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COMMISSION STAFF WORKING DOCUMENT

Final evaluation of Regulation (EU) No 1286/2013 of the European Parliament and of the Council of 11 December 2013 establishing an action programme to improve the operation of taxation systems in the European Union for the period 2014-2020 (Fiscalis 2020) and repealing Decision No 1482/2007/EC

Accompanying the document

**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND
THE COUNCIL**

on the final evaluation of the Fiscalis 2020 programme

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GLOSSARY

<i>Acronym</i>	<i>Definition</i>
AEOI	Automatic Exchange of Information
AFF	Action Follow up Form
ART	Activity Reporting Tool
ATP	Aggressive tax planning
CCN	Common Communications Network
CLO	Collateralised loan obligations
CN	Combined Nomenclature
CPA	Classification of Products by Activity
CS	Central System
CSI	Common Systems Interface
CTA	Conformance Testing Application
DAC	Directive on Administrative Cooperation
eAD	electronic Administrative Document
EAF	Event Assessment Form
EEC	European Economic Community
eFCA	e-Forms Central Application
e-FDT	e-Forms Direct Taxation
EIS	European Information Systems
EMCS	Excise Movement Control System
EU CTS	EU Common Transmission System
EU FATCA	European Foreign Account Tax Compliance Act
FPG	Fiscalis Project Group
GDP	Gross Domestic Product
IMF	International Monetary Fund
IOSS	Import One Stop Shop
IOTA	International Organisation of Tax Administrations
ITR	Implicit taxation rate
LMS	Learning management system
MISE	Management Information System for Excise
MLC	Multilateral controls
MOSS	Mini One Stop Shop
MSC	Member State of consumption
MTIC	Missing Trader Intra-Community
OECD	Organisation for Economic Co-operation and Development
OLAF	EU Anti-fraud Office
OSS	One Stop Shop
PAOE	Presences in administrative offices and participation in administrative enquiries
PMF	Performance Measurement Framework
SEA	Single European Act

SEED	System for Exchange of Excise Data
SEED-on-Europa	System for Exchange of Excise Data on Europa website
SRSP	Structural Reform Support Programme
SSTS	Self-Service Testing System
SWD	Staff Working Document
TAIEX	Technical Assistance and Information Exchange Instrument
TBE Services	Telecommunications, broadcasting and electronic services
TEDB	Taxes in Europe Database
TFEU	Treaty on the Functioning of the European Union
TIC	Taxation Information and Communication
TIN	Tax Identification Number
TNA	Transaction Network Analysis
TSI	Technical Support Instrument
TSS	Taxation Statistical System
VAT	Value-added tax
VIIES	VAT Information Exchange System
VoW	VIIES-on-the-web
WB	World Bank

1 1. INTRODUCTION

This Staff Working Document (SWD) reports on the final evaluation of the Fiscalis 2020 multiannual action programme (herein Fiscalis 2020). The programme, running from 2014 to 2020, was one of the principal tools used to support the implementation of European Union taxation policy. It provided a framework with which to improve the proper functioning of the taxation systems in the single market through enhanced cooperation between participating countries, their tax authorities and officials. It supports the implementation of Union law in the field of taxation and the fight against tax fraud, tax evasion and aggressive tax planning by ensuring the exchange of information, supporting administrative cooperation and enhancing participating countries' administrative capacity.

The Fiscalis 2020 programme was set up by Regulation (EU) No 1286/2013 of the European Parliament and of the Council of 11 December 2013 establishing an action programme to improve the operation of taxation systems in the European Union.¹ In compliance with Article 17(1)(2) of the Regulation, the Commission, assisted by independent external evaluators, conducted studies to support final and mid-term evaluations of the programme.

2 1.1. PURPOSE AND SCOPE OF THE EVALUATION

As mandated by Article 17(3) of the Fiscalis 2020 Regulation, the purpose of the final evaluation is to assess the programme's performance from 2014 to 2020² and the extent to which results achieved will be sustained in the longer term. The scope of the evaluation covers the programme's years of operation (2014-2020). It incorporates the mid-term evaluation findings conducted in 2018 and assesses the degree to which recommendations made then were implemented and whether such follow-up actions brought about improvements. The geographical scope includes all participating countries, i.e. EU Member States³, candidate countries (Albania, North Macedonia, Montenegro, Serbia and Turkey) and potential candidates (Bosnia and Herzegovina and Kosovo*). The evaluation takes into account the programme's full range of funded and management activities and all the relevant stakeholders (national administrations, Commission

¹ Note that Regulation (EU) 2021/847 of the European Parliament and of the Council of 20 May 2021 established the ongoing 'Fiscalis' programme for cooperation in the field of taxation which covers the period 2021-2027. The Regulation and repeals Regulation (EU) No 1286/2013 that had created the Fiscalis programme evaluated here.

² A number of the 2020 Fiscalis programme activities continued in 2021 as most grant agreements have been prolonged to 2021.

³ The United Kingdom withdrew from the EU and is a third country as of 1 February 2020. It was therefore considered a participating EU country for most of the programme duration.

services and economic operators) from all participating countries (including candidate and potential candidate countries).

This evaluation round focused strongly on Fiscalis IT structure and systems (also referred to in this report as European Information Systems – EIS) as they account for around three quarters of the Fiscalis 2020 budget and were not previously evaluated in-depth. This was done through five in-depth case studies. See Annex II for more on the final study methodology including the case study selection. Other Fiscalis-funded activities are also evaluated, providing a well-rounded picture of the programme performance as a whole. The final evaluation also draws on the experience of its predecessor programmes, as Fiscalis 2020 cannot be evaluated without considering them. In addition, it considers future evolutions for the programme’s continued relevance and changes foreseen for the 2021-2027 programming period.

In line with Article 18(1) of Regulation (EU) No 1294/2013, which mandates an independent final evaluation of the programme, the Commission services (Directorate General for Taxation and Customs Union - DG TAXUD) commissioned an external contractor to perform a study in support of the Commission evaluation (hereinafter referred to as ‘the external study’). The external study was carried out between November 2020 and January 2022 and is a key contribution to this staff working document (SWD).

The evaluation assesses the degree to which the programme achieved its objectives, the efficiency of resources used (including potential for simplification), the programme’s contributions to the EU priorities of smart, sustainable and inclusive growth, the continued relevance of its objectives, and its added value at EU level. On that basis, this evaluation provides the Commission with overarching conclusions and lessons learned to inform the implementation of the recently established successor Fiscalis programme for the 2021-2027 period. The findings are deemed robust and the conclusions accurately drawn. The staff working document is based on the findings and conclusions presented in the supporting external studies (see Annex 1 for organisational details).

3 2. WHAT WAS THE EXPECTED OUTCOME OF THE INTERVENTION?

4 2.1. DESCRIPTION OF THE INTERVENTION AND ITS OBJECTIVES

As said, the Fiscalis 2020 programme was set up by Regulation (EU) No 1286/2013 of the European Parliament and of the Council of 11 December 2013 establishing an action programme to “*improve the proper functioning of the taxation systems in the internal market by enhancing cooperation between participating countries, their tax authorities and their officials*”. The general objectives of the EU taxation programme are to facilitate the coherent implementation of EU taxation law and support the fight against tax fraud, tax evasion and aggressive tax planning. This should be achieved, by enabling secure information exchange and storage, supporting administrative cooperation and enhancing the tax authorities’ administrative capacity (specific objectives).

The Fiscalis programme is an ongoing, continuously growing and adapting programme. The Fiscalis 2020 programme was built on predecessor programmes. The first programme was called Matthaeus-Tax, started in October 1993 and ran until end-December 1995. Rebranded Fiscalis, there have now been four Fiscalis programmes, including the one evaluated here: the first Fiscalis programme (1998-2002); the second Fiscalis programme (2003-2007); the third Fiscalis programme (2008-2013) and the fourth Fiscalis programme (2014-2020), or Fiscalis 2020, evaluated here. 35 countries fell within the Fiscalis 2020 framework: the 27 EU Member States plus the UK while it was an EU Member State and 7 candidate and potential candidate countries.

The Commission manages the programme with assistance from the Programme Coordination Group (responsible for Commission internal coordination) and the Fiscalis 2020 Committee⁴. The Fiscalis 2020 Committee is composed of delegates from each EU Member State. The Programme Coordination Group is composed of DG TAXUD units using the programme and contributes to identifying policy priorities for the Annual Work Programmes, reinforcing coherence between the programme objectives and priorities of the European Commission, monitoring of the programme's performance and increasing the overall transparency and dissemination of information.

5 2.2. POINT(S) OF COMPARISON

It is difficult to establish points of comparison because the Fiscalis 2020 programme has a long history and builds upon previous iterations of the programme. As it has been in existence for several years, it is challenging for stakeholders to consider the situation before this started. Take for example, the EIS systems, constituting about 75 % of the programme's funds. These have long been engrained in national and EU landscapes.

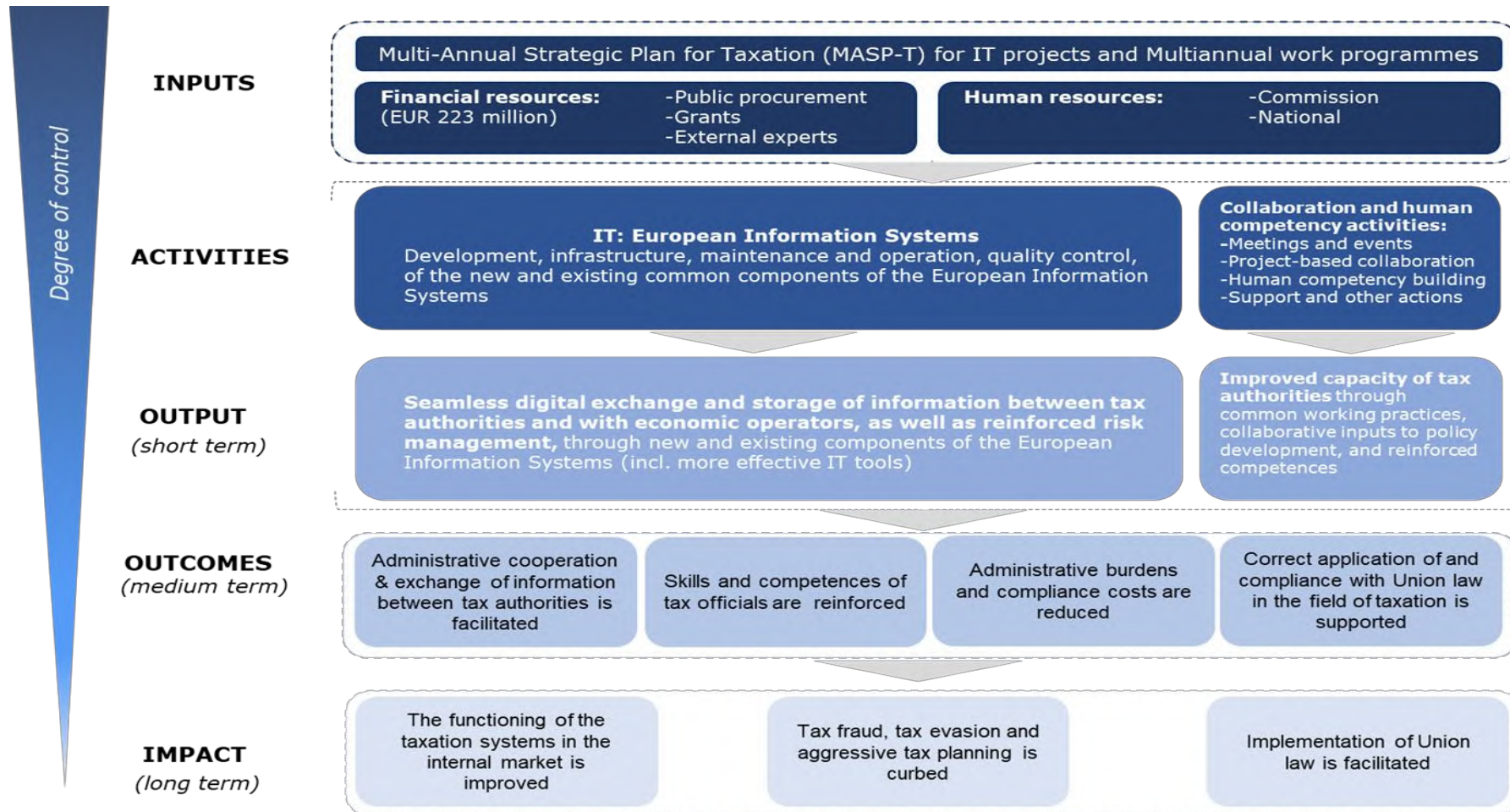
In line with the Commission's commitment to monitor the EU budget⁵ and ensure the accountability for value for money, DG TAXUD developed a framework for monitoring the outputs and results of the programme – the **Performance Monitoring Framework** (PMF). The European Commission PMF monitors the programme's outputs and results through a results-based monitoring system. It contains an intervention logic, adjustable indicators, data collection schemes and reporting arrangements (see Figure 1). This framework became operational in 2014, following recommendations of earlier evaluations to provide more and better data to assess programme implementation and performance. The PMF outcome has been taken into account to the extent possible in this evaluation. Note that the mid-term evaluation reported then that while *'...it does already facilitate performance management; the framework is still too fresh to provide insightful benchmarks for the programme's performance or establish and examine trends'*.

