

Summary of the Terminal Evaluation

1. Outline of the Project		
Country: United Republic of Tanzania		Project Title: Project for Enhancement of Taxation Training in Tanzania
Sector: Fiscal and Financial Management		Cooperation Scheme: Technical Cooperation Project
Division in Charge: Public Governance and Financial Management Division, JICA HQs		Total Cost (As of the time of review): JPY271million
		Implementing Organization: Tanzania Revenue Authority (TRA) Institute of Tax Administration (ITA)
Cooperation Period	(R/D) 1 December 2011	Organization Concerned in Japan: National Tax Agency National Tax College
	10 Mar 2012 to 9 Mar 2015	
1-1 Background of the Project		
<p>The Tanzanian Government aims to its domestic revenue rise by implementing tax reforms and improving efficiency in tax administration as part of the macro-economic strategy in MKUKUTA II. Strengthening of tax administration ability and revenue increase are prime issues of urgency since the country depended on aid approximately 30% of its revenue in FY2011. In order to resolve these issues, capacity building of TRA officers is recognized as especially essential. The role of ITA, which is the dedicated training agency of TRA, is the key for improvement of knowledge and capacity of TRA officers. ITA's training courses need to be reviewed toward the reinforcement of human resources development as their contents and materials do not conform to current situation concerning taxation.</p>		
1-2 Project Overview		
<p>(1) Overall Goal: The capacity of the staff working for Tanzania Revenue Agency (TRA) for tax administration is enhanced.</p>		
<p>(2) Project Purpose: Training programs provided by the Institute of Tax Administration (ITA) are improved.</p>		
<p>(3) Outputs: Output 1: The process for the planning and preparation of training program is systematized. Output 2: Capacity of ITA lecturers for implementing training programs is enhanced. Output 3: The evaluation procedure of the ITA is strengthened.</p>		
<p>(4) Inputs (As of October 2014)</p>		
<p>Japan side</p>		
[Experts]	10 experts in total (1 resident expert)	
[Local expense]	USD 155,600 (As of October 2014: Mainly for instructors (TOT, EAS, ITC) and transportation)	
[Equipment]	Nil	
[Trainings in Japan]	Total of 22 participants in 2 trainings in Japan	
[Local trainings]	Total of 82 participants in 5 local trainings	
<p>Tanzania side</p>		
[C/P]	Project Director, Project Manager and other 12 ITA staffs	

[Office / Facility] Office space at ITA, desks, chairs, and electricity

[Project expense] USD 52,500 (as of October 2014; Mainly for travel cost for ToT EAS training in US)

2. Terminal Evaluation Team

Members	Noriharu MASUGI (Team Leader)	Director, Public Governance and Financial Management Division, Governance Group, Industrial Development and Public Policy Department, JICA	
	Tomoko KOMURA (Cooperation Planning)	Special Advisor, Public Governance and Financial Management Division, Governance Group, Industrial Development and Public Policy Department, JICA	
	Kuniaki KATO (Evaluation Analysis)	Consultant, International Development Solutions Inc.	
Evaluation Period	9 November 2014 to 22 November 2014	Evaluation Type	Terminal Evaluation

3. Overview of Review Results

3-1 Achievements

(1) Outputs

Output 1: The process for the planning and preparation of training programs is systematized.

Objectively Verifiable Indicators (OVI)	Achievement
1-1. Needs assessment and planning of training program mechanism is developed and upgraded.	<ul style="list-style-type: none"> ● Performed needs surveys at TRA departments and tax offices. ● Identified five (5) courses to be developed and revised: Taxation Basic Course (TBC), Taxation Advanced Course (TAC), Electronic Accounting System Course (EAS), International Taxation Course (ITC), and Sector Based Tax Audit Course (SBC). ● Performed needs assessment for all the courses. ● Completed development/revision of course curricula of TBC, TAC, EAS and ITC. ● There have been some delays in planning and developing course curricula of SBC due to the overlap with another donor realised after the commencement of the Project. ● Through Training Management Committee (TMC) as the place of communication between TRA and ITA, the proper training programs were implemented correctly based on the needs of TRA.
1-2. Training materials are developed and upgraded.	<ul style="list-style-type: none"> ● Developed/Revised the training materials of TBC, TAC, EAS and ITC. ● Added practical aspects to the materials for TBC, TAC, EAS and ITC. ● The materials of TAC were developed by the C/P, while other three were by the collaboration of C/P and JICA experts.
1-3. Satisfaction ratings of trainees regarding the training curriculum and training materials of the specified	<ul style="list-style-type: none"> ● So far the rating regarding the curriculum was 85% on average and the one regarding materials was 94% on average. ● The rating regarding the curriculum of TAC was as low as 63%, because the duration of the training was thought too short compared

