

Swedish-Polish Co-operation in the Field of Tax Administration 1998–2002

Final Report

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Peter Gisle**

**Department for Central and
Eastern Europe**

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Sida Evaluation 03/15

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Executive Summary

This study evaluates the forth and final phase of the co-operation between Sweden and Poland in the field of tax administration (1998–2002). The project has been managed by the Swedish tax authority and financed by the Swedish International Development Agency (Sida), yet with instances of cost-sharing from the Polish side.

The co-operation is a mutual undertaking initiated by Polish and Swedish tax authorities in 1991. It has its background in the need for tax control and co-operation across national borders, and an upgrade of the Polish tax legislation and administration.

Operations include co-operation in the areas of control, enforcement, and IT.

The study finds that a range of rapid activity-based results, such as improved and approved legislation and methods development, have contributed to the fulfilment of the overall objectives. The sustainability level is high and illustrated by Poland's ability to interact and conclude tax agreements internationally.

The study concludes that the project has been successful due to a prudent operational approach which has promoted, and been promoted by, a framework of mutual stake and trust between the co-operating partners. The elements and logic of the operational approach are discussed in the report.

1 Background

Cooperation between the Polish and Swedish tax authorities started in 1991. At that time the Polish authorities approached the regional tax authority in Malmö and proposed some sort of cooperation in the light of the rapidly increasing commercial traffic between Poland and southern Sweden.

After the initial contacts it became apparent that the working methods of the Polish authorities would benefit from upgrading in many areas. The Polish authorities then requested assistance from RSV. After discussions with BITS it was agreed that Sweden would allocate funds to support the project and that RSV would become the implementing partner in Sweden.

Since 1993 Sweden, first BITS then Sida, has allocated funds as follows:

Phase I	1993	BITS	SEK 287 700
Phase II	1994	BITS	SEK 704 500
Phase III	1996	Sida	SEK 2 250 000
Phase IV	1998	Sida	SEK 2 881 125
Total			SEK 6 213 325

The long term objectives of the first three phases were to secure confidence the new:

- Tax system in Poland; and
- Tax administration.

The short term objectives were rapid prevention of tax and collection losses.

This would be achieved through the establishment of a control organization and development of methods for control and collection.

In consequence the project was broken down in the following operational components:

- Organization of the tax administration;
- Value added tax related issues;
- Control;
- Enforcement; and
- Computerization.

The general approach agreed upon was that RSV would send expert teams to Poland to organize and lead workshops and that Polish experts would come to Sweden to attend workshops and seminars.

The project was evaluated after the completion of the first three phases. The overall findings were that the project essentially had been very successful and that “expected results and effects have been achieved, partly because certain points in the development have been reached and partly because development processes, which will quite likely result in additional positive effects, have been started in the Polish tax administration.”¹

¹ Development of the Tax Administration in Poland in Three Phases. Nils-Erik Ågren and Leokadia Westerlund 1998-09-11: Summary.

2 Development of the Tax Administration System, Phase IV

2.1 The Modern Tax Administration

The overall objective of a tax administration must be to assess and collect taxes in accordance with the tax laws and by doing so, maximise State Revenue. But so far no tax administration in the world has been given enough resources to investigate every possible tax matter that might need to be looked into. At the same time, it is almost universally agreed, the most effective means a tax administration can use to promote voluntary compliance are service and control. Therefore, a tax administration has to rely upon service and control in order to move towards the ultimate target of compliance. The concept of service refers to information activities directed towards the taxpayer community in order to give the best possible assistance to those who are willing to comply. The concept control refers to audit activities performed in such a manner that non-compliance is minimized.

Service and control activities must be based on reliable and transparent systems for registration, assessment, collection and litigation. In addition, the performance of the control and the quality of service to the taxpayer can only be carried out effectively if the staff is well trained and motivated.

The Sida funded project has focused on the control area and not so much on service to taxpayers. In order to obtain overall good results, the service area must be – and is to some extent already being – further developed within the Polish tax administration. It can be noted that a number of European Union (EU) Phare projects in Candidate Countries to EU include components aimed at improving taxpayer service. This is also the case in an ongoing EU Phare twinning project in Poland. It will, however, require some additional time before strategies and policies in the service area can be implemented.

