IMF Tax Policy and Administration Topical Trust Fund (TTF)

Independent Mid-Term Evaluation

29 April 2015

ACRONYMS

AFD	French Development Agency
AML-CFT	Anti Money Laundering and Combating Finance of Terrorism
AfDB	African Development Bank
CIDA	Canadian International Development Agency
CIT	Corporate Income Tax
DfID	Department for International Development
DAC	Development Assistance Committee (of OECD)
EAC	East African Community
EC	European Commission
FAD	Fiscal Affairs Department
GIZ	Deutsche Gesellshaft fur Internationale Zusammenarbeit
IFC	International Finance Corporation
IFI	International Financial Institution
IMF	International Monetary Fund
ITAS	Integrated Tax Administration System
LEG	Legal Department
LIC	Low Income Country
LMIC	Low Middle Income Country
LT	Large taxpayer
LTO	Large taxpayers' office
MOF	Minister of Finance
MT	Medium taxpayer
MTO	Medium taxpayer office
PIT	Personal Income Tax
RTAC	Regional Technical Assistance Center
SC	Steering Committee
SIGTAS	Standard Integrated Government Tax Administration System
SOP	Standard Operating Procedures
ST	Small taxpayer
STO	Small taxpayer office
TA	Technical Assistance
TTF	Tax Policy & Administration Topical Trust Fund
VAT	Value Added Tax
WAEMU	West African Economic and Monetary Union
WB	World Bank

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EXECUTIVE SUMMARY

The TTF was launched in 2011 in order to address reform of tax policy and tax administration in low income and lower middle income countries, where revenue mobilization was weak and where the authorities demonstrated a strong commitment to reform. This mid-term review was charged with focusing on the effectiveness, efficiency and continued relevance of the TTF with the aim of improving operations in the future.

We consider that the TTF is on track to achieve its objectives in a sustainable manner in most of the countries in which it has delivered TA. In forming this opinion, we reviewed in some depth a representative eight countries out of the portfolio of 18, including three case study field trips and read through and discussed with FAD staff progress on the balance of ten countries and two regions (except Mali, Guinea-Bissau and the EAC). Wide variability in progress as between countries was fully expected given the well documented challenges facing tax reform in low income and lower middle income countries.

The results of the survey of both the TA recipients and the Steering Committee members were highly positive. The response rate for recipients was good with 11 out of 18 countries, but poor for locally represented donors as opposed to SC members. There was high praise from recipients for the quality of advice, the multi-year modular approach and the benefits of implementing the TA. Most recipients did note that more follow on help in implementing TTF TA recommendations is needed. There are significant TA gaps and there should be more follow-up after missions. SC members also would like to see better reporting on results and the activities of other donors.

We agree with the Steering Committee view that governance arrangements for the TTF are working well.

We have rated the overall achievement of the TTF portfolio as a strong "Good" with a score of 2.9. We gave higher scores, including some rated "Excellent," for Relevance and Efficiency. The score for Effectiveness at overall portfolio level was close to "substantially achieved" at 2.8. We believe the effectiveness score is flattering for two reasons: (a). because it is clear that some of the TTF project manager scores are very optimistic, but it was considered inappropriate for the evaluators to second-guess those scores and (b) because we highly rated outputs, albeit with a 30% weighting. Given that the realistic time frame for achieving many of the planned outcomes arising from the more complex procedural modules is likely to be longer than three years, we consider that the effectiveness rating should be more realistically further down the "partially achieved scale" yet still largely on target at this mid-point of the first TTF five year phase. In almost all countries some degree of progress has been made.

The Case studies: Burundi, Bolivia and Myanmar were very informative. Each country is to some extent at a different stage: Myanmar is almost a complete start-up; Bolivia is well resourced but wanting to broaden its tax base and experiences high tax administration staff turnover; Burundi is staffed and organizationally structured but lacking in training and technical resources (lack of computerization). The common theme across all three was the need to strengthen human resources, receive more intensive training and longer term capacity building; in other words similar themes to those arising from the broader TA recipient survey.

The two research projects delivered very strong results: the EFD research validated the conclusion that EFDs were of limited value except in narrow circumstances. The RA-FIT project has developed a tool for gathering tax administration data that will make it the global platform for this work, endorsed by OECD, CIAT and IOTA, and provide an effective means for results monitoring.

The results of our interviews of HQ staff, review of project documents, survey results and case studies confirmed the advantages of the modular design combined with a multi-year approach, which enables the TTF to build a platform of trust and working relationships (especially evident in the Myanmar and Liberia programs). The modules most delivered to date (3, 4, 5 and 6) provide a sequenced approach to TA delivery that could be readily understood by recipients and facilitates donor coordination. It is clear that the most needed modules at this stage in the TTF mandate remain the four referred to above.

We do not consider that adding customs TA to the TTF remit is practical, given that in our view the TTF is already stretched in delivering tax TA and, moreover, there are many other channels for countries to access good quality customs reform and administration support.

We consider that tax policy results have been strong and have summarized these in section 5.

We found little evidence of strong risk assessment reported in project proposals. There are significant TA gaps especially in areas the TTF is not designed to cover, such as intensive training and long term capacity building. It was not apparent there had been a deep analysis of a broad based commitment by the authorities or of capacity and resource needs. The likely time frames for implementing TA, given the significant TA gaps in capacity building and mobilization of resources generally, are in excess of three years in many cases and more TA extensions will probably arise. Alongside this, more continuous follow-up hand-holding, even if remotely, is likely to be needed for many recipients of TA. The forced experiment of delivering remote TA to Liberia could provide some good lessons for efficient improvement of mission follow-up and communication between missions. These recipient capacity challenges have been recognized by the TTF in their Program Document, including the critical task of mobilizing other donors to cover the gaps that the TTF cannot fill. The TTF's reporting to the Steering Committee and its Annual Reports are comprehensive and of very high quality, except in the analysis of budget versus actual performance. Reporting of other donor activities could be more expansive.

The Results Based Management System (RBS) developed by the TTF is sound and has the advantages of being able to build up towards modular outcome achievement on a task by task basis and beyond that to country level (post program completion) and finally portfolio level. It is simple to understand and use, although there remains some confusion by some project managers as between outputs and outcomes and there is a lack of scoring consistency. The annual project assessments do not report in much depth the contributions of other donors to tax reform. The Strategic Log Frame has well-articulated and appropriate strategic objectives but the TTF is not sure about the selection of the Tax: GDP ratio as an overall indicator and or how to link the "bottom-up" methodology of the project and portfolio level outcomes with the "top down" approach of the log frame.

Recommendations

The eight priority recommendations below are dealt with in greater depth in sections 5 and 6 and we have also made six more recommendations in different sections of this Final Report.

(1).**The risk assessment needs to be in much greater depth (Recommendation 1 in section 5.2) when** following a TA request and needs to be thoroughly reported in any subsequent project proposal to the SC. If necessary a risk assessment mission might be needed before acceding to a request to provide TA. There should be focus on: broad based commitment (not just one or two well-placed individuals); reform strategy; resource allocation to support the strategy and a thorough assessment of the management and staff capacity issues. The capacity issue is arguably the highest risk area given that the current TTF scope relies on the tax authorities to implement recommendations either largely unaided or reliant on other donor support that may not be forthcoming.

(2). **The focus of TA needs to be narrowed (Recommendation 2 in section 5.2)** to recognize that more project extensions are likely, more mission follow-up is needed, more efforts are needed by the TTF to close some of the TA gaps, especially in capacity building. As a result more TTF resources (with substantial budget consequences) should, on average, be deployed per country. The assignment of more LTXs may facilitate the extra TA intensity required. Priority needs to be given to achieving the planned outcomes of the present countries in the portfolio before taking on more countries. There are several ways to achieve this narrowing of focus: reduce the number of countries benefiting from TTF TA in any phase to allow for engagement of more than three years in many countries; reduce the number of modules delivered so that they have a better chance of being achieved in a three year country program; increase the TTF funding. As a first step we would guess reducing the number of countries covered by about one third.

(3). **The TTF needs to define criteria that would enable it to cut back on TA delivery (Recommendation 3 in section 5.2** when progress is being hampered by issues involving commitment, retrenchment, insufficient capacity for any implementation, among others. We believe that implementation risks in some countries (Nepal and Kyrgyzstan for example) could have been identified earlier and the related funding cut. We saw no evidence of a thorough analysis at the outset of the implementation risks in either the Nepal or Kyrgyz project proposals, although we have been assured that both FAD and the SC did fully recognize the risks in the Kyrgyz case. The issue of developing more precise termination criteria is presently under discussion with the SC. We suggest some general principles in section 6.

(4). **We recommend systematic donor canvassing and comprehensive coordination in each of the countries of operation followed by a detailed narrative report semi-annually on how other donors are contributing to tax modernization. (Recommendation 4 in section 5.2)** Whilst donor coordination is widely thought to be effective in many of the beneficiary countries, much better reporting of their activities in the area of tax reform will reinforce that message. The Program Document recognized how critical other donor support was for filling the TA gaps that the TTF cannot cover and yet there are many instances where these gaps are not being so covered. There is a sustainability risk for the TTF TA recommendations if these gaps are not filled.

(5). A **FAD staff member should oversee reported results (Recommendation 8 in section 6.3)** to ensure consistency and realism in approach and judgment. This individual will discuss assessments with project managers. The task should not be too onerous or bureaucratic given there are only about 18 or so project assessments a year. The position could be phased out once higher standards of consistency and achievement recording have become wide spread. Over-sight by division chiefs has not led to consistency in results monitoring so far. If this recommendation is not accepted then, at the least, the project managers need to be given some more training, perhaps using case studies in the format of a two day workshop.

(6). **Consider other alternatives to the Tax: GDP ratio. (Recommendation 11 in section 6.3)** The Tax: GDP ratio may not be a good overall indicator given that the domestic tax base has had to make up for a reduction in trade based revenues in many cases, among other factors. Some research or meta-research may be needed to determine alternative or supplementary indicators (such as the "Effort" ratio). Many of the modular outcomes of the TTF will have measurable indicators, including those in RA-FIT that can be translated into financial measures e.g. efficiently conducted risk-based audits, more rigorous chasing of arrears or increased filings may increase revenues (some research to demonstrate this could be conducted). Priority areas for measurement may also be high-lighted in those countries that benefit from a TADAT analysis. Feeding these indicators upwards to the strategic level could provide an aggregated indicator to demonstrate strengthened revenue mobilization.

(7). **It would make sense to build a results chain that integrates all IMF inputs (Recommendation 9 in section 6.3) (directly from FAD HQ, from RTACs, from other bi-laterally funded IMF experts and from the TTF as well as the related recommendations, outputs and outcomes.** The IMF is using a multi-pronged approach to strengthening tax policy and administration. At the moment, results are reported only for the TTF's planned project outcomes; the RTACS have their own systems of results monitoring and report separately to their respective SCs. Looking at overall results at the FAD level would provide a more holistic picture of the TA results. The TTF results monitoring of outcomes could be used as a template for integrating results management with the other TA modalities that FAD deploys.

(8). **The TTF should leverage all training and materials developed (Recommendation 7 in section 5.2) through** FAD, RTACs, IMF Training Centers, and TTF to develop a series of online courses which are supplemented by in-country TA. This effort could be launched alongside providing TA on the development of training needs, a training strategy and advice on development of in-house training capacity for recipients. The need for substantially more training is a predominant and priority theme in all countries in many of the procedural areas covered by modules 4 to 9. Insufficient capacity building poses a risk to the sustainability of TTF TA, especially in the many cases where other donors are not filling the gap. We recognize that intensive training and on-going capacity building is not an activity mandated to the TTF, so this suggestion, whilst demanding, is simply to facilitate recipients' self-training capacity rather than for the TTF to deliver such training. If this recommendation is considered outside of the TTF's present remit we would propose consideration is given to seeking SC approval for widening the remit.

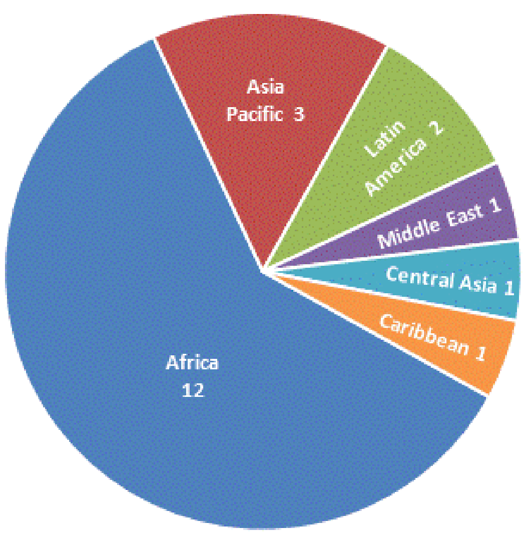
1. BACKGROUND AND CONTEXT

The TTF was launched in 2011 in order to address reform of tax policy and tax administration in low income and lower middle income countries. The need for tax reform in this group of countries is generally due to low tax collections arising from poor policies and weak administrations. Tax reform also needs to be tailored to the country circumstances; for example the informal sector may be as large as 40-60% of GDP in some countries typified by many small traders that cannot effectively or efficiently be taxed. The tax base in low income countries tends as a result to be narrow. Most of the countries in sub-Saharan Africa experience tax to GDP ratios of less than 20%, the minimum level estimated by the UNDP necessary to meet Millennium Challenge Development Goals[1]. One of the key objectives of the TTF, combined with other TA delivered through the IMF's RTACS and FAD HQ, is to reduce the reliance of LICs and LMICs on long term foreign aid and use domestic taxes to fund all or most essential public services.

The delivery of TA by the IMF has evolved during the past thirty years from almost exclusively high level policy advice through to TA as it is today, using regional expertise and a multi-year programmatic approach (including RTACs and Topical Trust Funds). FAD delivered TA has grown rapidly from about 70 person years in 2007 to 120 person years in 2012.

The RTAC model employs regional residential advisors to deliver TA for strengthening administration in core areas of IMF expertise, including taxation and customs. Policy level advice remains to be delivered by FAD HQ and or through the TTF; the IMF's Legal Department is also engaged by the TTF for relevant legislative advice.

C1 TPA TTF Projects by



The TTF delivers TA on a multi-year basis; so far the typical project design has been based on achieving most of its planned outcomes over a three year period, whilst recognizing that full achievement in some areas will take longer. The TTF was not designed to supplant the TA from the RTACs but to supplement it.

RTAC advisors are usually managed by the same individuals from HQ ("back stoppers") as manage TTF country projects, which facilitates planning and differentiation of roles as between the TTF and the RTACs. RTAC advisors have their own work plans approved by FAD and these may complement parts of the TTF TA projects. The TTF will also deliver policy advice (which is not in the RTAC remit) and can narrow its focus on a country specific basis more readily than an RTAC with its regional brief.

[1] "What will take to achieve Millennium Development Goals: An International Assessment" UNDP, June 2010, page 26

As at December 2014, the TTF had engaged with 18 countries and two African regional organizations (WAEMU and the EAC); apart from the ten countries in Africa, there was Bangladesh, Nepal and Myanmar from Asia-Pacific region, Bolivia, Paraguay and Haiti from Latin America and the Caribbean, West Bank & Gaza and Kyrgyzstan as depicted in Chart 1, above.

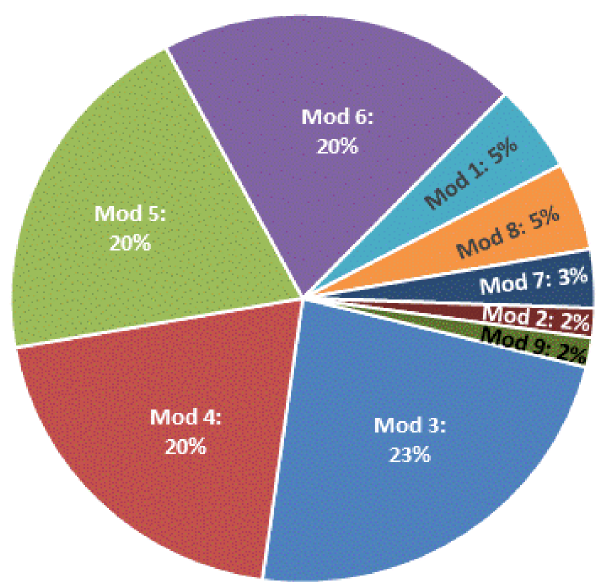
Many of these countries present considerable policy and administration challenges and so the pace of progress has been mixed. The IMF fully expected such challenges because the eligibility criteria for assistance by the TTF included prioritizing countries where foreign aid was a significant part of the country's budget support and where the tax to GDP ratio was particularly low.

The TTF has designed nine modules of TA which are listed as follows:

- **Module 1:** Diagnosis and strategy
- **Module 2:** Establishment of reform management
- **Module 3:** Tax policy and relevant legislation
- **Module 4:** Organizational issues, including segmentation
- **Module 5:** Procedures filing, registration, payments etc.
- **Module 6:** Enforcement- arrears audits, dispute resolution
- **Module 7:** Taxpayer services
- **Module 8:** Performance measures, monitoring, budgets
- **Module 9:** Integrity-internal audits, public reporting etc.

So far 83% of the TA has been in modules 3, 4, 5 and 6. Much of the inputs for modules 1 and 2 had already been achieved through assistance from FAD prior to establishment of the TTF. Modules 7, 8 and 9 depend for relevance to a large degree on achieving progress in the earlier modules; in other words a sequencing issue.

C2 TPA TTF Projects by Module



2. EVALUATION APPROACH, SURVEY AND CASE STUDIES

2.1. PURPOSE OF THE EVALUATION

This evaluation was charged with focusing primarily on the efficiency, effectiveness, and continued relevance of the TTF, with the aim of improving operations through the end of the current cycle. Following the DAC criteria of the OECD, the review should also determine whether there is evidence of impact and sustainability; the terms of reference stated that it may be premature to find evidence to form any conclusion on impact and sustainability. In addition, the evaluation will assess governance arrangements, the extent to which the TA is on track to deliver planned outcomes (at country-level) and identify lessons learned and recommendations for refining and improving the TTF for a future cycle.

2.2. OVERVIEW OF THE CONDUCT OF THE EVALUATION

The evaluation was conducted by a two person team comprising David Crawford as a taxation specialist and Robert Woodbridge as an evaluation specialist. David Crawford has considerable experience of implementing tax policies and reforms in many developing countries, including several of those covered by the TTF. Robert Woodbridge has considerable experience in managing complex program evaluations, including the IMF's AML-CFT TTF and three of the IMF's RTACS.

The approach of the evaluation involved combining several complementary methods:

- Comprehensive review of TA reports including project proposals, project assessments, research projects, and related assessments;
- Review of portfolio reports including Program Documents, Annual Reports, and Progress Reports to the Steering Committee (SC);
- Semi-structured interviews of IMF's HQ staff at program level;
- Semi-structured interviews of IMF project officers for the countries in which TA is delivered;
- Field trips to three countries to develop case studies on projects conducted in those countries;
- Semi-structured interviews in the case study countries of recipients of the TA at high and middle management levels, of locally represented donors operating in complementary areas of TA, and of representatives of the business community to obtain taxpayer perception. Interviews were conducted to include the key questions summarized in the Terms of Reference for the evaluation;
- A survey of members of the TTF SC and of representatives of donors in the field, and
- An online survey (using CVent) of the recipients of TA in all of the countries in which the TTF has been active.

The results of this approach were used to:

Rate the performance of the TA in depth for each of the case study countries (Bolivia, Burundi and Myanmar) and, based on interview, survey, and desktop review, for five more countries (Senegal, Liberia, Haiti, Nepal and Mauritania) representative of the 14 countries not covered by the case studies. Performance ratings used a scoring scale which follows the DAC criteria of Relevance, Effectiveness, Efficiency and Sustainability. The Effectiveness score was taken from the TTF's latest SC report as at end

2014, for those modules where at least two years of TA had been delivered:for the non-case study countries on a rating of 1 to 4 (one being "not achieved" and four being "fully achieved") and for the three case study countries on a rating based on the Key Evaluation Questions (Appendix 1). In addition we rated the outputs of TA under the various modules. The Relevance, Efficiency and Sustainability scores were similarly rated on a scale ranging between 1 (being "poor") and 4 (being "Excellent).

We did not weight the DAC scores for relevance, efficiency, effectiveness and sustainability, even though we recognize that such a practice is sometimes used in evaluations.

For the case studies we did however, weight various measures of effectiveness: e.g. 25% for results to date, 25% for being on track, 10% for monitoring arrangements, 5% for the SC role, 20% for recipients taking implementation action and 15% for adjusting TA to risk; we also weighted effectiveness outputs at 30% for all eight countries and outcomes at 70% (recognizing that successful outcomes are the key objective to which quality outputs contribute).

The scoring of projects and programs using the DAC criteria is a useful tool but it should be noted that the process is far from scientific.

We selected Senegal, Liberia and Mauritania for even more in depth review because substantial progress has been made in all three countries: Mauritania has completed most of the planned tasks under modules 4, 5 and 8 with some further implementation under module 6; Senegal was close to being rated a "success" when a change of management at the tax administration led to a reversal of some of the TTF's previous recommendations and a significant increase in tax arrears (a further and positive management change has led to a two year extension of TA to get back on track and move forward); Liberia was making substantial progress despite capacity problems and achieved a substantial step forward with the establishment of the largely independent Revenue Authority, but TA delivery by TTF in the field was then interrupted by the Ebola outbreak (various other methods for delivering TA remotely are now in force which may generate interesting lessons for future operations in other countries). Haiti and Nepal were selected as interesting examples of countries where reform progress has been challenging.

Lessons learned have been drawn from the findings of the evaluation and used to inform a series of recommendations for strengthening TTF TA for the balance of this first phase and for possible future phases. No more than eight recommendations are elevated to priority status.

The ratings and recommendations form the core of the Final Evaluation Report.

2.3. SUMMARY OF SURVEY RESULTS

The team conducted three online surveys as part of the evaluation exercise: TTF Steering Committee (SC) members, TA recipients and donor officials based in the field (engaged in tax reform TA). The text below provides highlights from the three surveys conducted, as well as a selection of representative individual comments.

Survey of the Steering Committee

The TTF SC survey collected views *inter alia* on (i) TTF's objectives and structure; (ii) motivations for participating in the fund; (iii) the SC's role; (iv) quality of reports received; and (v) the TTF's approach to TA delivery. Of the 18 SC members invited, eight (i.e. 44.5%) completed the survey. SC attendees from the following countries or organizations expressed their views: Belgium, the European Commission, Germany, Kuwait, the Netherlands, Norway, and Switzerland. Survey invitees responded in their personal capacities.

The survey shows that, for most SC members, the main purpose in participating in the TTF is to help build effective tax administrations, particularly for low-income countries with strong reform capacity. They agree that the TTF is on track to achieve its main objectives and that donor coordination constitutes a key additional benefit of supporting the TTF.

All respondents agree that the SC is discharging its responsibilities adequately, with a clear understanding of its role, and benefiting from responsive follow-up action by the IMF. Three quarters of the respondents believe that the TTF's potential to add value is being optimized and that the SC's main role is to guide the strategy of the TTF; 62.5% also deem that the SC role is to monitor results and to approve projects.

Reporting to the SC is widely considered adequate and timely. Nevertheless, a majority of respondents have expressed a wish to receive further information in a number of areas: particularly on Results Based Management and donor coordination.

SC members generally deem the TTF modular approach to be effective, focused, flexible, clear and systematic. In fact, the TTF's work is highly appreciated by SC members.

There were some constructive criticisms from respondents:

- Funding insufficient to meet full TA needs thereby leading to a risk of superficial scoping
- Too many modules
- Excessive time needed to achieve results
- Some duplication of TA provided through other TA channels (including other IMF programs).

Survey of TA Recipients

We also deployed a confidential online survey for TTF TA recipients. We received replies from Bolivia, Burundi, Ethiopia, Guinea Bissau, Kyrgyzstan, Mali, Mauritania, Myanmar, Nepal, Paraguay, and Swaziland, thereby covering 11 of the 18 countries receiving TA. Out of a total of 22 replies, 10 stemmed from Myanmar. In order not to bias the findings presented below, the latter were consolidated into four representative entries.

The organizations consulted claimed that they had a medium-term strategy for strengthening tax policy and administration, often formulated and implemented with IMF support. For half of the respondents, however, their institutions still face TA gaps for realizing their reform strategies.