⁴ Established according to the Comitology rules set up in Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers.

⁵ As set out in Article 17 of the Fiscalis 2020 Regulation, the Commission is required to monitor the implementation of the programme and its actions.

It is important to note that several issues make it difficult to accurately isolate and estimate the programme's contribution to the overall EU objectives such as that of smart, sustainable and inclusive growth. First, all programme components play supporting roles. They are not themselves taxation policies and thus disentangling the supporting aspect from the policy implementation aspect and evaluate the programme's performance vis-a-vis the objectives is challenging. Second, the programme consists of various components, which, while independent in nature, all work towards the same objectives and each of these does not necessarily impact or rely on other components in the same way.

Figure 1: Fiscalis 2020 Intervention logic



6 3. HOW HAS THE SITUATION EVOLVED OVER THE EVALUATION PERIOD?

7 3.1. CURRENT STATE OF PLAY

The Commission reports on the implementation and performance of the programme annually, through the Annual Progress Reports. All report for 2014 to 2020 are available. The overview of the programme's implementation presented here is based on the latest available report.⁶

As said, the Fiscalis 2020 programme aimed at improving the proper functioning of taxation systems in the internal market, by ensuring the exchange of information, supporting administrative cooperation and enhancing participating countries' administrative capacity. In this context, the actions under the programme were varied and included the development/ improvement of European information systems, a variety of joint actions, training and external expertise. The Fiscalis 2020 programme had a **committed budget of EUR 222 million for the period 2014-2020** (see Table 1).

Table 1 : Committed expenses per budgetary year and main programme action categories, in euros

	2014	2015	2016	2017	2018	2019	2020	Total 2014-2020
European Information Systems – fiscalis IT systems	23 053 874	24 691 254	23 244 421	24 824 594	22 375 306	24 768 693	25 020 819	167 978 961 75.6%
Joint actions other than expert teams and studies	4 555 000	4 230 000	4 300 000	4 540 000	4 912 500	5 576 400	4 923 950	33 037 850 14.9%
Joint actions - studies and communication	2 184 539	1 375 690	1 640 916	1 898 800	1 867 658	520 372	350 232	9 838 207 4.4%
Training	908 585	600 003	1 205 600	-	1 352 000	1 374 000	1 483 000	6 923 188 3.1%
Joint Actions - expert teams	-	-	988 040	519 915	899 585	330 000	1 165 000	3 902 540 1.8%
External experts	75 000	70 000	70 000	70 000	70 000	-	50 000	405 000 0.18%
TOTAL	30 776 998	30 966 947	31 448 977	31 853 309	31 477 049	32 569 465	32 993 001	222 085 746 100 %

Source: Fiscalis 2020 – Progress Report 2020

Notes: 1. The table compares committed amounts since the programme's launch, as the actual expenses are not finalised for all previous years. Budgetary year X covers from 01/04/X to 31/03/X+1;
2. Appropriations may be higher when using foreseen financial contributions from candidate and potential candidate countries participating in Fiscalis 2020.

⁶ Commission Staff Working Document: Fiscalis 2020 Programme Progress report 2020 [SWD_2022_27_1_EN_document_travail_service_part1_v2.pdf\(europa.eu\)](https://ec.europa.eu/swd2022_27_1_en_document_travail_service_part1_v2.pdf)

The vast majority of Fiscalis 2020 funding, 75.6% (about EUR 168 million), went into the **development and operation of the EIS systems**, followed by the organisation of joint actions other than expert teams and studies, then studies and communication, then training, then expert teams and finally external experts (see Table 1).

European Information Systems (EIS)

Fiscalis supports the development of EIS which in turn can secure information exchange, support administrative cooperation and enhance participating country authorities' administrative capacity. EIS represent a large share of the funding and comprise many systems. Here is a subset of those that we will be looking at in more detail in this evaluation:

- CCN/CSI - CCN/CSI is the backbone to Fiscalis IT systems. It provides the hardware and software infrastructure to implement multiple IT systems and applications.
- eFCA - The e-forms enhanced tax officials' capacity by providing national tax administrations a homogenous information exchange format.
- EMCS - With the EMCS, EU customs authorities can monitor the movement of excise goods under duty suspension within the EU.
- TIN - Created to ensure effective use of exchanged information by improving taxpayers' identification through their TIN is essential.
- MOSS - The MOSS was created to reduce the administrative burden of compliance with VAT rules in cross-border sales for economic operators and eased the logistics of collecting VAT for tax officials.
- DAC 1-6 systems - The DAC systems were implemented to support Member States in the Automatic Exchange of Information.
- TNA - TNA improved tax administrations' capacities through the Eurofisc network with advanced data analytics and efficient data sharing and its open-source software IT system. It replaced previously labour-intensive exchange via Excel tables.
- TEDB - This database provides information on all major taxes in Member States, facilitating information exchange.

Joint Actions

Eligible joint actions for which the Fiscalis 2020 programme could fund, provided certain conditions were met, were the following:

- a. seminars and workshops;
- b. project groups, generally composed of a limited number of countries, operational during a limited period of time to pursue a predefined objective with a precisely described outcome;

- c. bilateral or multilateral controls and other activities provided for in Union law on administrative cooperation, organised by two or more participating countries, which include at least two Member States;
- d. working visits organised by the participating countries or another country to enable officials to acquire or increase their expertise or knowledge in tax matters;
- e. expert teams, namely structured forms of cooperation, with a non-permanent character, pooling expertise to perform tasks in specific domains, in particular in the European Information Systems, possibly with the support of online collaboration services, administrative assistance and infrastructure and equipment facilities;
- f. public administration capacity-building and supporting actions;
- g. studies;
- h. communication projects;
- i. any other activity in support of the overall, specific and operational objectives and priorities set out in article 5 and 6 of Regulation (EU) 1286/2013, provided that the necessity for such other activity is duly justified.

Over 1500 joint actions and multiplying events took place during the 2014-2020 period as under one action, multiple events may be organised. Project groups, workshops and multilateral controls (MLCs) had the most weight on the budget in the funding period, while working visits had the highest number of actions. The overview also shows that workshops and project groups tend to be more cost-intensive per action, while working visits consume less per action.

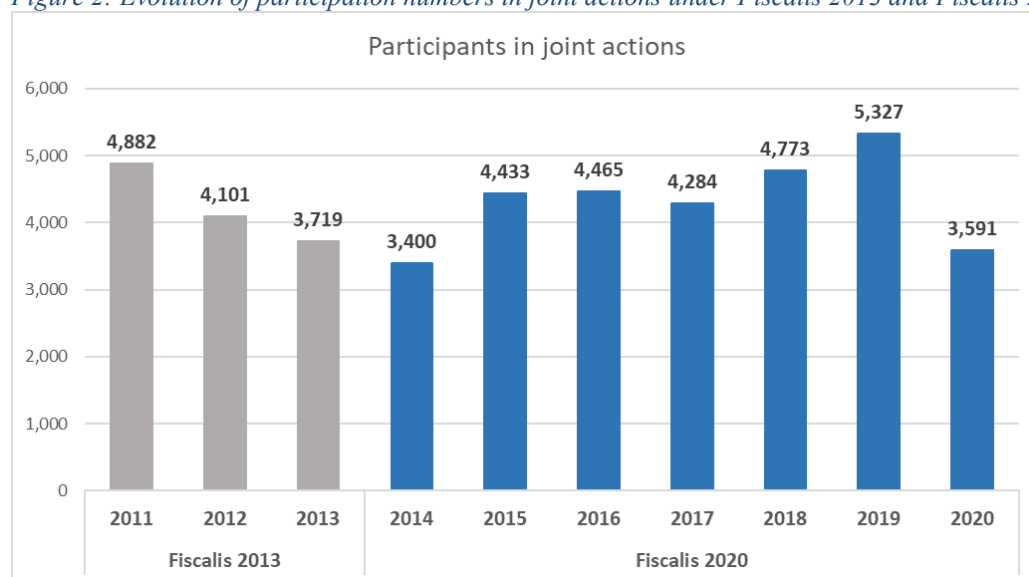
In total more than 30,000 participants (instances of participation as the same person can attend more than one action) attended the joint actions (see Figure 2). The numbers of participants in the Fiscalis 2020's joint actions remained at a high constant level especially after 2015. On average for the 2014-2020 period there were above 4300 participations/year. This compares to the evolution of in the previous programming period which saw a gradual dip that spilled into 2014. The low 2014 participation was attributed to the delayed transitioning to the Fiscalis 2020 programme which became operational only from April 2014.

Following a larger and more stable performance over the duration of the Fiscalis 2020 compared to its predecessor, participation dipped again in 2020 this time due to the COVID-19 pandemic and consequent measures leading to an interruption of activities for some months. These have gradually resumed in a different, on-line format. The stakeholders' community adapted to the new working methods (but with a lag which naturally had an impact on the budget consumption). Despite the pandemic, on average, the Fiscalis 2020 final joint action attendance for the whole period was about 4300 participants a year and higher than the average attendance observed during the mid-term evaluation (around 4200 participants per year).

Figure 3 shows the total number of participants per action type. Project groups represent by far the largest number of instances of participation of taxation officials in the programme. This is mainly due to the repeated nature of these types of joint actions, where individuals who participate often attend several meetings over time, sometimes lasting the entire funding period. By comparison, the nature of other joint actions, e.g.