training programs exceed 95% on training curriculum, 80% on training materials on average.	with the content.
1-4. Frequency of utilizing training materials in each subject is increased.	<ul style="list-style-type: none"> ● The material of EAS was amended and used again. The materials of financial accounting and electronic accounting made for EAS were also used for TAC. ● The material used for TAC will be used again.

Output 2: Capacity of ITA lecturers for implementing training program is enhanced.

Objectively Verifiable Indicators (OVI)	Achievement
2-1. Number of publications by ITA lecturers is increased.	<ul style="list-style-type: none"> ● Fourteen (14) publications have been published since the commencement of the Project, in the duration of two and half years, while only one (1) publication was published for the previous year before the Project.
2-2. Satisfaction ratings of trainees regarding the knowledge and skills as well as the teaching methods of the ITA lecturers exceeds 75% on average.	<ul style="list-style-type: none"> ● Average 92% <ul style="list-style-type: none"> -EAS (Tally) 1st 92%, 2nd 97% -EAS (ACL) 95% -ITC 98% -TBC 89% -TAC 78%

Output 3: The evaluation procedure of the ITA is strengthened.

Objectively Verifiable Indicators (OVI)	Achievement
3-1. Evaluation methodology and feedback mechanism are developed and upgraded.	<ul style="list-style-type: none"> ● Level 1 evaluation was implemented on TBC, EAS, ITC and TAC. On EAS, the improvement of curriculum and material was done and the second training was implemented with the improved curriculum and material. ● Level 3 evaluation was implemented on TBC and ITC.
3-2. Percentage of the evaluation results received by TMC is 100%.	<ul style="list-style-type: none"> ● Received 100% for the 4 courses.
3-3. Percentage of the evaluation results reviewed by TMC is 100%.	<ul style="list-style-type: none"> ● Reviewed 100% for the 4 courses.

(2) Project Purpose

Project Purpose: Training programs provided by ITA are improved.

Objectively Verifiable Indicators (OVI)	Achievement
---	-------------

<p>1. PDCA cycle of training program development is adopted and introduced officially in ITA.</p> <p>1-1. Stage I (initial stage): PDCA cycle does not exist. More specifically, curriculum and training materials exist, but those are not developed based on PDCA cycle.</p> <p>1-2. Stage II: PDCA cycle exists but it is just on a document basis.</p> <p>1-3. Stage III: PDCA cycle exists but managed initiated by Project Team (JICA consultant team).</p> <p>1-4. Stage IV: PDCA cycle exists and managed by ITA itself (as the final target at the end of the Project).</p>	<ul style="list-style-type: none"> ● Stage III In operation for Stage IV.
<p>2. Coverage of training program subjects is expanded. [continued improvement]</p>	<ul style="list-style-type: none"> ● New training courses, EAS, ITC and TAC, were developed and implemented, and SBC is planned to be developed and implemented in the Project period. ● Practical components were added or will be added to all the identified trainings. ● All the identified trainings have been developed or will be developed.
<p>3. Satisfaction ratings of trainees' departments of the TRA exceed 75 % on average regarding the specified training programs.</p>	<ul style="list-style-type: none"> ● Satisfaction rating so far is, on average, 90.4%.
<p>4. Number of trainees in the specified training programs exceeds 210 persons.</p>	<ul style="list-style-type: none"> ● Already 166 trainees attended and 105 trainees are planned to attend. (In total 271)

(3) Overall Goal

Overall Goal: The capacity of the staff working for TRA for tax administration is enhanced.	
Objectively Verifiable Indicators (OVI)	Achievement
1. Average number of tax audits completed in a year per TRA staff is increased.	The Team heard that the trainees' speed of work enhanced with the knowledge and skills. However, it is too early to observe the achievement.
2. Average amount of additional tax per audit case is increased.	There are some cases to collect additional tax using the knowledge learned in the new training courses. However, it is too early to observe the achievement.

