Review of the Tax Administration Diagnostic Assessment Tool (TADAT) and Its Effectiveness in Enhancing Tax Administration in Uganda

Terms of Reference

Introduction

The Tax Administration Diagnostic Assessment Tool (TADAT) is a diagnostic assessment tool for tax administration developed under the auspices of the International Monetary Fund (IMF) and the World Bank. It helps countries to strengthen their tax systems to better mobilize the domestic revenue they need to provide essential goods and services to their citizens in a sustainable and economically sound way. It provides an independent, standardized, evidence-based, quality-assured, all-round assessment of the performance of a tax administration system. It is an integrated monitoring framework that measures performance of a country's tax administration at a point in time. The TADAT uses nine outcome areas to assess performance of a country's tax administration system by focusing on its tax authority. These include:

- POA 1: Integrity of the Registered Taxpayer Base
- POA 2: Effective Risk Management
- POA 3: Supporting Voluntary Compliance
- POA 4: Timely filing of tax declarations
- POA 5: Timely Payment of Taxes
- POA 6: Accurate reporting in Declarations
- POA 7: Effective Tax Dispute Resolution
- POA 8: Effective Revenue Management
- POA 9: Accountability and Transparency

TADAT also focuses on the performance of the major national taxes: Corporate Income Tax (CIT), Personal Income Tax (PIT), Value Added Tax (VAT) (or its indirect tax equivalent such as sales tax), and Pay as You Earn (PAYE) amounts withheld by employers (which, strictly speaking, are remittances of PIT).[1]

Relevance

[1] http://www.tadat.org/overview/overview.html

The TADAT is part of a wider agenda of the international community to help countries strengthen their tax systems to better mobilize the domestic revenue they need to provide essential goods and services to their citizens in a sustainable and economically sound way[2] It is agreed that all countries at all income levels, and at all stages of development face an ongoing challenge to deliver the highest quality tax administration services to meet the needs and expectations of government, taxpayers of many types, and the wider community. The initiative was also informed by the fact that governments face fiscal pressures, businesses demand even-handedness and higher service standards with ways of interacting with the tax administration as modern as those found in the best areas of the private sector, and the public demand accountability and transparency from the tax administration which has extensive reach into the community. The TADAT aims at helping the government to identify the relative strengths and weaknesses of the tax administration systems and further provides a basis for monitoring and evaluating reform progress towards established outcomes by using repeat assessments.

In 2018, SEATINI Uganda and OXFAM conducted a critical analysis of TADAT and its effectiveness in promoting tax compliance. The study assessed Uganda's performance in line with the nine key performance outcome areas of the TADAT; Uganda's strength and weakness in the implementation of the TADAT; and provided policy and practice recommendations on how to make effective use of the TADAT mechanism on tax collection and improvement of social service delivery. However, since the first assessment which was conducted by SEATINI Uganda and Oxfam, there have been a number of changes in the tax system. The IMF has also since then conducted a repeat Tax Administration Diagnostic Assessment Tool (TADAT) which was published during the month of March 2019. The preliminary findings of the assessment were shared with CSOs during a meeting in the same month[3].

It is upon this background that SEATINI Uganda and Oxfam would like to conduct a second review of the TADAT. The specific objectives of the review are to:

- Confirm the changes which have occurred with Uganda's tax system following the previous TADAT review.
- Assess Uganda's strengths and weaknesses in the application of TADAT framework

[2] http://www.tadat.org/files/TADAT_ProgramDocument_ENG.pdf
[3] https://www.tadat.org/assets/files/Uganda_Final_PAR.pdf

- Compare the findings with other countries such as Rwanda, Kenya and Zambia which have previously conducted the TADAT review
- Provide policy and practical recommendations on how to make effective use of the TADAT mechanism.

Duration of the Consultancy

The process will take six weeks to deliver on the assignment.

Management of the process

- The Consultant will be working closely with SEATINI Financing for Development / Tax Justice Team.
- The Executive Director of SEATINI Uganda will oversee the process

Qualifications of the Consultant

The suitable consultant shall have the following qualifications:

- At least a master's degree in a relevant field in the area of planning, public policy, development economics, law and tax.
- Proven experience and knowledge with emphasis on research and analysis specifically on TADAT will be an added advantage.
- A thorough knowledge of Uganda's tax system and analytical skills.
- Excellent skills in written and spoken English.

Application Process

- All applications shall be sent in soft copy on or before 16th September 2022 via the following email; info@seatiniuganda.org.
- All applications should include the following;
- Cover letter 200 words maximum.

Technical Proposal:

- Expression of Interest detailing the understanding of the Terms of Reference and the assignment to be undertaken highlighting previous similar experiences. This should include the consultant/firm's qualification with emphasis on previous experience with similar assignments and profiles of team members if any.

Financial Proposal:

- An indicative budget with all envisaged costs including tax.