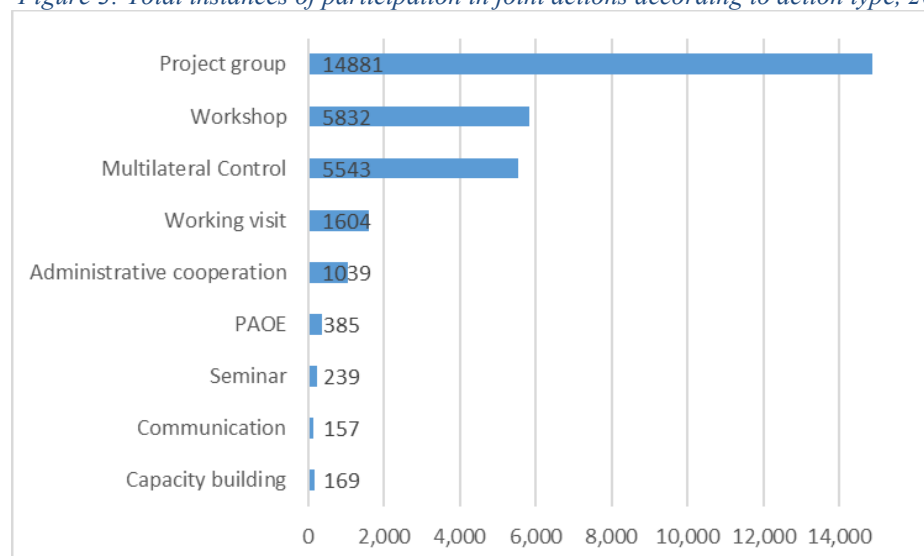
working visits, is such that they typically involve just a few officials. Workshops and multilateral controls also register a high number of instances of participation, due to both a high number of actions (especially for multilateral controls) and many instances of participation per action.

Figure 2: Evolution of participation numbers in joint actions under Fiscalis 2013 and Fiscalis 2020



Source: DG TAXUD ART data

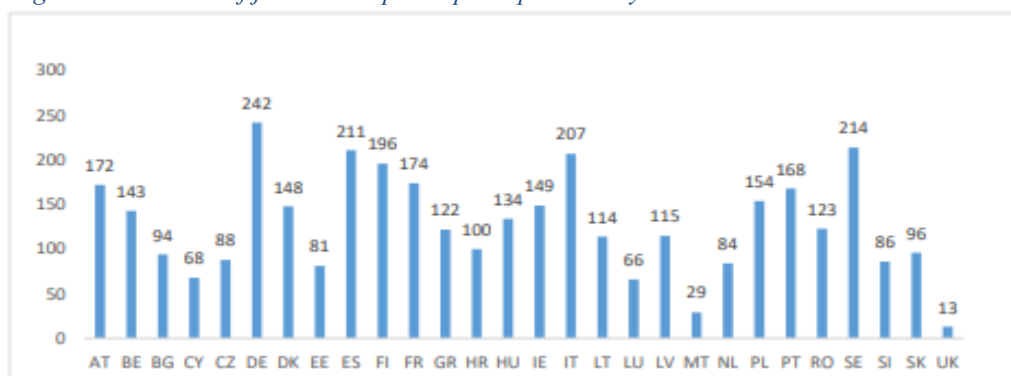
Figure 3: Total instances of participation in joint actions according to action type, 2014-2020



Source: DG TAXUD ART data

Participation varies by country (see Figure 4 for 2020), and across the period. In 2020, Germany was in the lead followed by Sweden and Italy. Overall, there is a much lower number of non-EU country participants.

Figure 4: Overview of joint action participants per country in 2020



Source: DG TAXUD ART data

Training

The Commission procured 267 EU eLearning modules, with courses that mainly focus on training officials to use the EMCS and on various VAT, fraud and refund related topics. The training modules included webinars, eBooks, a Learning Management System ([Customs and Tax EU Learning Portal](#)), and European Competency Frameworks for Customs and Taxation, the first ‘EU Competency Framework for the tax profession’, the TaxComp^{EU[OBJ]} training material.⁷ The Commission also organised 141 skills and competences training sessions for IT systems such as VAT refund, EMCS, VIES or MOSS for tax officials. The majority of the Fiscalis 2020 training budget was allocated to eLearning modules. These modules trained more than 130,000 participants from tax authorities and almost one million additional people from businesses and public.

8 3.2. FOLLOW-UP ON THE RECOMMENDATIONS OF THE MID-TERM EVALUATION AND RAISING PROGRAMME AWARENESS

The Fiscalis 2020 mid-term evaluation⁸ outlined 13 recommendations to strengthen and improve the programme and future funding phases (see Table 2 and Annex VI). Five of the recommendations identified the Commission’s DG TAXUD as the sole responsible actor, one with other Commission services, five as having shared responsibility with national administrations and two where national authorities were the main actor. Of the 11 recommendations where the Commission was asked to act, 8 were to cover both the 2014-2020 and the subsequent funding programmes and 3 were relevant for the following programme.

⁷ https://ec.europa.eu/taxation_customs/eu-training/taxcompeu-eu-competency-framework-taxation_en. As the Commission only launched capacity-building actions for taxation in 2020, the results are not visible yet. Further, national support for implementation was offered in 2021.

⁸ Mid-term evaluation of the Fiscalis 2020 programme, Executive summary [mid-term evaluation summary report_f2020.pdf \(europa.eu\)](#).

In response, the Commission services (DG TAXUD) developed an internal action plan setting out 13 action areas corresponding to the recommendations, with 48 sub-actions outlining how to address or, in the case of those identified for national administrations only, support the implementation of the mid-term evaluation recommendations. This section briefly lays out progress made in implementing the Action Plan, based on DG TAXUD interviews.

The mid-term evaluation concluded at the end of 2018 and the action plan was adopted in October 2019. As such, there was not much time for major change to occur and thus many recommendations will relate to the 2021-2027 programme period and will be completed during 2022. Further, many recommendations and actions require active participation and cooperation by Member States' or national programme coordinators, and thus go beyond the Commission and DG TAXUD's sole control.

Despite these caveats, the state of play by March 2022 regarding progress in addressing the recommendations and implementing the various actions under each recommendation can be seen below (see Table 2 and Table 3). As can be seen the vast majority of the recommendations has been addressed as the vast majority of actions in the action plan have been implemented (37 out of 48 can be considered implemented). Actions in progress or yet to be implemented are largely linked to 'Monitoring and reporting' or Communication.

Table 2: Mid-term evaluation recommendations by responsibly actor, period and status

No.	Recommendation	Responsible actor	Status
1	Make more practical use of the Annual Work Programme projects and consider multi-annual programming	DG TAXUD	Implemented
2	Designate long-term, platform-like joint actions as such, so that appropriate criteria can be defined for funding applications and monitoring of such actions	DG TAXUD	Implemented
3	Refine strategy for development and promotion of elearning modules	DG TAXUD & national administrations	Implemented
4	Investigate ways to improve the technological platform for the delivery of elearning modules	DG TAXUD & national administrations	Implemented
5	Improve the procedures for the translation, localisation and updates to elearning modules	DG TAXUD & national administrations	Implemented
6	Increase coordination with other EU programmes	DG TAXUD & other DGs	In progress
7	Optimise the procedures and resources for the implementation of joint actions	DG TAXUD & national administrations	Implemented
8	Streamline the monitoring system so that it meets actual needs while reducing	DG TAXUD	Implemented

No.	Recommendation	Responsible actor	Status
	administrative burdens		
9	Develop a more coherent approach to assessing programme performance	DG TAXUD	In progress as several actions were relevant for the programme that started in 2021
10	Improve reporting and information-sharing tools	DG TAXUD	Implemented
11	Increase senior-level buy-in and political will	National administrations	In progress
12	Communicate more actively about the possibilities of the programme	National administrations	In progress
13	Review strategy for dealing with economic operators and citizens	DG TAXUD & national administrations	Not started

Table 3: Implementation state of play of the 48 actions identified for the 13 mid-term recommendations

No.	Recommendation	Total no of actions	Not started	In progress	Implemented
Programming and design subtotals		13	0	1	12
1	Make more practical use of the Annual Work Programme projects and consider multi-annual programming	4	0	1 but not EU level action	3
2	Designate long-term, platform-like joint actions	2			2
3	Refine strategy for development and promotion of elearning modules	2			2
4	Investigate ways to improve the technological platform for the delivery of elearning modules	3			3
5	Improve the procedures for the translation, localisation and updates to elearning modules	2			2
Implementation subtotals		10	1	1	8
6	Increase coordination with other EU programmes	6	1 discarded	1	4
7	Optimise the procedures and resources for the implementation of joint actions	4	0	0	4
Monitoring and reporting subtotals		18	3	0	15
8	Streamline the monitoring system so that it meets actual needs while reducing administrative burdens	6		0	6
9	Develop a more coherent approach to assessing programme performance	7	3 postponed / for evaluation		4
10	Improve reporting and information-sharing tools	5			5
Communication subtotals		7	4	1	2
11	Increase senior-level buy-in and political will	2	0	1	1
12	Communicate more actively about the possibilities of the programme	3	2 postponed		1
13	Review strategy for dealing with economic operators and citizens	2	2 postponed		
Total		48	8	3	37

Note that the Commission also monitors programme awareness. The Commission therefore runs a programme poll every 18 months to measure familiarity and networking levels in the programme. It is conducted in participating countries' tax administrations and invites programme participants and non-participants to take part. The last programme

poll (Table 4), conducted end-2019, shows declining awareness since 2016 (59 %) to 45 % in 2019. The results are also now below the 2011 baseline (66 %) and has some way to go to meet the target (>75 %). Some caution is needed when comparing the results of the pools as the 2019 programme poll targeted a larger audience within the national administrations⁹. This may help explain the lower awareness rate. Several communication actions had already taken place at the initiative of the Commission (these included for example the use of new communication tools and channels and a common effort between the EU and national programme teams to ensure a wider distribution of information on the programme to the potential beneficiaries). Nevertheless, it was felt that there was an important potential for further raising awareness about the programme at the level of national authorities. In this context, in 2019, a new communication strategy was launched by DG TAXUD.

Table 4: Programme Poll baseline, target and outcomes

Indicator	Baseline 2011	Target	Mid 2015	End 2016	Mid 2018	End 2019
Target audience awareness of the programme	66%	>75%	54%	59%	48%	45%

Source: Fiscalis Annual Progress Report 2020

9 4. EVALUATION FINDINGS

10 4.1. EFFECTIVENESS - TO WHAT EXTENT WAS THE INTERVENTION SUCCESSFUL AND WHY?

When evaluating effectiveness, efficiency and coherence we look at the Fiscalis 2020 as whole and how its components contributed to achievement of objectives. It considers per objective, the IT systems that are part of the EIS, joint actions and training that were implemented and assesses their success, and to what extent observed results could be attributed to the programme rather than external factors.

11 4.1.1. TO WHAT EXTENT HAS FISCALIS 2020 ENABLED THE SECURED EXCHANGE OF INFORMATION, SUPPORTED ADMINISTRATIVE COOPERATION AND ENHANCED PARTICIPATING COUNTRIES ADMINISTRATIVE CAPACITY?

This evaluation question covers the Fiscalis specific objectives of (1) securing exchange of information; (2) supporting administrative cooperation; and (3) enhancing participating countries tax authorities' capacity so as to reduce administrative burden and taxpayer compliance costs. The Fiscalis Performance Management Framework (PMF) includes useful indicators on EIS, administrative cooperation and administrative procedure sharing. The annual progress reports provide indicators on how Fiscalis

⁹ Note too that the distribution of surveys within the national administration is managed by the national coordinator in each Member State.

actions enhanced tax officials' administrative capacity, through sharing administrative guidelines and procedures as well as enhancing authorities' staff, skills and competences.