Respondents perceive the TTF to have undertaken adequate diagnosis, leading to proper TA sequencing. In addition to the TTF TA, the majority of respondents also received support from other IMF programs, such as Regional Technical Assistance Centers (RTACs), as well as other international financial institutions (such as the World Bank) and bi-lateral donors. TTF TA is considered well co-ordinated (with trust fund representatives usually participating in coordination mechanisms). As compared to non-IMF TA providers, two-thirds of the respondents deem the IMF's TA to be more responsive, more effective and grounded in a more thorough understanding of local conditions. The advice received was deemed of high quality.

For most respondents, staff training needs frequent repetition due to high staff rotation. In fact, they see developing and retaining qualified staff as the main barrier to change. They also feel that more support is needed for the implementation of recommendations and advice received under the TTF program. Respondents indicated varying levels of in-house training capacity. Some comments proposed that there should be some TA directed at building in-house training capacity. Opinions were divided on whether TTF training complemented the TA received. Less than half of the respondents considered that there was enough follow up to training events. It should be noted that intensive training and informal on-the-job training are not part of the TTF's mandate.

For over three quarters of the respondents, the TTF TA has strengthened organizational procedures, policies and controls, .Over half agreed that high quality manuals were produced, but the manuals were only followed in day-to-day work by less than a quarter of cases.

A majority of respondents monitor and measure the results of TTF recommendations on a regular basis. A large majority considered that TA will improve their organizations performance and efficiency. In most cases, results are objectively measured.

All respondents particularly valued long-term experts as the most efficient TA channel for their organizations. 80% of them also appreciated short term experts, regional resident advisors, IMF HQ advice and professional attachments.

An important concern related to the inadequacy of the regulatory framework. Three quarters of the respondents received TA in this area, with government approving new legislation or regulation in half of those cases.

Only four respondents participated in the IMF RA-FIT database of revenue administration indicators. All of them consider it easy to navigate, but would like to receive further IMF support in this area. Conversely, only one respondent was aware of the IMF research on the use of electronic fiscal devices for enhancing VAT collection; the results may need to be better disseminated to recipients of TTF TA.

Most respondents consider that further TA is needed. Their comments particularly underscore the need for support in ICT-related areas (including work automation, data management, intelligence, investigation, and e-government- areas which are largely outside of the TA scope of the TTF). In addition, a number of respondents would like to receive TA in areas such as bank audits, transfer pricing, extractive companies, telecommunications firms, tax harmonization, customs issues, risk compliance, legislation, and enforcement (most of which are within the TA scope of the TTF but perhaps at the level of intensive training needed).

In general, recipients are highly appreciative of TTF TA. Suggestions for improvement included:

- more targeted HR capacity building,
- deeper surveying of country needs (prior to project design),
- stronger coordination, and

- development of more effective monitoring systems.

The table below provides more in-depth information on the replies to key survey questions (note that there is some inconsistency or contradiction among some of the answers, although a broad picture does emerge).

Table 1: Recipient survey: selected questions about TPA TTF TA received

(In percentage points)	Strongly agree	Agree	Disagree	Strongly disagree
The actual TA being delivered fits well with our strategic plan	27	60	7	--
TA has been carefully sequenced, using a modular approach, to meet all necessary preconditions	13	80	7	--
The TTF TA is closely coordinated with and complements other HQ TA being provided by FAD.	44	44	--	--
The IMF's TTF has responded more quickly to our TA request than other TA providers	27	40	13	7
Our organization received assistance from the IMF in formulating our request for technical assistance	47	47	7	--
The advice received was clear, practical & easily implementable given our country & organization	20	80	--	--
The IMF's TTF took a partnership approach in TA delivery	13	80	--	--
The delivery of TA by the IMF's TTF fits with our own reform schedule	13	73	--	--
There are human resource challenges that impede our ability to achieve change	53	27	7	--
More help is needed for the impl. of recommendations and advice received	50	43	7	--
We have been satisfied with the training received by the TTF[2]	11	33	22	11
The TA strengthened our organization, procedures, policies and controls	11	66	22	--
Because of TTF, measurable results will improve our organization's performance & deliver our objectives	21	57	--	--
Since receiving TA from the IMF's TTF we have improved our organization's working practices	29	64	--	--
Since receiving TA from the IMF's TTF we have increased our efficiency	29	57	--	--
The TA advice for drafting appropriate legislation was of high quality and tailored to our country situation	20	70	--	--

Survey of field-based representatives of Donors

As part of the evaluation, we also surveyed the opinions of field-based donor representatives working on TTF issues for which we received seven responses (out of 30). Five replies stem from EC officials, in addition to one each from Belgium and Switzerland. Three of the respondents work in South America, two in Africa, one in South Asia and one in Central Asia. Given the small number of replies received, results from this survey can only serve as illustrative.

A common theme emerging from this survey is the need for more fluid information on TTF activities. Some respondents expressed particularly strongly the view that they were not made aware of activities even when they pressed for information. Where distribution of reports is restricted for confidentiality, some respondents have proposed to hold annual donor presentations / meetings at the country level. 80% of respondents agreed that there are difficulties in coordinating TA from all donors/IFIs, e.g. "there can be

[2] Intensive training and longer term capacity building are not in the TTF TA scope.

too many individuals at any one time, with overlapping TA and conflicting advice". In addition, half of the respondents strongly disagreed with the idea that the TTF TA took a partnership approach.

The TTF TA is perceived to be focused, effective and of high quality, even if some respondents noted that recommendations were not always implemented. Respondents believe that further TTF TA is necessary, particularly in areas such as risk-based VAT administration, data collection and verification, electronic submission of declarations, organizational restructuring, service & incentives to taxpayers as well as VAT refund administration.

Perceptions from the field-based donors responding to this survey appear significantly different from those of TA recipients across most topics. There is less consensus that donor coordination is effective than appears from the survey of SC members. These variations could be attributed to differing points of view/interpretation, or to the small sample size of the field-based donor survey responses.

2.4. SUMMARY OF THE CASE STUDIES

Case study selection was a challenge because some of the obvious candidates to visit, where significant progress in implementing TTF advice was evident, notably Senegal and Liberia, were ruled out on health risk grounds. The evaluators also faced difficulty in selecting from the six "challenging" countries: TA has effectively ceased in the West Bank and Gaza and Guinea-Bissau (although recently re-started); Bangladesh is stalled on important issues such as the VAT law and a commitment to deal with transfer pricing; Nepal is effectively stalled for a combination of reasons, including excessive policy driven staff turnover; there has been no TA delivery in the Kyrgyz Republic for one year; Haiti has a high security risk. Visiting even those "challenged" countries that did not face cessation or security risks posed difficulties in assessing TTF progress and identifying sufficient counterparts to engage with; at best, the case study would illuminate the reasons why progress was limited or stalled, although the TTF had sound explanations in each case without the need for an expensive verification by the evaluators.

The three countries selected as case studies were: Bolivia, Burundi and Myanmar. Each study involved a field trip of about a week: David Crawford and Robert Woodbridge visited Burundi and David alone visited Bolivia and Myanmar. Summaries of case study findings and our recommendations follow below and full evaluations are contained in Appendix 1.

BURUNDI - CASE STUDY

Project Start: May 2013	**Modules:** 3, 4, 5, 6	**Budget ('000):** $ 1,107	**Percentage spent:** 43

Introduction
The Office Burundais des Recettes (OBR) was established in 2010 and received substantial TA from DfID and Trademark Africa including, for four years, provision of a full time Director General. During this period the organization structure was built and staffed.

Findings:
Senior management of The Office Burundais des Recettes (OBR) are committed and motivated to reform but there are formidable challenges: (1). Some progress has been made in tax policy through the third reform strategy for 2013-17; there is a VAT draft law and the tax code has been passed, tax expenditures have been estimated and the excise tax regime analyzed to feed into an Excise Law scheduled for late 2015. (2). The TTF advice and the multi-year modular approach are much appreciated by the OBR (3). There is a general weakness in the tax regime, characterized by low tax compliance, high tax arrears, a weak audit component and significant staff capacity issues; (4). OBR does not have the resources to meet the ongoing need for basic and advanced training which cannot be met by the TTF under its mandate and is not sufficiently met by other donors; more human and technical resources are needed in both the short and medium term (e.g.the computerization project); (5). The OBR has made some limited progress in developing internal training through some of the more experienced managers, but often staff donot have time for training due to the pressure to raise revenue (6). The audit capacity is weak with lack of competence to handle complex sectors such as telecoms, banking and mining, which contribute about 80% of tax revenues; this weakness has been exacerbated by a 50% audit staff reduction diverting them to tax collection; (7). OBR does not have a computerized system to assist with managing critical revenue functions, although plans are being made to acquire a system over the next three years; (8). Manuals (including the audit manual developed under the TTF) are not being used due to a lack of attention to change management; (9). The OBR claims it needs guidance on how to use monitoring tools provided by the TTF; (10). OBR would benefit from better policy coordination with the Ministry of Finance and a larger budget allocation; (11). Donor coordination at local level is very strong.

Recommendations:
- The TTF is not designed to address continuing or broad capacity issues (but should assist identifying donors that could). Capacity is stretched and requires that high-level TTF recommendations are accompanied by detailed guidance on "how to" proceed with implementation by multiple smaller actions as well as a continual dialogue with TTF managers on progress and advice;
- TTF recommendations have significant resource implications for the OBR;the TTF should brief the Ministry of Finance to ensure support for the revenue enhancement processes through implementation of the recommendations;
- With two years of TA already passed it seems clear that not all of the outcomes planned under the existing project will be substantially achieved; consideration should be given to an extension
- Whilst the TTF is not mandated to deliver substantial training, perhaps it could consider using some of its TA budget to develop on-line training material drawing from all IMF resources that would lessen the burden of high-cost classroom training and reliance on foreign experts; this input would need to go alongside strengthening the OBR's embryonic in-house training unit
- The TTF should consider additional support to ensure manual procedures are amended and aligned for a smooth transition to automation, which will require coordination with the World Bank and other donors;
- The TTF should advise on practical ways to train and implement the design of a systematic capture of all TA recommendations (including those of other donors) to ensure accessibility, dissemination, action and work planning, including planned outcomes and target dates for each of the detailed implementation steps (milestones) with, where feasible, quantifiable measurements of progress against a starting base line of data. The monitoring tool provided by the TTF needs more guidance in its application

BOLIVIA - CASE STUDY

Project Start: Feb 2012	**Modules:** 3, 4, 6	**Budget ('000):** $ 759	**Percentage spent:** 68

Introduction:
Bolivia is not subject to an IMF lending program. There was a comprehensive FAD assessment mission in 2010 and work under the TTF commenced in 2013. The initial TA requested by the authorities focused on merging the tax and customs administrations, but this was subsequently dropped at the behest of the Government.

Findings:
There is high level Government commitment to the TTF advice provided. The Ministry of Finance and the Tax Dept. have a competent, well educated, but inexperienced staff. Tax policy TA has led to the passage of the transfer pricing decree (although TA is now needed on related regulations), tax expenditure and VAT gap estimates have been completed, and advice has been delivered on PIT alternatives (and draft PIT law) and schemes for addressing small taxpayers. Some of the impediments facing tax administration are: (1) The HQ of the Tax Dept. has about 20% - 25% annual staff turnover and it can take about 3 months to fill a position; (2) The tax organization is in transition integrating a tax intelligence function and assessing the implication of the Government policy to significantly expand the tax base by registering more small taxpayers; (3) The existing IT system for tax administration is being modernized and delegations visited neighboring countries to study their IT systems and implement what they perceive as desirable features; (4) There are capacity issues that can mainly be attributed to the high staff turnover, which means more detailed information to guide the implementation of operational aspects of TTF recommendations may be necessary; (5) There is an ongoing need for training, including basic training and advanced training in all functional areas, which cannot be met by the TTF or is being met by other donors; (6) Specialized audit assistance in transfer pricing, mining, and financial institutions under the TTF is appreciated, but more support is needed in the use of the three audit manuals provided under the TTF and requires attention to change management practices to effectively implement the manual procedures; (7) The concept of fiscal/revenue intelligence as part of a greater enforcement initiative and effectively managing risk is new to the Tax Dept. and requires attention to change management. (8). Donor coordination appears weak at the local level based on comments from three local donors.

Recommendations:

- Recommendations should be accompanied by detailed guidance regarding "how to" proceed, illustrated by detailed implementation work plans and by TTF managers maintaining a continual dialogue on progress and advice;
- Consider lengthening STX missions to specifically identified TA tasks such as capacity building in specialist sectors in mining or banking, or developing risk-based audit case selection;
- The TTF is not mandated to deliver a significant training program, but it could assist with developing a training plan, training priorities and a training strategy;
- The TTF should mobilize other donors to fill the training gaps and long term training needs;
- The TTF could assist with training by consolidating and further developing training materials within the IMF and RTACs into an electronic reference library (including generic operating manuals for audit, collections, registration etc.) with on-line training side by side with TA on building in-house training capacity. This would lessen the burden of high-cost classroom training or relying on foreign experts. These materials could be supplemented by videos and other aids;
- The TTF could assist by developing a means to systematically capture all recommendations to track progress on recommendations;
- The Government intends to significantly increase the tax base by including small taxpayers in the informal sector which will be a paradigm change not only for the tax administration but also for persons who historically have never dealt with the tax system. The TTF should work with the authorities to ensure a comprehensive change management strategy;
- Donor coordination needs strengthening. The TTF should take a lead on this.
- TTF recommendations may have significant resource implications and the Ministry of Finance should be briefed to ensure support for implementation with appropriate funding.

MYANMAR - CASE STUDY

Project Start: Oct 2012	**Modules:** 1, 2, 3, 4, 5	**Budget ('000):** $ 3,062	**Percentage spent:** 68

Introduction: Myanmar represents a unique case among the countries presently advised by the TTF in that it poses the challenge of helping to build a tax policy and administration almost from scratch; a challenge recognized by the substantial $3million budget. So far most of the TTF effort has been directed at working with the authorities to develop a detailed reform strategy and a reform management unit, although procedural work is now starting to build with the added input of a long term resident advisor and some initial tax policy advice that has helped with simplification of personal and commercial taxes.

Findings: (1). The TTF has succeeded in developing a strong and mutually trusting relationship with the tax authorities that bodes well for achieving successful implementation of wide ranging reforms in the many years ahead (2). The quality of advice and the multi-year programmatic approach is highly rated by the authorities (3).The long term resident advisor is also welcomed, fulfilling a vital role of mentoring on TA implementation and filling the gaps between TTF missions (3). The authorities are fully and enthusiastically committed to the reform process (4).Building comprehension of the tax modernization principles, the necessary reforms and their implementation remains a challenge. The government has taken steps to launch a tax education process for the public, even reaching down to school level, including use of comic books for the young. (5). Other development partners are active, especially the OTA arm of the US Treasury, in providing TA for the LTO and the World Bank is ready to support computerization. The coordination of other donor assistance could be improved. (6). Computerization is limited and will take some years to reach full implementation. (7). Translation is a challenge which underlines the need for longer TA missions (8). Some progress has been made with organizational change, but is at an early stage. (9). Staff rotation is more rapid than desirable for continuity and achieving training impact, exacerbated by the difficulties faced by rotating staff through the HQ (10). The training needs are very substantial, both formal and on-the-job, and not fully covered by other donors (11). VAT is scheduled for introduction in 2018; substantial TA will be needed to make this time-table.

Recommendations:

- TA provided on all modules should involve the LT advisor to some degree, not just those with which he was originally charged, so that he is well versed to continue dialogue when necessary
- Capacity limitations require that recommendations contain detailed step-by-step guidance on implementation
- The resource requirements need to be estimated so that the MOF is regularly and fully briefed to support the necessary funding
- The scale of reform is such that setting of targets and expectations need to be managed and realistic
- An extension of the present program is imperative and should be planned well in advance
- Institutional memory limitations should be alleviated by building a computerized tracking tool to capture all recommendations, including those of other donors, in order to facilitate progress monitoring and donor coordination
- The TTF needs to address and identify the capacity building issues and training needs that it is not mandated to cover and motivate other donors to fill the gap
- The TTF should support the authorities in developing their own training capacity and identify priority areas
- The TTF could consider the practicality of developing on-line training material drawing on their own reservoir of examples including material developed by the RTACs. This could lessen the burden of high-cost classroom training and the reliance on foreign experts, in a complementary manner
- The authorities need assistance to develop change management techniques, which the TTF could provide under module 8
- The IRD could benefit from building a small team to detect and eradicate actual or potential corruption

3. EVALUATION RATINGS

Based on our case studies and detailed review of five further countries and TA recipient survey responses we judged the overall rating of the TTF portfolio as:

2.9 – GOOD (the range for "Good" is 2.5 to 3.5)

This rating takes the four criteria of Relevance, Efficiency, Effectiveness and Sustainability as weighted by estimated funds disbursed to April, 2015. The overall rating is slightly flattered by this method at this stage in the project cycle, given the high ratings achieved (and to be expected) for Relevance We also consider there is evidence that some of the country outcome ratings by the TTF are optimistic (e.g. Senegal and Haiti) although outputs (as opposed to outcomes) under Effectiveness have been very strong. We could not judge whether the TA was sustainable in four of the eight countries reviewed in depth, including two of the three case studies, because either projects were insufficiently advanced or insufficient time had lapsed to determine how embedded the results of the TA were or were likely to be. The progress made so far in Liberia and Mauritania seems to be largely sustainable, although there may still be a long way to go in Liberia. We were unable to judge any significant impact at this stage- the Tax: GDP ratios reported by the TTF showed only modest improvements in some cases.

Table 2: Evaluation Rating System

Rating	Base Score	Range
Excellent (E)	4	>3.5-4.0
Good (G)	3	2.5-3.5
Modest (M)	2	1.5-2.4
Poor (P)	1	1.<1.5
Not demonstrated (ND)	Criteria not assessed	ND

The ratings used, are built up in the manner described below for Relevance, Efficiency, Effectiveness and Sustainability.

We arrived at the Effectiveness rating for the five non-case study countries by adopting the scores applied by the TTF in its report to the SC in December 2014 for the period ended 2014; for the three case studies we rated Effectiveness against the Key Evaluation Questions illustrated in Appendix 1. Also under Effectiveness we rated outputs for all eight countries using a weighting of 30%.

Effectiveness overall at 2.8 indicates that progress so far is ahead of "partially achieved".

The ratings in the Tables below cover eight of the 18 countries in which the TA has been delivered. These eight countries include the three case studies (Burundi, Bolivia and Myanmar) plus the two most advanced in progress until mid - 2014 (Senegal and Liberia) plus Mauritania (a "success"), Nepal (problematic) and Haiti (problematic). These eight countries account for 59% of the funds disbursed. TA has been delivered for two years or more in all cases but not necessarily for all modules in those countries. The portfolio score is arrived at by weighting of estimated funds disbursed to April 2015 (as reported to the December 2014 SC meeting).

3.1. DAC CRITERIA RATING SCORE FOR EIGHT COUNTRIES

These eight countries account for 40% of the total number of countries and regions in which TTF TA programs exist and 59% of the amounts projected for disbursement by April 2015. They are broadly representative of the portfolio of 18 countries with a similar mix of successful and problematic projects. The exception is Myanmar, which has a large program because it is a country starting almost from scratch to adopt tax policies and build an effective tax administration.To the extent possible, from TA reports and the surveys, we followed the KEQs used in the case studies when arriving at the ratings in the Table below (except for the Effectiveness ratings on the five non-case study countries, whose method we described above):

Relevance: Did the TA address recipient priorities? Adapt to changing circumstances where needed? Was modular, multi-year design appropriate? Was TA well planned to complement other TA delivered by FAD or RTACs?

Efficiency: Was the TA delivered timely? Was the modular approach efficient? Was their adequate quality control over progress? With adequate monitoring arrangements and reporting to the recipient institutions?

Effectiveness: We broke this down into two components:

- **Outputs:** (with a 30% weighting): Were outputs timely, of good quality and likely to lead to intended outcomes? Were recommendations clear, practical and sufficiently detailed? Was their survey evidence available on quality of outputs?
- **Outcomes:** Scored in line with those reported to the SC for five of the eight countries but only for those modules started two years or more ago. The three case studies were scored as in the Key Evaluation Questions in Appendix 1.

Sustainability: For projects/modules completed have the results been sustained? Is there evidence, structures and processes have been integrated into recipients' institutional arrangements? To what extent has the multi-year/modular design contributed to support sustainability? To what extent was the TA provided integrated with the IMF's surveillance and lending operations as well as country reform agendas?

Table 3: Country Ratings- DAC Criteria

Country	Module	Dates	Budget '$000s	Budget disbursed (Est. Apr. 15)	Rating	Comment
Senegal	**3,4,5,6**	**7/11-4/14**	**1,546**	**62%**		
Relevance					3.6	FAD made assessments from 2009-10. TA was built on a 3 year strategy from early 2012. Significant tax policy in PIT, incentives and VAT. But there should have been a recorded risk assessment at the outset of the project. Not many donors (WB for computerisation and small taxpayer's office). AFRITAC West program for MTO. Donor coordination good.
Efficiency					3.0	Modular approach good and the multi-year approach backed by good monitoring has enabled the TTF to arrest reversals by recipient and get back on track with a 2 year extension
Effectiveness: Outputs (30%)					3.5	Recommendations have been clear and specific including very specific ones on staffing and HR. No survey evidence from the recipient.
Outcomes (70%)					3.3	There have been some strong results with MTs in collections and lowered default rates, improved intelligence and segmentation but some reversals of previous recommendations, increases in arrears and weak control over VAT credits. Lack of sufficient staff. New extension should bring program back on track.
Overall Effectiveness rating					**3.4**	
Sustainability					3.0	Needs another 2 years (at least) - there are substantial resource issues (technical, human and training needs). Well behind in tax arrears and audit competence. AFD donor assistance with audit. Staff are rated adequate, which bodes well for eventual implementation of most recommendations.
Country rating					**3.3**	
Liberia	**3.4.5,6.7**	**7/11-4/14**	**2,455**	**60%**		
Relevance					3.8	Good donor coordination (WB, IFC, US, AfDB) regular review meetings. No risk assessment recorded at outset. Strategy in place. Function-based admin. since 2006. Adapting to Ebola crisis through remote TA delivery.
Efficiency					3.2	Better monitoring to capture other TA inputs needed. QC good. Extra efforts for remote TA during Ebola crisis. More "bite-sized" implementation within modules. Will probably need an extension once the crisis is over.
Effectiveness Outputs (30%)					3.8	Proof of the effectiveness of modular, multi-year approach in providing the platform for remote TA delivery that is working.
Outcomes (70%)					3.2	Tax policy TA laid the legal framework for LRA. Staff capacity is good and committed. On target to achieve outcomes, albeit with some delays due to Ebola. Potential role model for improved TA follow-up in other countries.
Overall Effectiveness rating					**3.4**	

Country	Module	Dates	Budget '$000s	Budget disbursed (Est. Apr. 15)	Rating	Comment
Sustainability					2.8	Good prospectsA lot accomplished but the challenge remains to get new practices and procedures embedded. Two strong DGs and a very good CG as champions- risk if they depart. Staff capacity good.
Country rating					**3.3**	
Mauritania	**4,5,6,8**	**01/12-12/15**	**979**	**71%**		
Relevance					3.7	Donor coordination (Did, AFD and WB) - not much reference to. Substantial TA funded by Japan LOU on organisation and intelligence unit. High-level action plan Aug. 2010. No risk assessment recorded at outset.
Efficiency					3.5	High achievement on HR management with good training delivery. Most objectives completed within budget. Only module 6 to finish (10/13-09/15).
Effectiveness Outputs (30%)					3.5	Good detailed recommendations and guidance notes. Tax Code drafting assistance. Advice highly rated in survey.
Outcomes (70%)					4.0	Good progress on modules 4, 5 and 8. Registrations of MTs up 4X. Needs further LT strengthening and clearer rules for free trade zone. More staff resources.
Overall effectiveness rating					**3.9**	
Sustainability					3.3	Promising for modules 4 and 5 (327% increase in taxpayers with TIN). Threatened by tax expenditure issues arising from the Free Trade Zone. ITAS strengthening needed (WB assistance on this).
Country rating					**3.5**	
Nepal	2,5	10/12-10/15	976	62%		
Relevance					2.5	No risk assessment recorded at outset. The TTF is only a very small part of the total tax TA funding. MOF not sufficiently engaged. Strategy developed under GIZ TA. Capacity challenges through high staff rotation policy could have been recognised early. Donor coordination is good
Efficiency					2.0	Budget disbursed 62% in face of intractable challenges such as staff rotation and management changes and lack of engagement/leadership by MOF.
Effectiveness Outputs (30%)					3.0	No tax policy advice since 2013. Provided detailed recommendations and guidance on forms and methods for effective compliance piloting. Advice highly rated in survey.
Outcomes (70%)					1.5	Compliance pilots broke down quickly although back on track. Income tax and VAT registrations are growing well but most reforms are at pilot stage. Staff rotation is a substantial problem for effective TA. Very low capacity. Long delays.
Overall effectiveness rating					**1.9**	
Sustainability					ND0	Some progress with IT system (third in 15 years!) but implementation almost entirely at "pilot" stage with some well-motivated staff. Much of the TA delivered by others is outside the control of TTF. Little traction on tax policy since elections.
Country Rating					**2.1**	

