014. From time to time the TADAT Steering Committee may invite observers to its meetings.

34. The head of the TADAT Secretariat will participate in all Steering Committee meetings.

Responsibilities

35. The Steering Committee's responsibilities are to:

- Provide strategic guidance and oversight of the ongoing development of the TADAT
- Set the objectives, targets and scope of activities of the TADAT program
- Mobilize the resources needed to implement the TADAT program
- Agree the operational strategies and procedures for the Program activities
- Endorse the annual work program and budgets of the TADAT Secretariat.
- Agree the TOR for the Steering Committee and for the TADAT technical advisory group.

Meetings

36. TADAT Steering Committee meetings will take place annually, and additional meetings may take place as needed. Where feasible, meetings will be coordinated with the annual Steering Committee meetings of the IMF's Tax Policy and Administration and Managing Natural Resource Wealth topical trust funds. It may also be decided to schedule the meetings to coordinate with PEFA Steering Committee meetings. Annual Steering Committee meetings will be chaired by one of the Partners on a rotational basis. At the end

of each meeting, the Steering Committee will agree on the Chair, location and tentative timing of the next meeting.

37. Meetings of the Steering Committee may also take place, from time-to-time, via video conference and audio conference. Between meetings, on-going consultation and coordination among the Partners and with the Secretariat will take place.

38. The first meeting of the TADAT Steering Committee will adopt Guidelines to clarify the operating rules of the SC.

C. TADAT Technical Advisory Group (TAG)

Role

39. The main responsibility of the TAG is to provide technical advice and guidance to the Secretariat during the development phase of the TADAT, and ongoing technical advice and guidance when fully operational. It is anticipated that it will report periodically, and at least annually, to the Steering Committee on its activities.

Membership

40. The TAG is formed for the purpose of supporting the technical development and maintenance of the diagnostic tool. The TAG will report to the Chair of the TADAT Steering Committee. The TAG is intended to comprise representatives of the TADAT partners and the Secretariat. Its membership will comprise:

- Head of TADAT Secretariat (Chair)
- Up to two representatives nominated by each of the ATAF, CIAT, IOTA
- Technical representatives of the TADAT partners (typically the country tax administrations, and TAXUD in the case of the EC)
- Designated IMF staff
- Designated World Bank staff

41. Other selected country administrations may be invited to participate in meetings as observers from time to time.

42. The TADAT Secretariat will provide the resources to the TAG to enable it to complete the tasks assigned to it in accordance with the annual TADAT work plans and budgets approved by the Steering Committee. It is expected that the direct costs of participating in meetings of the TAG will be borne by the participating countries and institutions.

D. TADAT Secretariat

43. The TADAT Secretariat will plan, implement and monitor the diagnostic assessment tool program. It comprises a Head and a number of technical experts and administrative support staff.

44. The main responsibilities of the Secretariat⁶ are to:

- Provide secretarial support to the TADAT Steering Committee
- Propose operational strategies and procedures for Steering Committee endorsement.
- Propose the annual TADAT work plan and budget for Steering Committee endorsement.
- Undertake the custodial role of the TADAT brand. This will include management of a separate website dedicated to the TADAT tool.
- Provide services and implement procedures that promote the delivery of high quality assessments, for example, through implementing processes to accredit assessors.
- Consult and coordinate with the Partners and other stakeholders on TADAT activities, and provide services on TADAT activities as and when required.
- Report to the Steering Committee on progress in implementing the annual work plans and budgets, as well as progress against results targets through period monitoring reports and special studies.
- Represent the TADAT externally, in consultation with the Steering Committee Chair, as relevant.

Staffing

45. The TADAT Secretariat is managed by the Head of Secretariat. The Head of Secretariat is also secretary to the Steering Committee and attends Steering Committee meetings as an observer. S/he prepares and presents on all issues concerning planning and implementation of the TADAT Program for Steering Committee discussion and endorsement.

46. The Head of Secretariat is a staff member or contractual employee of the IMF and is accountable to a Deputy Director of the IMF's Fiscal Affairs Department. S/he coordinates the Secretariats activities.

⁶ In coordination with the IMF Institute for Capacity Development (ICD), as appropriate.

47. The TADAT Secretariat's personnel are staff or contractual employees of the IMF and are appointed in line with IMF policies.
48. The number of personnel of the Secretariat is determined, from time to time, by the Director of the Fiscal Affairs Department in consultation with the TADAT Steering Committee, taking into account what is necessary for the effective and efficient running of the TADAT Program activities. Staff and contractual resources may be supplemented by short-term experts for discrete tasks and to assist the Secretariat to deal with temporary fluctuations in demand for services.
49. The TADAT Secretariat is located in and administered by the International Monetary Fund, in Washington, D.C. It is legally operated as part of the IMF, thus having not separate legal entity and complying fully with the IMF's policies and procedures.
50. It is financed through the *TADAT Topical Trust Fund* established under the IMF Subaccount for Selected Fund Activities (see below).
51. The Secretariat and its personnel will, to the extent possible, externally represent the TADAT program in a way that strengthens its role as an international public good, while maintaining their legal obligations as staff of the IMF.