2.2 Introduction

With Decision 585/98, dated 18 December 1998, Sida agreed to finance a Fourth Phase of the cooperation between the tax authorities in Sweden and Poland. SEK 2 881 125 were approved to assist the Polish authorities in three areas:

Control: At that time tax crimes had increased and become a problem, not only in Poland, but also in an international perspective, since confidence in the tax administration is fundamental for society. The control issue was said to be particularly problematic in the areas of large capital inflows and the value added tax system.

Enforcement: Effective tax collection is particularly important for the long term efficiency of any tax administration. At the time when the project was identified, tax collection in Poland was divided over several authorities and tax legislation had not kept up with the rapid expansion of the private sector.

IT: Tax administrations handle large amounts of data which have to be made available within the administration and shared with others, including tax authorities in other countries.

2.3 Objectives

The overall objectives are somewhat vague and generally refer to strengthening the competence of the Polish tax administration in the three areas covered by the project.

The specific objectives are not much clearer, but some indicators are provided:

2.3.1 Control

“Make the control more effective so that Poland may meet international demands in fighting crime through exchange of mutual experience and knowledge about different control systems.” (Poland is expected, as per the “Baltic Sea Agreement”, to participate in the international fight against economic criminality.)

The “monitorable” indicator is that the Polish tax administration has found methods, which are considered more effective in combating economic crime.

2.3.2 Enforcement

“Maintain confidence in the Polish tax system by introducing more effective tax collection.”² The Memorandum proceeds to outline the activities to be undertaken to achieve this objective: exchange of experiences with RSV shall provided incentives for new legislation and organisational change in Poland.

The indicator for success is that the need for new legislation is acknowledged and that the organisation of Collection is changed.

2.3.3 IT

“To develop a more efficient tax administration, which costs less and yields higher quality?” It is stated that this will be achieved with the transfer of competence from Sweden. Three IT areas are targeted: responsibility for IT in the administration between user and system owners, transfer of electronic information, and distribution of information.

The success indicators are that:

- The tax authority is capable of defining their own needs and capable of handling the procurement process of equipment and services required to address these needs;
- The development of tools permitting the Swedish and Polish authorities to reduce risks of double taxation; and
- System users will be responsible for the IT systems and efficient relations shall be established between user and technicians. System user will be trained for this purpose.

2.4 Project Inputs

Most activities were to be implemented through work shops or visits, where experiences are interchanged. The following visits were planned:

2.4.1 Control

Three visits were planned:

- Visit by six Polish experts to Sweden
- Visit by six Swedish experts to Poland
- Visit by two polish experts to Sweden.

2.4.2 Enforcement

In total seven visits were planned.

2.4.3 IT

Seven workshops were planned, of which five in Poland and two in Sweden. It was expected that the last visits in all areas would take place by the end of year 2000.

² Loose translation of Swedish text in Decision Memorandum – Para 2.5

2.5 Extension

In February 2001 the partners approached Sida with a proposal to extend the project without additional funding. The extension had been made possible through substantial savings in the course of the implementation of the project.

In 1999 a PHARE programme aimed at supporting the adjustment of the Polish tax system to EU regulations started. At that time the fourth phase of the Swedish project had been underway for one year and it became clear that there might be some overlap of both activities and objectives between the projects supported by Sweden and the EU respectively.

Since RSV had been selected to be the implementer of the Phare project it became logical and relatively simple to streamline the two operations. It was thus decided to make adjustments in the Sida supported project. This resulted in a reduction or cancellation of activities that were being addressed in the PHARE programme. The largest savings were made in the IT component (58%) followed by enforcement (35%) and control (24%).

Subsequently a proposal was made to Sida for the reallocation of the savings.

The parties stated that they wished to use these funds to:

- Intensify the fight against economic crimes;
- Review enforcement legislation; and
- Adapt the IT development to the IT systems in the European Union.

In the document proposing the extension, it is stated that: “The results that have been achieved (since the beginning of the cooperation in 1994) can be summarized as:

- transfer of the Swedish models regarding legislation, aims and administrative procedures
- systematizing of the Polish legislation
- improvement of procedure rules regarding control supported by IT
- introduction of audit programs, project work and direct controls
- transfer of the Swedish experiences regarding VAT-control
- support when the Polish execution systems has been reconsidered
- impact on organization and management of the Polish tax administration.”

Sida approved the extension.