As said, Fiscalis supports the development of EIS which in turn can secure information exchange, support administrative cooperation and enhance participating country authorities' administrative capacity. In so doing, they enable authorities and economic operators to reduce the time and resources required to carry out activities such as exchanging information or files, identifying taxpayers and collecting and analysing data and provide tax officials time to perform additional activities. Key EISs supporting these objectives and their functionalities are listed in Table 5.

Table 5: EISs that contribute to enhancing administrative capacity

IT structure/system	Link to specific objective
CCN/CSI	CCN/CSI is the backbone to Fiscalis IT systems. It enhances national tax authorities' administrative capacity, cooperation and information exchange by providing a hardware and software infrastructure to implement multiple IT systems and applications.
eFCA	The e-forms enhanced tax officials' capacity by providing national tax administrations a homogenous information exchange format. It thereby reduced information exchange burden by harmonising procedures for exchanging information.
EMCS	With the EMCS, EU customs authorities can monitor the movement of excise goods under duty suspension within the EU. It reduced the administrative burden as it replaced the paper-based administrative documents with electronic data exchange. The EMCS secures information exchanged between Member States.
TIN	To ensure effective use of exchanged information, improving taxpayers' identification through their TIN is essential. The TIN enhanced administrative capacity, cooperation and information exchange by facilitating the matching of data received from other tax administrations through its introduction of automatic data matching processes.
MOSS	The MOSS reduced the administrative burden of compliance with VAT rules in cross-border sales for economic operators and eased the logistics of collecting VAT for tax officials.
DAC 1-6 systems	The DAC systems were implemented to support Member States in the Automatic Exchange of Information. By design, they contribute to supporting administrative cooperation and exchange of information and national tax authorities' capacity to exchange data on registered inhabitants' income (cross border taxpayers) in other Member States.
TNA	TNA improved tax administrations' capacities through the Eurofisc network with advanced data analytics and efficient data sharing and its open-source software IT system. It significantly reduced the administrative burden compared to the previously labour-intensive exchange via Excel tables.
TEDB	This database provides information on all major taxes in Member States, facilitating information exchange.

Take the CCN, for example, as the backbone IT infrastructure securing information exchange. It was available 100 % of the time according to the evaluation. The data exchange volume via the system steadily increased, reaching 32.23 terabytes in 2019 compared to just 4.3 terabytes in 2014¹⁰. Clearly, secure information exchange increased over time, though this is also because of the growing number of EISs (28 taxation systems in 2020 compared to 20 in 2014). Similar trends were observed for specific EIS (see Box 1). Overall, the systems helped Member States communicate with each other securely and efficiently in areas of mutual interest, thereby enhancing collaboration. In addition, 9 out of 11 interviewed Fiscalis coordinators of EU countries explained that IT systems have modernised and harmonised their systems information exchange procedures and in turn improved their work efficiency and capacity. Among the IT systems case studies followed by the external contractors, the **MOSS stands out for reducing administrative burden for economic operators and tax officials** (see Box 2).

Box 1: Case study examples of Fiscalis EIS frequency of use

MOSS: 992,292 messages exchanged in 2020, compared to 689,839 messages in 2017 (+44%). During 2015, the number of messages exchanged exceeded 2 million, but is explained by the system being new at the time and there being many technical error messages, and missing information in messages requiring new ones be sent.

DAC1/DAC2: 14,000 messages were exchanged via DAC1 in 2020, compared to 12,800 messages in 2017 (+9 %). Compared to 2018 (the first full year of operation), when 14,100 messages were exchanged, the frequency remained quite steady. Through DAC2, 29,700 messages were exchanged in 2020, compared to only 4,600 in 2017 (+545 %) and 24,700 in 2018 (+20 %)¹¹.

¹⁰ Note that the messages exchanged are for both Customs and Fiscalis IT systems, as the CCN system provides the infrastructure for both programmes.

¹¹ Both systems became functional in June 2017 and comparisons were therefore based on 2018 data.

MOSS reduced economic operators and national tax administrations administrative burden

Suppliers providing telecommunications, broadcasting and electronic services administrative burden decrease stems from not having to register and file for VAT in every Member State where their services are consumed, but instead using a single electronic portal and dealing with only one VAT administration. MOSS increased compliance among businesses and drastically reduced their compliance costs when filing VAT for cross-border sales. **Compliance costs for businesses that use the MOSS are 95 % lower compared to those not using it.** This resulted in savings of about **EUR 500 million** for businesses using MOSS (Union and non-Union scheme). This is a 10 per year savings factor (EUR 434) using vs (EUR 5,203) not using MOSS. The MOSS also lessened tax authorities' administrative burden as it eased national tax authorities' VAT collecting logistics and transmitting to Member State of consumption (MSC).

While it is early to make conclusions about the TNA, the majority of surveyed TNA users¹² reported that **TNA decreased the administrative burden**, associated with the previous way of exchanging data, and that they had more time to dedicate to analysis¹³. Under the DAC, all interviewed tax authorities agreed that the Automatic Exchange of Information under DAC1/DAC2 significantly enhanced their capacity to exchange information with other Member States.

Table 6 reports the **joint actions** followed regarding these sub-objectives specifically. It can be seen that about 500 events took place on enhancing administrative capacity, more than 300 on secured information exchange and more than 600 on administrative cooperation. **Working visits** were one type of action often used through which officials could acquire or increase tax expertise or knowledge. Member States also exchanged tax knowledge and experiences through **project groups**, often used to discuss, develop and implement EIS. **Workshops**, although used less frequently, sought to improve tax administrations' procedures. **Capacity building** actions mainly consisted of technical assistance to a few Member States. They used less to enhance administrative capacity because it is only used in a smaller number of Member States and initiated by the Commission. **Multilateral controls (MLCs) and PAOEs** are examples of direct administrative cooperation between tax authorities. Note that MLC processes are usually resource intensive and require adequate support to be done efficiently and effectively. Hence, Member States can request funding under the Fiscalis programme budget. In the case of MLCs, the Fiscalis programme finances the *collaborative aspect* of this type of

¹² Twenty-six TNA users responded to the question on whether or not the administrative burden associated with exchanging data has decreased as a result of the introduction of the TNA. Eleven responded "yes, definitely"; 8 – "yes, to some extent"; 7 – "there is no effect"

¹³ Seven respondents indicated that they had between 25-50 % more time for analysis and other actions; 14 – up to 25 % more time; 5 stated that there was no change.

joint action (e.g. a coordination meeting between participating country authorities or to finance transport to facilitate cross border simultaneous controls). In other words, Fiscalis provides financial support for participating countries to come together – if the action is under the remit of the Fiscalis programme regulation of course as set above – but it is the responsibility of the participating countries to organise the action. At no stage is the Commission involved in such procedures. Nor does it have access to any information exchanged during those procedures. They are conducted solely by tax authorities of Member States. The involvement of the Commission is limited to approving the financing under the Fiscalis programme of collaborative activities supporting the multilateral control proposed by the tax administrations. While less common, there were **working groups and seminars** for specific IT systems or for sharing EU taxation law information.

On average 95 % of event participants shared working practices, administrative procedures, or guidelines from their national administration programme, and on average 77 % of them declared that an administrative procedure, working practice, or guideline from the programme led to change in their administrations' working practices.

Participants and action managers of joint actions regarding working practices and administrative procedures/guidelines were positive about their effectiveness and usefulness, and largely agreed that the events achieved intended results. In 2020, 88% of action managers of the 61 joint actions that sought to extend working practices and/or administrative procedures/guidelines indicated that they achieved their intended results¹⁴.

¹⁴ Source: 2020 Fiscalis Progress Report. Scale: 0: 'not achieved', 4: 'fully'. Indicated is the share of action managers that replied 4 'fully' or 3 'to large extent')

Table 6: Events, participants and budget per joint action type to improve administrative capacity

Action specific objective	Action type	Number of events	Number of participants	Actual budget (EUR)
Enhancing administrative capacity	Capacity building	66	119	232,688.77
	Project group	166	2076	1,586,070.73
	Seminar	1	44	51,646.54
	Working visit	229	442	482,586.86
	Workshop	33	589	521,180.93
	Subtotal	495	3,270	2,874,173.83
Securing information exchange	Multilateral Control	25	127	80,683
	PAOE	3	10	1,902
	Project group	268	2,507	1,950,459
	Working visit	23	26	28,621
	Workshop	8	213	190,873
	Subtotal	327	2,883	2,252,538
Supporting administrative cooperation	Administrative cooperation	1	15	12,735
	Multilateral Control	261	1,456	954,713
	PAOE	168	245	127,888
	Project group	91	1,130	715,202
	Working visit	69	99	97,161
	Workshop	41	1,499	1,377,907
	Subtotal	631	4,444	3,285,605
	Total	1,453	10,597	8,412,316.83

The great majority of interviewed Fiscalis coordinators consider **training** to be key to enhancing administrations' administrative capacities. The Commission procured 267 EU eLearning modules, with courses that mainly focus on training officials to use the EMCS and on various VAT, fraud and refund related topics. The training modules included webinars, eBooks, a Learning Management System ([Customs and Tax EU Learning Portal](#)), and European Competency Frameworks for Customs and Taxation, the first 'EU Competency Framework for the tax profession', the TaxComp^{EU} training material.¹⁵ The Commission also organised 141 skills and competences training sessions for IT systems such as VAT refund, EMCS, VIES or MOSS for tax officials.

The number of tax officials trained is growing, as more and more tax officials have been trained using EU common materials¹⁶. Participants' training quality scores are high (average 72.7 score on a 0-100 scale). Similarly, the share of tax officials who found IT training met their expectations or were useful are consistently over 90 %.

¹⁵ https://ec.europa.eu/taxation_customs/eu-training/taxcompeu-eu-competency-framework-taxation_en. As the Commission only launched capacity-building actions for taxation in 2020, the results are not visible yet. Further, national support for implementation was offered in 2021.

¹⁶ eLearning data provided by DG TAXUD

Collected evidence suggests that the IT systems that make up the EIS helped Member States secure information exchange, contribute to administrative cooperation and build up administrative capacity. IT tools were also key in enhancing administrative capacity by allowing tax authorities to perform additional actions. The evidence also shows that Fiscalis-funded actions and training enhanced tax authorities' administrative capacities by enhancing staff skills and competences and sharing administrative procedures and guidelines.

All 11 interviewed Fiscalis coordinators of EU Member States were of the view that IT systems, joint actions and training modules would not be available to the same extent without Fiscalis funding, and their functions would be more difficult to undertake. This was supported in interviews with the developers of the Excise Duty Calculator, as it is largely dependent on input from another Fiscalis-funded IT system – TEDB. While some joint actions could have happened, they would not have been possible to the extent and pace. Thus, it is acceptable to say that secured information exchange, administrative cooperation and enhanced administrative capacity would not have been achieved to the same extent without Fiscalis.

As mentioned in section 2.2, a separate study has been carried out on the Performance Measurement Framework. The outcome and recommendations of that study have been taken into account in the new Monitoring and Evaluation Framework of the Fiscalis programme (MEF) that is currently being put in place. This will allow the Commission to collect additional evidence and improve monitoring and evaluation of the new cycle of the Fiscalis programme vis-à-vis the objectives of the programme.