Country	Module	Dates	Budget '$000s	Budget disbursed (Est. Apr. 15)	Rating	Comment
Haiti	**3,4**	**12/11-04/15**	**2,156**	**39%**		
Relevance					3.0	Recovering from earthquake. Reform badly needed. Tax to GDP only 50% of regional average. No risk assessment recorded at outset. Management commitment later reported as weak with inadequate political support for tax admin. The reform Committee has never met and only one official for tax laws. Donor coordination appears weak although good relationship between TTF and CIDA. There was an agreed strategy in place from June 2010 (FAD's advice).
Efficiency					2.5	Disbursement rates seem to be managed down (although not sure about budget levels because they conflict with module budgets). Due to weak political support, possibly more effort initially on tax admin. rather than tax policy. MOF does not control either tax or customs organisations. Law for tax administration not passed
Effectiveness Outputs (30%)					2.5	Hard to assess from TA reports seen. There was TA on tax admin. Law Procedures Code (but not passed yet) and there is a good tax policy unit. Broad recommendations seem clear and focused.
Outcomes (70%)					2.5	New management April 2014- but changed again in Oct. Very low capacity in tax admin and customs. Overall progress is very slow.
Overall effectiveness rating					**2.5**	
Sustainability					ND	Tax Procedures Code not adopted. Very challenging environment for change. MOF lacks control. New tax admin. team since Oct 2014 may prove easier to work with. Too early to judge. Needs critical review on TA plans.
Country Rating					**2.7**	
Burundi	**3,4,5,6**	**5/13-4/16**	**1,107**	**43%**		
Relevance					3.5	See Key Evaluation Questions in Case Study
Efficiency					3.0	See Key Evaluation Questions in Case Study
Effectiveness Outputs (30%)					3.0	In tax policy, the excise tax regime reviewed and draft law recommendations; tax expenditures analysed. VAT draft law and tax code. Advice highly rated by recipient in survey and in case study.
Outcomes (70%)					2.2	See Key Evaluation Questions in Case Study
Overall effectiveness rating					**2.4**	
Sustainability					ND	See Key Evaluation Questions in Case Study. TA program barely 2 years old.
Country Rating					**3.0**	
Bolivia	**3,4,6**	**2/12-2/15**	**759**	**68%**		
Relevance					3.00	See Key Evaluation Questions in Case Study
Efficiency					2.5	See Key Evaluation Questions in Case Study
Effectiveness					3.5	Merging of tax and customs dropped. Final draft of transfer pricing g decree. Audit

Country	Module	Dates	Budget '$000s	Budget disbursed (Est. Apr. 15)	Rating	Comment
Outputs (30%)						manuals. Piloting current account for LTO. VAT gap and tax expenditures estimates. PIT alternatives and draft PIT law. Advice highly rated by recipient in survey and in case study interviews.
Outcomes (70%)					2.5	See Key Evaluation Questions Case Study
Overall effectiveness rating					**2.8**	
Sustainability						See Key Evaluation Questions in Case Study
Country rating					**2.8**	
Myanmar	**1,2,3,4,5**	**10/12-10/15**	**3062**	**68%**		
Relevance					3.0.	See Key Evaluation Questions in Case Study
Efficiency					2.0	See Key Evaluation Questions in Case Study
Effectiveness Outputs (30%)					3.5	Under tax policy - a tax code. Substantial progress with reform recommendations at strategic level. LTX operating well- generating trust and working rapport. Advice highly rated in survey and in case study interviews
Outcomes (70%)					2.5	See Key Evaluation Questions in Case Study
Overall effectiveness rating					**2.8**	
Sustainability					ND	See Key Evaluation Questions in Case Study
Country rating					**2.6**	
Blended Portfolio Rating					**2.9**	

4. EVALUATION OF RESEARCH PROJECTS

There have been two research projects. Both have delivered firm and valuable results. The **Electronic Filing Devices** research was to assess whether these devices were useful and effective for tax compliance, especially in relation to sales tax and VAT. The resulting analysis, including use of survey data, concluded that there was no firm evidence that EFDs strengthened compliance, except in narrow circumstance targeting specific taxpayer segments, or helped increase VAT collections. The application of EFDs entails significant costs for both taxpayer and tax administration. The future costs savings that arise from this research by steering tax administrations away from the EFD tool, in most cases, should be a substantial outcome of this research. EFDs would likely be of little relevance for most of the low income countries in which the TTF is operating because the tax base tends to be very narrow.

RA-FIT research, even from its round one survey of 86 administrations, was able to draw out some interesting conclusions. As a tool for the TTF it has not been of much use so far with only four countries completing the surveys to a limited extent. It seems that for many low income or lower middle income countries TA will be necessary to generate reporting of RA-FIT data. RA-FIT does have the potential to become a valuable tool for beneficiary countries in designing their own results monitoring systems and for the IMF and other donors to continue to measure the results of their intended outcomes long after their particular TA projects have finished and facilitate international comparisons.

It seems that many of the TTF countries face difficulty in gathering the data to complete RA-FIT reports or how to use the data to develop their own key performance indicators. Bench-marking comparisons between countries (especially those facing similar tax reform challenges) would also be a useful method for measuring progress among peer groups. At a global level RA-FIT has already exceeded expectations. The last SC Report informed the members that a Letter of Intent had been signed in October between the IMF, CIAT, IOTA and OECD, which expressed the intention to work towards RA-FIT as the single global platform for the collection of tax administration data.

Future Research projects planned are so far limited to building on the RA-FIT results. We saw no plans for other research projects.

Recommendations:

Recommendation 13: Build into future TA design **tasks to develop capacity to complete RA-FIT** reports and develop from them a set of key performance indicators for TA recipients to apply in monitoring progress.

Recommendation 14: Develop a research agenda and dissemination strategy (only one TTF country was aware of the EFD research). For example, the agenda might include researching the evidence for revenue mobilisation arising from specific compliance and enforcement activities.

5. STRATEGY AND OPERATIONS

5.1 FINDINGS

IMF's comparative advantage

The IMF is relatively unique among donors covering tax reform and administration. It has a global reach and a very strong access to high levels of government, including Ministers of Finance. It has long and in-depth experience in most countries and regions, often employing experts with deep knowledge of particular regions and often recruited from those regions. The creation of the RTACs strengthened this position and RTAC experts are well positioned to complement FAD and TTF TA delivery. The expertise available to FAD, grounded as it often is in distinct regions, also brings the added advantage of being able to draw upon cross-country experience in any one case.

Should the scope of TTF TA be broadened to include customs policy and administration?

We have noted some engagement on customs issues in some of the countries: in the case of Bolivia the authorities had requested TA on merging the customs and tax operations but subsequently reversed that decision. In those countries benefiting from Module 6, dealing with enforcement, there are recommendations for sharing information between tax and customs which are needed to strengthen compliance and detect tax evaders. In general though, the burden on the TTF for delivering TA on tax issues alone is such that including customs would require either a substantial reduction in tax TA by the TTF or a very significant increase in the TTF funding. With present resources available to the TTF we are already recommending a narrowing of focus rather than a broadening; adding in customs to the TTF scope would be inconsistent with that recommendation.

The IMF is already able to deliver some TA on customs administration through the medium of the RTACs.

In addition, there are a number of organizations that may be able to provide customs related TA. The World Customs Organization (WCO) provides a variety of services for member countries and has developed international standards for the classification of goods and for Customs procedures. The WCO has also developed a Customs Reform and Modernization Program to help developing countries improve their efficiency and effectiveness. The WCO provides seminars, training, and documentation in a number of other Customs related areas such as integrity, improving clearance times, and cooperation with industry.

The United Nations Conference of Trade and Development (UNCTAD) provides support to Customs with an automated system (ASYCUDA) to support all Customs operational needs and is consistent with all international Customs practices.

Trade Africa has been focused on customs reform in many African countries including Burundi where they also supported establishment and strengthening of the tax administration.

Where Customs administration assistance is requested, the TTF could assist by referring other appropriate bodies to undertake this task.

Tax policy

Much of our analysis in this report deals with progress on achieving implementation of outcomes derived in part from tax policy and reform strategy but more on improvement in tax administration. To some extent this is a function of the fact that much strategy and policy guidance had been delivered for several countries by FAD before the launch of the TTF. We have referred to tax policy in the case studies and in reviews of the eight countries selected for more in depth review. Nonetheless, a summary on tax policy issues for the eight countries we reviewed in more depth is appropriate.

The outcomes on tax policy are strong and generally are substantially or fully achieved. The IMF's legal department has provided substantial and effective input on legislative drafting.

Country	Module 3 TA- completed	Work in progress
Bolivia	Draft transfer pricing decree- approved	Draft transfer pricing regulations
	Tax expenditures estimates	Finalize analysis of PIT alternatives and assist with any amendments to the draft PIT law
	VAT gap analysis	Finalize modifications for the schemes for small taxpayers
Burundi	Tax expenditure estimates	Draft Excise Tax law
	Analysis of excise tax regime	
Haiti	Established strong tax policy unit	
	Tax code procedures	Not yet fully adopted
	Assistance on tax expenditure studies and VAT	Work in progress into 2015
Liberia	Tax Revenue Code adopted	
	Tax policy unit established	
	Individual tax system law	
	Property tax law	
	Liberian Revenue Authority established	
Mauritania	No module 3 TA delivered	
Myanmar	Advice on simplification of personal and commercial taxes but not all recommendations accepted	Income tax law planned for 2015
	Tax policy reform strategy- but still needs agreement with authorities	VAT law planned for 2017/18
Nepal	VAT gap analysis	Tax policy reform still at early stage – more planned for 2015/16
Senegal	Tax policy reform strategy- adopted and widely disseminated and consulted on	
	New tax code- into law	
	National Resource tax law	Mining code in progress

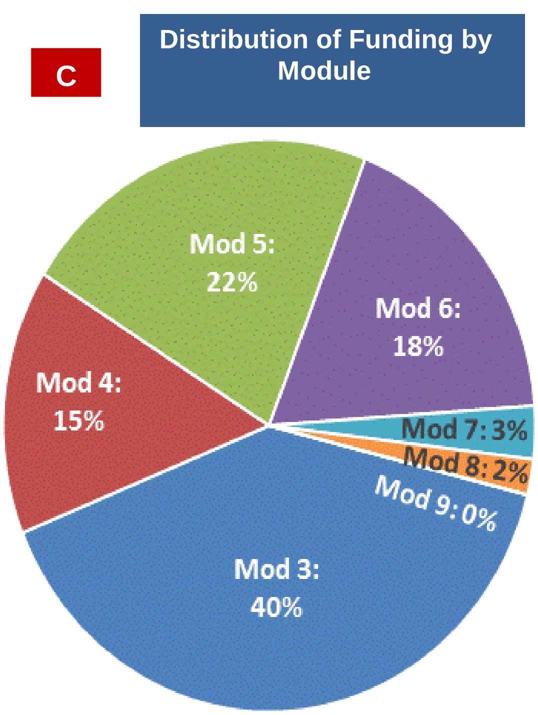
The modular approach, project design and preparation

The modular approach seems to be especially well received and can only effectively function as within a multi-year program. All of the processes of our evaluation (case studies, surveys, interviews of FAD staff and some STXs) bear this out. This approach facilitates a process of integration between tax policy and implementation through strengthening tax administration; furthermore, the modular approach drives the design and sequencing of TA and simplifies discussion with Ministers of Finance and tax department or revenue authority heads. Donor coordination and the avoidance of duplication are also simplified once the TTF's modular approach is understood and explained.

The project design and preparation of project proposals follow a standard format. Usually, where tax policy is important to the recipient authorities, Module 3 may be the first to receive expert input through the TTF. In some cases the issues covered under Module 3 have been covered prior to the launch of a TTF project through FAD delivered TA. Prior FAD missions have almost always covered diagnostic and recommendations for a reform strategy management unit (modules 1 and 2) which explains why only Myanmar (as a complete tax reform "start-up") is receiving TA in those modules. The most significant implementation modules usually follow on from tax policy and these are module 4 (covering organization, such as functionally based HQ and tax segmentation by creating LTOS, MTOS and STOs), module 5 (covering development of stronger procedures: tax registration, self-assessments, filings, collections, payment processes), and module 6 (covering enforcement and compliance through audit and intelligence units, dispute resolution and collection of arrears).

There is only one case where FAD considers that tax administration (Module 4 and onwards) might have been the better initial target for TA rather than Tax policy (Module 3) and that is in Haiti, where significant administration challenges exist in a structure where the Ministry of Finance has no control over either the tax or customs organizations.

The remaining modules have so far been deployed infrequently: module 7 (taxpayer services: forms, user friendly information channels including call centers), module 8 (performance measures, monitoring and reporting and budgeting) and module 9 (integrity and transparency: annual reports, internal audit, codes of conduct, taxpayer charters).



These last three modules tend to be sequenced later in TA delivery because priority is afforded to the basic procedural improvements in operations covered by modules 4, 5 and 6. It maybe that modules 7, 8 and 9 will be more likely to increase in importance in the next 5 year phase of the TTF, for those countries assisted in Phase 1 that have put in the procedural building blocks of modules 4, 5 and 6.

Based on the average of the eight countries we have analyzed in more depth (Liberia, Senegal, Burundi, Bolivia, Mauritania, Nepal, Haiti and Myanmar) including the case studies, the distribution of funding by modules appears as above:

Selection of country's for TTF assistance and risk assessment

The selection criteria for countries being accepted for TA from the TTF include, (a) that the country has a significant revenue problem as reflected, for example, in a low Tax: GDP ratio and (b) a demonstrated strong interest by the authorities (usually the Ministry of Finance) to receive TA. The risk assessment is supposed to address political commitment, management commitment, capacity (both at policy as well as administration levels), timeliness and sustainability. The last two risks start to be assessed once TA has been delivered for at least one year. Very little narrative on risk is covered in the project proposals. The first selection criterion is relatively easy to judge from available statistical data. The second criterion of "strong interest" is harder and requires different types of evidence. Senegal is an interesting example in relation to the second criterion, in that it was estimated by the end of 2013/early 2014 to be a likely "success" story; one of the drivers was the strength of commitment and energy of the Director General. However, once the tax administration management changed, some important areas in which TA had been delivered went into reverse and, following another change back to reform oriented management, a two year project extension has been agreed The earlier implementation success in Senegal was an important consideration in assessing that a two year extension with new management (on top of capable staff) would mean that further TA would bear fruit. Nonetheless the Senegal case does illustrate the reality of implementing reform in some low income counties where ups and downs can be anticipated as the norm and therefore risk assessment has to be an ongoing process.

Engagement of IMF expertise funded outside of the TTF

The TTF is only one of the TA modes of TA delivery open to FAD, although the TTF methodology could be followed irrespective of the funding source. Significant TA has been and is delivered directly by FAD staff and experts either funded by FAD or other donors and some TA is delivered by the RTACs which are multi-donor funded and focus on tax and customs administration TA in distinct regions. The TTF Program document estimated that "much of the revenue administration TA" would be delivered by the RTACs.

Multi-year TA delivery: is it appropriate and is three years enough?

The TTF is designed to deliver TA on a medium term basis- usually for three years. The multi-year approach is welcomed by recipients and is in fact fundamental to the programmatic approach developed by the TTF. The only question is whether three years is enough in all cases. The TTF is well aware that achieving a high level of results, even within three years, remains a major challenge. This issue is not well high-lighted in the TA reports though. For example, in one project assessment it was suggested that the Senegal project would be "successfully" completed by April 2014, whereas subsequently it was decided to extend the Senegal program by a further two years (with the likely result that earlier successes will be better entrenched and sustainability achieved- TA progress in many low income countries cannot be reasonably expected to be linear). It seems clear from our analysis that in countries such as Senegal, Myanmar, Haiti and Liberia the process of embedding sound administration practices and adequate cooperation between tax administration and the Ministry of Finance is likely to take far longer than three years and quite likely far more than even five years. Further examples of the time required for effective reform of revenue administration systems to the standards of TTF's strategic log frame, include Burundi where Trademark Africa committed about $24 million and four years to establish a tax administration almost from scratch and before the launch of the TTF TA; this effort combined with the TTF project implies a minimum TA program of seven years. DfID supported the reform of tax administration in Rwanda with very good results, but that support required ten years of effort. There are also some countries where progress is at best intermittent; for example, Bangladesh and Nepal.

Limitations on the scope of TA that TTF can deliver

A major challenge recognized by the TTF Program Document was the IMF's lack of mandate to deliver TA on computerization (integrated tax administration systems) and to deliver TA for long term capacity building, including intensive training in disciplines such as risk-based audit, intelligence and taxpayer services among other operations. The Program Document concluded that it was therefore critical to mobilize other donors to fill these TA gaps; TTF reports do refer to some instances where other TA is being delivered by other donors such as the World Bank for computerization and the Office of Technical Assistance (OTA of US Treasury) for some areas of capacity building, including audit training. With few exceptions, donor coordination by the IMF has been good with regular dialogue between in-country donor representatives. Nonetheless, the twin problems of computerization and long-term capacity building (often exacerbated by lack of resources and staff turnover) remain significant gaps in the TA and it is not necessarily sound to assume that low income country tax administrations will have the capability to fully implement TTF recommendations and guidance without further support. Failure to fill these gaps could therefore pose a risk to the sustainability of much of the TA delivered. We know that strong progress in the OBR in Burundi, for example, largely depends on computerization which is being funded by the World Bank; the resulting system could take several years more to install.

The survey results and case study interviews all indicate a strong desire for more follow-on TA by the TTF because gaps between TTF missions are sometimes too long to support implementation (although FAD maintains that project managers do remain in sufficient contact with recipients). There is a variation in the sustainability risk among countries which relate to several issues including strong reform management units (or lack thereof), clear reform strategies, well-resourced tax administrations, high quality HR policies, remuneration levels and low staff turnover. Clear recognition and assessment of the risks posed by these gaps and the steps proposed to mitigate them is not sufficiently evident in project proposal design or as evidence for a country to be selected.

Reporting, budgeting and efficiency of operations

The Reporting of the work of the TTF to the Steering Committee and the production of the Annual Reports is of high quality and very comprehensive. The funding situation is well reviewed.

The reporting of progress at the overall portfolio level with charts of progress by modules and time-lines complemented by one page narratives of the salient developments in each country are informative and easy to absorb. Comparisons of progress against budget by period are not recorded and it is not a simple task for a reader to estimates how projects are progressing financially. The SC reports show the original budget for the entire group of modules in a country in one column and the amount disbursed to date and the percentage of the original budget disbursed; this does not allow a judgment whether the project is on track at any one point in time. There is no reporting against the budget in terms of person weeks (FAD staff, STXs, LTXs), travel, back-stopping and general project management. We understand that the IMF accounting system is in the process of change and so this may facilitate better monitoring and reporting on budgets in the future.

The TTF typical approach is to plan the life cycle of the project by module and estimate the number of FAD staff (or LEG staff when applicable) weeks plus STX weeks. There is only one instance so far where an LTX has been installed and that is in Myanmar with the largest budget (over 12% for country projects – and the country is essentially building a taxation system from scratch). There has been some involvement of a regional advisor covering Senegal, Cote d'Ivoire and Mali and in some countries the regional resident advisor from the appropriate RTAC has been able to complement the TTF program.

Based on the eight countries we reviewed in more depth the TA effort split as between FAD staff and STXs is approximately as depicted in Table 4 below:

Table 4: Staff/STX split

Module	FAD staff (incl. LEG in some cases)	STX
3. Tax policy, legislation etc.	45%	55%
4. Organizational structures	25%	75%
5. Procedures-filing, collections etc.	25%	75%
6. Enforcement-audit, arrears etc.	16%	84%

Missions tend to be planned well in advance by the TTF, although some of our case study recipients have commented that they would have liked more advance consultation on both the content and timing of missions. Most missions are for two or three weeks. We have seen no evidence of missions of longer than three weeks (although more time would be spent in trip preparation and post trip report writing and dissemination). Travel costs form a significant part of the cost of TA delivery: based on the budgets reviewed, travel and related subsistence averages about 25% of the cost of FAD staff (and or LEG staff) missions; the budgets in project proposals do not break out STX travel costs but they are unlikely to be less than 25% given that mission durations are similar. With a total budget for country delivered TA of about $25.5 million it seems that travel and subsistence costs come to about $6.4 million.

There is a strong view from TA recipients interviewed in the case studies as well as those responding to the survey, that more flexibility in the delivery of TA (e.g. more follow-up even remotely and shifting of priorities where certain tasks are proving slow to gain traction) would improve implementation. We have had a few comments along the lines that: "a mission creates a frenetic burst of activity involving status assessments since the previous mission, discussions, reports and recommendations followed by a long "silence" until the next one". Many interviewees and survey respondents would like a more continuous engagement and follow up with TTF experts. The experience currently underway in Liberia arising from the Ebola crisis, that is delivering TA remotely, could be very informative for improving mission follow-up in other countries as well as proving a more efficient and cost effective delivery mode for some applications.

We were informed during our interviews with IMF senior staff in Washington that there are risks to be taken into account when deploying long term advisors to a country: there have been instances where the advisor becomes "captured" with a result of being diverted from priority tasks; there have also been instances where the LTX tends to do too much of implementation, so that there is insufficient skills transfer to the tax administration staff. So far the experience of using an LTX in Myanmar has been positive and with care there could be future cases where using an LTX would be beneficial.

5.2 RECOMMENDATIONS

Recommendation 1: Risk Assessment and Selection Criteria:

Risk assessment forms an essential part of the selection process once a TA request has been received. Project proposals have not well reflected an assessment of risk. Better risk assessment has been covered in the annual project assessment reports, but by then it is more difficult to do much about short comings in risk because the TA program is already launched. Whilst it is clear that *force majeure* circumstances cannot be easily predicted (Ebola, civil war etc.) it should have been feasible to detect high risk levels in some cases, such as Kyrgyzstan, Nepal and Haiti.

A TA request from a Minister of Finance may not be sufficient (in the Haiti case it seems that the Minister had little control over tax and customs organizations) and a strong management commitment from tax administration may not be sufficient without strong political support (in Senegal once the "champion" DG was replaced management lapsed back into old practices and reversed some of the TTF recommendations). Then there is the issue of potential TA gaps that TTF cannot fill: deep capacity building and computerization being the main ones. How are the TA gap risks assessed and how practical is a risk mitigation plan?

We therefore recommend that:

- Before agreeing to a TA request a more in depth risk assessment is carried out, if necessary by a dedicated mission. The purpose will be to form judgments on several issues:
  - Is commitment at both political and management levels broadly based?
  - Does the government have a well thought out reform strategy?
  - Does the government indicate that it is able and willing to fund the resources needed to implement the strategy?
  - Has the government endorsed a realistic budget for implementation which the IMF agrees with? (The TTF needs to develop some resource estimates for this step in order to brief the MOF)
  - Are tax policy and tax administration management and staff of sufficient standard to be able to implement TTF recommendations and guidance? If not, are there other sources of TA available and willing to build the necessary capacity? Is there a good prospect that such donors will agree to fill the TA gaps that TTF cannot? What could their time frame be and how could that fit in with TTF TA planning (e.g. should there be a lighter touch TA for Burundi focusing on preparing the OBR for computerization and delaying much deeper TA until such time as the computerization supported by the World Bank is adequately completed?).
- All of the above considerations need to be explored, analyzed and written up in project proposals submitted to the SC. It does not follow that all of the above risks need to be judged manageable before a TA request is granted. Almost by definition most of the low income countries that TTF will engage with face large implementation challenges. But the selection conditions do need to be tough. If, for example, a government does not have a well thought out reform strategy, it maybe that TTF

agrees to support its preparation under Modules 1 and 2 and then stands back to determine that the government adopts and commits sufficient resources to support implementation.