E. Results-Based Management and Reporting

52. The trust fund is designed and will operate on the basis of results-based management principles. Appendix 1 contains the strategic logframe for the TADAT initiative. Indicators are both qualitative and quantitative and will be reported against annually.
53. Relevant information on the status of the TADAT Program will be accessible to donors via the IMF's *Donor Gateway* (<https://www-extranet.imf.org>), a secure website. In addition to financial information, the Donor Gateway is a central repository of information on donor arrangements, including their legal documentation, project documents, progress reports, project status, and self-assessments.

F. Evaluation

54. After three years of operation, an independent evaluation of the work under the trust fund will be conducted. External experts will assess the effectiveness of this work and formulate recommendations. The findings will inform discussions on operations for the remainder of the implementation of the Trust Fund. The terms of reference, methodology, and performance indicators will be proposed by the IMF to be endorsed by the SC.

IV. FINANCING AND ADMINISTRATIVE ARRANGEMENTS

A. Budget and Resources

55. Appendix 2 establishes the financial budget for the first five year phase of the Program. This provides for the establishment of the TADAT Secretariat of four professional staff, including the Head of Secretariat, from January 2014 and necessary support personnel. It provides for developmental costs during 2014, including a number of pilot missions. Finally, it provides resources for workshops⁷, training, outreach, evaluation and expert consultancy across each year.

56. Support for the TADAT Secretariat will be provided by the IMF through the provision of office space, computers, general office supplies and logistical support. Estimates of the value of this IMF contribution are estimated to be as high as 30 percent of direct staff costs.

57. Technical support for the program may also be received, such as staff temporarily attached to the TADAT Secretariat by individual partners, in accordance with IMF policies and procedures, in support of the TADAT Program. The role of such resources will be reflected in annual work plans submitted to the TADAT Steering Committee for endorsement.

B. The TADAT Subaccount

58. All financial contributions to the TADAT trust fund will be paid into a multi-donor subaccount established by the IMF.⁸ This subaccount will be used to receive and disburse financial contributions for the sole use of financing the activities of the TADAT Secretariat under the trust fund. All funds will be commingled.

59. The basis for the financial arrangements between donors and the IMF will be legal understandings. Such legal understandings will establish the purpose of the contributions and the method, terms, and conditions by which the costs of activities under the trust fund will be financed from the resources contributed to the subaccount. The IMF will administer and account for all donor contributions in accordance with its financial regulations and other

⁷ Being hosted by TADAT Partner organizations, with participants meeting their own costs of attendance.

⁸ The IMF has created a subaccount governed by its *New Framework Administered Account for Selected Fund Activities (SFA)* adopted in March 2009 (see <http://www.imf.org/external/np/pp/eng/2009/030409.pdf>).

applicable IMF practices and procedures. If the IMF recruits outside consultants and experts, it will do so in accordance with its normal procedures.⁹

60. The IMF will charge TADAT-related costs under the trust fund on the basis of actual cost. As with other trust funds, this includes a Trust Fund management fee of 7 percent of finances utilized.

61. The IMF will provide donors with reports on the subaccount's expenditures and commitments. Reports to TADAT partners will be available through the Donor Gateway. The operations and transactions conducted through the subaccount during the financial year of the IMF will be audited as part of the IMF's Framework Administered account and the report of the External Audit Firm will be posted on the IMF's external website as part of the IMF's Annual Report. Separate reporting on the execution of the trust fund budget will also be provided at each SC meeting and will be available via the IMF's Donor Gateway.

⁹ The IMF maintains a roster of experts whose certification is based on, among other criteria, strong performance records and proven familiarity with international best practice.