12 4.1.2. TO WHAT EXTENT HAS, FISCALIS 2020 HELPED TO IMPLEMENT UNION TAXATION LAW?

This section looks at how the Fiscalis programme contributed to the general objective of supporting the implementation of Union taxation law.

Maintaining Fiscalis EIS systems is a big part of the funding and effort to achieve this specific objective and all IT systems contribute to it. A few are especially relevant (Table 7) because of their role in implementing Union law by enabling secure information exchange, supporting administrative cooperation between tax authorities and enhancing their administrative capacity. Among the joint actions, there were some that were directed at the implementation of Union taxation law specifically (see Table 8). Together with the other actions and training they again contributed to a better understanding of EU tax law and better administrative capacity that would in turn lead to a better implementation of EU Law.

Table 7: IT systems that support implementation of Union law

IT system	Link to specific objective
CCN/CSI	By design, as the backbone to all other Fiscalis IT systems, the CCN contributes to implementing Union law in taxation by enabling secure exchange of information.
e-Forms (for direct taxation, VAT, recovery; recently replaced by the e-Forms Central Application eFCA)	The e-Forms enhanced tax officials' administrative capacity by providing a homogenous information exchange format. It reduced the administrative burden of exchanging information, as procedures for information exchange have been harmonised.
EMCS	The harmonised EU rules on excise duties, as laid down in Council Directive 2008/118/EC, allow the movement of excise goods under duty suspension. The EMCS, by securing information exchanged between Member States, supports implementing the harmonised rules.
TIN	To ensure effective use of information exchanged, TIN is essential to better identify taxpayers. It thus supports information exchange and contributes to the implementation of Union law.
MOSS	The MOSS and 2015 VAT rules of supply changes came about at the same time. Thereby, MOSS directly supported the implementation of VAT rules by making it easier for businesses and Member States alike to comply.
DAC 1-6	The DAC IT systems were implemented to support Member States in the Automatic exchange of information and thus supports Member States comply with these Directives.
TEDB	By providing information on all major taxes in Member States, the TEDB facilitates tax compliance.

Table 8: Events, participants and budget per joint action type to implement Union law (2014-2020)

Specific objective	Action type	Number of events	Number of participants	Actual budget (EUR)
Support implementing Union taxation law (in general)	Communication	14	147	174,406
	Multilateral Control	2	0	0
	Project group	56	1,237	722,154
	Seminar	6	184	281,477
	Working visit	58	84	83,310
	Workshop	41	1,494	1,214,005
	Subtotal		177	3,146

Source: ART data on events.

Measuring Fiscalis 2020's impact on the implementation of Union law in taxation is difficult, as it is difficult to establish a baseline comparison of no Fiscalis programme because of the long history of tax cooperation under previous Fiscalis programmes, and because of the nature of the programme actions vis-à-vis the objective i.e. they are supporting actions.

Joint actions contributed to the objective of implementing Union law, notably through administrative cooperation and administrative capacity building. Joint action created networks between participating tax authorities, which all interviewees considered as

having significant added value. Seminars, workshops and project groups that bring together many different Member States were considered useful, as they foster mutual learning and thus better understanding and alignment with legislation. Other actions, such as working visits, were also considered useful, as they tend to be focused on good practices for a specific approach or EIS, thus fostering mutual learning as well.

Results from Fiscalis event polls substantiate these generally positive results (each year on average 93% of respondents agreed that their participation in joint actions provided a good opportunity for them to expand their network of (and contacts with) officials abroad). The joint actions that were intended to improve understanding and implementing of Union taxation law were largely considered (very) useful and achieving their intended result.

Interviewed candidate and potential candidate countries also appreciated the joint actions for networking opportunities, but felt they were not sufficiently addressing their needs, as actions prioritise EU countries and centred on EISs to which candidate countries have no access (see section 4.3).

E-Learning modules also played a role in implementing Union law. For example, a range of eLearning modules were aimed at explaining VAT rules (e.g. key principles of the VAT Directive, how to distinguish VAT territories, what constitutes a taxable person, and which goods and services are subject to VAT, etc.), in addition to training modules that explain the use of IT systems. As they explain the legal basis behind the rules, and how to interpret and implement them, the modules support the implementation of Union law. Although there is no measure of the extent to which they have successfully supported Union law, trained tax officials found them useful and were highly satisfied with them. In fact, their impact went beyond tax administrations. An interviewee explained they used the course material in school visits to educate children on tax issues.

It is difficult to fully attribute progress towards implementing Union law in taxation to Fiscalis 2020. However, from the evidence presented above, it can be said that the Fiscalis IT systems, joint actions and training have been used intensively and in turn could have contributed to improving the understanding and the implementation of EU Law, via the secure exchange of information, improving authorities' administrative cooperation and administrative capacity.

The evaluation process here described also indicates that all 11 interviewed Fiscalis coordinators of EU Member States were of the view that IT systems, joint actions and training modules would not be available to the same extent without Fiscalis funding and thus information exchange and cooperation would be more difficult and so would be the functions undertaken by tax administrations. Without Fiscalis 2020, some degree of coordination between authorities would have been likely. However, all interviewed national Fiscalis coordinators as well as national tax officials interviewed as part of the DAC and MOSS case studies felt the level of investment would have been lower and processes would definitely not be as effective and efficient (see Box 3). Fiscalis 2020 thus may have played a significant role in the effective implementation of EU legislation

on tax matters. As the EU's main financial tool for taxation, it is inextricably linked to policymaking.

Box 3: Case study examples on their contribution to implementing Union law

MOSS: provided a single, centralised system through which the traders could, from their Member State of identification declare and pay, in one single return, the collected VAT on all cross-border related transactions and allowing tax authorities to automatically transfer VAT return information and payment to their relevant counterparts, instead of having to communicate bilaterally. The MOSS was imperative for Member States to implement the *place of supply rules that was* introduced by the Council Directive 2008/8/EC and that entered into application in 2015. It significantly reduced administrative burden compared to a situation in which rules changed without an EU-wide IT system like the MOSS would have forced the traders to register for VAT in each Member State they were supplying such services. Consequently, it helped businesses to comply with EU tax law by reducing their administrative burden compared to a situation where rules changed without such a simplification mechanism.

DAC 1/DAC 2: As confirmed by all four interviewed tax authorities, it would have been difficult to implement the automatic exchange of information provided by for DAC1/DAC2 Directives without the support of the Fiscalis programme. Its contribution to CCN is especially pivotal to Member States sharing automatic information. Joint actions also helped Member States improve their Exchange of Information processes within DAC1/DAC2 and implement the Directives nationally, whereas the Fiscalis-funded expert team on DAC2 helped to develop data sharing systems under DAC2. Without Fiscalis, the volume and quality of information exchanged would have been lower, and costs much higher due to the need to develop bilateral agreements.

TEDB: Personal income tax and VAT rate information in Member States is available on the Single Digital Gateway via the TEDB. According to those responsible for the Gateway, makes it easier for EU citizens and SMEs, which use this reference tool, to be informed and comply with tax requirements.

13 4.1.3. TO WHAT EXTENT HAS FISCALIS 2020 SUPPORTED THE FIGHT AGAINST TAX FRAUD, EVASION AND AGGRESSIVE TAX PLANNING

One key aspect to look at when evaluating the Fiscalis 2020 programme is its potential contribution to the general objective of supporting the fight against tax fraud, tax evasion and aggressive tax planning. A number of EIS and joint actions were implemented that could directly and indirectly strengthen the fight against tax fraud, evasion and aggressive tax planning. Key EIS and their functionalities that can directly and indirectly support this objective are listed in Table 9.

Table 9: List of EISs implemented to fight tax fraud, evasion and aggressive tax planning

IT systems	Link to specific objective
(TNA)	TNA fights tax fraud by increasing the Eurofisc network's operational capabilities with advanced data analytics, efficient data sharing and an open-source IT software system. TNA pursues VAT and missing trader intra-community, fraud schemes. It allows tax officials to pursue a higher number of suspected tax fraud cases.
EMCS	EMCS monitors excise goods under duty suspension movement within the EU via an electronic Administrative Document (eAD), recording real-time movement between authorised consignors and consignees of alcohol, tobacco, energy products where excise duties still need to be paid. By monitoring movements, illicit activities are less likely to occur.
SEED	SEED is a European Database of economic operators incorporated into EMCS, matching consignor and consignee excise numbers against the European register of economic operators. It helps to avoid fraudulent activities by verifying traders and consignors as well as monitoring trade flows.
VIES and Vies on the Web	VIES allows data flows across internal frontiers. It enables companies to rapidly obtain their trading partners' VAT number confirmations and enables VAT administrations to monitor and control the flow of intra-community trade to detect irregularities. It is a key system to fight VAT fraud allowing Member States to match cross-border transaction information and detect fraudulent activities.
eForms VAT	VAT eForms ease requesting and receiving information between Member States' tax officials. They use e-forms to request information from other tax authorities and this allows them to identify tax fraud and evasion risks.
DAC 1-6 ¹⁷	Under the DAC1-DAC2 regimes, a tax authority receives and sends information automatically (via an Automatic Exchange of Information) to other tax authorities where the taxpayer earns income and/or holds assets. This enables them to fight tax evasion and tax fraud of taxable persons or entities who generate income in other countries. Under the DAC1-DAC6 regimes, tax authorities automatically exchange information on a number of categories of taxation data. This enables them to fight against tax evasion and tax fraud of taxable persons or entities.

Several indicators suggest that **EISs contribute to strengthening the fight against tax fraud, tax evasion and aggressive tax planning**. As previously described, the steadily increasing volume of CCN messages exchanged indicates that tax authorities have been active in exchanging data, which is key in this process.

Evidence from two case studies on IT systems suggests that EIS contributed to fighting tax fraud by reducing tax administrations' administrative burden and facilitating businesses' VAT compliance (see Box 4: Case study insights of selected EIS' contribution to fighting tax fraud, evasion and aggressive tax planning). The **TNA** is an automated data-mining tool, which allows quick assessment and reporting of potential cases of Missing Trader Intra-Community (MTIC)¹⁸ fraud. The Eurofisc network uses it and its advanced data analytics and algorithms to quickly and accurately detect potential MTIC fraud for further investigation. The **Automatic Exchange of Information (AEOI)** under DAC1 provides automatic exchange of five categories of income and assets: employment income, pension income, directors' fees, income and ownership of

¹⁷ DAC - Directive on Administrative Cooperation concerns Directive 2011/16/EU and its amendments (2014/107/EU, 2015/2376/EU, 2016/811/EU, 2016/2258/EU and 2018/822/EU)

immovable property and life insurance products. It also includes provisions for spontaneous exchange of information and exchange of information on request. It also contains provision for Multilateral Controls (MLS) and Participation in Administrative Enquiries (PAOE). DAC2 provides automatic exchange of financial account information on (not corporate) taxpayers' income earned and accounts held in other Member States. DAC1 is in place since 1 January 2015 and DAC2 since 1 January 2016.

Box 4: Case study insights of selected EIS' contribution to fighting tax fraud, evasion and aggressive tax planning

How TNA and DAC1/DAC2 and contribute to the fight against tax fraud, tax evasion and aggressive tax planning

Despite being implemented only in May 2019, over half of the surveyed Eurofisc liaison officials believed that **TNA** helped detect and intercept more cases of fraud than ever before. Most of the remaining consulted officials indicated that it was too early to say for sure. It was not possible to estimate by how much fraud detection increased in practice. However, there was general agreement among them that it was effective in detecting fraudulent activities because the quality and scope of the exchanged data had increased, and the administrative burden was reduced.