Recommendation 2: Narrowing the focus

The single biggest challenge facing the sustainability of TTF recommendations lies in the lack of capacity by tax authorities in many cases to implement them without additional assistance. Yet this is an area presently outside of the TTF mandate to completely address. Drawing from TTF reports we summarize the capacity levels for the eight countries reviewed:

Bolivia: Average management capacity, low staff capacity (well educated but lacking in tax issue training)

Burundi, Haiti, Myanmar and Nepal: Low management and staff low capacity

Senegal, Liberia and Mauritania: Good management and staff capacity

Most of the above countries also lack a sufficiency of staff resources.

It seems clear that in many of the cases so far, full implementation of planned outcomes will take far longer than three years. There are several examples to illustrate this (as well as some where three years is closer to being realistic). Most of the TA recipients have recognized implementation challenges and have suggested more follow-up by TTF between missions. There are some significant TA gaps referred to earlier which need to be filled in order to support the efficacy of the TTF recommendations and their sustainability. There needs to be a more realistic and flexible plan for approaching these issues on a case by case basis. More resources will be needed in most cases.

More follow-up missions using remote methods may not require too much additional budget within a three year cycle and it will be interesting to see what lessons can be learned from the Liberia case- but some additional resources are probably needed, alongside increased remote delivery, for additional field trip missions. In some cases longer missions than three weeks may be practical (for example, hand-holding on risk-based audits); this would involve additional STX fees but those costs would be partially offset by spreading the travel and subsistence cost over a longer period. In some cases it may be viable to deploy a suitably back-stopped long term advisor. In some cases, it may be practical to rely on RTAC regional resident advisors to take some of the burden off the TTF.

We therefore recommend that:

- The TTF considers a narrowing of the focus of TA delivery to a smaller number of countries where the prospects for achieving planned outcomes are considered good and provided that more resources from TTF and time are available to support effective implementation. We would guess that reducing the number of countries covered by about a third may be sufficient.
- Alternatively (or additionally), the TTF could work on less modules in any three year program to ensure fuller implementation before moving on, although it seems that modules 3, 4, 5 and 6 are about the minimum number of modules needed in most cases for a meaningful programmatic approach to reform
- Implementing this recommendation would involve strengthening the selection criteria for new TA requests recommended in (1) above, allocating more resources (in some cases using LTXs and

modestly extended FAD or STX missions)) for TA delivery over a longer time period (perhaps four to five years rather than three) and developing a more ruthless approach to cutting back on the most challenged countries where implementation is delayed because of inadequately resourced management, changed political commitment, or even, where sufficient capacity building is not forthcoming from other donors, and TTF is not able to fill the resulting TA gap.

We have assumed in this recommendation that a substantial increase in TTF funding is not an option.

Recommendation 3: TA Termination criteria

Following on from recommendation 2 this one is complementary to it. The TTF recommended pulling out of Kyrgyzstan (and in fact has now done so) and has already pulled out of West Bank & Gaza. There are strong implementation challenges in Bangladesh and Nepal. Aside from some *force majeure* cases, such as Liberia and Guinea-Bissau, it may be that a more ruthless approach to termination should be adopted where the capacity for change is severely limited on the recipient's side. Nepal is a good example where such an approach could have led to termination of TA some time ago: Nepal has received much TA from multiple sources, including from FAD using Japan funding, and yet progress has been very slow; one of the factors has been weak tax administration management and staff capacity due to official staff turnover policies that demand staff rotation at frequencies higher than in most low income countries (contrast this experience with the low staff turnover in Burundi for example). We cannot propose a particular formula for this recommendation. Each case will need to be judged on its merits and tied back into the initial risk assessment. The TTF already monitors and reports on pace of change in its reports to the SC. Each project defines outcomes with target dates. Most tax reform strategies require support from other donors to cover key areas not in the TTF remit but without which the sustainability of the TTF TA will be at risk in most cases.

The general principles for termination could include:

- That there is no, or substantially insufficient, capacity for the implementation of TTF recommendations and that needed improvement is unlikely to occur in a reasonable time frame (say six months). This situation could arise for a variety of reasons:
  - Changes in political commitment
  - Very low competence levels of management and staff, perhaps exacerbated by high staff rotation and poor HR police and practices
  - Inadequate resources committed by the government to tax reform implementation
  - No other donors are able or willing to provide capacity building and related training
- Failure to implement tax policy and administration recommendations in a reasonable time frame (say six months from the target dates agreed, although this needs to be judged on a case by case basis) even though implementation capacity does exist and no *force majeure* circumstances arise to justify the delays
- Reversal of previously accepted recommendations by the tax authorities without adequate justification
- Adverse political change that impacts commitment to reform (for example, perhaps following a change of government)

Recommendation 4: TA reporting

The TTF's strategic log frame sets out three broad objectives with an over-arching one of sufficient sustainable revenue mobilization to meet most essential public expenditure needs. Achieving these objectives involves TA from multiple sources. The IMF deploys staff and experts funded directly by FAD or by other donors, experts and staff funded by the multi donor funded RTACs and experts and staff funded by the multi-donor TTF. In addition, due to the TA gaps that the IMF does not cover, (intensive capacity building and computerization) other donors may provide TA in those areas. Given that donor coordination is effective in most cases, FAD should know the entirety of the TA being delivered at any one time either by themselves or by other donors. It would not be practical to develop a workable results chain for all of the TA inputs due to the likely difficulty of obtaining accurate and up to date monitoring from third parties, but it should be possible to report more fully than is currently evident in SC reports and Annual Reports. FAD has recognized in the TTF Program Document that it is critical for the sustainability of the TTF's recommendations that other donors fill the TA gaps.

We therefore recommend that the TTF periodically (perhaps semi-annually) reports on other TA delivered to the same recipient that is critical. The report should be more comprehensive than present coverage and be accompanied by an opinion on its effectiveness and relevance for the sustainability of the TTF's own TA and its contribution towards the achievement of the TTF's strategic objectives.

Recommendation 5: Monitoring of performance against financial budgets and level of effort budgets

We have commented already on the shortcomings of the reporting of performance of actual disbursements against budgeted, of the breakdowns of the cost of STXs into fees versus travel and subsistence, of the difficulty of assessing how many weeks of activity actually take place in a given period against planned activity and of the difficulty of determining how much time is spent in the field versus at HQ or elsewhere (for STXs) on project preparation and post project reporting and drafting of outputs.

We understand that much of the accounting and budgeting systems at the IMF are under change at this moment. Therefore we only recommend that the processes and analytical comparisons referred to above are strengthened and simplified.

Recommendation 6: Remote follow-up to missions.

To address the need for more mission follow up and shortening the gap between missions, remote methods of communication and troubleshooting with TA recipients should be explored. There are likely to be good lessons learned from the experience currently in progress with TA delivery to Liberia by these means e.g. Skype, e-mails, telephone, even meetings in third party countries. We note that FAD considers that mission follow up and regular communication with recipients by TTF project managers is already sufficient but this does not appear consistent with our case study findings or the recipient survey findings.

Recommendation 7: Leveraging the training materials.

High quality training materials have been developed by the IMF through FAD, RTACs, IMF Training Centers, and TTF e.g. a comprehensive audit training manual was developed in CARTAC which would form a good basis for a generic course. Consolidating this material into an accessible library and where appropriate developing a series of online courses which are supplemented by in-country TA would help to address the TA training gap. More training is a predominant need expressed by recipients in all the eight countries we reviewed in more depth if they are to fully implement the TTF recommendations. Developing on-line material should be accompanied by the TTF providing TA for recipients to build and or strengthen their in-house training capacity. We understand that the delivery of intensive training is not part of the TTF mandate at the moment. This recommendation goes only part of the way towards changing that remit although it would require additional resource and therefore funding to deliver it.

6. RESULTS BASED MANAGEMENT

6.1 PROJECT SCORING

The system developed by TTF:

The self-assessment system in use by TTF focuses reports largely on outcomes. The ratings are 1=not achieved, 2=partially achieved, 3= largely achieved and 4= fully achieved. For each module project the discreet task outcomes are scored at annual intervals (usually shortly before annual Steering Committee meetings). Theoretically the task scores are then weighted based on the judgment of the project manager and the resulting modular scores are weighted by their budgets in order to arrive at a country score. Country scores may then be aggregated to arrive at an overall portfolio score.

There are a number of advantages to this approach:

- The scores are built up on a task by task basis so that identification of challenges should be high-lighted when there is a wide range of task scores per module
- The system is simple to deploy which should therefore encourage its application
- Weighting by budget is a little more controversial (in so far as some tasks may be easier to achieve than others or be of varying importance to the end result for the whole module), but discrepancies will tend to average out and it has the twin merits of consistency and simplicity
- Progress towards achieving outcomes is tracked from one year to another, which facilitates identification of the fast movers versus the sluggards. One would expect that in general outcome scores should rise over time.

There are some aspects of this approach that could be strengthened.

Consistency and scoring

There seems to be a lack of consistency between project managers in the allocation of task scores both as to number of tasks within a module that are scored, as well as the scores themselves (which in some cases seem overly-optimistic). For example, among the eight countries scored in our Ratings Section about 160 tasks (within modules) were scored by project managers and of these 30, or 19%, attracted a 4 (fully achieved) and within this last number two thirds of the 4 scores were achieved by only two countries (Liberia and Mauritania). Whilst these two countries have made good progress in implementation, so had Senegal which only had four scores at the fully achieved level. The clarity of outcome descriptions also vary: in some cases (e.g. Bolivia) there is confusion between outputs and outcomes, in others the outcomes and related scores are well described and reported (e.g. Liberia).

Realism of scores:

We noted relatively high TTF scores for Liberia, Mauritania and Senegal indicating that most modules were largely achieved and in many cases fully achieved. Yet we know from TA reports and discussions with project managers that Senegal has slid back in many areas (e.g. arrears have more than tripled; LTs remain fragmented; TINs are allocated by three agencies); Mauritania, according to interviews, still has "two feet in the past" and its free trade zone is causing more exemption issues than expected; Liberia to quote from assessments (pre Ebola) still needs "an enormous amount of investment and effort."

Realism of planned time-frames*:*

Typically the projects are planned over a three year period with the outcomes targeted for achievement at varying dates within three years. Some tasks are capable of being achieved fairly comfortably within the time-frame, some of the module 3 tasks for example, involving action plans and design of programs such as audit. On the other hand, some of the procedural tasks and modules require substantial effort by counterpart management and staff, which is often faced with capacity and resource challenges. In addition, there are areas that may be critical to progress but which the IMF and TTF are not mandated to cover e.g. computerization and establishment of ITAS and in depth training of tax administration staff. As a consequence it is likely that most if not all of the countries benefiting from TTF support will require more than three years to achieve planned outcomes. For example, Senegal started with FAD missions back in 2009-10, had nearly completed its three year TTF project and now has been granted a two year extension of that project till 2016-17 with the result that this TA cycle will be in the range of seven to eight years, a time frame which is likely to be appropriate, not unexpected by FAD, and more likely to achieve sustainable results.

Setting target dates and milestones:

Setting target dates for achievement of outcomes is a good practice. In the annual assessments it would be good if an estimate of degree of completion in time could be set against the target dates other than simply the achievement score. There is a risk that with project time frames set at three years, estimates of task completion in some of the more difficult areas could prove optimistic and generate a pressure to record optimistic achievement scores. Whilst the tasks are described for each module, usually with an associated target date for completion, it could be helpful to define milestones for achieving the smaller steps needed to complete the tasks: this would facilitate monitoring but would also help guide recipients in the series of steps that need to be taken for each task.

Only outcomes:

A full results chain would show inputs (weeks of FAD staff and consultancy time); outputs and output measures as well as outcomes. We have tried to address output effectiveness in our evaluation.

Inputs and outcomes by other parties:

Some inputs to tax reform are provided by other parts of the IMF and by other donors. For example, much of the input to reform in Nepal was provided by FAD using funding through the Japan funds; some components of tax administration have been delivered by RTACs such as AFRITAC West and AFRITAC South. The World Bank has been active in funding computerization of tax administrations and the US Treasury has been active in capacity building in some areas, such as audit.

6.2 THE STRATEGIC LOGFRAME

The over-arching objective in the TTF log frame is to "increase revenue mobilization to support fiscal sustainability and long term growth". Below this objective are three additional objectives covering effectiveness, simplicity and efficiency. One of the clear implications in countries with low levels of revenue mobilization is to bring the level of taxes up to a level where most public expenditure needs can be met with a consequent reduction in reliance on foreign aid.

The overall indicator and measure for achievement of these strategic objectives over the long term is the tax: GDP ratio. One of the challenges raised by TTF management is how to link achievements at project level (the bottom-up approach) with the top-down measure of the tax: GDP ratio. One of the difficulties with the tax: GDP ratio is the time needed to detect improvements. For example, according to a paper by Oliver Morrisey[3], the ratio for most low income (about 15%) and lower middle-income countries (about 20%) has remained fairly stable as between 1980 and 2008- remaining at more or less the same level at both ends of that period. Whilst there have been some increases in domestic taxes such as VAT, CIT and PIT this has often been accompanied by an at least as great or even greater decline in trade based revenues. From the same source, it seems that, for example, trade-based taxes accounted for about 40% of revenue in sub-Saharan Africa in 1980 but only about 25% by 2005.

The Strategic log frame design is also intended to aggregate up the achievements from project outcomes which include: the number of countries with resourced reform strategies; transparent tax expenditure reporting; upwards trends in VAT productivity and compliance (filing, debt, and audit); declining trends in collection costs and improvements in taxpayer perceptions of service delivery. The base-lines and sources of measuring many of these indicators could be RA-FIT (see Research section) although it may take some years for many of the TTF countries to collect and submit sufficient data on a regular basis.

6.3 RECOMMENDATIONS

Recommendation 8: Appoint a FAD staff member to oversee each of the annual self-assessments to review reports and judge the adequacy and consistency of achievement scoring. The task should not be too onerous given that there are only about 18 self-assessments per annum. The cost might involve about ten days of staff time per annum and ensure a consistency that present over sight has failed to achieve. Once project managers have benefited from this review mechanism and developed better scoring consistency the procedure could be dispensed with. If this recommendation is not accepted we suggest that a 1 to 2 day workshop is held for project managers using some case study material.

Recommendation 9: Build into the outcomes assessment the achievements of other inputs from the IMF that are outside that of the TTF such as from the RTACs (the RTACS will have their own assessment reports as source material). Whilst it would not be practical to build in the inputs of other donors it would be helpful to update the progress of TA delivered by them into the narrative section of the self-assessment reports.

[3] "Tax performance in low income countries"- Prof.Oliver Morrisey, September 2013

Recommendation 10: Consider longer time frames (even longer than three years) for achieving some of the 3 and 4 level scores. Consider using a range of scores rather than whole numbers e.g. 2.0 to 2.5 for “partially achieved” and 2.5 to 3.5 for “largely achieved”.

Recommendation 11: Consider alternative or supplementary indicator s to the Tax: GDP ratio for building the linkages between the country level outcomes and the strategic log frame. We lack the research basis to positively suggest an alternative, but it seems clear that the existing one is flawed. One possible substitute candidate could be to consider the ratio of domestic (non-trade and perhaps non-resource) taxes to public expenditure (but tax authorities have no control over public expenditures). Another alternative might be the so-called “effort” ratio which seeks to measure the potential tax collections under the tax policies in force at the time against the actual collections (but gathering the data for estimates could be a major challenge in low income, low capacity countries). Another alternative might be to supplement the Tax: GDP ratio with other measures, such as for those allocated against the three other strategic objectives. For example, there does seem to be evidence that progress in VAT productivity, effective risk-based audits, increases in filings and other elements of tax administration do generate increased revenues. As RA-FIT returns become more embedded in the countries covered by the TTF, important parts of this data may be captured. If a country has benefited from a TADAT assessment this may also provide a focus for data measurement relevant to that particular case. (TADAT is a well-designed diagnostic tool which was developed using IMF internal funds, but is now supported in its implementation on a multi-donor basis; several of the donors contributing to TADAT are also TTF SC member countries).

Recommendation 12: The achievement of outcomes is the main measure of a final Effectiveness rating. During the life of a country TA program the measurement of outcomes for the country as a whole is clearly difficult when modules, and tasks within modules, start at different dates, because late starting TA is likely to initially attract lower scores that would drag down the aggregated scores. Aggregation of scores (however weighted) should therefore be post completion of the TA program (at least a year later) either by a post program assessment mission of the TTF or by a suitably briefed regular IMF surveillance mission.

ANNEX I: CASE STUDIES

ANNEX I.1. BOLIVIA

Political instability since 2005 had put on hold cooperation with FAD, however with the re-election of President Morales for a second term, the Ministry of Economy and Finance (MEF) in 2010 announced a modernization plan for the revenue agencies. In April 2010 a FAD mission undertook a comprehensive assessment of the tax and customs administrations where weaknesses and risks to the reform program were identified, and recommendations to strengthen the modernization processes were provided. A second mission in November 2010 prepared a suggested action plan to integrate the tax and customs administrations into a single revenue agency and also recommended that both agencies should, pending a Government decision on integration, continue with their separate modernization programs.

Assistance under the TTF began in FY13 with Module-4 (Tax Administration Organization). It was originally intended that it would support the authorities' intention to move towards integrating their tax and customs agencies into a single body. Technical assistance on tax administration had been delivered prior to the October 2013 Annual Meetings on key issues for the integration process, including project management, defining the integration model, including the degree of autonomy and governance, and the organizational structure. At the request of the Government further work was stopped as plans for integration would be delayed. During the 2013 Annual Meetings it was agreed with the authorities that technical assistance under Module-6 (Enforcement) would be initiated to strengthen the tax administration's ability to encourage and enforce tax compliance. This change was accomplished without changing the overall budget envelope for the TA program. Module-3 (Tax Policy), which was approved in June 2013, continues as planned and complements this revised program.

The audit area (Module 6 – Enforcement) was identified as weak. It lacks specialization in performing audits on large taxpayers in the mining and financial sectors as well as having minimal IT systems support for risk analysis and cross checking internal and external information. The information it does have has data integrity issues.

Other identified areas of weakness in the assessment missions were in organization and human resource management.

Recently the worldwide plunge in energy prices is predicted to drastically affect the revenue of many countries. Bolivia is no exception since a large portion of government revenue is derived from this sector. This may put further pressure on the need for the revenue administration to accelerate plans for modernization and more specifically to focus on audit initiatives and special tax collection programs.

Findings

- Senior management appears committed and motivated and there is a high level Government commitment.
- There have been good outcomes in tax policy. The Tax Policy (Module 3) was launched in FY14 and focused on personal income tax (PIT) with a draft law, international taxation, transfer pricing and assistance in drafting a transfer pricing decree, which has now passed, tax expenditure estimates and a

VAT gap analysis. Advice has also been provided in the area of corporate income tax (CIT) incentives.

- The tax headquarters was visited and the workplace is a relatively modern work environment located in an older building. Salaries are understood to be adequate. At the Ministry level (Tax Policy) the unit is stable with very low staff turnover; this is in contrast to the situation at the tax department HQ where staff turnover is an issue with about 20% - 25% annual staff turnover. It takes about 3 months to fill a position.
- The organization is in transition. There is taxpayer segmentation with three regional large taxpayer offices. During the study a revenue intelligence function was in the process of being created and other units were experiencing staff re-assignment to new positions. Government policy is to expand the tax base significantly, by registering more small taxpayers. This will create both the need for additional staff and further organizational adjustments.
- The quality of TTF advice is considered high by both the Finance Ministry and Tax Department and the multi-year modular approach has been well received. They would appreciate further on-the-job training, particularly in the audit area.
- Efforts at modernizing the existing custom programmed computer system are progressing through other donors, but their assistance is limited only to capital funding, with no technical assistance being provided for utilisation. The TTF is not mandated to provide computerization assistance. There is a TA gap in this area which authorities are filling by studying systems and programs in neighboring countries, which they believe might be comparable to their own needs.
- There is a need for more detailed information to guide the implementation of operational aspects of recommendations. Anecdotal evidence suggests that there are capacity issues, particularly exacerbated by high staff turnover. The broad advice from the TTF is sound but staff is facing difficulties in implementing it.
- Reports and recommendations under the TTF have been communicated to all managers and they are conversant with the reports. There is good internal communication in this regard.
- There is an ongoing need for training, including basic training and advanced training, in a variety of topics, which cannot be met by the TTF and is not being met by other donors. Another donor has been approached for training in transfer pricing as they consider this an area where, despite TTF assistance, more training is required. Training, for example in audit, is conducted by senior managers from HQ; however this removes them from their management role and places an additional burden on them. Similar to many countries, the desired positive effects of training have been diluted for a variety of reasons, such as high staff turnover, with the effect that the current incumbents in many positions have not received training appropriate to their current jobs.
- Specialized audit assistance in transfer pricing, mining, and financial institutions is appreciated. However the production of audit manuals under the TTF is not sufficient on its own and requires additional TA in the practical use of the manuals.
- The concept of fiscal/revenue intelligence, as part of a greater enforcement and effective management of risk, is new to tax administration in Bolivia and requires additional TTF attention to ensure that audit risk management and other functions are implemented in the most effective manner. This includes organization design, detailed descriptions of duties within the organization, and developing an appreciation of the processes and procedures.
- The authorities mentioned that TA delivery is sometimes disruptive to the organization because it occasionally is scheduled by the TTF without sufficient consultation; for example, scheduling of TA

missions at year end is inconvenient to the tax administration due to other Government and revenue priorities.

- The multi-year modular design of the TTF keeps discussion and work focused. The authorities mentioned that it would help TA missions to be even more efficient and effective if weeks before arrival there was more briefing on the mission terms of reference so they could ensure that required information and personnel are available.
- There is minimal attention paid to change management. Significant changes, such as the introduction of specialized audit manuals and changed audit practices, become potentially disruptive.
- Locally based donor representatives are not generally aware of the TTF. Donor coordination seems poor at local level; this finding arose from one of the comments of donors responding to the survey as well as from meetings in Bolivia with donors from Switzerland and Belgium. The project assessments by the TTF tracking the progress towards achievement of outcomes was weaker than most of the others we have reviewed and illustrated a lack of clarity in approach with some confusion over differentiating between outcomes and outputs, which distorted the scoring.

Recommendations

Capacity issues:

The TTF is not mandated to address capacity issues in detail (extensive formal and hands- on training), to support in depth functioning of HR departments, to handle change management, to deliver implementation level training courses or to fund the implementation of a computerized, integrated tax administration system. Institutional strengthening in these areas is therefore dependent on the tax organization's in-house capacity to implement TTF advice and or the support of other donors. In Bolivia's situation, although entry into the tax service requires a university degree and thus it has a highly educated workforce, institutional capacity is never-the-less challenged due to high staff turnover within the tax organization and the continual flow of new persons to positions. It is hypothesized that this could become an even more difficult situation as natural resource revenues decline due to world events and more pressure for tax revenue performance; other donor support is likely to fall short of the organization's needs in the medium term. In order to move some way towards addressing these implementation issues:

The short missions by FAD staff and or STXs could be lengthened by a week or two as they stand they seem insufficient in some cases to support full implementation of recommendations. Recommendations should be accompanied by detailed guidance regarding the "how to" proceed and should also be backed up by a continual dialogue on progress and advice.

Several improvements could be considered:

- Increased contact and follow-up by remote methods- telephone, Skype, etc.
- Building detailed implementation work-plans that derive from TTF recommendations, aligning with the Corporate Strategy and assigning responsibilities and target dates. Essentially the process is to build a bridge between TTF high-level recommendations and the multiple smaller steps needed to implement them.
- Set more modest interim goals for recommendations that build to the achievement of the higher level recommendations and, where the change is judged to be a significant paradigm shift, to allow for the longer lead times likely to achieve effective implementation.

- As a consequence of the last point, extend the duration of the planned TA beyond three years
- Assist efforts to mobilize other donors that are willing and able to fill the gaps left by the TTF and to mobilize donors for the timeframe beyond the TTF three year time table.
- Consider deployment of long term advisors tasked with specifically identified TA tasks; for example, building the audit capacity, which is weak, strengthening insufficiently trained specialist sectors such a mining or banking, assisting with development of risk-based audit case selection, audit programs and annual audit work-plans.