3 Project Achievements/Results

The results as described by the parties in their final report (030117) indicate that set targets have been met and that they have contributed to the realization of the overall objective.

3.1 Control

Co-operation in the control area has resulted in:

- Better methods to improve tax compliance in Poland; and
- An increased ability on the part of the Polish authorities to participate in international compliance co-operation.

The parties have discussed extensively compliance issues in relation to Swedish and Polish legislation. Current litigation cases have been discussed in working meetings and as a result of the co-operation changes in Polish legislation have been proposed and approved in acts of Parliament.

The ability of Polish authorities to interact with international counterparts has increased substantially. An agreement to conduct simultaneous audits between Sweden and Poland (RSFS 2000:25) has been concluded. In addition, Poland has signed similar agreements with *inter alia* Ukraine and Italy. These agreements could not have been signed without the capacity building provided by the co-operation with RSV.

Finally, operations have been instrumental in preparing Poland for EU co-operation and requirements in the control area. The Polish choice of Sweden as a partner in several PHARE projects is considered a direct consequence of the co-operation.

3.2 Enforcement

In relation to the overall objective in the enforcement area, achievement is high. Operations have been organised to assist the Polish part to:

- Reform the prevailing legislation; and
- Review and develop new methods of enforcement in practice.
- Swedish experts and senior staff at the Polish Ministry of Finance have discussed the need to prepare new legislation in Poland. Subsequently new laws were drafted using the Swedish legislation as the model. Both parties conclude that the modernisation of the Polish enforcement legislation in part can be attributed to these discussions.

The parties have also discussed the organisation of co-operation between Swedish national institutions in the tax field (Ministry of Finance, National Tax Board, Tax authorities and Enforcement Authorities) and its implications for the Polish context with “constructive” practical results.

3.3 Information Technology

Goal achievement is significant although at a lower level compared with the other two components.

Objectives stipulating interaction between tax departments and the IT department (information processing and organisation) have only partly been met. It has been suggested that higher impact would have been likely if the IT component had been implemented in stronger interaction with the tax

departments (system users). The concept of system user responsibility for IT development has not been firmly established with Polish top management. Significant steps have, been taken with regard to creating systems that will meet information reliability and system stability requirements in the future. A major part of these activities are now being carried forward within the PHARE programme.

Regarding other objectives in electronic data transfer, IT-systems architecture and preparations for the PHARE programme results are in line with expectations. System configurations and solutions have been sought with the Swedish system as reference point. A basic tenant is a re-orientation to electronic data interchange (EDI) systems. Progress in pilot activities in Szczecin is substantial but wider application is yet to be seen and depends in part on legislative changes.

3.4 Objectives and Indicators in Decision Memoranda

By way of an overview, the indicators of success as described in Sida's Decision Memorandum for the fourth phase of the project are reviewed in the table below.

Indicator	Status
<i>Control:</i> That the Polish tax administration has found methods which are considered more effective in combating economic crime.	The attainment level is high. New methods and accompanying legislation as a result of project activities should be considered as established. The Polish ability to interact to combat economic fraud on an international level has improved, in large part as a consequence of Polish-Swedish interaction.
<i>Enforcement:</i> The need for new legislation is acknowledged and that the organisation of collection is changed.	Advances in the legislative field towards a re-organisation of collection practices as a consequence of project activities should be regarded as firmly established. There are clear indications pointing to the fact that practices are changing.
<i>Information technology:</i> That the tax authority is capable of defining their own need and capable of handling the procurement process of equipment and services required to address these needs.	Improvements in this regard are good. The ability of the Polish authorities to define needs has been enhanced as a result of project activities. One point of caution is that the tax departments (system users) have not advanced as far as the IT departments in this process. Procurement capability is, as far as can be judged, improved although the Polish authorities maintain that they will still require external assistance in more complicated procurement cases.
The development of tools permitting the Swedish and Polish authorities to avoid double taxation.	Improvements are substantial. It should be stressed that they are the result not only of IT co-operation but also, of the co-operation as such and in the control area in particular. At a technical level, the Polish system could probably still be improved.
System user will be responsible for the IT systems and efficient relations shall be established between user and technicians. System user will be trained for this purpose.	The attainment level is modest. There is an emerging sense in the Polish tax administration of the need for users to be responsible for systems development, but as yet not to a satisfactory extent.

