



Tax Administration Diagnostic and Assessment Tool (TADAT)

Assessing performance of tax administrations

A diagnostic tool for tax administrations is crucial for identifying main weaknesses in the process of collecting taxes, establishing priorities and guiding the efforts of countries that seek to mobilize additional domestic resources.

Rationale

While substantive efforts and resources are geared towards strengthening tax administrations in developing countries, it is often difficult to assess the impact of the reforms that are implemented to this end. The TADAT is a public good that aims at bridging an important gap for assessing the performance of PFM systems. It is designed to provide an objective assessment of the health of key components of a country's system of tax administration. The TADAT framework focuses on nine key performance outcome areas (POAs) that cover most tax administration functions, processes and institutions. The assessment of these performance outcome areas is based on 28 high-level indicators that are each built on 1 to 4 dimensions that together add up to 47 measurement dimensions, making TADAT a comprehensive but administrable diagnostic tool.

Objectives and activities

The overall objective of the TADAT is to offer a methodology and a tool for assessing tax administration performance on an evidence and comparable base. The dissemination of the methodology among tax administration officials and the training of TADAT accredited assessors are also important objectives. The Program is currently in its Phase II. The activities for the coming few years include expanding the involvement of "TADAT-trained" persons in IMF-led tax administration assessments, translating the TADAT Field Guide and related material into various languages, improving the quality and currency of the TADAT framework through research and analytical work, improving the coordination with other tools and diagnostic approaches (for example: PEFA, MTRS, ISORA, RA-GAP, Tax Diamond and OECD-FTA maturity models).

Country/region
Global

Executing Agency
International
Monetary Fund (IMF)

Partners
EC, Germany, UK,
Japan, Netherlands,
Norway, France, World
Bank

Project duration
2020-2024 (Phase II)

Total budget
USD 9.5 million

SECO contribution
USD 0.95 million



Governance Structure

The TADAT is a multi-donor initiative established in partnership with the IMF and the World Bank (the TADAT partners). The program is managed and implemented through a structure comprising the Steering Committee, which directs and monitors the TADAT Program, the Secretariat, which implements the program's activities and the Technical Advisory Group (TAG), whose main responsibility is to provide technical advice and guidance to the Secretariat during the development phase. The Secretariat is hosted by the IMF as a technical service to its members.

Results so far

The total number of pilot and steady-state TADAT assessments conducted since November 2013 to mid-November 2019 is 87, of which 76 are at the national/federal level, and 11 at the subnational level. Most of the assessment have been conducted in low-income countries and in middle-income countries, but some assessments have also been conducted in high-income countries (e.g. Norway, Canada). The main areas observed as weak include: poor data quality, undocumented procedures, inaccurate taxpayer registration databases, suboptimal risk management approaches, low on-time filing and payment rates, poor debt management practices, lengthy dispute resolution timelines, and less-than-strong revenue management systems. By end of 2019, 484 TADAT assessors have been trained as well as 1926 tax officials (non-assessors).

How to get involved

The TADAT ensures strong country ownership by following a demand-driven approach. Countries that wish to use the TADAT methodology to assess the performance of their tax administration shall contact the TADAT Secretariat hosted in the IMF Headquarters in Washington, or the TADAT Trust Fund Coordinator at SECO.

Further information and contact details

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