Tax Administration Diagnostic Assessment Tool (TADAT) - Strategic Logframe (2014-2018)

Strategic Objective: Assist with strengthening tax administrations, globally, through objective assessments of the relative strengths and weaknesses of the administration of a country's tax system

Specific Objectives	Indicators (to program end)	Progress in Indicators	Source(s) of Verification	Risks/Risk Mitigation
1. Better identification of the relative strengths and identification of the main weaknesses in the tax administration system.	TADAT is recognized as a public good.		External perception of the TADAT measured through perception surveys or other documented evidence across stakeholders.	<p>Risks: 1. The TADAT is not seen as a public good. 2. The TADAT is not seen as the principle assessment tool as there is little take up in its use.</p> <p>Mitigation: Ensure the benefits stemming from the use of the TADAT are well articulated and published Ensure the number of assessments undertaken meets expected numbers.</p>
	Through the volume of assessments undertaken, TADAT is seen as a principle assessment tool for objectively assessing tax administration performance in a country.		Number of assessments undertaken. Assessments undertaken by a wide range of organizations.	
2. Facilitating discussion towards a shared view among all stakeholders (country authorities, international organizations, donor countries and TA providers).	TADAT serves as a basis for dialogue among stakeholders.		Feedback from stakeholders as to the extent that the TADAT provides this basis.	<p>Risk: Assessments conducted do not result in a shared view amongst stakeholders. Mitigation: Ensure the benefits stemming from the use of the TADAT are well articulated and published.</p>
3. Improvements in setting reform objectives, establishing priorities and implementation sequencing—and strengthening of the design of tax administration reform initiatives.	Dialogue among stakeholders directly results in the setting of reform directions, priorities and sequencing.		Evidence that TADAT assessment are being used to set reform directions, establish priorities and sequence delivery of technical assistance.	<p>Risk: Assessments are not used to set reform directions, establish priorities or sequence delivery of technical assistance. Mitigation: Ensure the benefits stemming from the use of the TADAT are well articulated and published.</p>
4. An increased volume of high quality and standardized tax administration diagnostic assessments to support reform program effectiveness	Many organizations undertake standardized assessments consistent with a high quality framework overseen by the TADAT Secretariat.		Feedback from stakeholders as to the extent of TADAT use. A count of the number of providers of TADAT assessments. A count of the certified assessors.	<p>Risk: TADAT is not recognized as being internationally independent and/or the number of organizations undertaking assessments is limited. Mitigation: Ensure the benefits stemming from the use of the TADAT are well articulated and published and that organizations are encouraged to perform assessments.</p>
5. Provides a basis for monitoring and evaluating reform progress towards established targets, through repeat assessments.	Repeat assessments are undertaken.		Number of assessments that are repeat assessments for the same country.	<p>Risk: The number of repeat assessments is minimal and/or there is little evidence of improved performance. Mitigation: Ensure the benefits stemming from the use of the TADAT are well articulated and published and that repeat assessments are encouraged.</p>
	Repeat assessments provide evidence of improved performance.		Repeat assessments for the same country.	

Appendix 2. TADAT Program Budget

Table 1. Estimated Budget by Activity						
Activity	1st Year	2nd Year	3rd Year	4th Year	5th Year	Total
HQ staff (HQBCs)	405,569	998,713	1,148,932	1,194,890	1,242,897	4,991,000
Pilot missions 1/	134,388	419,612	-	-	-	554,000
Outreach 1/	48,784	101,470	105,529	109,750	114,468	480,000
Short-term Expert 2/	93,914	105,629	80,269	83,480	87,708	451,000
Research/Admin Support	21,750	67,860	70,574	73,397	76,418	310,000
General Expenses	25,930	61,142	55,410	69,674	72,844	285,000
Training of assessors	50,000	52,000	54,080	56,243	58,677	271,000
Evaluation	-	-	-	200,000	-	200,000
Web site development	30,000	31,200	16,224	16,873	17,703	112,000
Interpretation/Translation	14,070	22,058	31,118	20,315	21,439	109,000
Workshops 3/	13,800	28,704	14,926	15,523	17,047	90,000
SubTotal	838,205	1,888,387	1,577,063	1,840,145	1,709,201	7,853,000
Trust Fund Management Fee @ 7%	58,674	132,187	110,394	128,810	119,644	549,710
Total	896,879	2,020,574	1,687,457	1,968,955	1,828,845	8,402,710

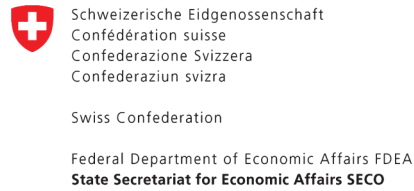
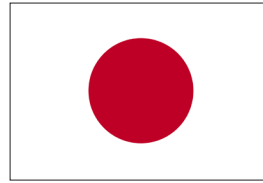
Memo item: IMF support for the TADAT Secretariat will be provided through the provision of office space, computers and logistical support. The value of this IMF contribution is estimated as up to 30 percent of direct staff costs.

1/ Includes travel cost, cost of staff time in the field and HQ, and expert cost.

2/ No cost of staff time for backstopping or project management.

3/ Does not include cost of STX, attending the workshop.

TADAT is a public good supported by:



The TADAT Secretariat is hosted by the