4 Findings

4.1 General

As can be seen from the preceding sections the cooperation between RSV and the Polish Tax Administration has, for all practical purposes been carried out as proposed from the beginning, the only exception being the adjustment of the IT component to help prepare Poland for the Phare support. The cooperation has also yielded those results expected in the project documentation.

4.2 Operational Approach

Essentially the cooperation was built up on a fairly simple concept: identification of a problem, a seminar and/or a study visit to discuss the issues involved and advisory services to plan for the solution. In the case of the present operation this worked, and it seems to have worked very well.

To many it may seem surprising that a series of seminars and study visits can result in substantial institutional reform. In the case of the project under review the major factors contributing to the success seem to have been – according to the individuals involved:

Political support: The project has enjoyed a high level political support throughout its lifetime. The parties and the two project co-coordinators in particular have been instrumental in extending a sense of political backing to all officials involved. This we believe has been achieved to a large extent through a strict orientation towards operational/practical objectives and results.

Problem identification: The issues involved – e.g. control, collection/enforcement and IT – were of great concern to the Polish authorities who were actively searching improvements. Polish authorities stated repeatedly that the Swedish side – at all times – first presented information and shared experiences and then left the setting of priorities and the selection of solutions to them. “RSV never imposed solutions on us like some others do!”

Discipline: The coordinators of the project have been extremely focussed on producing results efficiently. Project coordinators – in both countries – were determined to ensure that both seminars and study visits were “no nonsense”, solution-seeking exercises. The discipline was further enhanced by the “counterpart contribution” – when RSV visited Poland the hosts covered accommodation and subsistence costs. The Polish coordinator stated to the Mission that he felt this was important.

Expert quality: All Polish interviewees praised the quality of all the experts they had met. Furthermore the expressed satisfaction at the continuity provided by RSV which reduced the need to loose time introducing

Expert identification: Identification, in the co-operation areas concerned, of a core group of qualified and motivated collaborators. The partners have also managed to create “stable” groups in the sense that – to a large extent – the same people have been involved throughout the project.

The fact that RSV made ample use of staff members with a Polish heritage is said to have contributed very much to the success of the project. The Polish authorities said that their own linguistic weaknesses made it difficult for many of them to absorb the expertise of foreigners. When RSV brought in several experts who were fluent in Polish this gave the cooperation “a totally different dimension.”

4.3 Relevance

The operational approach, as described above, has been appropriate to meet the needs of Poland and the objectives as defined by the parties, Sida and the Swedish government.

With few exceptions, the operational approach has been tuned to stated objectives. As described in the IT component, it may be that an additional focus on bringing the IT and tax departments closer together in system development might have yielded even stronger results, but this is not clear.

In terms of relevance for Sida priorities the project as a whole has met high standards. Not the least in the way a gradual phase-out of project activities has been organised. Care has been taken to involve the Polish counterpart in all considerations in this regard and with a careful view to reduced budget allocations.

4.4 Cost-effectiveness

Project implementation appears to have been very cost-effective as the results, which have been achieved, are remarkable when compared to the fairly modest financial resources used. Cost sharing has been an important element in exchange activities. RSV fees and administrative costs are reasonable both in comparison with similar projects in Central- and Eastern Europe and very much so in relation to the results.

The relationship between fees and reimbursable costs in RSV budgets is reasonable by any standard (64%–36% in the fourth phase) and the budgets should be commended for clarity. We also find budgeting has been wise in incorporating all RSV man-hour input in one singular fee structure. The fee level at SEK 725/hour or SEK 5 800/day is very reasonable.

4.5 Sustainability

In all areas of co-operation a level of sustainability has been reached.

As a whole, the importance of the project as a promoter of international agreements between Sweden and Poland on *simultaneous audits* (concluded) and *enforcement*³ (discussions about to start) would suffice as a clear indication of sustainability. But not only have these agreements materialised, the co-operation has produced results that makes it reasonable to believe future co-operation will be filled with qualitative substance. Furthermore, this can most probably be done on a regular neighbourhood co-operation basis without external financial support.

In the control area, national legislative changes and their practical implications stand out as clear indices of sustainability. In addition, it seems clear that Poland has benefited from these experiences in its interaction with other states on the international level. The substance of Swedish/Polish co-operation in the control area (methodology and legislation) has stimulated a Polish ability to discuss and co-operate with the Ukraine, Italy (agreements concluded) and Lithuania. A Polish competence to carry such co-operation further, both within and outside the European Union, has been established with significant contributions from the Swedish/Polish project.