Training and HR:

- The tax administration has a high staff turnover, especially when compared to the Ministry of Economy and Finance, which suggests there are problems that should be addressed. The high staff turnover also creates training needs that should be addressed in a planned, systematic manner. Although the TTF is not mandated to deliver a significant training program, it should be able to assist the authorities in developing their own plan, training priorities and a strategy.
- The TTF may be able to assist in assembling quality on-line training material that tax staff could use to lessen the burden of high-cost classroom training or relying on foreign experts.
- The TTF could assist in developing procedures for archiving training material, from whatever source, into an easily accessible electronic library structure
- The TTF could assist in consolidating and further developing the various training materials within the IMF and RTACs into an electronic reference library with on-line training. This would be especially useful in the audit area, since strengthening this capability is needed in many countries where the TTF is active. This is especially relevant when dealing with the increasingly complex areas of international taxation such as transfer pricing, and developing an understanding of specialized industries such as telecommunications, extractive industries, and financial institutions.
- The TTF could assist with developing generic audit (and tax arrears collection) manuals that could be used both as training materials and as models to be adapted to a Country's circumstances and laws. These would be similar in concept to the model tax laws that were developed by the IMF. These materials could be supplemented by videos and other aids.

Monitoring and results management:

- There needs to be a systematic capture of all recommendations to ensure accessibility, dissemination, action and work planning. Although all staff interviewed were conversant with reports and their recommendations it would assist reporting and systematically tracking progress on TTF recommendations if this was a coordinated tracking by both the tax administration and the TTF back stopper in FAD. The TTF should work with the administration to devise an effective monitoring tool and provide guidance in its application.

Change Management

- Government policy is to significantly increase the tax base by including significantly more small taxpayers in the informal sector. This has the potential to be a paradigm change not only for the tax administration but also for persons who historically have never dealt with the tax system. The challenge will be to change public perceptions. The TTF should work with the authorities to ensure adequate planning, programs, resources, and appropriate tax simplification policies as a mis-step could hurt the credibility of not only the tax administration but also the Government.

Coordination with donors

- Specific mention by the IMF Resident Rep of activities under the TTF at in-country donor meetings would assist with awareness of the program. Where feasible a short briefing could be conducted at the end of technical assistance missions to summarize accomplishments and future recommendations.

Results Chain Structure: Bolivia

The chain shown below was constructed from the TTF's project proposals and annual assessments supplemented by interviews with SIN staff in La Paz, Bolivia. It is important for this exercise to note that a clear concept of outcomes, measures, and performance indicators is problematic when reviewing the documentation. For example the production of an audit document or manual is an important output but the outcome, of actually implementing the manual and verifying its use, is the important measure. As a result the outcomes and measures have been constructed as "illustrative" due to the lack of project definition.

Inputs

Missions from TTF: FAD staff and STXs

Outcomes

Module 3

Exemptions Study accepted by Gov't
Estimates of tax expenditure are applied
PIT law passed by Gov't
Transfer pricing rules put into effect

Module 4

Small business streamlining measures adopted
Audit manuals implemented
HR transparency as new rules approved by management

Module 6

Annual audit work plan incorporates risk management into case selection
Decree issued to give effect to new audit manuals in mining, finance,

Measures

Module 3

Exemptions applied to revenue estimating – use in budget discussion – result in change
Audit assessments made on Transfer Pricing rules

Module 4

Service improvement by reduced time to register a small business
Audit assessments from new audit procedures
Online accessibility to staff of HR rules

Module 6

% of audits selected according to risk
No. of Large case files assigned in accordance with new audit manuals

Assessment and Rating

Module 3

Unable to rate against project inception expected outcome & measures. Drafting laws & papers is work-in-progress at early discussion stage

Module 4

Evidence of implementation is required to demonstrate effectiveness of TA

Module 6

Measurable performance should be determined in consultation with SIN
Risk management requires measures

KEY EVALUATION QUESTIONS AND APPLYING DAC CRITERIA- BOLIVIA

KEQ	Methodology	Comments	DAC Rating
Relevance: Whether the design of the TPA TTF has been and continues to be "fit for purpose"			
To what extent is the TPA TTF addressing beneficiary priorities, Including the involvement of stakeholders in design, and Responding to changes in country circumstances	D,I,CS	The Govt. priorities changed since first engagement. Change was addressed by the substitution of activities in module 6 for the original initial report on preparing for the merger of tax and Customs planned under module 4. The authorities have demonstrated commitment.	2.5
Are the scope and the structure of the TTF, including the module design, adequate for addressing the recipient country's needs? In particular should customs administration continue to be excluded from a future cycle?	D,I,CS	The module design provides for a clear understanding of the bounds of modules and working in a sequenced manner but scope could include more briefing at MOF level to reinforce Govt. commitment to resource support to SIN (TD). The modular design should be cognizant of where support cannot be provided and take the lead in assisting with identifying additional support (i.e. extensive or prolonged training) from others if necessary. Customs administration is not practical given the extent of involvement necessary and availability of other specialized Customs bodies to assist. Better coordination with customs on issues such as taxpayer identification and revenue intelligence could be improved. Cross-cutting organizational issues such as human resources could be harmonized. We do not recommend the inclusion of customs administration.	3
How does the TPA TTF relate to TA delivered from FAD HQ staff and TA delivered by the RTACs and bilateral sub accounts?	D,I,CS	All IMF TA is well coordinated and planned through its various modalities.	3
Overall Score for Relevance			**2.83**
Efficiency: Are activities being steered and implemented efficiently?			
To what extent is the TPA TTF being implemented efficiently, including (i) timely execution of the work plan; (ii) whether the modular design is conducive to efficient use of resources; (iii) whether the quality control and monitoring arrangements are in place and the reporting mechanisms are delivering timely information to stakeholders	D.I.S.CS	The TTF is being delivered in accordance with the work plan and seems timely. SIN capacity is strong but managers are spread thin due to a relatively high staff turnover, which makes time devoted to implementation difficult and continuity a problem. The modular approach seems well suited to breaking down key groups of tasks and appropriately prioritizing and sequencing them; every mission conducts a review of progress made on recommendations delivered by the TTF and reporting to: IMF HQ through BTOs, semi-annually to the Steering Committee, to the recipients through Mission Reports and to FAD division chiefs,irectors and SC donors through the annual self-assessments. There is confusion in reports in distinguishing appropriate outcomes from outputs and measures of success from activities. These could be better articulated. Flexibility has been demonstrated in allowing for work plan adjustments by shifting focus from organization to enforcement.	2.5

KEQ	Methodology	Comments	DAC Rating
Are there any areas where operational efficiency could be improved?		Coordination with MoF and SIN could be improved. Considerable lead time should be considered to ensure counterpart staff are available and dates are appropriate before missions arrive; longer STX visits that involve on-the-job training (audit for natural resources, financial institutions, transfer pricing) where practical OR regular follow-up remotely via Skype or other suitable channels; better continuity of STXs to avoid too much time spent on catching up where different STXs had left off.	2.4
Overall score for Efficiency			**2.45**
Effectiveness: Is the TA under the TPA TTF achieving its outcomes and delivering results?			
Is the TPA TTF Steering Committee an effective tool to steer the program? Do the deliberations of the Steering Committee contribute to the allocation of resources where they can be most effective? **Weighting:5%**	D,S,I,CS	There is little evidence that the Steering Committee steers the program.	2.5
What have been the key results to date under the TPA TTF? **Weighting:25%**	D,I,S, CS	Key results under module for tax policy (module 3) and organization (module 4) have yet to be attained since tax simplification for small taxpayers remains under discussion, transfer pricing rules remain to be drafted although training has been completed, and imposition of personal income tax is under study. Enforcement (Module 6) work is in-progress, although transfer pricing training has been conducted and legislation passed, the enabling regulations remain under discussion. Some recommendations under the TTF contain budgetary implications for SIN which can cause delays in implementation while SIN obtains the necessary resources.	2.5
Is the TPA TTF on track to achieve the results envisaged at the outset of the program? **Weighting:25%**	D,I,S,CS	The indicated time frames remain doubtful since HQ staff is hampered by turnover and other resource issues. This was not indicated as a potential risk during the project inception phase. Additional support from another donor is being sought to enhance the transfer pricing training delivered under the TTF. Measurable results through an audit program may only be available after the current term of the TTF has been completed. Similarly, the results of a tax simplification and small taxpayer registration initiative may be only available at a later time. The revenue intelligence initiative at HQ is only in the formative stage	2.4
Are the monitoring and results based management arrangements of the TTF and the individual TA projects adequate to ensure the program works in the most effective way possible? How could the link between TA projects	D,I,CS	Monitoring arrangements are good, although there is a need for better definition of tasks, and measurable outcomes. The system could be improved by setting date targets for implementation of key outputs and, especially, for key outcomes. The performance indicators need to be geared to each specific task both qualitatively as well as quantitatively; which is lacking where it could be easily appraised e.g. increase in level of filings, level of registrations,	2.5

KEQ	Methodology	Comments	DAC Rating
and the strategic TTF level been strengthened? How are the most recent developments of the RBM system assessed from an effectiveness point of view? **Weighting: 10%**		number of audits, tax collected through audit etc. Progress in the delivery of TA should be by indicators that build towards the strategic level and would be a more reliable set of measures than trying to extrapolate TA to the impact level of Tax: GDP Ratio. The limited engagement of the TTF and long lead times that are inherent (i.e. transfer pricing: training – to enabling law – to implementation of an audit program – to audit results) is unlikely to result in a change in the high level measure of Tax: GDP during the tenure of TTF assistance.	
Have recipient authorities taken the steps to achieve project outcomes and objectives, including follow up to the recommendations made by the IMF? What are the program's strengths and weaknesses? To what extent do actions of recipient countries reflect ownership of the TA projects? **Weighting: 20%**	I.CS	Progress has been made, but is encountering some difficulty. SIN has not been the recipient of assistance from any source for a number of years and has only recently re-engaged. During the intervening years SIN has relied on their own resources to develop processes, and procedures. Senior management is very engaged with recommendations by the TTF but SIN must also resolve the legacy of a lack of interaction and ongoing modernization. The TTF's strengths include the modular approach, but donor coordination could be improved. The TTF should coordinate with SIN to implement a formalized and comprehensive results monitoring system. In addition, key areas such as complex audit issues, will require longer term capacity building, which SIN recognizes, but the IMF / TTF is not mandated to provide. Additionally, the TTF program recognizes HR deficiencies; attaining measurable results could be beyond the terms of engagement under the TTF time frame. It seems that both the MOF and the SIN have a strong commitment.	3.0
How are the main risks to the implementation of TA being handled to maximize effectiveness over the life of the TPA TTF? **Weighting: 15%**	I, CS	The main risks already referred to are in longer term capacity building (including formal training) and allocation of sufficient funding to achieve sufficient technical and human resources. There is also a political risk, evidenced by the change in policy to merge tax and Customs, which was managed by shifting TTF resources without TTF budget consequences. There is a further political risk to implementing personal income tax. There is also an economic risk with the abrupt decline in oil and gas prices, which would cause pressures on tax revenues. The IMF and TTF have no control over any of these risks. TTF has not undertaken any measure to mitigate the longer term training risk.	2
Overall score for effectiveness			**2.48**
Impact: What has changed?			

KEQ	Methodology	Comments	DAC Rating
Have there been any desired or undesired impacts (e.g. improvements in system, procedures, policies etc.) in TA recipients that can be attributed to the TPA TTF TA, or to which the TPA TTF TA has contributed to? Are there cases where the benefits can be quantified in terms of increased revenue?	D,I,S,CS	Impact could take years to demonstrate and attribution would be almost impossible to assess among all the other inputs of TA as well as SIN's own initiatives.	NA

Sustainability; To what extent are changes brought about by the TA likely to be sustained beyond the life of the TPA TTF?			
For projects/modules that have been completed, have the results been sustained? For instance, is there evidence that structures, processes, etc., have been integrated into recipients' institutional arrangements?		No modules are fully completed yet- too early to assess	ND
To what extent has the multi-year/modular design contributed to support the sustainability of interventions?		Prognosis is good and likely to support sustainability, but it is still too early to prove.	ND
To what extent was the TA provided through the TPA TTF is integrated with the IMF's surveillance and lending operations, as well as with country reform agendas?		Bolivia is not involved in a lending operation with the IMF. The TA appears to be in line with the reform agenda.	ND

The overall rating on the DAC criteria on a straight average of the overall ratings score for each of Relevance, Efficiency and Effectiveness is well within the range for "good".

ANNEX I.2. BURUNDI

Background

The Office Burundais des Recettes-OBR, a semi-autonomous revenue authority was established in early 2010 with support from DfID and subsequently Trade Mark East Africa. During the initial staffing phase it was decided that all employees of the former organization would be terminated and they could apply for jobs along with the public. The legacy of this “big bang” approach may be a contributing factor to current and future capacity issues.

Progress has been made, including: improvement of the OBR’s organization; development of a third strategic plan (2013-2017) in line with FAD and TTF recommendations in consultation with the authorities, focusing on maximizing revenue collection and improving compliance; plans for the procurement of an IT system for tax administration to be supported by World Bank and Belgian funding and implementation of improved control systems and procedures.

Despite a series of sound strategic plans, the OBR is a relatively new organization and still evolving in most functions and related procedures. It has no reliable IT system and many of the staff are inexperienced and in need of considerable training. Weaknesses in the tax regime are characterized by low tax compliance, high tax arrears and a weak audit component.

It is with this background that Burundi was designated as a recipient for TA under the TTF, with the main objectives being: reorganization of the tax administration, modernization and simplification of procedures, and the development of a risk-based audit strategy to improve collection of domestic taxes. A multi-year modular approach was planned for Burundi, focusing on tax policy (module 3), organization (module 4), core functions and procedures (module 5), and enforcement (module 6). The TTF TA has now been running for about two years.

The OBR is also receiving TA from Trademark East Africa with long term advisors for a further year, from the US in the area of taxpayer awareness and communication and from the World Bank and Belgium in support of the procurement of an integrated tax administration system (ITAS). Belgium also plans to assist the Ministry of Finance to strengthen its tax policy unit. Both France and Germany are considering providing TA in the near future.

Findings

- Senior management appears committed and motivated. The OBR enjoys attractive employment conditions (among the best paid public sector organization in Burundi) and recruits on a competitive basis. The OBR is a clean institution; corruption is hardly an issue. These features lend stability to the organization, with low staff turnover, but the OBR remains short staffed in several areas, including audit.
- Under tax policy- module 3- a number of issues have been high-lighted: need for dealing effectively with tax credits, reduction in number of taxes, the establishment of a tax policy committee/unit, and reducing exemptions. A tax expenditures estimate has been completed and the excise tax regime analyzed with recommendations for a draft excise law (passage postponed until late 2015 with, at the moment, a likely exemption for the brewery). The tax code has been voted into law and a VAT law has been drafted.

- The organizational changes along functional lines combined with segmentation by taxpayers' size (large, medium, small and micro) are achieved on paper and work practices are evolving.
- The quality of TTF advice is considered high by the OBR and the multi-year modular approach is also well received. Despite this appreciation the OBR considers that, whilst "normative" advice is excellent, they need more help in implementation.
- There is a need for a more detailed step-by step approach to implementing recommendations that recognizes the OBR's capacity issues. Anecdotal evidence suggests that there are significant capacity issues that must be considered and, although the broad advice from the TTF is sound, implementation by the OBR needs considerable strengthening with additional human resources made available.
- Reports and recommendations under the TTF appeared to have not been adequately communicated to Directors and Chefs de Service nor in many cases could mid-level managers identify having met with consultants under this program, other than to lump them in with the many consultants they regularly see. The TTF's procedures for presenting its findings and soliciting comments after each mission are fine; the problem lies with OBR's senior managers in not briefing their downstream colleagues.
- The OBR has a continued need for basic training or advanced training in a variety of topics, which cannot be met by the TTF under its existing mandate nor is sufficiently provided by other donors. As previously noted, there has already been a concerted effort to provide training but, similar to many countries, the desired positive effects have been negated for a variety of reasons, such as through staff rotation and promotions, with the effect that the current incumbents in many positions have not received training appropriate to their current jobs. OBR offers staff incentives to be trainers and has completed a preliminary training needs analysis based on individual skills and comparison with job descriptions; the will is there, but most staff have little time to dedicate to training given the pressure on raising collections.
- The OBR is one of the few revenue agencies (and the only one in the East African Community) that has to manage taxpayer collections, audit programs and other administrative functions without the assistance of a computerized system. Discussions are only now in the early stages to acquire a system. Realistically, it will be several years until it is fully operational. There are also substantial budgetary issues yet to be addressed or estimated, such as the cost of annual operating licenses and system maintenance.
- Monitoring of progress in the tax administration is weak- the motive is there but the OBR claims it needs assistance to develop monitoring and results measurement tools that can be effective. The TTF has provided the OBR with monitoring tools (such as dash boards and basic performance indicators) but the OBR claims they need training in their application.
- The audit function needs a great deal of assistance. The staff complement has been reduced from 30 to 16 because staff has been diverted to focus on collections. The audit manual developed under Trademark Africa TA has not been used (even though approved) on the grounds that it is too complex without further training. Audit staff have so far engaged only minimally in risk-based audits and the OBR claims that in particular the audit staff need training in specialist sectors such as mining, telecommunications and banking (these three sectors contribute more than 80% of all tax revenues) as well as eventually transfer pricing.
- Locally based donors believe that a high priority for tax reform is better coordination between the Ministry of Finance and the OBR. The OBR needs more budget allocation, amid modest signs of political interference.
- Donor coordination appears very good. The Resident Representative office of the IMF leads regular donor coordination meetings and it seems this avoids duplication and keeps the tax

reform agenda firmly high as a priority for TA in Burundi. The German delegation, in our meetings, was clear that TA funding was likely to be available, but needed to be presented with priority project areas.

Recommendations

Capacity issues

The TTF is not designed or mandated to address capacity issues in detail, to support in depth functioning of HR departments to handle change management, to deliver implementation level training courses and hands on training or to fund the implementation of a computerized, integrated tax administration system. Institutional strengthening in these areas is therefore dependent on the OBR's in-house capacity to implement TTF advice and or the support of other donors. In Burundi's case the OBR's in-house capacity remains both weak and stretched; other donor support is likely to fall short of needs in the medium term. In order to move some way towards addressing these implementation issues:

(a). Bolstering the short missions by FAD staff and or STXs which, on their own, seem insufficient to support full implementation of recommendations. Recommendations should be accompanied by detailed guidance regarding the "how to" proceed and should also be backed up by a continual dialogue on progress and advice. This would be a significant departure from the current methodology that was described in numerous meetings "as a two week flurry of activity followed by silence and then an assessment mission eight months to a year later"

Several improvements could be considered:

- Increased follow-up between missions by remote methods- telephone, Skype, etc.
- Building detailed implementation work plans that derive from TTF recommendations that align with the OBR's Corporate Strategy, assign responsibilities and target dates. Essentially the process is to build a bridge between TTF high-level recommendations and the multiple smaller steps needed to implement them.
- Set more modest goals for each of the modules to allow for the longer lead times likely to achieve effective implementation
- As a consequence of the last point, extend the duration of planned TA beyond three years
- Assist efforts to mobilize other donors that are willing and able to fill the gaps left by the TTF
- Consider deployment of longer term advisors tasked with specifically identified TA tasks; for example, building the audit capacity which is weak and insufficiently trained in specialist sectors such a mining or banking and not risk-based. As an example, Liberia benefited from 12 weeks of hands on training in the audit of the telecoms sector by an expert from the Uganda revenue authority.

Training and HR:

- The OBR needs to strengthen its in-house training capacity and develop a training plan that is adhered to and enforced. The TTF may not be mandated to deliver substantial training itself, but it should be able to assist the OBR in developing its own plan and training priorities inkey topics.
- The TTF may be able to assist in assembling quality on-line training material that OBR staff could use to lessen the burden of high-cost classroom training and reliance on foreign experts.

- The TTF could assist in developing procedures for archiving training material from whatever source into an easily accessible electronic library structure
- The TTF could assist in the development of terms of reference for applications by the OBR to other donors to support training

Computerization

There is a limit to the pace at which the tax authorities in Burundi can improve tax collections by virtue of their lack of automation. This limit poses a risk to the sustainability of TTF advice as well as clearly impacting on the efficiency and resource needs of the OBR. The World Bank and Belgium have agreed to fund the acquisition of a computerized system. The TTF should consider whether it should assist the tax authorities in the following areas:

- Ensuring that, once a system has been selected, existing manual procedures are amended and aligned for a smooth transition to automation. Before OBR is able to specify what fundamental processes are computerized there must be a foundation to work from and therefore support should be focused on assisting with explaining already recommended processes and procedures, adjusting where necessary, and implementing them through a detailed work plan. This will require coordination with the World Bank and other donors.
- Ensuring that a transitional management team are in place in the OBR to oversee and implement change
- Ensuring that all funding issues are allowed for that are over and above procurement and installation of a computerized system e.g. the annual licence fees which can be very substantial

Monitoring and results management:

- There needs to be a systematic capture of all recommendations to ensure accessibility, dissemination, action and work planning. An OBR manager needs to be assigned the task of cataloguing all TTF recommendations as well as those arising from other donor TA. The catalogue of recommendations needs to record assigned management responsibilities for implementation, estimated target dates for completion, references and links to the source documents of the recommendations. The catalogue should be reviewed monthly and reported back to the TTF back stopper in FAD. The TTF should advise on the design and format of the information to be captured.
- The TTF should advise the OBR in how to use and modify the monitoring systems and tools that they have already provided. The recommendations catalogue will initially cover modules 3,4,5 and 6 and for each of these the OBR should define planned outcomes and target dates for each of the detailed implementation steps with, where feasible, quantifiable measurements of progress against a starting base line of data.

Coordination with the MOF:

Several donors emphasized the importance of improving communication and coordination between the OBR and the Ministry of Finance. The TTF could take a lead in this process in order to ensure:

- Continued integrity of the OBR operations
- Awareness for the OBR of the rationale behind tax policy

- Awareness of the MOF of the revenue enhancement processes and potential of the OBR through implementation of the recommendations made by the TTF (and other donors)
- Awareness of both MOF and OBR on the need for improved taxpayer awareness
- Awareness of the MOF of the resource and related budget needs of the OBR
- The TTF should cooperate with the Belgian donor in its plans to support strengthening of the tax policy unit within the MOF.

Results Chain Structure - Burundi

The chain shown below was constructed from the TTF's project proposals and annual assessments supplemented by interview of OBR staff in Bujumbura. The chain illustrates that a clear concept of "outcome" is still missing in some cases e.g. the design of compliance performance indicators, the design of an audit program and the design of a collection enforcement system are important output targets, but the use and embedding of such outputs in institutional practices would be the outcomes.

INPUTS
2014- 3x FAD/4X STX
2015/16 4xFAD/8XSTX

OUTCOMES
MODULE 3
Tax spending assessment
Streamlining exemptions regime
Reform of excise taxes
Review of Mining code

MODULE 4
Function-based HQ
Restructured office network-LTO, MTO STO
Good regional network

MODULE 5
Reliable master file and self assessment procedures for all taxpayers
Payment through banking system for LTs and MTs

MODULE 6
Enforced registration and filing
Prioritised arrears collection
Risk-based auditing

MEASURES (VIs)
MODULE 3
(1)Expenditure clearly estimated and regularly assessed
(2).Exemption regime limited and monitored
(3)Excise taxes implemented
(4)New Mining Code adapted

MODULE 4
(5).Sound fuction-based HQ
(6)Taxpayer segmented LTO, MTO, STO

MODULE 5
(7)New registration system in place
(8)No. taxpayers rises by 20% (2014)
(9)No. taxpayers rises by 30% (2015)
(10)E-payment by LTs and MTs

MODULE 6
Performance indicators to monitor increase in compliance
Compliance rate of MTs to rise from 75 to 95%
Collections enforcement and reduce arrears by 20%
Increase audit cover of LTs by 10% and of MTs by 5%
Designed audit program

ASSESSMENT AND RATING
MODULE 3
(1)Estimated at 1.45% of GDP
(2)Joint API/OBR exemptions Committee but only that so far
(3)Draft Excise Law with Govt.
(4)There is a new Mining code Oct 2014- largely due to World Bank

MODULE 4
(5)Program needs more focus on outcomes of core functions
Staff issues and procedures weak
(6)LTO/MTO set up with operating thresholds but management needs strengthening and LTs outside capital need to be covered. here is a regional organisation structure (N,E,S & C) and now trying to establish software links

MODULE 5
(7)New registration system in place
(8)No. taxpayers rises by 20%
(9)No.of taxpayers rises by 30%
(10)E-payments of taxes by LTs and MTs
Average increase in new taxpayer registration is > 10% but still need to fiscalise. Localisation required field trips! E-payment is some way off because the banks are not automated.

