

Annex B

Survey Questionnaire

As an information input to the study, a questionnaire was sent to representatives from 33 organisations – 19 bilateral agencies, 10 multilateral organisations, 2 regional tax organisations (CIAT and ATAF), and 2 non-government organisations (the Tax Justice Network, and the International Centre for Tax and Development). In consultation with KfW and the OECD (sponsors for this study), 20 of these organisations were identified as priorities for a direct interview, based on their involvement with tax and development issues. In the end, 17 interviews were completed, using the questionnaire as a framework for discussion; one other respondent replied in writing rather than doing an interview. For the organisations that were not targeted for interview, the study team invited designated representatives to respond by email, especially when only quick answers were required. For this group the response rate was very low, with 4 questionnaires received.

The full questionnaire is reproduced below.

Survey questionnaire for donor organisation interviews

This questionnaire is part of a study on *Aid Modalities for Supporting Tax Systems*, which is being conducted on behalf of the International Tax Compact (ITC) organised by KfW German Development Bank, and the OECD/DAC Tax and Governance Task Force (GOVNET). The purpose of the study is to identify efficient aid modalities to strengthen tax systems *and* promote good governance, as cornerstones for sustainable development. (For this purpose, “tax systems” include customs and local government financing.)

To this end, we seek your assistance in providing information on five issues:

- The scope of your organisation’s involvement with programmes to strengthen tax systems in developing countries (to supplement work on the Tax Mapping conducted by the ITC).
- Lessons from experience with various modalities for supporting tax systems, including insights on the design of the modalities, particularly where multiple donors are involved in one country.
- Insights on how tax programmes can yield dividends or create externalities for governance and state-building.
- Insights on conditions for success or failure of programmes to strengthen tax systems *and* promote good governance.
- Related considerations such as the role of regional and international entities and priorities for further dialogue or research.

This information will be a major source of evidence leading to practical recommendations for donors and partner countries on appropriate aid modalities and linkages between taxation and governance. The results and recommendations will be presented to the OECD/GOVNET as well as to the ITC in 2011.

The interview should take about 45 to 60 minutes. To expedite the discussion, **questions marked ** may be completed and returned in advance.** (For questions with boxes to check, it is easy to replace the boxes with an “x” as appropriate.)

Please be assured that responses will be fully confidential. Interviews outside Washington, DC will be conducted by phone. We will contact you by email or phone to arrange a suitable date and time. Kindly let us know in advance, though, if someone else from your organisation is in a better position to discuss these questions.

We welcome your assistance with this study, as a contribution to the international dialogue on improving aid effectiveness in the areas of taxation and governance. Thank you.

Yours sincerely,

Bruce R. Bolnick
Chief Economist, International Group
Nathan Associates Inc.
bbolnick@nathaninc.com
+1-703-516-7866

Sandra Hadler
Senior Consultant
Nathan Associates Inc.
shadler@seraconsult.com
+1-202-363-7909

Survey questionnaire on aid modalities for supporting tax systems

Questions marked ** may be completed and returned in advance, to expedite the interview.

1. ** Contact information

Organisation: _____
Name: _____
Title: _____
Phone: _____
Email: _____

Section A. Involvement in supporting tax systems

2. ** Within the overall scope of your organisation’s development agenda today:

a. How would you rate the priority of concern with the development of tax systems?

High priority – substantial support in many countries

Moderate concern – substantial support in some countries

Low priority – minor aspect of most programmes

Comments:

b. If taxation is a high or moderate priority, is this a relatively recent development or a long-standing priority?

c. Is your organisation planning to expand its support for tax programmes, either in funding or country coverage? If so, please explain briefly.

3. ** In approximately how many developing countries does your organisation support either bilateral or multilateral programmes with significant tax components? Please include cases of budget support, if it has significant tax triggers or performance indicators.

	2010 <u>also</u> :	2005	2015 (est.)
Less than 5	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 to 10	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10 to 20	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
More than 20	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

4. ** Approximately how much financing does your organisation provide in an average year in either bilateral or multilateral programmes with significant tax components? Again, please include budget support if it has significant tax triggers or performance indicators.

	2010 <u>also</u> :	2005	2015 (est.)
Less than \$10 million	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
\$10 - \$50 million	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
\$50 - \$100 million	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
\$100 - \$500 million	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
More than \$500 million	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. ** How do you rate each of the following areas of assistance in terms of the programmatic focus for your organisation? Please rate each option on an ascending scale where: 1 = none/negligible; 2 = some involvement; 3 = often involved; 4 = major focus.

	1	2	3	4
a. Comprehensive tax reform programmes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Tax policy/tax law	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Tax administration process re-engineering	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Tax administration organisational reform	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Information systems/e-taxation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Taxpayer services/public information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. Customs reform	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h. Local government fiscal systems	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i. Accountability/anti-corruption	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
j. Judicial reform/strengthening	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
k. Fiduciary oversight (Parliament, audit)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
l. Strengthening stakeholder or media organisations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
m. Other focus areas? Please specify:				

6. ** Please provide up to three (3) examples of countries in which your organisation has major programmes to support the development of tax systems (including customs and local government finance), either current or recent.

Country: _____

Country: _____

Country: _____

Section B. Aid modalities

7. ** How extensively does your organisation provide each of the following types of assistance? Please rate each option on an ascending scale where: 1 = none/negligible; 2 = sometimes used; 3 = often used; 4 = widely used.