In the enforcement area, legislative change and change in applied practices, we believe, are substantial. The ability of Polish authorities to implement these changes is undoubted.

³ A request from the Polish Ministry of Finance to start negotiations on an agreement on enforcement, the first of its kind for Poland, has been made to Swedish authorities in Malmö. Negotiations are expected to start during autumn 2003.

In the IT area, a certain degree of sustainability has been achieved in the reformation of usage and applicability of the data system due to project activities. The substantial efforts made within the PHARE programme to continue to enhance the system should be regarded as important for success in the longer term.

4.6 Future Relations

Cooperation between Sweden and Poland in the area of tax administration has been going on for many years and independently from the technical cooperation initiated in 1993. Undoubtedly the deepening relationship resulting from the implementation of the Sida financed project – which primarily has focussed on the control area – has contributed, directly and indirectly, to closer cooperation also in other areas.

The primary “objective” example of the trust that prevails between the two tax authorities is that RSV was invited to be the cooperating agency in a series of EU financed Phare-projects aimed at preparing Poland – and specifically the tax authorities – for entrance to the European Union. The Phare projects, also peculiarly called “twinning projects” have focussed on improving service to the tax-payer, an area which was not covered by the cooperation financed by Sida.

As explained in Section 2.1 a modern tax administration basically relies on good service and support to the tax-payer on the one hand and effective control on the other. Over the recent decade both areas have been addressed but with two different donors.

Future relations will presumably return to such normal operational cooperation as may be expected between tax authorities in two neighbouring countries with common interest in maintaining effective control in areas of mutual interest. Some such cooperation – as the joint audits – have already been formalized; others are likely to be concluded over future years.

Nevertheless, the Polish administration would welcome assistance in some areas where it still feels weak, such as procurement of complicated IT-systems.

4.7 Concluding Remarks

We believe that the project has been successful. It has been successful due to a combination of several factors that we believe have a few internal relationships worth noting. We are conscious of the general difficulty in pin-pointing relationships of this kind, and therefore limit our reasoning.

Basically, it seems fair to say the project partners have understood and managed the project setting and its pre-requisites to full advantage. In so doing, they have been instrumental in creating and developing elements of an **enabling environment** which have contributed to operational success.

This enabling environment consists of at least two important elements. One is the *mutual interest and stake* in the project and its results that exist between the partners, and which they have been able to maintain throughout the project. The other is the development of *trust and mutual confidence* on all important levels of co-operation.

A sense of mutual interest and stake has existed since the start. Polish political support and incentives for change have existed at the highest level throughout the project's life-span. A Swedish/Polish interest in future cooperation has also been clear from the beginning. Two important steps in extending this sense to all involved, we believe and many respondents state, are the instances of cost sharing in exchange activities, and realistic target setting (i.e. an ability to show immediate results and introducing

the notion of “we are moving forward”). Again reflecting our discussions with the people involved, shared trust has been promoted by actions such as establishing Polish ownership in agenda and target setting, involving Polish-speaking Swedish experts, ensuring co-operation discipline and achieving rapid results.

Having thus and probably also by other means, contributed to an enabling environment, the parties have made substantial operational success more likely. The **operational approach** has been promoting and promoted by this framework.

As described the operational approach taken is one of careful planning and prudence. It does not seem reasonable to distinguish between its traits or try to explain why/if one was more important than the other. It is probably safe to say that it consists of a number of factors whose sum is larger than their individual contribution. It is, nevertheless, noteworthy that people met tend to emphasise the:

- i) Polish initiative in agenda and target setting; and
- ii) Success in finding a core leadership and a core group of co-operating experts with a common appreciation of project strategy.

Finally, a word about the gender dimension. Basically a well functioning tax administration benefits the entire population, irrespective of gender. In this respect the project has been gender neutral. On the other hand many women have participated in the implementation of the project, some in very key positions. In this respect it can safely be stated that many women have directly benefited from the project – and the project from them.

5 Lessons Learned

It is difficult to identify any specific lessons which may be carried over to other projects. The difficulty lies in the fact that there is not any special feature which, on its own merits, can be said to be essential. It is more a question of a combination of factors, which have contributed to make this programme such a success.