MODULE 6
No progress on performance indicators. Limited progress on MT compliance. arrears calimed for LTs but in any event 95% of arrears are non-collectible. There are no risk-based audits. There has been an increase in audits. the audit manual is not used

KEY EVALUATION QUESTIONS AND APPLYING DAC CRITERIA- BURUNDI

KEQ	Methodology	Comments	DAC Rating
Relevance: Whether the design of the TPA TTF has been and continues to be "fit for purpose"			
To what extent is the TPA TTF addressing beneficiary priorities, Including the involvement of stakeholders in design, and Responding to changes in country circumstances	D,I,CS	The priorities are clearly set out in the five year strategic plan prepared before commencement of the TTF. The authorities participated actively in preparing the strategy and have demonstrated commitment at both MOF and OBR levels and are broadly monitoring progress against the strategy	3.6
Are the scope and the structure of the TTF, including the module design, adequate for addressing the recipient country's needs? In particular should customs administration continue to be excluded from a future cycle?	D,I,CS	The module design seems to be working well in terms of breaking down delivery of objectives in a sequenced manner and in enabling clear coordination of other donor inputs, but scope could include more briefing at MOF level as well as OBR level to reinforce Govt. commitment to resource support. Including customs administration is not practical, given the magnitude of the task on tax and this area is also well supported by Trademark Africa. Better coordination with customs on issues such as taxpayer identification could be improved and TTF is recommending this to the OBR.	3.3
How does the TPA TTF relate to TA delivered from FAD HQ staff and TA delivered by the RTACs and bilateral sub accounts?	D,I,CS	All IMF TA is well coordinated between its different modalities. Most of the TA is now delivered by the TTF but the RTAC advisor has been engaged for TA on performance criteria and VAT refund procedures.	3.5
Overall Score for Relevance			**3.5**
Efficiency: Are activities being steered and implemented efficiently?			
To what extent is the TPA TTF being implemented efficiently, including (i) timely execution of the work plan; (ii) whether the modular design is conducive to efficient use of resources; (iii) whether the quality control and monitoring arrangements are in place and the reporting mechanisms are delivering timely information to stakeholders	D.I.S.CS	The TPA TTF is being delivered in accordance with the work plan and seems timely, given that the OBR needs to have time to absorb and start implementing recommendations; the modular approach seems well suited to breaking down key groups of tasks and appropriately prioritizing and sequencing them; every mission conducts a review of progress made on recommendations delivered by the TTF and reporting: to IMF HQ through BTOs, semi-annually to the Steering Committee, to the recipients through Mission Reports and to FAD division chiefs, directors and SC donors the annual self- assessments of results . But there has been substantial slippage by	3.0

KEQ	Methodology	Comments	DAC Rating
		the OBR in implementing recommendations without a responsive enough change in TA delivery as against the original work plan. More flexibility is needed (resource permitting) to allow for work plan adjustments so that TA is delivered where most needed, even repeating earlier assistance where necessary. Given the implementation challenges it may be that efficiency would be better served by allowing more time for implementation i.e. more than three years.	
Are there any areas where operational efficiency could be improved?		Adjusting TA time committed to the absorptive and implementing capacity of the OBR as the project evolves; longer STX visits each time and or regular follow-up remotely via Skype or other suitable channel; better continuity of STXs to avoid too much time spent on catching up where previous and different STXs had left off.	3.0
Overall score for Efficiency			**3.0**
Effectiveness: Is the TA under the TPA TTF achieving its outcomes and delivering results?			
Is the TPA TTF Steering Committee an effective tool to steer the program? Do the deliberations of the Steering Committee contribute to the allocation of resources where they can be most effective? Weighting:5%	D,S,I,CS	There is little evidence that the Steering Committee steers the program.	2.5
What have been the key results to date under the TPA TTF? Weighting:25%	D,I,S, CS	Largely the key results have been obtained under the module for tax policy (module 3) and organization (module 4). Even under module 4 work remains to demarcate large taxpayers from medium and small even though large and medium taxpayer offices have been established. In other procedural areas (modules 5 and 6) much remains to be done. The early signs are not encouraging for completing the targets set for the TA in 3 years, largely because the OBR staff are stretched and need a great deal of budgetary support (from MOF), training and longer term capacity building; in addition the OBR is severely handicapped by a lack of a computerized system (which will take three or more years to become operational)	2.5
Is the TPA TTF on track to achieve the results envisaged at the outset of the program?	D,I,S,CS	Not in the time frame and with the resources originally planned. There is progress and the TTF advice has been	2.2

KEQ	Methodology	Comments	DAC Rating
Weighting:25%		much appreciated and praised but the OBR lacks automation, adequate budgets for staff resources, and needs far more training and capacity building.	
Are the monitoring and results based management arrangements of the TTF and the individual TA projects adequate to ensure the program works in the most effective way possible? How could the link between TA projects and the strategic TTF level been strengthened? How are the most recent developments of the RBM system assessed from an effectiveness point of view? Weighting: 10%	D,I,CS	Monitoring arrangements are good, sufficiently detailed and progress against key mission tasks is reported back to HQ after each mission and eventually (about 45 days later) to the OBR. The system could be improved by setting better date targets for implementation of key outputs and, especially, for key outcomes. The performance indicators need to be geared to each specific task both qualitatively as well as quantitatively; the latter is sometimes lacking where it could be easily appraised e.g. increase in level of filings, level of registrations, number of audits, tax collected through audit etc. Progress in the incremental areas referred to as examples above should also be indicators that build towards the strategic level and would be a more reliable set of measures than trying to extrapolate TA to the impact level of Tax:GDP Ratio (which in Burundi's case has actually declined despite improvements in the management of tax collection).	3.0
Have recipient authorities taken the steps to achieve project outcomes and objectives, including follow up to the recommendations made by the IMF? What are the program's strengths and weaknesses? To what extent do actions of recipient countries reflect ownership of the TA projects? Weighting:20%	I.CS	The OBR has lacked capacity. Great efforts have been made to follow TA recommendations and some progress has been made- but the progress is behind plan; staff has been re-allocated to address pressure on collections and other areas such as audit and enforcement have been adversely affected. The OBR is also suffering from a lack of automation (the only member of the East African Community-EAC- not to have any computerization). The program's strengths include the modular approach, strong donor coordination, well-designed results monitoring system and a medium term approach to delivering and implementing TA. The weakness is that faced with a challenging environment like Burundi, there is insufficient flexibility to allow enough adjustment to the intensity and quantum of TA needed over perhaps a longer term. In addition in key areas of need, such as longer term capacity	2.0

KEQ	Methodology	Comments	DAC Rating
		building, strengthened HR and computerization, the IMF is not mandated. Without these TA needs covered, the value of the TA delivered by the TTF is also eventually at risk of erosion. It seems that both the MOF and the OBR have a strong reform commitment.	
How are the main risks to the implementation of TA being handled to maximize effectiveness over the life of the TPA TTF? Weighting:15%	I, CS	The main risks already referred to are in longer term capacity building (including formal training), allocation of sufficient funding to achieve sufficient technical and human resources, and computerization. The IMF and TTF have no control over any of these risks; they can only report to the MOF on budget needs and encourage and liaise with other donors for more capacity building and computerization TA. The World Bank is planning to fund the setup of computerization.	1.5
Overall score for effectiveness			**2.2**
Impact: What has changed?			
Have there been any desired or undesired impacts (e.g. improvements in system, procedures, policies etc.) in TA recipients that can be attributed to the TPA TTF TA, or to which the TPA TTF TA has contributed to? Are there cases where the benefits can be quantified in terms of increased revenue?	D,I,S,CS	Impact could take years to demonstrate and attribution would be almost impossible to assess among all the other inputs of TA as well as the OBR's own initiatives. The examples given in the KEQ are more appropriately described as outcomes rather than impact	NA
Sustainability; To what extent are changes brought about by the TA likely to be sustained beyond the life of the TPA TTF?			
For projects/modules that have been completed, have the results been sustained? For instance, is there evidence that structures, processes, etc., have been integrated into recipients' institutional arrangements?		Not completed yet- too early to assess	ND
To what extent has the multi-year/modular design contributed to support the sustainability of interventions?		Without a multi-year modular approach the risk of sustainability would be very high. But it is still too early, after barely two years of the program, to judge	ND
To what extent was the TA provided through the TPA TTTF is integrated with the IMF's surveillance and lending operations, as well as with country reform agendas?		We have not covered this area sufficiently to judge, although the TA is in line with the reform agenda.	ND

The overall rating on the DAC criteria on a straight average of the overall ratings score for each of Relevance, Efficiency and Effectiveness is 2.93 well within the range for "good".

ANNEX I.3. MYANMAR

The Myanmar case is unique among the countries within the TTF portfolio in that it involves assistance to help the country to build tax policy and administration effectively from scratch. The main thrust of the TTF engagement so far has been to assist at a strategic level, so that most of the TA has been aimed at modules 1 and 2 with some of the later procedural modules only recently started. The TTF has succeeded in building a strong and mutually trusted relationship with the authorities in Myanmar, thereby laying a strong foundation for the years of work ahead. If the reform enthusiasm of the authorities is sustained, it seems most likely that the reform strategy will be successfully implemented.

The aim of the reform program is to modernize the tax system and its administration which, during the initial assessment stages for both tax policy and tax administration, recognized that the time necessary to achieve a modern system would extend well beyond the initial three year TTF program. Additionally, to fulfill the reform agenda would involve significant TA from both FAD and other development partners. TTF support includes most modules, including Revenue Strategy (Module 1), Reform Management (Module 2), Tax Policy (Module 3), Tax Administration Organization (Module 4), and Procedures (Module 5). So far Myanmar is the only country where TTF has placed a full-time resident advisor. The advisor has primary responsibility for supporting the completion of module 1 and the delivery of modules 2 and 4. He also provides in-country co-ordination for all modules and liaises with the other development partners.

Initially there were two overlapping assessment missions; one concerned with tax policy and the other with tax administration. The tax policy mission recommended changes that followed a proven strategy to improve an existing commercial tax regime in preparation for a future VAT implementation and other policy reforms. The administrative reforms broadly outlined the options and indicated a preferred approach.

The Government should be commended for boldly pursuing an ambitious reform program. The initial administrative reforms recommended in late 2012 were perhaps too ambitious; to their credit, by early 2014, the Internal Revenue Department (IRD) recognized that the reform agenda was not progressing as smoothly as anticipated. The IRD asked the TTF to review progress and design a technical assistance program focusing on reform governance, headquarters design and new procedures needed to support establishment of the large taxpayer office.

Approximately seven months has elapsed since the TTF presented the TA program to IRD and this case study was initiated; during this time, work has progressed on implementing the recommendations. The IRD has demonstrated strong positive action towards implementing the revised reform agenda. In our case study meetings it was clearly evident that IRD and Government officials are sincere in their desire to pursue the modernization of tax policy and tax administration.

Findings

- The quality of TTF advice is considered high by both the Finance Ministry and Tax Department and the multi-year modular approach has been well received. Furthermore, the presence of a resident advisor is appreciated as he is readily accessible to help with all issues.

- The multi-year modular design of the TTF for a large reform initiative such as Myanmar assists with keeping the scope of the reform program well focused on following the agreed strategy. Policy recommendations clearly articulate a series of recommendations and an appropriate sequencing. The TTF assisted with the development of the tax reform strategy, which remains to be finalized with the Government. There has been some simplification of personal and commercial taxes, although more work is needed to refine their implementation.
- The resident advisor approach is unique within those countries served by the TTF and is welcomed by IRD and the Ministry of Finance. It is an appropriate mechanism in garnering trust, providing frequent assistance on all reform issues and related implementation challenges as they arise, and assisting with keeping the reform agenda on track.
- All persons interviewed are eager to learn and apply their acquired knowledge. This desire to reform is translated into rapid changes that may not be completely as planned, but the spirit of change is to be commended.
- Developing an understanding of taxation principles, and administrative concepts remains a work-in-progress. To the credit of the Government, some programs have been developed to inform the public, and also to begin an early understanding of taxation in the schools e.g.- comic books have been developed
- Other development partners have a significant role in the reform program. Most notable are the Office of Technical Assistance – US Treasury, for their lead role in the Large Taxpayer Office, and the World Bank for the forthcoming assistance in computerization. Other donors are also active; however, this assistance could be better coordinated with the reform agenda and the more immediate needs.
- There is, at present, limited computerization. Most computers are used for word processing and relatively simple spreadsheets at headquarters. Due to the limited availability of Tax Department computers personal computers are often used.
- The Tax Department on its own initiative and funds has hired a local IT firm to develop a basic taxpayer registration system with some capability for tax return filing. The OTA advisor has been consulted to a limited extent.
- Capacity issues, combined with translation needs, suggests that the TTF TA need longer than two week missions to ensure sufficient time for absorption of the advice and recommendations delivered. The LTX advisor provides a crucial role in being available to answer questions after the TA mission has concluded.
- The organization is in transition, with design a work-in-progress. Some achievements have been made and staff re-assignments implemented. However, there remains some overlapping and duplication of duties that require further adjustments. Similar to many tax organizations, achieving the final goal can be a protracted process of reorganization.
- The administrative steps and associated planning to achieve high level TA recommendations is not clearly understood, mainly due to a lack of administrative capacity and the rotation of staff through different positions. Another challenge for the Tax Department is to relocate staff to

positions in headquarters, because there is a lack of facilities for families, so working spouses can be separated from their families. The present policy is that staff is assigned to headquarters on a rotational basis. With the result that many of the staff we interviewed had only been at HQ for no more than nine months.

- Developing audit knowledge and skills is ongoing. Anecdotal evidence suggests taxpayer records are still rejected in some cases, with staff reverting to former assessing practices. Exacerbating the practice, is the perception that taxpayer appeals against this practice are ineffective. This anecdotal evidence further suggests that fundamental cultural attitudes of tax officials remain to be changed.
- Staff, especially at senior levels, is often pressed for time to attend TTF - TA briefings/ training/ meetings due to other job demands.
- The Tax Department does not have a physical training facility but does have a separate training directorate where staff is assigned on a 2 year basis There is substantial room for improvement in the development of change management techniques, which are poorly understood.
- The need for training in a wide range of areas was expressed in our interviews, including the desire to learn English so that staff can better understand and communicate with advisors, basic international taxation practices, basic audit techniques, advanced audit, including computer audit, management training, supervisory training, legal training and computer training. The general view was in-country training is preferable to external courses because more participants can be trained. The perception was that overseas training was often ineffective or at best inefficient, because those selected are often transferred on their return to different tasks.
- The staff view was that there are constraints and challenges to achieving reforms. Most notable are lack of computer knowledge and the education and experience in tax administration of management and staff, many of whom are drawn from other non-tax related areas of Government. The staff experience time constraints in attending training and meetings; they lack knowledge about other tax systems, a general overview of their tax administration and how the functions within the organization should work.
- There is currently a relatively large Commercial Tax Directorate within the Tax Department. There has been minimal communication within the organization about the reform agenda and it appears largely not understood. Although VAT implementation has been announced for 2018, it is likely to require substantial TA to build the implementation capacity needed.

Recommendations

The recommendations below, while in the context of Myanmar, have implications for the wider TTF program and are incorporated into broader recommendations for consideration in the future phase(s).

Capacity

- The acknowledged need for substantial capacity building will require an extension of the TTF engagement beyond the present three year program. We suggest that planning the TA for the longer term should commence soon in consultation with the authorities.

- TA missions will often need to be longer than two weeks to address the extensive capacity issues including the translation requirements to enable staff to absorb the TA delivered. Further measures are necessary that may include:

    - Developing reports in a format that is easily accessible electronically;

    - Increased contact and follow-up by the resident advisor who could in-turn, with TTF approval, maintain contact with experts where necessary;

    - Detailed information to guide the implementation of operational aspects of recommendations is necessary. The TTF acknowledges there are capacity issues, and although the broad advice is technically sound, capacity issues limit the ability to develop a planned approach to implementation of the intermediate steps that are necessary. Recommendations should be expanded into a detailed "how-to" series of step-by-step actions to achieve the desired implementation actions in a timely manner and monitored through detailed work plans developed in consultation with the authorities. This will take additional time and fits with the above recommendation to extend the mission periods.

    - TA provided on all modules should directly involve the resident advisor (with time allotted) so that he is well versed to continue a dialogue with the authorities when necessary;

    - Recommendations may represent a paradigm shift in tax policy or administration and should allow for the longer lead times likely to achieve effective implementation;

    - The availability of the resident advisor to be consulted on a daily basis and on a variety of reform and administrative issues provides a significant benefit to both increasing the capacity of headquarters staff and guiding reform. The resident advisor position should be continued.

Monitoring and results management

- Reports and recommendations under the TTF are generally communicated to managers, however staff rotation and promotion limits the institutional memory concerning these TA reports. Additionally, progress on report recommendations is mainly manually tracked by the Tax Reform Project Unit (TRPU), although some staff is trained in the use of MS Project. The TTF could assist with developing and implementing a computerized tracking tool that would facilitate monitoring progress on TTF recommendations and also consolidating recommendations made by other development partners. Such a tool would assist in providing a complete picture of recommendations and also assist with donor coordination.

Training

- Training needs are significant. It is not within the scope of the TTF to deliver a significant training program, nor to repeat multiple times any training that is delivered on the scale that may be necessary. The TTF should be able to assist the authorities in developing their own plan and training priorities and assist with locating and coordinating other development partners to achieve the plan;
- The TTF may be able to assist in assembling quality on-line training material that tax staff could use to lessen the burden of high-cost classroom training or relying on foreign experts;
- The TTF could assist in developing procedures for archiving training material from whatever source into an easily accessible electronic library structure.

Change Management

- Reform involves significant changes that are not only technical but also in changing attitudes both internally to IRD and with the public. Although the focus of the TTF is largely technical, expertise in assisting the authorities to develop a comprehensive change management strategy and implementation work plan is strongly recommended. This plan should be regularly reviewed and adjusted;
- The change management strategy should also involve the assistance of other donors in its preparation;
- The change management strategy should become the responsibility of the TRPMU to take an active role in monitoring activities and assessing progress.

Coordination with donors

- The needs of a large tax reform program are many and since there are already many donors active in the tax sphere in Myanmar, coordination of effort is essential to reduce duplication and the potential for confusion. Donors should be encouraged to coordinate efforts for the achievement of the Tax Department's Strategic Plan. In some instances, other assistance may be offered that is not within the scope of the plan or the timing of the assistance is not appropriate. The IRD should be encouraged to maintain their focus on the achievement of their reform strategy.

Corruption

- The stated position of the Government is to combat corruption. Although not currently contemplated, early assistance in designing systems and procedures as well as an initial small trained cadre of staff in anti-corruption detection would have a long-term benefit and set the tone for the organization.

Results Chain Structure – Myanmar

Under the IMF system: 4=Fully achieved; 3= Largely achieved; 2=Partially achieved and 1=not achieved. The chain shown below was constructed from the TTF's project proposals and annual assessments supplemented by interviews with tax management and staff in Myanmar.

Inputs	Outcomes	Measures	Assessment and Rating
InputsTTF Missions including FAD staff, STXs and an LTX	**Module 1** Reform framework accepted by gov't Donor coordination Counterparts assigned by TD	**Module 1** President approves. Regular All-donor briefing and coordination with Strategic Plan Regular Steering meetings	**Module 1** Framework implementation requires stronger change management Donor coordination beyond OTA & WB is elusive Steering is overly ambitious when capacity issues are a challenge
	Module 2 TRMPU established and adequately staffed	**Module 2** Regular meetings & active outputs Effective monitoring recommendations system	**Module 2** TRMPU staff tenure in TD is short & capacity needs are great
	Module 3 Overhauled commercial tax plan accepted Draft Excise Tax law accepted Central exemption authority established Income tax plan accepted VAT policy accepted VAT draft law	**Module 3** Commercial tax plan released Excise law submitted to legislators First exemption files reviewed Income Tax law submitted to legislators	**Module 3** Rush to implementation without considered change management plan could harm reform efforts
	Module 4 LTO implemented HQ redesign accepted	**Module 4** Enabling decree for LTO LTO office established LTO files allocated HQ plan approved Change Management plan approved	**Module 4** Implementation requires continued focus of LTX to reinforce managing the transition
	Module 5 Analysis of LTO population by segment and locations Tax procedure code adopted Tax returns based on self-assessment	**Module 5** Files transferred to LTO Tax procedure Code change management plan implemented First self-assessed tax returns accepted	**Module 5** Capacity issues are large requiring ongoing support beyond TTF scope Achievement may be overly optimistic and need to provide incremental measures of success to be rated against

KEY EVALUATION QUESTIONS AND APPLYING DAC CRITERIA- MYANMAR

KEQ	Methodology	Comments	DAC Rating
Relevance: Whether the design of the TPA TTF has been and continues to be "fit for purpose"			
To what extent is the TPA TTF addressing beneficiary priorities, including the involvement of stakeholders in design, and responding to changes in country circumstances	D,I,CS	The Govt. priority is implementation of reforms quickly. TTF should attempt to offset this desire with a change management strategy for each significant recommendation. The reforms agenda is broad but after decades of isolation there is limited counterpart capacity and experience. In recognition of the reform agenda and country limitations the TTF has an in-country LTX advisor. There are "gaps" with the modular design, for example being able to respond to widespread long term training needs or computerization, which is needed to address sustainability.	3.5
Are the scope and the structure of the TTF, including the module design, adequate for addressing the recipient country's needs? In particular should customs administration continue to be excluded from a future cycle?	D,I,CS	The modular design provides for a clear understanding of the bounds of modules and working in a sequenced manner but, due to the large capacity gap, the rigid design of the sequencing can be problematic. There are many issues in a sweeping reform that may not be in the envisaged sequencing or are beyond the bounds of the modules. The modular design should be cognizant of where support cannot be provided and could take a lead in assisting with identifying additional support (i.e. extensive or prolonged training) from others where necessary. Regular briefing at MOF level to reinforce recommendations and a better understanding of them could assist the Tax Dept. to obtain resource support and implement a change management strategy. Customs administration reform is not practical given the extent of the reform agenda in tax. It could be more efficient and effective to coordinate efforts with other specialized Customs bodies to assist with Customs reform and cross-cutting organizational issues such as human resources could be harmonized.	3.0
How does the TPA TTF relate to TA delivered from FAD HQ staff and TA delivered by the RTACs and bilateral sub accounts?	D,I,CS	All IMF TA is delivered now through the TTF.	NA
Overall Score for Relevance			**3.25**
Efficiency: Are activities being steered and implemented efficiently?			
To what extent is the TPA TTF being implemented efficiently, including (i) timely execution of the work plan; (ii) whether the modular design is conducive to efficient use of resources; (iii) whether the quality control and monitoring arrangements are in place and the reporting mechanisms are delivering timely information to stakeholders	D.I.S.CS	The TTF is being delivered in accordance with the work plan and seems timely, but Tax Dept. capacity is weak and exacerbated by the rotation of staff through headquarters. The instability of an organization in transition, where the organizational design remains a work-in-progress, is an issue. The presence of the LTX advisor is both necessary to keep the reforms on track and to provide ongoing continuity with recommendations and daily advice on all tax issues. The LTX is essential to building a trusted rapport. This is appreciated by the authorities. Language continues to be a barrier as English is not widely understood and meetings must use a translator. This slows meetings and hinders efficiency and effectiveness of STX missions due to	2.5