	1	2	3	4
a. Short-term technical assistance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Long-term technical assistance/cooperation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Tax training programmes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Provision of hardware/software	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Other capital investments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Analytical work/research	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. Twinning arrangements for training	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h. Other major types of assistance? Please specify:				

8. ** How extensively does your organisation use each of the following modalities to finance support for tax systems in developing countries? Please rate each option on an ascending scale where: 1 = none/negligible; 2 = sometimes used; 3 = often used; 4 = widely used – preferred modality.

	1	2	3	4
a. Budget support	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Policy/sector/programme based financing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Basket financing/pooled programmes with other agencies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Funding through multilateral trust funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Direct bilateral project funding	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Cash on delivery (C.O.D.) results-based financing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. Other major financing modalities? Please specify:				

9. Focusing on **budget support** programmes that involve tax triggers or revenue targets:
- What do you see as the advantages of and problems with this aid modality for strengthening tax systems?
 - In your view, how can this modality be improved as an effective approach for

- promoting tax reforms, harmonising donor interventions, and aligning aid to partner-country priorities and systems?
- c. What are the preconditions for providing budget support and disbursing such funds?
10. Focusing on **policy/sector/programme based financing** to support tax systems:
- a. What do you see as the advantages of and problems with this aid modality for strengthening tax systems?
 - b. In your view, how can this modality be improved as an effective approach for promoting tax reforms, harmonising donor interventions, and aligning aid to partner-country priorities and systems?
 - c. What are preconditions for financing a sector programme and disbursing such funds?
11. Focusing on **basket financing** to support tax systems:
- a. What do you see as the advantages of and problems with this aid modality for strengthening tax systems?
 - b. In your view, how can this modality be improved as an effective approach for promoting tax reforms, harmonising donor interventions, and aligning aid to partner-country priorities and systems?
 - c. What are the preconditions for basket financing, and disbursing such funds?
12. What key indicators for revenue performance have been used as triggers or performance indicators for budget support or sector support programmes? What other revenue indicators might be useful?
13. In your experience, what are the most effective practices used by your organisation for harmonising with other donors and aligning efficiently with host government priorities and systems:
- a. In funding support for tax programmes?
 - b. In planning and designing support for tax programmes?
 - c. In implementing support for tax programmes?
 - d. In monitoring and evaluating support for tax programmes?
14. What are the main problems in harmonising your programmes with those of other donors in supporting tax programmes?
15. What are the main problems in aligning your programmes with host country priorities, structures and use of country systems?

16. What is the best modality that you have encountered or heard about for donor co-ordination or for a joint donor approach in supporting tax systems in developing countries? Please describe briefly.

17. How would your organisation like to contribute to make donor support for tax programmes more effective?

Section C. Taxation and governance

18. ** There is increasing awareness of links between strengthening revenue mobilisation and improving governance, in the broad sense of encompassing transparency, accountability, integrity and state-building. Based on your agency's experience, how significant in practice are the following governance dividends from tax programmes? Please rate each option on an ascending scale, where: 1 = negligible; 2 = some effect; 3 = substantial effect; 4 = strong effect.

	1	2	3	4
a. Strengthening central government accountability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Strengthening central government responsiveness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Improving transparency in the budget process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Model for modernising IT systems in other government agencies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Modernising human resource management in other agencies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Modernising financial management in other agencies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. Reducing corruption, beyond the revenue departments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h. Improving public-private dialogue on economic issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i. Strengthening local government capabilities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
j. Strengthening Parliamentary oversight of revenue performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
k. Strengthening state audit of revenue performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
l. Strengthening representation, civil society and business associations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
m. Strengthening media coverage of revenue issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
n. Improving business registration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
o. Improving property registration and assessment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
p. Other? Please specify:				

19. In your view, which of the possible governance dividends listed above should be top priorities in terms of the potential impact from donor programmes to strengthen tax systems?

20. Do you see any negative consequences for governance from donor-funded programmes aimed at strengthening tax performance? Explain briefly.

21. One major tax issue that is strongly linked to governance is the problem of getting elites to pay taxes fairly. In your view, how can this be done? Explain briefly.

Section D. Conditions for success or failure

22. Based on your experience, what are the key factors for successful donor support to strengthen revenue systems?
23. What are the key factors for success in fostering governance dividends from programmes to strengthen tax systems?
24. What are the key factors for success in supporting programmes to strengthen local government finance?
25. In each of the following special situations, should the approach to supporting tax systems differ in any significant way from standard practices? Please explain briefly.
- Fragile or post-conflict conditions?
 - States with very high levels of aid dependency
 - Resource rich states?
 - Authoritarian states?

Section E. Related considerations

26. Briefly, what is your assessment of the role for regional organisations and south-south cooperation in strengthening tax systems? How can this support best be linked to donor support for tax programmes?
27. What is your view on the idea of establishing an umbrella entity to co-ordinate, guide and evaluate support for strengthening tax systems in developing countries, along the lines of the Public Expenditure and Financial Accountability (PEFA) programme or the Global Development Learning Network?
28. What priorities would you suggest for further research on links between taxation and governance?
29. Finally, do you have any final thoughts on donor modalities and governance dividends from programmes to strengthen tax systems in developing countries?

Thank you very much for your kind assistance with this survey.

If you have any further information or thoughts or suggestions, please contact Bruce Bolnick at BBolnick@Nathaninc.com or Sandra Hadler at shadler@seraconsult.com.



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