We have, however, tried to identify a few issues which might be of interest in other projects of similar nature, i.e. cooperation between public sector agencies.

The following observations are not listed in any particular order:

Use of permanent staff: RSV has exclusively relied on staff from its national or regional offices. In Poland this was considered an advantage – not least in such sensitive areas as procurement and legislation.

High priority: It was the Ministry of Finance that identified the need to modernize the tax administration. The project was thus not imposed and there was thus never any question of who had the ownership.

Rapid results: The efficient working methods employed and the problem oriented nature of the themes lead to the production of early, visible results. This contributed to maintain, if not increase the political support for the project.

Project methodology: The method used in the project – identification of a special issue, a seminar and then some hands-on advisory services – appears to have been singularly successful. It must, however, be stressed that the method requires a strict result-oriented discipline. We believe that the fact that the Polish authorities paid accommodation and subsistence for the Swedish experts contributed to the discipline and sense of ownership and responsibility.

Annex 1

Terms of Reference for the Evaluation of the Swedish-Polish Co-operation in the Field of Tax Administration, 1999–2002.

1 Background

The cooperation between the Swedish and the Polish Tax Administrations started as early as in 1991. In 1993/94 BITS (after 1995 Sida) decided to support the cooperation, which covered areas such as; organisation of the tax administration, VAT-system, control, collection and, computerisation. The cooperation was organised in three phases with a allocation from Sida (and BITS) of approximately 3,5 million SEK.

The Swedish-Polish cooperation was evaluated in 1998 with positive results. The development of the tax administration was considered to be an important aspect of a well functioning democracy and market-economy in Poland. Therefore, in December 1998, Sida decided to support a fourth and concluding phase of the Swedish-Polish cooperation. The fourth phase was implemented between 1999 and 2002 and it comprised three main areas:

- Control: To combat international tax fraud.
- Enforcement: To strengthen the public confidence to the tax system and thus develop a more efficient enforcement.
- IT: Development of IT competence. To develop a more efficient tax administration of higher quality

The activities was mainly to be carried out through work-shops and experts visits, both in Poland and in Sweden. The main beneficiaries were different levels of employees within the tax administration. However, the population at large would also benefit from the project as the tax administration gets more professional, competent and efficient. Phase four amounted to 2,9 million SEK of which 2,25 million was used.

The Swedish-Polish cooperation within the field of tax administration has thus been a major area for Sida's support to Poland during almost 10 years. The latest country strategy for Poland remained in force up to December 2001 but after that Sida has only in exceptional cases financed new projects in Poland. On the other hand, new financing instruments has been introduced by other donors such as the EU. This is very well illustrated in the field of tax administration where the cooperation between Swedish and Polish Authorities has continued through the Phare-twinning mechanism.

2 Purpose and Scope of the Evaluation

Purpose:

- The evaluation shall assess the relevance, effectiveness, effects, impact and sustainability of the Swedish-Polish cooperation between 1999–2002.

As the Swedish bilateral development assistance to the EU-candidate countries is being phased out, the evaluation will be useful in terms of giving input to Sida financed cooperation in other countries, especially those in Eastern Europe.

An important aspect of the cooperation, and thus also of the evaluation, is that the collaboration between the tax authorities in Poland and Sweden is continuing even without Sida finances. The cooperation is now taking place through the EU Phare-twinning instrument as well as through the

regular day-to-day work. The findings of the evaluation will therefore be useful when discussing prospects of regular bilateral cooperation between Swedish actors and their sister-organisations in other partner countries. The evaluation is thus mainly focused on learning and on how Sida and other Swedish public authorities could work in the future in order to promote a sustainable cooperation with their sister-organisations, but without development assistance.

Sida is the main beneficiary of the evaluation. However, the recommendations provided by the Consultants will be valuable also for other Swedish public authorities.

Scope:

The evaluation shall cover the assignment carried out by the Swedish Tax Administration as described in Sida decision 585/98.