3-2 Summary of Review Results by Five Evaluation Criteria

(1) Relevance

From the following results, the relevance of the project is evaluated as high.

GOT has set specific numerical targets to increase the proportion of domestic revenues to the GDP. In MKUKUTAI, a five-year development plan, the fourth Public Financial Management Reform Program (PFMRP IV), etc., the strengthening of the capacity of the relevant authorities is stated to be among the national strategy.

Therefore, relevance exists in supporting the ITA for enhanced revenue capacity.

TRA cites the strategic improvement of human capacity in its corporate plan based on the national strategies above, and ITA cites that it contributes to the execution of TRA's corporate plan by strengthening the capacity of tax officials. Japan, in its Tanzania Country Assistance Policy, cites that it supports the strengthening of the administrative and financial management capacity of GOT, and cites the strengthening the public financial management capacity as specific support measure.

(2) Effectiveness

The following results show that the Project Purpose is generally achieved by a sufficient contribution of the outputs, and therefore, the effectiveness of the Project is high.

Range of the training courses has expanded by specified five (5) courses (4 new and 1 revised) identified based on the needs survey. The satisfaction of trainees both on curricula and materials is generally high in the 4 courses already done. Satisfaction rating on the effectiveness of trainings was 90.4% on average in the evaluation by the trainees and their departments after 9 months of the trainings. Adoption of PDCA cycle settled the way to the continuous improvement on the training curriculum, materials and lecturers.

As described above, in the improvement of training programs provided by the ITA, the Project Purpose, OVI 2-4 listed in the PDM are achieved, and OVI 1 is achieved up to stage III and is being worked on Stage IV. Among 30 lecturers in ITA, 12 lecturers who are in charge of the 5 identified training courses are participating in the project as C/P. They actually raise the achievements and enhanced their own teaching skills and abilities to develop materials through the TOT programs and the experience of development and implementation of specified training courses. Trainees' satisfaction became 92% on average. Qualitative improvement of ITA training has been achieved.

Although the number of training courses that the Project developed was 5 out of 30 short term courses and number of C/Ps who engaged in the Project was 12 out of all 30 ITA teaching staffs, the effect of the Project will spread through ITA with PDCA cycle and TMC, which facilitates the collection of the needs of TRA, collection of the cases from TRA and provision of practical training courses.

The second Taxation Advanced Course (TAC) is planned to be implemented in February 2015, and the first Sector Based Tax Audit Course (SBC) is planned in January 2015, and so turning one (1) or two (2) more PDCA cycle is expected to enhance the achievement of Project Purpose.

(3) Efficiency

From the following results, the efficiency of the project is evaluated as high.

Experts have put into the Project properly on the schedule. Of the 10 experts dispatched, one (1) is a long-term stationed in Dar es Salaam, playing the role of coordination and a focal point among Japanese experts and local staffs. The experience of National Tax College in training in Japan elevated the C/Ps motivation. Also the methods of OJT and group works are considered to be introduced in TRA and ITA.

On the operation of the Project, TMC was established instead of the Subject Panel, which did not work. TMC, consisting of TRA and ITA relevant staffs, plays the role for the evaluation and analysis of training courses, exchange of opinion between TRA and ITA and channel of mutual requests, and therefore, it contributes the improvement of

communication between TRA and ITA.

The outputs, systematization of the process for the planning and preparation of training programs, enhancement of capacity of ITA lecturers for implementing training programs and strengthening of the evaluation procedure, are steadily achieved.

(4) Impact

From the following results, since the Project is in the right direction toward the realization of the Overall Goal, the Impact is evaluated as relatively high.

The achievement of OVI 1 “the average of the annual number of the tax audit by per each TRA staff is increased,” and OVI 2 “the average amount of additional tax collected per tax audit is increased,” are too early at this stage to evaluate now, because it takes time for the trainees to attain the good performance utilizing the capacity acquired in the training courses.

However, since the Project Purpose and Overall Goal have a close causal relationship, with consideration of the achievement of Project Purpose and relatively high Sustainability, the probability of realization of Overall Goal seems relatively high.

No negative unexpected impact is expected. As for positive unexpected impact, since the ITA lecturers have courses for non-TRA students, the tax knowledge of the students might be enhanced because of the improvement of method of developing, implementing, and evaluating the courses. Hopefully, the Tanzanian citizen’s tax compliance would be enhanced.