The **DAC1/DAC2** case study found that four of the five consulted Member States (BE, FI, PL, SL) generated additional tax revenue from the data exchanged estimated at EUR 6.1 million in 2020¹⁹. These additional tax revenues were achieved by taxing taxpayers' income not previously declared before the information exchange under DAC1/DAC2. This suggests that the exchange of information reduced or at least avoided fraudulent behaviour. Further, the five consulted Member States unanimously acknowledged its deterrent effect as having an important role in reducing tax fraud and tax evasion.

Fiscalis-funded **expert teams** substantially supported the development of IT systems that aim to contribute to fighting tax fraud, tax evasion and aggressive tax planning. Ten expert teams developed the following aspects and tools of EISs: Management of IT collaboration in taxation (MANITC I – IV); Automatic Exchange of Information – DAC2; Transaction Network Analysis (TNA I – TNA II); Mobile Application for EMCS Controls; Excise Duty Calculator; Central Electronic System of Payment for data exchange.

Expert teams can play a decisive role in enhancing the development and implementation of some EIS and indirectly fight tax fraud, evasion and aggressive tax planning. The evidence from the TNA case study suggests that the two related expert teams have been instrumental in developing the IT system, and there is some evidence that some more potentially fraudulent cross-border transactions have been identified. The case study on

¹⁹ Data for France was not available for this case study.

DAC2 also provides indicative evidence in the form of opinions of interviewed Member States, which indicated that the deterrent effect of the Automatic Exchange of Information under DAC2 contribute to fighting tax fraud and tax evasion.

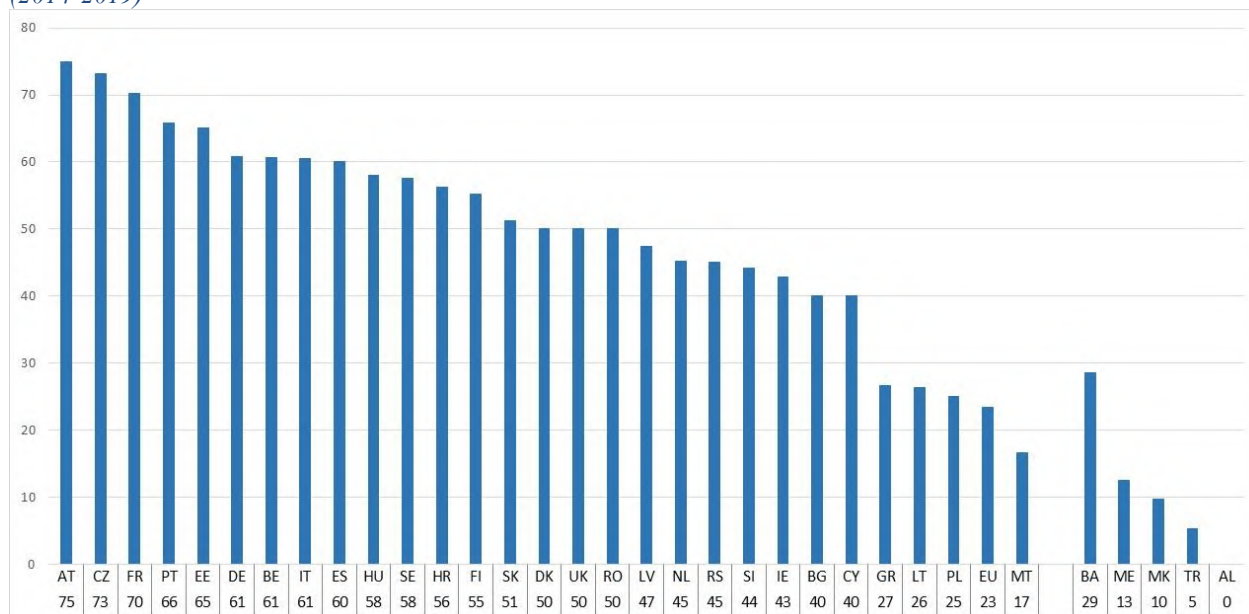
On average, about 44 % of all joint action proposals submitted were linked to fighting tax fraud, evasion and aggressive tax planning and consumed 46 % of the total joint actions' budget. Under this objective, workshops had the most participants and highest share of the budget (see Table 10). Project groups included actions to enhance the capacity of the Eurofisc network, VAT fraud projects and training for MLCs. Where it concerns MLCs, it should be noted that the Fiscalis programme can only financially support the collaborative aspect of MLCs such as coordination meetings involving at least two Member States. During the coordination meetings, in which the Commission never participates, representatives of participating countries are present and exchange information on specific entities and their business relations, to resolve complex taxation cases. If audits are carried out by a national authority alone, the Fiscalis Programme does not provide the funding, as these do not represent a collaborative activity. Other joint actions were working visits, administrative cooperation, presences in administrations and participation in administrative enquires (PAOE). Working visits enable visiting and hosting tax officials to exchange experiences and enhance participants' tax skills and knowledge. During PAOEs, a Member State's officials may be present in another's office during administrative enquires carried out in its territory. During the presence, they may also examine records and interview individuals in the hosting Member State. The distribution of proposals is not geographically balanced and non-EU Member States submitted a much lower share of proposals for this objective.

Table 10: Events, participants and budget per joint action to fight tax fraud, evasion or aggressive tax planning (2014-2020)

Specific objective	Action type	Number of events	Number of participants	Total budget actual (EUR)
Support the fight against tax fraud, tax evasion and aggressive tax planning	Administrative cooperation	162	1,030	596,350
	Multilateral Control	630	3,771	2,316,001
	PAOE	42	129	54,541
	Project group	435	6,681	5,060,208
	Working visit	493	1,734	1,643,019
	Workshop	984	10,873	8,304,344
Totals		2,746	24,218	17,974,464

Source: ART data on events.

Figure 5: Share of submitted proposals to fight tax fraud, evasion and aggressive tax planning in percent (2014-2019)

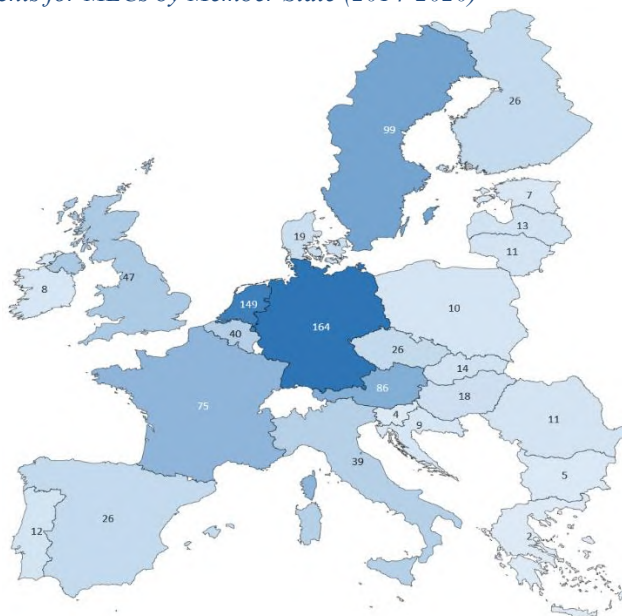


Source: ART data on joint action proposals

MLCs are important **joint actions** for fighting tax fraud, evasion and aggressive tax planning according to most Fiscalis Coordinators. The overall number of operational MLCs²⁰ grew from 76 in 2014 to 198 in 2019. The number of operational MLCs dropped to 51 in 2020, due to the COVID-19 pandemic. MLC events also increased in the evaluation period, except in 2020 where they reduced for the same reason. The most active MLC event hosts were Germany and the Netherlands, while Eastern European countries were less active. Note that the evaluation only looked at the collaborative aspects of MLCs which is what Fiscalis supports. MLCs have their own legal basis which also stipulates the way information is accessed by different entities

²⁰ Operational MLCs are MLCs that are ongoing during the time the data was gathered (in 2021)

Figure 6: Number of events for MLCs by Member State (2014-2020)

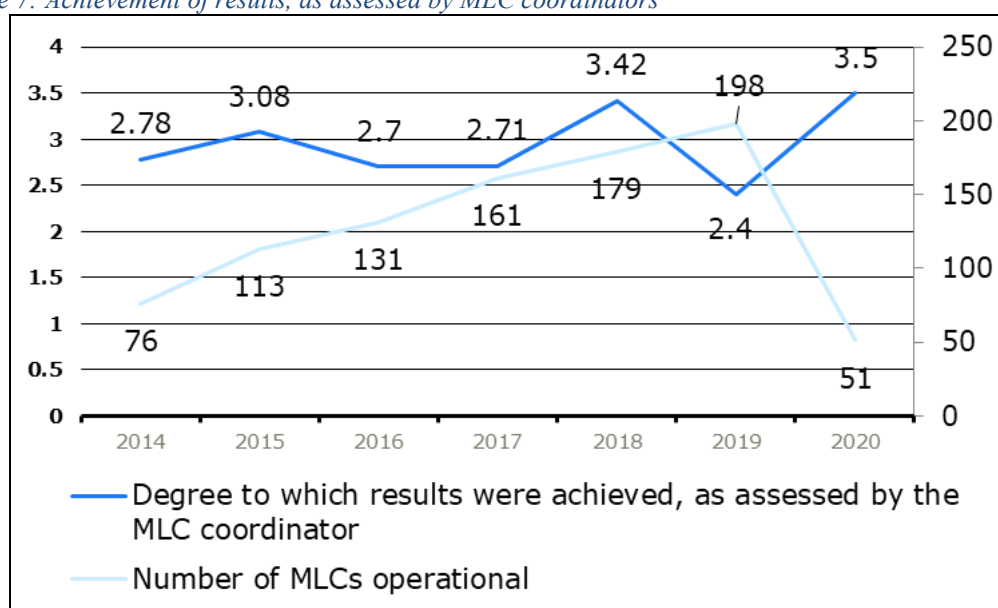


Source: ART data on events

Based on a survey, Figure 7 shows MLCs average effectiveness rating by MLC coordinators on a scale from 0 “results not achieved” to 4 “results fully achieved”. Indeed, each year, all coordinators of MLCs that took place that year are asked to provide their own assessment of the degree to which the MLCs achieved the results in a survey. One MLC has one MLC coordinator. The average yearly rating increased up to 3.5 in 2020, which suggests that, in general, MLCs’ effectiveness is positive according to MLC coordinators.²¹ There is no data on the monetary benefits of MLCs, but the Fiscalis 2020 Progress Reports suggest that they have consistently led to recovered revenue and increased taxpayers’ compliance. Hence, the external evaluation study concluded that they are in general effective regarding this objective. This study did not however assess the quality of each and every MLC conducted.

²¹ Note that the drop in 2019 is due to the fact that two MLC coordinators reported “0” values because MLCs were still ongoing at the time of data collection as explained in the Fiscalis 2020 Programme Progress Report 2019. Without the two zero values the average would be higher and more in line with the 2020 value.

Figure 7: Achievement of results, as assessed by MLC coordinators



Source: AFF, as reported in the 2020 annual progress report of Fiscalis 2020 (scale of MLC coordinator assessment: 0: not achieved; 4: fully achieved).