3 The Assignment (issues to be covered in the evaluation)

- a) *Relevance:* How did the project approach, goals and services carried out by the Swedish counterpart relate to the needs of the Polish counterpart? How did the project approach, goals and services carried out by the Swedish counterpart relate to the objectives as defined by Sida and the Swedish Government?
- b) *Effectiveness:* To what extent has the project achieved the goals and results as outlined in the contract, Sida's decision and other documentation? What are the reasons for high or low achievement of goals?
- c) *Cost effectiveness:* Could the same results have been achieved with fewer resources, other means, or with an alternative approach?
- d) *Effects:* Are the results and effects of the project due to the project as such or have other factors influenced the fulfilment of objectives (political, personal etc.)? Has the project contributed to effects (positive or negative) that were not expected from the beginning? Can any particular success-factors be identified?
- e) *Impact and sustainability:* To what extent have the Swedish support contributed to long-term effects and strategic impact in Poland? To what degree have women and men respectively been affected by the project? To what degree do Polish experts contribute to similar development projects in other countries?

When making an assessment of the above mentioned issues the Consultant should keep in mind the ongoing Swedish-Polish cooperation within the field of tax administration. Important questions to answer, in relation to the above mentioned issues, are: Which are the factors needed in order to establish a cooperation on a regular and day-to-day basis? Which features could be applicable, or avoided, in similar Sida financed projects in other countries?

4 Methodology, Evaluation Team and Time Schedule

Method of work

The evaluation may consist of the following parts (the Consultant is encouraged to make amendments to the methodology or to propose an alternative approach):

- Documentation Study: Written documentation, including project proposals, reports and strategies, guidelines shall be studied. To collect the required material the Consultant will review relevant documentation at Sida and the Swedish Tax administration.
- Interviews with relevant actors, in Sweden as well as with counterparts in Poland.

Evaluation team

At least one of members in the Evaluation Team shall have substantial knowledge and experience in evaluation methodology. Knowledge and experience from public administration shall moreover be available within the team. In addition, the team shall have documented experience from work in Central- and Eastern Europe. An understanding of EU financing instruments is required.

Time schedule

The time estimated for the fulfilment of the assignment is 7 man-weeks.

Undertakings

The Consultant will be responsible for practical arrangements in conjunction with international missions and other visits. Sida will make available or cause to make available all written material (strategies, guidelines, reports, project documents, project completion reports, etc.) deemed to be of relevance to the evaluation by the Consultants and Sida. Responsible officer at Sida will inform the Swedish counterpart of the forthcoming evaluation.

5 Reporting

The evaluation report shall be written in English and should not exceed 20 pages, excluding annexes. Format and outline of the report shall follow the guidelines in **Sida Evaluation Report – a Standardized Format** (see Annex 1). The draft report shall be submitted to Sida electronically no later than May 15th 2003. Within 2 weeks after receiving Sida's comments on the draft report, a final version shall be submitted to Sida, again electronically and in 5 hardcopies. The evaluation report must be presented in a way that enables publication without further editing. Subject to decision by Sida, the report will be published in the series *Sida Evaluations*.

The evaluation assignment includes the completion of **Sida Evaluations Data Work Sheet** (Annex 2), including an *Evaluation Abstract* (final section, G) as defined and required by DAC. The completed Data Worksheet shall be submitted to Sida along with the final version of the report. Failing a completed Data Worksheet, the report cannot be processed.

Annex 2

List of People Met

Sweden, the Tax Authority:

Gösta Wilholm	Head international consulting office of RSV
Lennart Bjerkner	Regionkronodirektör, Malmö
Sven Yngve Nilsson	Avdelningschef skattemyndigheten Malmö
Mats Grampert	Swedish co-ordinator of the PHARE 2001

Poland, Tax Department, Ministry of Finance in Warsaw:

Krzysztof Piechota	Director of the Polish tax department, Ministry of Finance
Jaroslav Wyszynski	Head of unit, Polish tax department
Marek Welenczyk	Chief specialist

Maria Paluch	Head of the division for tax collection and enforcement
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Janina Derwiszynska	Head if IT division
Krystyna Kryszkiewicz	Assistant IT division

Zofia Piotrowska	Deputy Director Fiscal Control Department
Slawomir Michalak	Head of unit Fiscal Control Department

Mrs Agata Kasica	Director tax administration Bydgoszcz
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Poland, Tax Department in Szczecin:

Antoni Gawron	Director tax administration in Szczecin
Jolanta Pietrzykowska	IT depoartment Szczecin
Ana Raca	Direct taxes department Szczecin

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