(5) Sustainability

From the following results, sustainability is evaluated as relatively high.

- **Policy**

In the development strategies of Tanzania, tax collection and tax administration necessary to increase tax revenue has been one of the priority areas, while it takes a further effort to achieve goals, and, therefore, probability of the change in this policy in a short term seems low.

- **Institution**

TMC, which was established to enhance the cooperation between TRA and ITA, is a large element to support the sustainability. The continuity of PDCA will be secured by the inclusion of PDCA into the ISO manuals, which TRA and ITA are preparing.

- **Organization and finance**

There does not exist a large concern on finance to maintain the activities of TRA and ITA. In ITA’s Strategic Plan 2013/2014-2017/2018, the development of materials, promotion of OJT, invitation of lecturers from TRA to ITA and development/implementation of new courses are shown as the businesses related to the Project, and so the budget allocation is planned. In this year, sufficient budget is allocated and executed, and the probability of the budget allocation in the subsequent years is high.

- **Technology**

Within the framework of TMC, TRA can require ITA to provide trainings relevant to the improvement of works and promotion of taxation collected in the local offices and departments. Vice-versa, ITA can ask TRA to provide the necessary information for the training courses through TMC. Exchange of information and staffs between TRA and ITA makes it possible for them to implement training courses of both theory and practice. Since the methods of the evaluation, from collecting data to analysis, are simple and documented, the evaluation process can be technically done by C/P.

However, since the second TAC, whose first course had lower attendants' satisfaction and the first SBC with the new trial of participation intensive program will be implemented in the beginning of 2015, the technical sustainability depends on the results of the two courses.

Therefore, the technical sustainability is evaluated as medium.

3-3. Factors that contributed or prevented Achievement of Outputs

3-3-1. Contributing Factors

- Members of C/P and relevant TRA staffs were motivated by trainings in Japan.
- The establishment of TMC enhanced the communication between ITA and TRA. Also, TMC made an official approval of the review and evaluation of the trainings.
- The Project dispatched appropriate short-term experts in respective areas at appropriate timing.
- The long-term placement of Project coordinator enhanced the communication between the Project team, C/P and TRA.
- The Project team changed their policy from the simultaneous development of many courses to one-by-one development. One-by-one development efficiently utilized the limited C/Ps. Moreover, C/Ps could utilize the experience earned in the development of next program.

3-3-2. Preventing Factors

- C/Ps concurrently have many tasks, such as the lectures of the long-term courses, and therefore seemed to have hard time sparing their time for the Project activities.
- The Subject Panel, which was expected to play key roles in the Project, did not work as expected.(Instead, TMC was established.)
- Rector and Deputy Rector (Academic, Research and Consultancy) were absent for a long period, which prevented the smooth progress of the Project in the following reasons: (i) Decision making delayed. (ii) One C/P played an acting Deputy Rector's role, and became too busy to concentrate on the Project.
- The overlap with the Norway's support was found in the mining sector. The Project instead changed the identified training course of mining sector into Sector Based Tax Audit Course (SBC). This change led to the delay of the Project.

3-4 Conclusion

The Team concludes that the Project has been generally implemented on track, except for the delay of Sector Based Tax Audit Course because of the necessary demarcation with Norway's assistance, but otherwise has shown good

results. The remaining activities are scheduled to be completed by the end of the Project period, provided that the Project makes progress in the present track.

Especially the contents of the identified training courses are satisfied by the TRA trainees and TRA departments. The ITA lecturers learned the PDCA method of the training programs. Relevant TRA staffs are happy with the results of the Project, saying the knowledge and skills learned in the courses are useful to the daily works of TRA staffs.

The establishment of TMC was fruitful and became even functional, since there did not exist a platform where relevant TRA and ITA staffs meet and discuss on the subject of TRA staff trainings. By understanding each other's needs through TMC, ITA with support by the Project, succeeded in providing more practical training courses than it did before.

The selection of the identified courses met the needs of TRA. TBC (revised) and TAC (new) meet the long term training needs of the TRA, while EAS (new) and ITC (new) meet the urgent training needs. The planned SBC seems to meet both long and short term needs. Japan side made appropriate inputs into the selected identified courses, and Tanzania side allocated and added appropriate human resources.

It is expected that the achievement of the Project Purpose shall lead to the Overall Goal of the enhancement of the capacity of the staffs working for TRA in tax administration.