The DAC1/DAC2 and TNA case studies found that joint actions are implemented to support the developing, implementing or improving IT systems through project groups, workshops or training sessions. Under the DAC1/DAC2, joint actions were used to exchange best practices and experience among Member States to improve data matching rates, usage quality and statistical reporting. As part of the process of developing and deploying the TNA, three Fiscalis-funded project groups explored its feasibility and implementation and oversaw and assisted its implementation. The work of the first project group informed the work of the expert team, tasked with developing the IT system. Two TNA training sessions were also organised with 55 participants in total, which survey respondents saw as useful²². These two examples highlight the synergies between various Fiscalis 2020 activities in developing or improving EIS.

To see if the Fiscalis 2020 programme has supported the fight against tax fraud, tax evasion and aggressive tax planning by improving the functioning of taxation systems in the internal market, one can look at the ability of tax systems to collect tax revenue which is the primary source of income to support Member States public policies. On average, and as a share of GDP, tax revenues (which are significantly higher in the EU compared to other advanced economies such as Canada, the US or Japan), constituted about 40.2 % of EU-27 GDP in 2020, following a steady increase since 2015 (see Figure 8).²³ This

²² Twenty-two TNA users responded to “Did you find the training activities useful?” in a case study survey conducted; 17 responded “yes, definitely”; 4 – “yes, to some extent”; 0 – “no, not at all”; 1 – “I don’t know”.

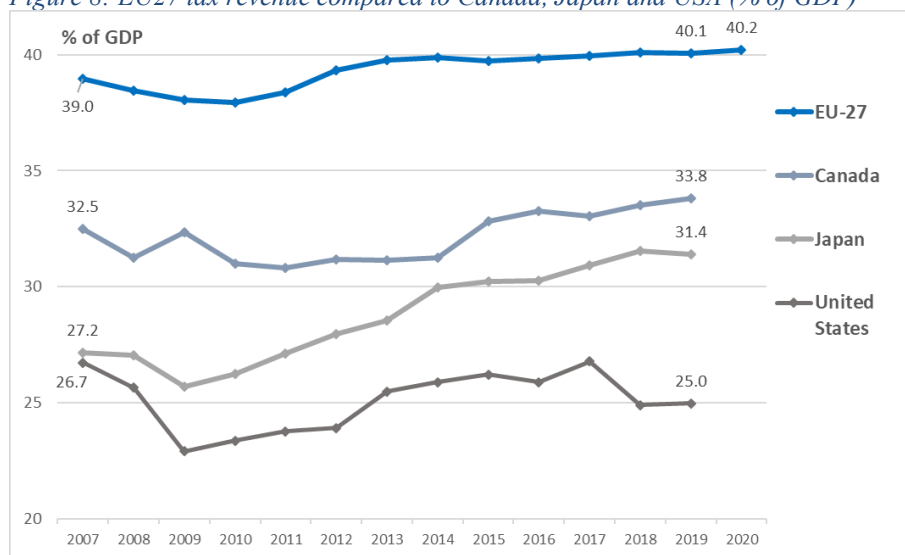
²³ European Commission, DG TAXUD (2021) Taxation trends in the European Union – Data for the EU Member States, Iceland and Norway, [Taxation trends in the European Union - Publications Office of the EU \(europa.eu\)](https://ec.europa.eu/economy_finance/taxation-trends-in-the-eu)

could be evidence that the programme contributed to improve the ability of tax administrations to collect taxes though of course it is difficult to establish causality as increased tax revenues also depend on several other variables including economic growth, tax rates and the tax base.

One indicator often used as a measure of the effectiveness of the tax system and tax administrations to collect revenue is the VAT gap indicator²⁴ for which most EU countries have comparative estimates. It can be seen that there has been a steady decline of the VAT gap from 2014 to 2019 (see Figure 9) and a related decline in VAT revenue loss. Such positive developments could be related to policy actions and increased capacity by tax administrations that were supported by the Fiscalis 2020 programme though as said it is difficult to establish the accurate contribution of the programme alone.

In other words, evidence shows that tax collection improved and tax fraud and aggressive tax planning levels may have declined on the basis of these (limited number of) indicators. Therefore, it may be the case that the Fiscalis 2020 has supported such developments indirectly through the securing of exchange of information, improving cooperation and administrative capacity. As said, it is difficult to connect trends and developments in tax fraud to Fiscalis 2020 in an exact manner, though qualitative analysis via interviews and case studies suggest that Fiscalis had a positive impact in this regard (see below). Note too, that, in 2019, EU countries lost an estimated EUR 134 billion in VAT revenues which suggests that there is still room for improvement.

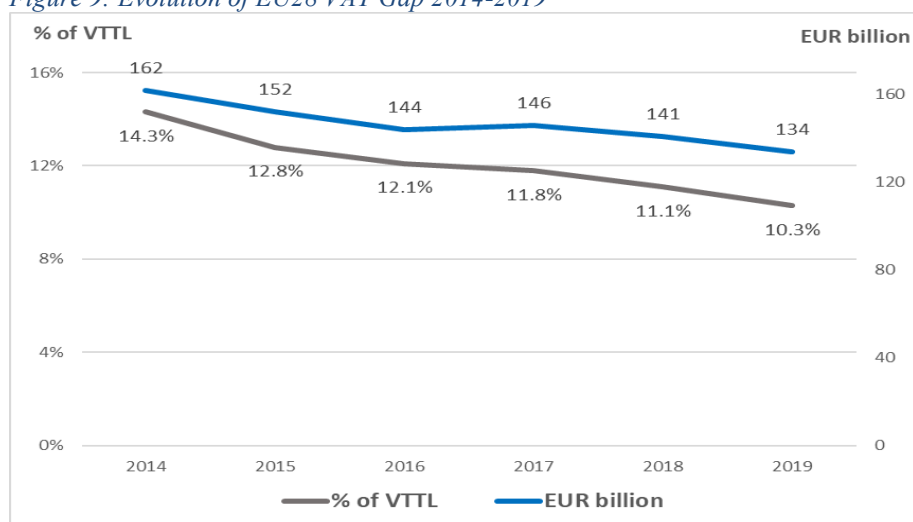
Figure 8: EU27 tax revenue compared to Canada, Japan and USA (% of GDP)



Source: European Commission, Directorate-General (DG) for Taxation and Customs Union, based on Eurostat and OECD data

²⁴ The VAT Gap is defined as the difference between the VAT total tax liability and the amount of VAT actually collected in the same period.

Figure 9: Evolution of EU28 VAT Gap 2014-2019



Source: Centre for Social and Economic Research & Institute for Advanced Studies: Study and Reports on the VAT Gap in the EU-28 Member States: 2020 and 2021 Final Reports²⁵

All 11 interviewed Fiscalis EU national coordinators²⁶ believed there is tangible evidence that Fiscalis contributed to the objective of fighting tax fraud, tax evasion and aggressive tax planning. More than half of them saw MLCs as an effective action that produces tangible outcomes. As was explained eight out of fourteen Fiscalis coordinators indicated that MLCs often generate additional tax revenues or uncover tax fraud cases, therefore producing tangible results in the form of additional tax revenue and/or prevented/uncovered tax fraud. Three national coordinators mentioned specific EISs as very effective. In their view, the Automatic Exchange of Information under DAC was very effective as it is being used in MLCs to solve complex cross border business taxation case relations. Data on incomes or financial bank accounts of entities in other countries help national tax administrations perform joint MLC audits.

All 14 interviewed EU and candidate countries Fiscalis coordinators stated that the same results could not have been achieved without Fiscalis. They especially highlighted EISs as the main activity that Member States could not have implemented on their own. Two interviewees mentioned the Automatic Exchange of Information under DAC, stressing that a unified approach to sharing data would have been impossible without Fiscalis' support.

On the basis of the evidence collected, it can be concluded that overall, Fiscalis has contributed to fight tax fraud, evasion and aggressive tax planning by financing EISs, joint actions and training that helped tax authorities better avoid, detect and combat fraudulent activities. EIS play an important role in fighting tax fraud, evasion and

²⁵ <https://op.europa.eu/en/publication-detail/-/publication/bd27de7e-5323-11ec-91ac-01aa75ed71a1/language-en/format-PDF/source-search> & [Study and reports on the VAT gap in the EU-28 Member States - Publications Office of the EU \(europa.eu\)](#)

²⁶ Fourteen, 11 EU Member States and 3 candidate countries national Fiscalis coordinators were interviewed for the evaluation.

aggressive tax planning. MLCs also generated tangible effects according to the MLC coordinators, and their effectiveness and efficiency is improved by the EISs for information exchange. Thus, Fiscalis via EISs complemented by joint actions has helped contribute to the fight against tax fraud, evasion and aggressive tax planning though the extent of this contribution is not possible to quantify as it is a supporting instrument and it is difficult to disentangle from policy action.

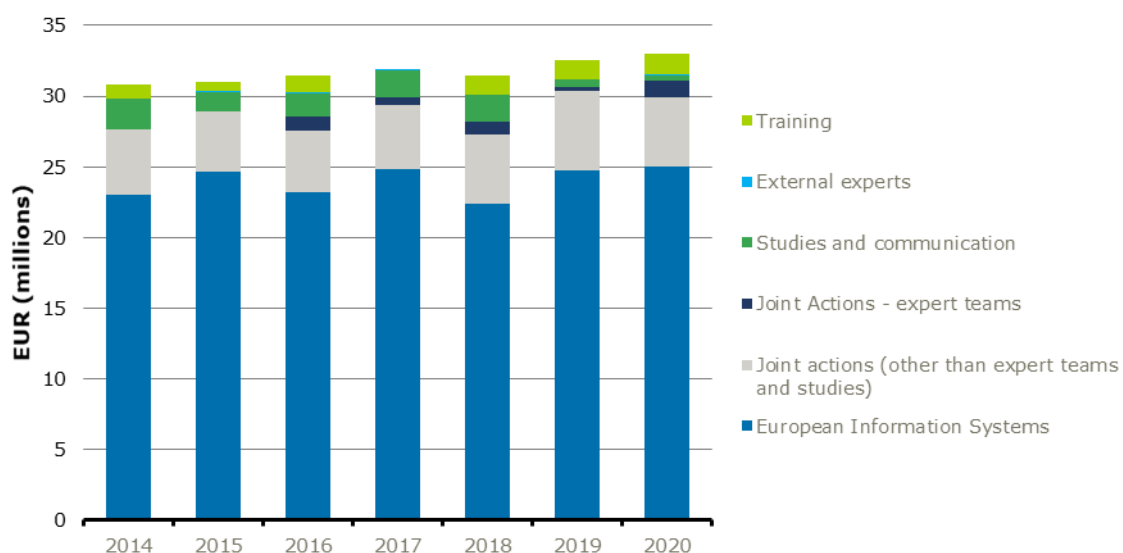
14 4.1.4. TO WHAT EXTENT HAVE FISCALIS 2020 RESOURCES PRODUCED THE BEST POSSIBLE RESULTS AT THE LOWEST POSSIBLE COST?

When evaluating efficiency, the external study looked at the extent to which allocated programme resources were worthwhile in achieving the intended results. The programme-level analysis relied on cost data (for EIS, joint activities, training activities) provided directly by DG TAXUD or extracted from the Annual Progress Reports, which was compiled and used to answer the relevant evaluation questions. It was complemented with evidence on perceived benefits collected through the programme-level stakeholder consultations and the case study findings.