KEQ	Methodology	Comments	DAC Rating
		time constraint and is further hindered by capacity issues where basics have to be instilled before the essence of the recommendations can be discussed. The LTX advisor has an important role ensuring the recommendations are repeated and illustrated through practical examples as often as necessary. The modular approach seems well suited to breaking down key groups of tasks and prioritizing and sequencing them. There are many donors active in tax reform, which has the potential for overlap and confusion. Current tracking by the Tax Department is a manual process which, due to its very nature, is susceptible to errors and omissions. There could be better tracking of recommendations, time frames, measurement, and results by the Tax Dept. with a jointly TTF and Tax Dept. developed tracking and reporting tool. All recommendations from all donor activities could be more efficiently tracked and coordinated. This could be the mechanism to delivery timely progress information to all stakeholders.	
Are there any areas where operational efficiency could be improved?		Coordination with all donors is necessary. There is the potential for duplication or contradictions to occur. Agendas of some donors may not coincide with the Strategic Plan. The physical separation of HQ, where the LTX adviser is situated in a distant city, from the largest administrative tax offices where most donor activities occur, can impede a reform dialogue and the presence of the OTA LTX is critical. Language is a barrier that impedes a continual or informal dialogue. Language issues also limit the efficiency of STX missions as additional time needed, slows the process.	1
Overall score for Efficiency			**1.75**
Effectiveness: Is the TA under the TPA TTF achieving its outcomes and delivering results?			
Is the TPA TTF Steering Committee an effective tool to steer the program? Do the deliberations of the Steering Committee contribute to the allocation of resources where they can be most effective? Weighting:5%	D,S,I,CS	There is little evidence that the Steering Committee steers the program.	2.5
What have been the key results to date under the TPA TTF? Weighting: 25%	D,I,S, CS	Key results under all modules remain a work-in-progress. Authorities have demonstrated a strong willingness to implement recommendations but insufficient change management plans and internal discussion, supplemented by additional/continual advice, may have been sacrificed by the rapid implementation. This limits the effectiveness of change. Some recommendations under the TTF contain budgetary implications for the Tax Dept. which can cause delays in implementation while the Tax Dept. obtains the necessary resources.	2.5
Is the TPA TTF on track to achieve the results envisaged at the outset of the program?	D,I,S,CS	The original program design was overly ambitious and also underestimated the capacity issues. It is very doubtful that the program results at the	2.0

KEQ	Methodology	Comments	DAC Rating
Weighting:25%		beginning of the TTF can be achieved in three years. Measurable results through an audit program may only be available after the current term of the TTF has been completed. Similarly, the results of a tax simplification and small taxpayer registration initiative may be only available at a later time. The revenue intelligence initiative at HQ is only in the formative stage.	
Are the monitoring and results based management arrangements of the TTF and the individual TA projects adequate to ensure the program works in the most effective way possible? How could the link between TA projects and the strategic TTF level been strengthened? How are the most recent developments of the RBM system assessed from an effectiveness point of view? Weighting: 10%	D,I,CS	Monitoring arrangements are good, although there is a need for better definition of tasks, and measurable outcomes. The system could be improved by setting date targets for implementation of key outputs and, especially, for key outcomes. The performance indicators need to be geared to each specific task both qualitatively as well as quantitatively e.g. increase in level of filings, level of registrations, number of audits, tax collected through audit etc. Progress in the delivery of TA should be measured by indicators that build towards the strategic level and would be a more reliable set of measures than trying to extrapolate TA to the impact level of Tax: GDP Ratio. The limited engagement of the TTF and long lead times that are inherent in implementation (e.g. transfer pricing: training – to enabling law – to implementation of an audit program – to audit results) are unlikely to result in a change in the high level measure of Tax: GDP during the tenure of TTF assistance.	3
Have recipient authorities taken the steps to achieve project outcomes and objectives, including follow up to the recommendations made by the IMF? What are the program's strengths and weaknesses? To what extent do actions of recipient countries reflect ownership of the TA projects? Weighting: 20%	I.CS	Progress has been achieved but there is some difficulty in accepting the needed change management to address the capacity issues, public scepticism of reforms and tax employee attitudes. Management is very engaged with TTF recommendations but must also resolve the legacy of decades of isolation. The TTF's strengths include the modular approach, but donor coordination needs improvement to ensure delivery of assistance is suitable to capacity and current needs. Key areas in capacity building, beginning with tax concepts through to more advanced topics will require longer term training , which the Tax Dept. recognizes, but the IMF / TTF is not mandated to cover. It seems that both the MOF and the Tax Department have a strong commitment to implementing the reform agenda.	3
How are the main risks to the implementation of TA being handled to maximize effectiveness over the life of the TPA TTF? Weighting: 15%	I, CS	The main risks already referred to are in longer term capacity building (including formal training) and allocation of sufficient funding to achieve sufficient technical and human resources. There is also an acknowledged political risk. There is also an economic risk due to oil and gas revenue which could cause significant domestic tax policy and enforcement swings to adjust for current and dramatic price changes. Should oil and gas revenues become a major feature of tax revenue, other reforms	2.5

KEQ	Methodology	Comments	DAC Rating
		could be ignored. The IMF and TTF have no control over any of these risks	
Overall score for effectiveness			**2.45**

Impact: What has changed?			
Have there been any desired or undesired impacts (e.g. improvements in system, procedures, policies etc.) in TA recipients that can be attributed to the TPA TTF TA, or to which the TPA TTF TA has contributed to? Are there cases where the benefits can be quantified in terms of increased revenue?	D,I,S,CS	No – Although considerable change has been made, the base on which these changes are coming from is weak. The program has only recently gained traction and it could take years to demonstrate sustainable change. Tax to GDP changes are a measure influenced by many contributing factors. More quantifiable measures for each recommendation should be a feature of the TTF under each module, however many of these measures without computerization will be elusive.	NA
Sustainability; To what extent are changes brought about by the TA likely to be sustained beyond the life of the TPA TTF?			
For projects/modules that have been completed, have the results been sustained? For instance, is there evidence that structures, processes, etc., have been integrated into recipients' institutional arrangements?		No modules have been completed yet- too early to assess	ND
To what extent has the multi-year/modular design contributed to support the sustainability of interventions?		The multi-year modular design is the only way to achieve sustainability- but several years more effort are likely to be needed before a realistic sustainability judgment can be made	ND
To what extent was the TA provided through the TPA TTTF is integrated with the IMF's surveillance and lending operations, as well as with country reform agendas?		We have not reviewed this area sufficiently but the TA is in line with the reform agenda	ND

The overall rating on the DAC criteria on a straight average of the overall ratings score for each of Relevance, Efficiency and Effectiveness is 2.5 or "good". This is an acceptable score for the early stages of the Myanmar program.

ANNEX II: SURVEYS AND QUESTIONNAIRES

ANNEX II.1: SURVEY OF RECIPIENTS OF THE TA DELIVERED BY THE ATP TTF

INTRODUCTION

Thank you for participating in this survey of Technical Assistance provided by the IMF's Topical Trust Fund for Tax Policy and Administration (TTF) , which is operated by the IMF's Fiscal Affairs Department (FAD). The survey is being conducted as part of an independent evaluation of the TTF's activities and achievements.

The questions in this survey relate to the current situation in your country and region, your opinion on the effectiveness of the TTF and other donor technical assistance received in the area specified, and your anticipated future TA needs. Your responses will be very helpful in assessing the quality of the TA delivered by the TTF and will help improve the delivery of TA by the IMF to you and other recipients in the future.

The survey results will be kept strictly confidential, and there will be no disclosure of your individual survey response. The only information that will be used for disclosure to third parties will be aggregates and summaries of the survey results from all participants, and a selection of comments made, without attribution to any individual who made them.

We have compiled 67 questions, although not all may be applicable to your case. The survey will take approximately 30 minutes to complete, depending on the number of TA projects delivered by the TTF in your country in the past several years in the specific area of your organization's interest.

If you wish to make any further comments not covered by this survey we would be grateful if you could include them at the end of the survey, or e-mail us at rwoodbridge@consultingbase.biz.
We thank you in advance for completing this survey.

Robert Woodbridge
Chairman
Consulting Base Limited

YOUR DETAILS

Your name

Your organization

Your title

Your country

BACKGROUND TO TA FROM THE TTF

In relation to the background to the TA received, please indicate your agreement/disagreement below:

	Strongly Agree	Agree	Disagree	Strongly Disagree	NA or Don't Know
STRATEGIC PLAN AND DIAGNOSIS					
a. There is a medium-term (3 to 5 year or longer) strategic business plan for the strengthening of tax policy and administration.					
b. When the initial request for TA was made to the IMF's TTF it was to help with the implementation of our strategic plan in priority areas.					
c. The actual TA being delivered fits well with our strategic plan.					
d. There are no gaps in the TA needs of our strategic plan.					
e. If there are gaps these are being covered by other donors.					
f. The IMF helped us develop the strategic plan.					
g. The IMF helped with a diagnosis of the strengths and weaknesses of our tax policy and administration (including in the period before the establishment of the TTF).					
h. The diagnosis was used to inform the development of our strategic plan for tax reform.					
i. The IMF's TTF TA has been carefully sequenced, using a modular approach, to make sure that all necessary preconditions for it to deliver successful results have been met.					

Any comments on above responses:

COORDINATION OF THE IMF'S, FAD MANAGED TTF TA WITH OTHER TA DELIVERED BY THE FISCAL AFFAIRS DEPARTMENT (FAD) OF THE IMF, THE IMF'S REGIONAL TECHNICAL ASSISTANCE CENTERS (RTACs) AND WITH OTHER DONORS AND INTERNATIONAL FINANCIAL INSTITUTIONS (IFIs)

In relation to coordination of the IMF's TTF TA work with other work carried out by FAD:

My institution/country is receiving TA from the IMF's FAD either directly from HQ or from a regional tax advisor based in the RTAC in addition to that delivered by the TTF managed by FAD.

a. Yes
b. No.

If yes, please indicate what below:

a. The TA being delivered by the IMF's TTF to my institution/country is closely linked to the IMF's surveillance work and program activities in my country.					
b. The TA being delivered by the IMF's TTF is being closely coordinated with and complements other TA being provided by the IMF's FAD at headquarters.					
c. I am also receiving TA from the RTAC resident advisor on tax, operating in my region.					
d. All of the TA delivered by the IMF's FAD whether directly from HQ or through the TTF or through the RTAC regional tax advisor is well coordinated and complementary.					

With respect to the IMF's TTF coordinating its TA to my institution/country with other donors and IFIs:

My institution/country is receiving TA from other donors (e.g., U.S. Treasury, EU, and other bilateral donors such as DfID or AFD))/International Financial Institutions (e.g., World Bank, Inter-American Development Bank, African Development Bank. or Asian Development Bank) in tax policy and administration in addition to that delivered by the IMF

c. Yes
d. No.

If yes, please indicate what below:

a. There are other donors covering TA needs which are not covered by the IMF's TTF e.g. assistance with computerization					
b. We encounter difficulties in coordinating TA from all donors/IFIs e.g. too many persons at any one time, overlapping TA and conflicting advice					
c. The IMF's TTF has taken explicit steps to ensure that its TA does not overlap with or duplicate those of other donors/IFIs providing TA.					
d. The IMF's TTF has taken explicit steps to ensure that its TA complements those of other donors/IFIs providing TA.					
e. The IMF's TTF has taken explicit steps to bring in other donors/IFIs to help implement the TA's recommendations, where help from other donors was needed.					

Is there a formal/informal donor/IFI coordination group in your country for tax policy and administration?

e. Yes
f. No
g. Don't know.

If Yes, does the IMF's TTF play a (choose one):

h. Leading/coordinating role
i. Role as a participant
j. Does not participate
k. Don't know.

Please include any comments

THE IMF's TTF TA COMPARISON OF QUALITY/PERFORMANCE WITH OTHER DONORS/IFIs

How do you rate the TA you are receiving/have received from the IMF's TTF as compared to other TA providers?

	Strongly agree	**Agree**	**Disagree**	**Strongly disagree**	**NA/do not know**
a. The IMF's TTF has responded more quickly to our TA request than other TA providers.					
b. The IMF's TTF has been more flexible in meeting our specific needs than other TA providers					
c. The IMF's TTF has demonstrated a better understanding of our country's/institution's needs than other TA providers.					

THE IMF's TTF TA DESIGN AND DELIVERY PROCESS

With respect to TA received from the IMF's TTF:

a. Our organization received assistance from the IMF in formulating our request for technical assistance					
b. The IMF's TTF approved and commenced implementation of the TA as quickly as we expected					
c. The advice received from the IMF's TTF was clear, practical and easily implementable given the realities within our country and organization					
d. The IMF's TTF took a partnership approach in TA delivery					
e. Delivery of the IMF's TTF advice took a reasonable and sufficient time and was neither too long or too short					
f. The IMF's TTF TA should extend for longer periods for each project- several years versus a maximum of three years in order to achieve impact					
g. The IMF's TTF should provide more continuity of advice and at more frequent intervals					
h. For capacity building projects, we would prefer having a resident advisor, rather than the IMF's TTF TA delivery model involving periodic visits.					
i. The IMF's TTF delivery of TA involving periodic visits by IMF HQ staff and short term consultants on a periodic basis over three years is sufficient for us to meet our TA needs in the areas covered by them					

WITH RESPECT TO THE IMF's TTF MODULAR APPROACH IN DELIVERING TA

a.	This modular approach is effective					
b.	The modular approach enables us to progress our tax reforms agenda in a well sequenced manner.					
c.	The delivery of TA by the IMF's TTF fits with our own reform schedule					
d.	The modular approach facilitates effective donor coordination					

WITH RESPECT TO CAPACITY BUILDING

a.	Staff training needs to be repeated often due to staff rotation, promotions or staff leaving					
b.	There are specific human resource challenges that impede our ability to achieve change					
c.	Our tax administration has its own internal training capacity (e.g. a training academy)					
d.	There are specific technical resource challenges that impede our ability to achieve change (e.g. IT, computerization, data collection)					
e.	More help is needed for the implementation of recommendations and advice received under the IMF's TTF TA program					

Did the IMF's TTF provide TA for human and institutional capacity building?
Yes
No

If Yes:

a.	We have been satisfied with the training received.					
b.	The training was clearly linked to, and complemented the TA received.					
c.	There was adequate follow-on support available to build on the training, e.g. hand-holding/mentoring.					
d.	Under institutional capacity building the TA strengthened our organization, procedures, policies and controls					
e.	High quality manuals and guidelines were produced as a result of the TA delivered					
f.	Manuals are being used in our day-to-day work.					

MONITORING OF TA ACTIVITIES AND RESULTS- OUTCOMES

a.	We monitor and rate the results of implementing the IMF's TTF recommendations on a regular basis					
b.	We use specific indicators to measure the results of implementation of IMF TTF recommendations (e.g. increase in the number of tax filings, improvement in collections, improvement in tax arrears)					
c.	The IMF's TTF assist with the measurement of results from implementing recommendations					

As a result of the IMF's TTF TA we believe that there will be identifiable and measurable results in the future that will improve our organization's performance and deliver our objectives.					

Since receiving TA from the IMF's TTF we have:

Improved our organization's working practices					
Achieved an increase in efficiency					
The results have been verified through government or organizational statistics; and or by assessments of external organizations such as the IMF/ World Bank or other donors					

RELATIVE EFFECTIVENESS OF TA DELIVERY MODALITIES:

Please rank the effectiveness of different channels of TA delivery by the IMF to your organization?	Excellent	Good	Modest	Poor	NA
(a). Resident advisors					
(b). Short term experts					
(c). Regional resident advisors from the RTAC operating in your region					
(d). Professional attachments arranged by the IMF to other tax policy and administration organizations					
(e). Advice from IMF HQ staff					

How do you think the design and implementation of TTF TA can be improved?

SUSTAINABILITY OF TTF TA

11. Place an "X" against the top two main concerns listed below that could impact on your organization's ability to change, improve and implement its objectives/strategy in an effective manner:					
(a). Lack or shortage of capable staff					
(b). Difficulty in retention of capable staff					
(c). Insufficient funding to operate effectively					
(d). Inadequacy of Legal and regulatory framework					
(e). Coordination between and with other important stakeholders whose actions influence the achievement of your organization's objectives.					
(f). Insufficient support or political commitment from government at the levels required					
(g). Lack of IT, software, systems, hardware to implement TA recommendations on capacity building					
(h). No concerns					
(i). Other- please describe					

LEGAL AND REGULATORY TA

	Strongly agree	**Agree**	**Disagree**	**Strongly Disagree**	**N A**
13. Did the IMF's TTF provide TA on legal and regulatory improvements/reforms? **Yes** **No** **If yes:**					
(a). The TA advice for the drafting of appropriate legislation (or amendments) or regulation (or amendments) was of high quality.					
(b). The legislation or regulation has been finalized for presentation to Parliament or the appropriate body for passing into law. If not please comment below on likely time frame e.g. 1 year, 2 years etc.					
(c). The legislation or regulation was approved by the government.					
(g). Adoption of the legislation or regulation was a pre-condition for follow-on TA from the IMF's TTF e.g. in training and capacity building of your organization					
Comment:					

FUTURE TA NEEDS

	Strongly Agree	**Agree**	**Disagree**	**Strongly Disagree**	**NA**
Our organization needs more TA? Yes No If yes:					
If Yes, in what areas is more TA needed please comment?					

ANNEX II.2: SURVEY OF SC MEMBERS OF THE TPA TTF

Guidance on completing the survey:

We have compiled 15 questions in total. This will be supplemented by interviews with selected Steering Committee members.

The objective is to develop a view of the Steering Committee's views of the governance and operations of the TTF to date, and to identify areas for further strengthening going forward.

We thank you in advance for completing this survey.

Ratings:
1. Strongly agree
2. Agree
3. Disagree
4. Strongly disagree.

TTF's OBJECTIVE

Rank in order of importance:
1. The principal objective of the TTF is:
    a. To finance IMF's activities in TPA
    b. For the IMF to implement projects reflecting the TTF donors' objectives and priorities
    c. To maximize TPA impact with the funds available
    d. To help build effective tax administration capacity
    e. Other (please specify)

2. The TTF should focus on countries that:
    a. Are low income with strong reform/change capacity
    b. Are low income with weak reform/change capacity

Agree/disagree
3. In relation to the TTF's objectives:
    a. The TTF'S principal objective is being effectively realized/is likely to be realized
    b. The country and project selection criteria are clear and should enable TTF's objectives to be met.
    c. The countries and projects selected to date should enable TTF's objectives to be met.

Comments

KEY BENEFITS OF TPA TA ACTIVITIES SUPORTED BY THE TTF

Rank in order of priority/importance:
4. Your opinion of the benefits of TPA TA and the strengthening of TPA regimes:
    a. Helps countries fund their public expenditure needs.
    b. Reduces the risk of corruption.
    c. Builds a tax paying culture.
    d. Stimulates economic growth.
    e. Increase tax collection and raises the tax to GDP ratio.
    f. Facilitates regional tax harmonization.

Comments

VALUE OF THE MULTI-DONOR TTF

Select top 3

5. The value added of the multi-donor TTF for TPA TA delivery is:
   a. Input from Steering Committee members on TTF strategy
   b. Enhanced donor co-ordination
   c. Access to earmarked finance to meet TPA TA needs
   d. Access to finance for a multi- year term to appropriately plan project delivery
   e. Access to finance to respond to TA requests promptly
   f. Access to finance to respond to TA requests flexibly
   g. Focus on results from TA undertaken by the TTF
   h. Other.

Agree/disagree

6. The TTF structure's potential to add value is being optimized.

Comments

YOUR COUNTRY'S OBJECTIVES IN PARTICIPATING IN THE TTF

Rank in order of importance:

7. My country is participating in the TPA TTF in order to:
   a. Support the IMF's TPA objectives and activities
   b. Pursue my country's TPA objectives through a multi-donor vehicle
   c. Pursue my country's TPA objectives through a cost-effective vehicle
   d. Access IMF's technical expertise in this area
   e. Influence IMF's policy in this area
   f. Other.

Agree/disagree

8. My country's objectives in participating in the TTF are being met/are likely to be met.

Comments

ROLE OF THE STEERING COMMITTEE

Select top 3:

9. The role of the Steering Committee is to:
   a. Guide the TTF's strategy
   b. Provide guidance on country and project selection
   c. Approve country and project's presented by the IMF
   d. Monitor results achieved by TTF projects
   e. Provide guidance on project design and management
   f. Monitor expenses of the TTF
   g. Monitor project management
   h. Facilitate donor co-ordination
   i. Ensure your country's interests/priorities are reflected in the TTF's activities
   j. Other

Agree/disagree

10. With respect to the Steering Committee:
    a. The roles and responsibilities of the Steering Committee is clear to all parties
    b. The Steering Committee is discharging its roles and responsibilities effectively
    c. Steering Committee requests/views are promptly acted on and get timely feedback on decisions.

Comments

REPORTING

Select top 3:

11. The objectives of the reports we receive from the IMF should enable us to:
    a. Meet our organization's internal reporting/monitoring needs
    b. Assess whether the TTF's strategy is being effectively implemented
    c. Assess whether projects being implemented have/are likely to realize their objectives
    d. To assess whether TA projects are being effectively monitored and managed
    e. To assess whether TA costs are being effectively managed
    f. To monitor utilization of funds available
    g. Approve projects on the basis of sufficient information about their likely Outcomes/Objectives and likelihood of achieving these (including risk analysis)
    h. Other

Agree/disagree

12. With respect to reporting:
    a. The reporting to the SC is adequate to meet my organization's objectives
    b. The reporting to the SC is timely
    c. We receive sufficient information in project proposals to understand how a country/project selected meets the TTF's prioritization criteria.
    d. We receive sufficient information in the project assessments to assess clearly what the Outcomes and Objectives of a project are.
    e. We receive sufficient information in the project summary to assess the likelihood of Outcomes and Objectives being achieved.
    f. We receive sufficient information on how the TTF's activities are being co-ordinated with other IMF work, e.g. surveillance and the role of RTACs.
    g. We receive sufficient information on how the TTF's activities are being co-ordinated with work of other donors, at both strategic and country levels.
    h. We receive sufficient information after project completion to assess whether Outputs, Outcomes and Objectives have been realized and/or likely to be realized.
    i. The financial analysis of project budgets is sufficient for our purposes.
    j. The analysis of project budgets vs. actual expenses is sufficient for our purposes.
    k. The TTF level information on funds expected, committed, disbursed and available is sufficient for our purposes.
    l. The results reporting through self-ratings on level of achievement contained in periodic Assessment Reports are adequate

Comments

OTHER COMMENTS ON OPERATION OF THE TTF

13. Please provide your views on the operation of the modular approach to TA delivery.
    a. Strengths
    b. Weaknesses

14. Please provide your views on the TTF's design and practice to date.
    a. Strengths
    b. Weaknesses

15. Please provide your views on any other matters relating to the TTF that would be relevant to the evaluation.

ANNEX II.3: INTERVIEW QUESTIONS TO SENIOR FAD & TTF MANAGERS

1. How are countries selected for TA? What is the process- not only demand driven, what other considerations are there?
2. What is the risk assessment process at the beginning of processing an application for TA, given that slow progress is a feature of 6 of the 17 or so countries due to factors of political stability and or management commitment?
3. How are the specific modules to be delivered, selected to ensure appropriate sequencing?
4. Why do only a few projects have a diagnostic and strategy module? Were sound strategies already in place and how did they come about?
5. Which other donors especially engaged with tax policy and administration? World Bank, OECD, EU, IDB, UNU, Bi-laterals?
6. How coordinate with other donors?
7. How coordinate with other inputs of the IMF e.g. RTACs, Regional Departments etc.
8. How does TPA fit in with other IMF (or other donor led initiatives) in over-lapping areas such as Public Finance Management, National Development Strategies (where they exist) and TTFs like MNRW?
9. Why the apparent emphasis on francophone sub-Saharan Africa (6 out of 10 SSA countries)?
10. How are STXs sourced and evaluated? Are there enough of them given the apparent trend towards more STX missions versus HQ missions?
11. How has the TTF budget of $30 million determined and is the apparent shortfall of $3 million likely to be manageable given commitments of about 34% of the funds with two years to go in the current phase?
12. How are the budgets constructed for each module- recognizing that needs will vary from country to country? Has experience indicated a range that works?