Also, additional one (1) or two (2) PDCA cycles on the TAC and SBC, which is behind the schedule, are expected to enhance the achievement of Project Purpose. Therefore, the extension of the project period is beneficial.

4. Recommendations

(1) Maintaining the function of Training Management Committee (TMC)

The establishment and functions of TMC have been successful. It is strongly recommended that TMC maintains the function of bridging the gap between ITA and TRA as well as incorporating PDCA in ITA in the delivery of training for TRA staffs. TMC should be institutionalized in ITA and TRA to firmly secure its sustainability.

(2) Assignment of the section and personnel in charge of PDCA

To secure the sustainability of PDCA of the training program, specific section and personnel in ITA should be assigned. One idea is the utilization of Subject Panel, which has the function of evaluation of trainings. Another is to incorporate PDCA into Quality Management System within ITA but the original purpose and basic concept of PDCA cycle shall be maintained.

(3) Aligning the training needs of TRA with human resource development of ITA

While the themes of ITA strategic plan is incorporated into objectives of TRA's plan, ideally, in mid to long-term, the training needs of TRA staffs shall be expected to match training contents that ITA can offer. For example, the training

courses can be classified according to staffs' a) years of experience, b) career types, and c) expertise. As the provider of trainings for TRA staff, ITA will need to prepare lecturers, curriculums, materials, etc. according to such classification. Bearing this in mind, ITA shall develop a plan to enhance the capacities of lecturers that can guide them through their career path.

(4) Corresponding to changes in tax system

ITA shall be well-prepared for consequences of the bill for VAT policy and comprehensive tax administration once it is enacted, since it may influence the workloads of and demands for ITA.

(5) Extension of the Project duration

Since TAC is now recognized as the core of ITA training system, implementation of a few more rounds of TAC is beneficial in securing the sustainability of PDCA cycle of the training programs.

Also as the first SBC will only be conducted in January 2015, another round of SBC will be beneficial.

Therefore, extension of support to TAC and SBC with PDCA will be beneficial.

Although the main C/P for this Project is ITA, the Team acknowledges that TRA significantly demonstrated its commitment during the course of the Project implementation. The team, therefore, is taking the liberty to address recommendations intended for TRA but those that are prerequisite to enhancement of effectiveness in trainings conducted by ITA.

(6) Dispatch of TRA staffs to ITA

In addition to the attachment program, in which ITA lecturers gain field experience in TRA, similarly, it will be highly beneficial if experienced TRA staffs in specific areas such as tax audit, tax investigation, etc., are dispatched to ITA. TRA staffs can share their on-the-ground experiences with ITA, and at the same time, teach at ITA. TRA staffs may be able to obtain information and case studies abroad from ITA, such as EAS and transfer pricing. Such staff exchange shall nurture mutual learning among both staffs and shall develop good results.

(7) Introduction of OJT for newly employed staffs in TRA

The introduction of OJT and combination of OJT and TBC shall be sought to effectively enhance the capacities of newly employed TRA staffs.

(8) Development of Procedures of Tax Audit

The skills and methods acquired through trainings shall become fully effective, for example in tax audit, if audit procedures are associated with proper enforcement as stipulated in regulatory bases. Therefore, TRA shall introduce necessary initiatives in order to streamline the enforcement procedures so that TRA staffs can apply skills and methods on the ground that they acquired in trainings.

(9) Corresponding to changes in tax system

TRA shall exert to enhance taxpayers' compliance by extensive publicity, since the bill for VAT policy and comprehensive tax administration may affect private-sector business activities. Tax compliance is imperative in broadening the tax base.

5. Lessons Learned

- (1) The establishment and regular meeting of TMC enhanced communication between TMC and ITC. Whilst there was previously little communication between two organizations, the effort to establish permanent committee and convene regular meetings between two resulted in bridging the gap as well as making progress of the Project activities.
- (2) TRA and ITA are considering the implementation of PDCA to be incorporated into ISO manual. Incorporating PDCA process into the scheme of existing procedure seems to be effective for securing its sustainability, and this method seems able to be applied to other projects.
- (3) The absence of Rector and Deputy Rector as well as the concentration of work in one C/P prevented the progress of the activities. If the Project had had more members of C/Ps from the commencement, the negative effect of the absence would have been minimized.