ANNEX II.4. INTERVIEW GUIDELINES: CASE STUDY COUNTRIES

A. Recipient Country – Senior Management

1. Do you have a strategic business plan for the tax administration & also customs?
2. What period does the strategic plan cover? – We will ask for a copy.
3. When the initial request for assistance was made, was this as a result of this strategic plan?
4. How well does the TA fit with your plan and are there any “gaps”?
5. How are these gaps being covered?
6. What donors or other assistance i.e. twinning with another tax administration, is being provided to the tax administration?
7. What future requests for assistance are being contemplated? Including under this program
8. Do you have a person or unit that is responsible for the coordination of donor TA?
9. How do you monitor progress against recommendations being provided by TA?
10. In coordinating TA do you encounter any difficulties? I.e. too many persons delivering TA at the same overlapping period; TA overlap; conflicting advice etc.
11. Who in the tax administration are the “champions” of change driving the program?
12. The TA being provided has a modular focus on specific topics with consultants delivering assistance generally during a 2 week visit.
    a. Do you like this approach to the modular design?
    b. Has the general delivery of TA in 2 week increments met your expectations?
    c. Did the delivery of TA fit with your schedule for reform/change?
    d. Was the TA delivered on each module sufficient? I.e. depth, explanations provided etc. Did you have difficulty attending briefings/training/meetings as part of the TA delivery? i.e. your workload limited available time
13. Are there issues with staff rotation, promotions etc. that cause/could cause the need to repeat any training for recently promoted staff?
14. Does the tax administration have a training academy –explain?
    a. How was it utilized in the delivery of TA under this program?
    b. What other training is delivered and is it done on a regular basis?
    c. Are there any impediments to training – budget, trained trainers etc.?
15. Are all documents delivered under this TA program available to staff?
16. How does the tax administration handle change management as some of the changes recommended under the various modules require significant changes in organization, programs, procedures etc.?
17. Are there specific human resource issues and challenges that impede your ability to achieve change?
18. With the benefit of hindsight on the TA delivered are there any changes that you think would be desirable to make the delivery of assistance more efficient or effective?
19. Many countries have staff capacity issues due to staff shortages, vacancies because staff leave or are promoted, or because staff once trained are enticed to leave for the private sector. In your view, how could the delivery of TA be enhanced to make it more sustainable as new staff is recruited to replace those that may have received the benefit of the TA but who have left? i.e. online materials, regular Skype calls with experts, YouTube instructional videos, etc.
20. What do you see as the major challenges to your tax administration in the short term and long term?
21. In your view, how sustainable are the changes recommended?
    a. Risks
    b. Need for additional TA
22. What are the indicators of success that you are concerned with in measuring progress?

B. Recipient Country – Supervisors, Managers, and staff

1. Are you aware (conversant with) the strategic plan? – for countries where applicable

2. In your view how does the assistance provided help achieve the goals in the strategic plan? –where applicable
3. Did you have difficulty attending briefings/training/meetings as part of the TA delivery- i.e. your workload limited available time?
4. Are there issues with staff rotation, promotions etc. that cause/could cause the need to repeat any training for recently promoted staff?
5. How long have you been in your current position?
    a. How long have each of the staff under your management/supervision been in their positions?
    b. Are there currently vacant positions?
    c. How long does it take to staff a vacant position?
6. Are all documents delivered under this TA program, as they affect your work, available to you?
7. Did the delivery to TA under this program meet your expectations?
8. How could it be improved?
    a. duration,
    b. level of explanation
    c. continued contact after the expert has left
    d. other
9. How is change managed in your organization?
10. In the case of operational changes being recommended has this resulted in manuals that affect your position being rewritten/revised or currently being rewritten/revised? I.e. collections, audit etc.
11. Do you feel that you have sufficient manager/supervisory training?
12. Are there other personal training areas that you think are necessary to help you in perform your current job?
13. Are you aware of any human resources issues that could adversely affect achieving changes? I.e. Low salaries, staff policies, transparency in promotion, external recruitment is not managed by the tax administration, etc.
14. What do you see as the major challenges to your tax administration in the short term and long term?
15. In your view, how sustainable are the changes being recommended under this program?
    a. Risks
    b. Need for additional TA

C. Donor – where a Steering Committee member has an in-Country presence

1. How aware are you of the initiatives/recommendations of this program in this country?
    a. Regular briefings from arriving consultants?
    b. Meet with IMF missions?
    c. Regular liaison with the head of the tax administration
    d. Other
2. Do you regularly brief other donors of progress?
3. What measures are you using to monitor achievement or progress? I.e. tax/GDP or specific targets such as monthly revenue etc.?
4. Have you assisted in coordinating with other donors to fill identified TA gaps in this program?
5. What do you feel are the major challenges/impediments to the tax administration in achieving sustainable change?
6. Is corruption an issue?
7. Do you perceive that there is sufficient political support to achieve sustainable change?
8. With the benefit of hindsight, is there anything that could have been done differently that would have made the delivery of this program and TA more efficient / effective?

D. Donors – any who have a project in the financial sector including small business development

1. Are you of the initiatives/recommendations of this program in this country? How are you informed
2. What measures are you using to monitor achievement or progress in your specific area of program delivery? I.e. is tax/GDP used as a measure?
3. Are you aware of the IMF initiative RA-FIT?
4. What do you feel are the major challenges/impediments to the tax administration in achieving sustainable change?
5. Is corruption an issue?
6. Do you perceive that there is sufficient political support to achieve sustainable change?

E. Chambers of Commerce or similar business representative bodies

1. Are you aware of the initiatives/recommendations of this program in your country?
2. Do you have an open, scheduled dialogue with the decision makers in the tax administration in order to resolve issues?
3. Is there sufficient information available to you to be able to understand your obligations under the tax laws?
   a. What are the specific problems, if any?
4. What do you feel are the major challenges/impediments to the tax administration?
5. Is corruption an issue?
6. Do you perceive that there is sufficient political support to achieving meaningful change to the tax administration?

ANNEX III: TERMS OF REFERENCE OF THE EVALUATION

TAX POLICY AND ADMINISTRATION TOPICAL TRUST FUND (TPA TTF)

MID TERM EXTERNAL EVALUATION

TERMS OF REFERENCE/STATEMENT OF WORK

RFP 950

June 2014

Background, Objectives and Scope

BACKGROUND

1. The Tax Policy and Administration Topical Trust Fund (TPA TTF) was launched by the International Monetary Fund (IMF) in April 2011.[4] The trust fund leverages IMF expertise and systems to deliver technical assistance (TA) to low- and lower-middle income countries to help build effective tax systems capable of generating the revenue needed for providing essential public goods and services.

2. There are nine modules in the TPA TTF. These modules are thematically clustered as follows: Diagnosis and development of a reform strategy with strong country ownership (module 1) and the creation of capacity to effectively manage the reforms (module 2); development and adoption of sound tax policies (module 3); development and implementation of an effective tax administration organization (module 4) and its core functions, in particular registration, returns and payment processing, enforcement, and taxpayer services (modules 5-7), and its support functions (module 8); and development and application of integrity enhancement measures (module 9).

3. Out of a target budget of US$30.2 million, the TPA TTF has received US$27 million from Belgium, the European Union, Germany, Kuwait, Luxembourg, Netherlands, Norway, and Switzerland. These contributors, along with the IMF, comprise the TPA TTF Steering Committee (SC). Twenty programs have been activated under the trust fund, of which half are in sub-Saharan Africa, and the balance is split evenly across the regions of Asia, the Pacific, Western Hemisphere, and the Middle East and Central Asia. Workshops, regional programs, and research projects are also being implemented.

4. The Results-Based Management framework is being expanded to cover all TA activities, including those funded by the IMF. Currently a results-based log frame is only applied to externally financed TA and efforts are underway to improve the log frame as well as the tracking and reporting of results. The Strategic Log Frame for the TPA TTF was introduced in Year 2 (FY2013), followed by the piloting of a new results framework in Year 3 (FY2014). An RBM workshop held jointly by the MNRW TTF and TPA TTF in March 2014 discussed the future path of the RBM framework for the TTFs.

[4] The Program Document for the TPA TTF multi-donor trust fund can be found at: http://www.imf.org/external/np/otm/2011/100110.pdf

OBJECTIVES

5. Three years into the TPA TTF's five-year cycle, this evaluation[5] will focus primarily on the efficiency, effectiveness and continued relevance of the TPA TTF, with the aim of improving operations through the end of the current cycle. In addition, the evaluation will assess the extent to which TA is on track to deliver planned outcomes (at country-level) and identify lessons learned and recommendations for refining and improving the trust fund for a future cycle.

6. The evaluation stakeholders include IMF staff, TA recipients under the trust fund, contributors to the TPA TTF, and other TA providers in this area.

SCOPE

7. The evaluation will cover activities launched, underway, and completed during the first three years of operations from April 2011 to April 2014—17 country programs, one regional program, two workshops, three active research projects, and seven steering committee meetings. The technical assistance projects encompass 144 targeted module outcomes. The evaluation will assess two levels and its linkages: (i) the program design features such as modular approach, definition of TA projects, governance arrangements, results-based framework (RBM) and (ii) the actual TA delivered and its results.

Evaluation Questions and Methodology

OVERALL APPROACH

8. The methodology will be carried out according to OECD DAC (Development Assistance Committee) standards[6] and be structured along the five evaluation criteria set out by the (DAC)[7]: relevance, efficiency, effectiveness, impact, and sustainability. In addition, the evaluation will consider the design of the TPA TTF and its governance arrangements. As the evaluation takes place after three years of operations, it is premature to assess fully impact and sustainability. The evaluation will therefore emphasize learning aspects and accountability considerations. However, some impacts may be emerging and should be captured. In addition, factors affecting achievement of impacts could be identified. Therefore, relevance, efficiency, and effectiveness will have a higher weighting in the evaluation. The evaluator will propose an appropriate weighting scheme. The evaluation team will develop sub-questions to each of these questions.

[5] The Program Document states, "After no fewer than three years of operation, an independent evaluation of the work carried out under the TTF will be conducted by a team of external experts. The evaluation will assess the effectiveness and sustainability of this work and will formulate recommendations for improvement. The findings of the evaluation will inform discussions on operations for the remainder of the initial five-year phase and beyond."

[6] http://www.oecd.org/dac/evaluation/qualitystandards.pdf

[7] The OECD's Development Assistance Committee (DAC) is a grouping of the world's main donors, which defines and monitors global standards in key areas of development.

DAC Criteria	Key Evaluation Questions
Relevance (Whether the design of the TPA TTF has been and continues to be 'fit for purpose.')	• To what extent is the TPA TTF addressing beneficiary priorities, including the involvement of stakeholders in design, and responding to changes in country circumstances? • Are the scope and the structure of the TPA TTF, including the module design, adequate for addressing recipient countries' need? In particular, should customs administration continue to be excluded from a future cycle? • How does the TPA TTF relate to other IMF delivered TA, for example, TA delivered by RTACs, and bilateral subaccounts?
Efficiency (Are activities being steered and implemented efficiently?)	• To what extent is the TPA TTF TA being implemented efficiently, including (i) timely execution of the work plan; (ii) whether the modular design is conducive to efficient use of resources; (iii) whether the quality control and monitoring arrangements are in place and the reporting mechanisms are delivering timely information to stakeholders • Are there any areas where operational efficiency could be improved?
Effectiveness (Is the TA under the TPA TTF achieving its outcomes and delivering results?)	• Is the TPA TTF steering committee an effective tool to steer the program? Do the deliberations of the steering committee contribute to allocation of resources where they can be most effective? • What have been the key results to date under the TPA TTF? • Is the TPA TTF on track to achieve the results envisaged at the outset of the program? • Are the monitoring and results-based management arrangements of the TTF and the individual TA projects adequate to ensure the program works in the most effective way possible? How could the link between TA projects and the strategic TTF level been strengthened? How are the recent developments of the RBM system assessed from an effectiveness point of view? • Have recipient authorities taken the steps to achieve project outcomes and objectives, including follow-up to the recommendations made by the IMF? What are the program's strengths and weaknesses? To what extent do actions of recipient countries reflect ownership of the TA projects? • How are the risks to the implementation of TA being handled to maximize effectiveness over the life of the TPA TTF? Are risks being identified as soon as possible and are mitigation strategies being developed and implemented? Can research financed by the TPA TTF contributed to the delivery of TA?
Impact (What has changed?)	• Have there been any desired or undesired impacts (e.g. improvements in systems, procedures, policies etc.) in TA recipients that can be attributed to the TPA TTF TA, or to which the TPA TTF TA has contributed to? Are there cases where the benefits can be quantified in terms of increased revenue?

Sustainability (To what extent are changes brought about by the TA likely to be sustained beyond the life of the trust fund?)	• For projects/modules that have been completed, have the results been sustained? For instance, is there evidence that structures, processes, etc., have been integrated into recipients' institutional arrangements? • To what extent has the multi-year/modular design contributed to support the sustainability of the interventions? • To what extend the TA provided through the TPA TTF is integrated with the IMFs surveillance and lending operations, as well as with country reform agendas.

EVALUATION METHODOLOGY

9. The evaluation team will draw up a conceptual framework and methodology for the evaluation, including a rating scheme. The evaluators will have the flexibility to refine the methodology for the ratings, if necessary, in consultation with ICDGP and the steering committee.

10. The use of an evaluation matrix will be helpful in demonstrating the linkages between the key evaluation questions and the data sources. Where possible, quantitative data should be used and findings should be triangulated to ensure validity. Data sources should include:

- project proposals and project assessments, including baseline information and quantitative and qualitative indicators;
- the mid-year reports, annual reports and lessons-learned report produced by the TPA TTF, logical framework, RBM data, and financial data related to implementation;
- feedback from IMF staff and experts, members of the SC, and staff of relevant institutions in selected beneficiary countries;
- the findings of the Revenue Administration – Fiscal Information Tool (RA-FIT) research project; and
- Macroeconomic and statistical data and analysis produced by the IMF Statistics and area departments as relevant.

11. Data collection methods must be linked to the evaluation questions and further fine-tuned following analysis of the availability of data, taking into account the logistical constraints in collecting the data (e.g., travel, costs, time required, etc.,) and any other relevant considerations. The data collection methods and analysis could include: analysis of documentation and data; semi-structured interviews; and, if possible, a survey and 3-4 case studies.

Management of the Evaluation

GOVERNANCE

12. The Global Partnerships Division of the Institute for Capacity Development (ICDGP) will manage the evaluation process; including recruitment of the evaluation team, and coordinating the IMF's institutional responses to each of the evaluator's deliverables. ICDGP will consult with the Strategy and Evaluation Division of ICD (ICDSE), Fiscal Affairs Department (FAD), and the SC. Each deliverable will be circulated for comments, which will be considered by the evaluation team at its discretion. The evaluation team is expected to work independently from the IMF.

TIMELINE AND DELIVERABLES

13. The work is expected to take about 20 weeks beginning in mid-2014. The contract with the evaluators will be for a maximum of 90 person-working days, including travel, during that period. The evaluation process will be carried out in three phases: a desk phase, a field phase, and a drafting phase.

- **Desk Phase**: No later than four weeks after the contract signing, the evaluators will: (i) complete a desk review of documents; (ii) visit IMF headquarters to interview staff in ICDGP, FAD, and relevant area departments; and (iii) prepare an inception note, as outlined below. Total work time for this phase is estimated to be about 25 person-days.

- **Field Phase:** The evaluators will visit 3-4 beneficiary countries, which should be selected in consultation with the SC taking into consideration the length and number of projects, the authorities' commitment, the results achieved, and the depth of field coordination with other stakeholders. The evaluators will ensure adequate contact and consultation with sta**keholders, i**ncluding relevant government authorities and agencies, and, donor field offices. The evaluators will also be expected to interview selected donor representatives on the SC. Total work time for this phase is estimated to be 20 person-days, including travel time to the case study countries.

- **Drafting Phase**: The draft report will be prepared in English and submitted no more than four weeks after the end of the field work. The IMF and the SC will provide comments within three weeks of the submission of the draft report. The team will consider the comments at their discretion and prepare a final report to be submitted two weeks later. Total work time for this phase of the project is estimated at 45 person-days.

14. The following is an indicative time line for the evaluation process:

Timing	Tasks	Deliverable(s)
Weeks 1-5	Document collection and desk review	Inception Note, including mission planning and draft survey instruments
Week 6-7	Meetings at IMF HQ	Circulation of survey instrument Finalization of selection of case studies
Weeks 8-11	Field work	
Weeks 12-15	Data analysis	Draft evaluation report
Weeks 16-18	Commenting round	
Weeks 19-20	Finalization of the Report Presentation to the TPA TTF SC	Final evaluation report

15. The following is the list of deliverables expected:

- **Inception note**: The inception note should set out (i) an overview of how the evaluation will be conducted; (ii) the methodology for information collection and analysis (including criteria for selecting the case studies); (iii) a draft interview guidelines and a draft survey instrument, (iv) a detailed plan for data collection; (v) a list of potential interviewees; (vi) plans for field visits and meetings; (vii) an outline of the evaluation report including the table of contents; and (viii) an outline of the quality control mechanism to ensure that the drafts of deliverables are of appropriate quality. The inception note should be circulated to the SC for comments, and the SC will respond to the note in two weeks.

- **The draft and final reports**: The evaluation report should be written in English. It should be logically structured, containing evidence-based findings, conclusions, lessons and recommendations, and should be free of information that is not relevant to the overall analysis. The report should include an Executive Summary (1-2 pages) and be kept short (25-30 pages, excluding annexes but including short boxes on selected country case studies). To facilitate implementation, the recommendations should be concise, clearly targeted, prioritized, and grouped by time horizon, with the total number of recommendations be limited to 5-8. The draft report should be circulated to the SC for comments, and the SC will respond to the draft in three weeks.

- **Presentation:** The evaluation team will present the draft or final report to the SC, with the time and venue to be confirmed.

- **The SC's response** to the recommendations will be attached to the final report when it is published

EVALUATION TEAM

16. The evaluation team will be selected based on a competitive tender, with a set of selection criteria as described below.

17. The team (consisting of a team leader and one or two)evaluators should contain a relevant skill mix, demonstrating *inter alia* the following:

- Deep knowledge of tax policy and administration and experience in TA delivery in this area;
- Extensive experience in evaluation, including evaluation of TA, and experience in developing and using qualitative and quantitative evaluation methods;
- Prior experience in working with multilateral agencies; and
- Ability to work effectively in English and French. Language skills in Spanish are a plus.

18. The evaluation team leader will lead the evaluation process, and work closely with all team members. He/she will conduct the evaluation process in a timely manner, communicate with ICDGP on a regular basis, and highlight progress made and any challenges encountered. The team leader will be responsible for producing the inception report and the draft and final evaluation reports, as well as undertake the presentation of the evaluation findings.

ANNEX IV: LIST OF PEOPLE MET

<u>Bolivia: Interviewees</u>

Sergio Rossel, Economista
Erik Ariñez, Presidente del SIN
Juana Jimenez, Investigación Tributaria
Sergio Freire, Gerente de Servicio al Contribuyente y Cultura Tributaria
Juana Jimenez, Investigación Tributaria
Susana Rios Laguna, Viceministra de Politica Tributaria
Jose Sinani Carderras, Director General de Estudios Tributaria
Pedro Medina/ Gerente Fiscalización
Sandra Valda/ Jefe Departamento de Programación, Análisis y Fiscalizaciones Especiales
Maribel Sea/ Jefe Departamento de Técnicas y Procedimientos
Javier Vasquez/ Jefe Departamento de Procesos y Control de Calidad
Georgina Devisscher, Embajada de Belgica
Barbara Jaggi Hasler, Embajada de Suiza, Jefa de Cooperacion
Nielsen Velasco/ Gerente Recaudación y Empadronamiento
Isabel Gantier/ Jefe del departamento de Procesos y Control de Recaudación
Erik Ariñez, Presidente del SIN
Nielsen Velasco/ Gerente Recaudación y Empadronamiento
Sergio Freire, Gerente de Servicio al Contribuyente y Cultura Tributaria
Marcela Orellana/ Jefe del Departamento de Cultura Tributaria
Carlos Herrera Cardozo/ Gerente de Jurídica y Normas Tributarias
Ernesto Mariño Borquez/ Jefe del Departamento de Control y Seguimiento
Marcelo Díaz Meave/ Jefe Departamento de Nomras y Consultas
Pedro Medina/ Gerente Fiscalización
Sandra Valda/ Jefe Departamento de Programación, Análisis y Fiscalizaciones Especiales
Maribel Sea/ Jefe Departamento de Técnicas y Procedimientos
Javier Vasquez/ Jefe Departamento de Procesos y Control de Calidad
Vladimir Terán/ Gerente de Tecnologías de Información y Comunicación
Luis Castro Montes/Jefe del Departamento de Desarrollo Y Mantenimiento De Sistemas
Gonzalo Romero Arce/ Jefe del Departamento de Infraestructura Tecnológica
Vladimir Terán/ Gerente de Tecnologías de Información y Comunicación
Luis Castro Montes/Jefe del Departamento de Desarrollo Y Mantenimiento De Sistemas
Gonzalo Romero Arce/ Jefe del Departamento de Infraestructura Tecnológica
Ismael Aytia Cayo/ Jefe del Departamento de Control De Calidad Y Soporte De Aplicaciones
Oscar Jesus Santiesteban Plewant/ Jefe del Departamento de Ingeniería De Sistemas
Sandra Elizabeth Flores Cordova / Jefe del Departamento de Transcripción Y Digitalización

Burundi: Interviewees:

<u>Office Burundais des Recettes</u>
Dr. Domitien Ndihokubwayo, Director General
Chantal Ruvakubusa, Commissioner of Domestic Tax & Non Fiscal Revenues

Yvette Kariyo, Training Director
Dominique Ndikuryayo, Intelligence and Risk Management Director
Jean Claude Nzigamasabo, Investigations – Customs & Domestic Taxes Director
Barnabe Hakizimana, Chef de Service Programmes
Celine Nsambimana, Executive Assistant to the Commissioner of Domestic Tax & Non Fiscal Revenue

<u>Federation of Chamber of Commerce & Industry of Burundi</u>
Econie Nijimbere, Chairman
Christian Nkengurutse, General Secretary

<u>Donors</u>
Prosper A. Youm, Resident Representative, International Monetary Fund, Africa Department
Dawn M. Liberi, Ambassador, United States of America
Anthe Vrijlandt, Trade Mark East Africa, Country Director, Burundi
Achim Johannsen, Cooperation Chief, Embassy of the Federal Republic of Germany

Myanmar: Interviewees

<u>IRD</u>
U Kyaw Kyaw, Deputy Director General
U Zeya Kyi Nyunt, Deputy Director General
U Tin Hlaing Shwe, Deputy Director General
U Min Htut, Director General
U Aung Aung, Assistant Director
U Kyaw Kyaw, Deputy Director General

<u>TRPMU</u>
Daw Mu Mu Saw, Director
Daw Aye Sandar Kyaw, Assistant Director
Daw Nway Yamin Soe, Assistant Director
U Aung Aung, Assistant Director
Daw Wint Nandar Kyaw Kyaw, Assistant Director
Daw Nwe Ni Win, Assistant Director
Daw Han Thi, Staff Officer
Daw Nyo Mee Thein, Staff Officer

<u>Ministry of Finance</u>
Dr. Lin Aung, Deputy Minister

<u>Budget Department</u>
U Maung Maung Win, Director General
Daw Nwe Nwe Win, Deputy Director General
U Myo Htet Aung, Manager,

<u>Admin Directorate</u>
U Khin Maung Soe, Director

<u>Training Directorate</u>
U Myat Thu Naing, Director
U Paing Soe, Deputy Director

Inspection Directorate
U Aung Soe Naing, Director

Legal Directorate
Daw Thida Win, Director
U Kun Zar Lwin, Assistant Director

Commercial Tax Directorate
U Than Win, Deputy Director,
Daw Ya Mone Naing, Staff Officer,
U Min Thu, Head of Office

Design and Monitoring Unit
Daw Zin Zin Mar Han, Assistant Director,
Daw Thazin Myint Myat, Assistant Director
Daw Myat Myat Su, Assistant Director,
Daw Thida Aye, Staff Officer
U Tet Tun Aung, Director

Large Taxpayers Office
Daw Mya
Mya Oo, Director,
U Aung Thu Htoo, Deputy Director

ICT Directorate
U Tun Than, Director,
U Nyi Nyi Naing, Assistant Director
U Tin Maung Than, Assistant Director

Company Circle Tax Office
U Myint Khaing, Deputy Director,
U Kyaw Liwn Oo, Deputy Director
Daw Sabei, Deputy Director
U Win Oo, Assistant Director
Daw Nilar Moe, Assistant Director
U Tin Maung Than, Assistant Director
U Aye Min Thein, Assistant Director
U Aung Kyaw Htoo, Assistant Director
U Kyaw Zeya, Assistant Director
U Aye Swe, Assistant Director
Daw Tin Tin Aye, Assistant Director
Daw Sein Sein Hlaing, Assistant Director
U Nelin, Assistant Director
U Khiang Soe Liwn, Assistant Director

Board for Scrutinizing and Monitoring Tax Collection
Thura U Thaung Lwin, Chairperson
U Thein Aung, Member
U Kyaw Min Tun, Member
U Thein Kyi, Member
U Maw Than, Member

Myanmar Institute of Certified Public Accountants
U
Win Thin, Chairperson of Steering Committee
U Moe Kyaw, CEC

The Republic of the Union of Myanmar Federation of Chamber of Commerce and Industry
Dr. Maung Maung Lay, Vice-President