The methodology for evaluating the efficiency of each specific IT system was adapted in in each case study to the specificities of each system (based on their theory of change). Depending on the availability of reliable data, an attempt was made to estimate the costs and benefits, and where possible to monetise them. The latter was only possible to a certain extent for the MOSS, DAC1/DAC2 and TNA case studies. DG TAXUD primarily supplied data on costs. In the case of MOSS and DAC1/DAC2, it was complemented with cost data from previous studies and data provided via interviews, albeit by a small sample of stakeholders. To report on the benefits of each IT system, the analysis relied mainly on interviews with relevant stakeholders. In the case of TNA, this was complemented by a survey, and in the case of DAC1/DAC2 by results of the yearly assessment questionnaires of the Automatic Exchange of Information. The assessment on the ratio between costs and benefits was made by relating to the likely costs of a counterfactual scenario in which the IT systems did not exist, mainly quantitatively. More detail on the methodology followed in each case study is presented in each case study report.

As shown in Figure 10 below, EIS made up a large majority (around 75 % per year) of the Fiscalis 2020 budget. Overall, the resource allocation and division remained relatively stable, and most resources budgeted were committed as expected (see Table 11). The total budgeted expenses for the 2014-2020 period were EUR 222,666,000 and those committed – EUR 222,085,746.

Figure 10. Committed budget per type of activity, in EUR million



Source: Fiscalis 2020 Annual Progress Report 2020

Table 11: Committed vs budgeted expenses in EUR - Fiscalis 2020²⁷

	2014	2015	2016	2017	2018	2019	2020
European Information Systems	23,053,874 (23,477,000)	24,691,254 (23,450,000)	23,244,421 (22,140,000)	24,824,594 (22,347,000)	22,375,306 (23,141,000)	24,768,693 (22,860,000)	25,020,819 (23,090,000)
Joint actions (excl. expert teams and studies)	4,555,000 (4,425,000)	4,230,000 (4,230,000)	4,300,000 (4,300,000)	4,540,000 (4,200,000)	4,912,500 (4,100,000)	5,576,400 (6,196,000)	4,923,950 (5,601,400)
Joint actions (expert teams only)	N/A	N/A	988,040 (1,500,000)	519,915 (650,000)	899,585 (1,530,000)	330,000 (270,000)	1,165,000 (2,070,000)
Common training activities	908,585 (1,000,000)	600,003 (1,025,000)	1,205,600 (1,237,000)	0 ²⁸ (1,242,000)	1,352,000 (1,352,000)	1,374,000 (1,374,000)	1,483,000 (1,483,000)
Joint actions - Studies, communication and support	2,184,539 (1,800,000)	1,375,690 (2,250,000)	1,640,916 (2,202,000)	1,898,800 (3,300,000)	1,867,658 (1,850,000)	520,372 (1,800,000)	350,232 (698,600)
Other expenditure (external experts)	75,000 (75,000)	70,000 (70,000)	70,000 (70,000)	70,000 (70,000)	70,000 (70,000)	0 (70,000)	50,000 (50,000)
Total	30,776,999 (30,777,000)	30,966,948 (31,025,000)	31,448,978 (31,449,000)	31,853,309 (31,809,000)	31,477,049 (32,043,000)	32,569,465 (32,570,000)	32,993,000 (32,993,000)

Source: Fiscalis 2020 programme Progress Report 2020, Annual Work Programmes 2014-2020

²⁷ Budgeted expenses in brackets constitute the Annual Work Programmes planned funding; committed expenses above refer to the committed amount to be spent by year-end as presented in the Annual Progress Reports. For example, the costs of workshops planned at the beginning of the year are budgeted. If there is a lower number of workshops, their costs are committed. Data is from the 2020 Annual Progress Report.

²⁸ In 2017 progress report, training activities committed amount was as EUR 1,242,000. In the 2020 report, it was 0. The table is based on figures reported in 2020 for consistency, given adjustments made over time.

15 4.1.4.1. COSTS COMPARED TO BENEFITS ASSOCIATED WITH FISCALIS IT SYSTEMS

The overall cost for Fiscalis 2020 EIS was EUR 168 million over the period 2014-2020. The development costs (i.e. software development) amounted to EUR 19.6 million (14 %, Fiscalis EIS budget). Additional system costs for testing, infrastructure, maintenance, operations and quality assurance are estimated at EUR 93.2 million (65 %, Fiscalis EIS budget). This is much higher than development costs because many of the systems existed before 2014 and operating costs (infrastructure, data centres maintenance and other expenses, testing and quality assurance) are often more resource intensive. Note that cost details are only available as total costs for the Fiscalis and Customs programmes together. During 2014-2020, these were about EUR 233 million (EUR 33 million for functional and conformance testing and Member State support; EUR 155 million on infrastructure, maintenance and operational costs; and EUR 45 million on quality assurance activities). As 27 % of the IT systems are for Fiscalis 2020 and 26 % are common to both programmes, one can associate around 40 % to Fiscalis 2020. Due to this sharing of contracts between Fiscalis 2020 and Customs 2020, there is no breakdown of costs per IT system, and we cannot provide an overview of the resources allocated to Fiscalis 2020 IT systems per specific objective.

Member States also incur costs for acquiring, developing, installing, maintaining and day-to-day operating of the non-Union components of the Fiscalis IT systems. These costs vary significantly between countries and systems, based on the IT infrastructure already in place, the size of the country where it is being implemented and how their tax administration is organised, the local costs of IT support, and so on. It is therefore difficult to estimate the costs associated with this aspect of participating in the Fiscalis 2020 programme, and interviewed coordinators were also unable to provide such estimates. Box 5 presents IT systems cost that were assessed in case studies. They cannot be taken as a representative for other systems and should be seen as examples due to the considerations outlined above.

Box 5: Examples of Member States' Fiscalis IT system costs, based on case studies

- **MOSS:** Average development cost of EUR 2.5 million, ranging from EUR 1-6.5 million. Annual maintenance costs ranged from EUR 100,000-500,000.
- **SEED:** Developed in the 1990s, have therefore only incurred maintenance costs 2020 programming period. No cost estimates were made available.
- **DACs:** Compliance cost was EUR 126.6 million for all Member States during 2017-2019. Most (between 82-92 %) were development costs, and maintenance costs were limited.
- **TNA:** Member States incurred EUR 383,752 for co-financing the Operational Teams (Expert team for Transaction Network Analysis I and II) in the period between 2018 and 2020.
- **TEDB:** DG TAXUD information shows incurred costs by all Member States for updating the TEDB are around 2.6 FTE a year. However, this varies significantly depending on whether or not changes occurred in the national tax laws or in the database, suggesting workload and related costs could be significantly lower.

Other stakeholders (e.g. businesses, financial institutions) can indirectly incur costs for Fiscalis IT systems. For the MOSS, in addition to compliance costs for the 2015 VAT rule changes, a 2016 study estimated the cost to start using the MOSS system. The costs resulted from required changes to billing software logic, capturing additional transactional information, website changes and separate report requirements for MOSS returns²⁹. Based on the answers received, the study estimates that the average cost for setting-up the IT systems amount to about EUR 1.2 million. However, there are very large variations across businesses, as the costs identified vary from EUR 8 000 to EUR 10 000 000. As most of the data were provided by large businesses, the relatively high average costs (as well as some of the higher values reported) are most likely related to the size of the businesses. Indeed, some of the businesses provided aggregated data for the entire group (thus including group companies). Such aggregated figures could explain the high variations across countries and some of the highest figures.

Under DAC2, financial institutions are obliged to share their clients' bank account details with the national tax authorities, which required setting-up systems for collecting the data and clients' agreement to share it. This enables an automatic information exchange on financial account data among EU Member States. The costs borne by financial institutions cannot be provided, as there is no available data, but estimated for the Polish financial sector at EUR 4.4 million.

As reported previously, there is clear evidence of the IT systems studied have contributed to the Fiscalis 2020 objectives. Many of the benefits are inherently difficult to quantify (e.g. the extent of tax fraud reduction and Fiscalis IT systems contribution; or tax authorities' increased administrative capacity). Nevertheless, the case studies conducted as part of this evaluation revealed concrete examples of benefits outweighing costs for specific systems (see Box 6). Taken together, the evaluation concludes that there is clear evidence of Fiscalis 2020 IT system benefits outweighing costs.

Box 6: Example of costs vs benefits for Member States of specific IT systems, based on case studies

- **MOSS:** It is not possible to link additional VAT revenue to the MOSS. MOSS VAT revenue did grow at a much faster rate than overall VAT revenue. This is in part due to a general increase in cross-border B2C supplies of telecommunications, broadcasting and electronic services, but might also signify increased compliance and payment of VAT. The main benefit for businesses and administrations have been simplification, costs for businesses using MOSS are about 95 % lower than costs for businesses not using it (EUR 2,200 vs. EUR 41,626 per business per year). Even if this ratio is inflated because it is based on estimates from 2016, it points towards significant cost savings for businesses using the MOSS. There is consensus among all stakeholders consulted that MOSS investments were worthwhile, because it lowered the administrative burden for authorities and businesses alike, in comparison to a hypothetical situation in which the 2015 place of supply rules were introduced without a system like the MOSS to facilitate

²⁹ European Commission, DG TAXUD (2016). VAT aspects of cross-border e-commerce - Options for modernisation: Implementation assessment of the 2015 place of supply rules and the Mini-One Stop Shop.

their implementation.

- **DAC1/DAC2:** Information exchange introduced compliance costs and an administrative burden for tax authorities but also increased tax revenue for their fiscal budgets. Although difficult to quantify given a lack of data, the Automatic Exchange of Information estimated an average cost of **EUR 1.5 million** per Member State per year ³⁰, compared to an average **EUR 1.6 million** additional tax revenue per Member State in 2020 (according to those consulted).
- **TNA:** The majority of surveyed TNA users agreed that the investments and resources dedicated were worthwhile³¹. Initial estimates show that for every **1 EUR** spent on the TNA, **EUR 1,454 of fraudulent or suspicious transactions were detected**. Although it is challenging to conclude how large a share of dubious MTIC fraud transactions identified are followed up on or recovered (this is dependent on the internal processes and available resources of each tax administration) or can be attributed to the TNA rather than Eurofisc liaison officials' work more generally, those consulted experienced improved efficiency in detecting dubious cases.
- **SEED:** Although no concrete monetary estimate of costs and benefits are available, SEED reduced tax authorities' administrative burden by providing a centralised, regularly updated register of economic operators. Without SEED, the process to check excise numbers accuracy and validity would require significant time and human capital effort.
- **TEDB:** Using the TEDB as an information source for other tools such as the Single Digital Gateway and the Excise Duty Calculator was considered very cost-efficient by the respective developers and was a decisive factor in making a decision to develop the Calculator. While the TEDB is not widely used by economic operators, those interviewed believed that it could be a very cost-efficient source of information on standard and reduced VAT rates for online marketplaces having to collect and remit VAT as a result of the implementation of the VAT eCommerce Package.

16 4.1.4.2. COSTS COMPARED TO BENEFITS ASSOCIATED WITH FISCALIS JOINT ACTIONS

Fiscalis 2020 joint actions costs are available at a much more granular level. Expenditure on joint actions (seminars, workshops, project groups, bilateral or multilateral controls, other administrative cooperation activities, working visits, PAOEs and capacity building activities) excluding expert teams and studies amounted to about EUR 33 million. The largest share of resources was spent on project groups, followed by workshops and multilateral controls.

³⁰ The Automatic Exchange of Information were estimated at on average **EUR 0.65 million** of recurring costs and **EUR 3.9 million** development costs per Member States during 2015- by Commission Staff Working Document Evaluation of the Council Directive 2011/16/EU on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC

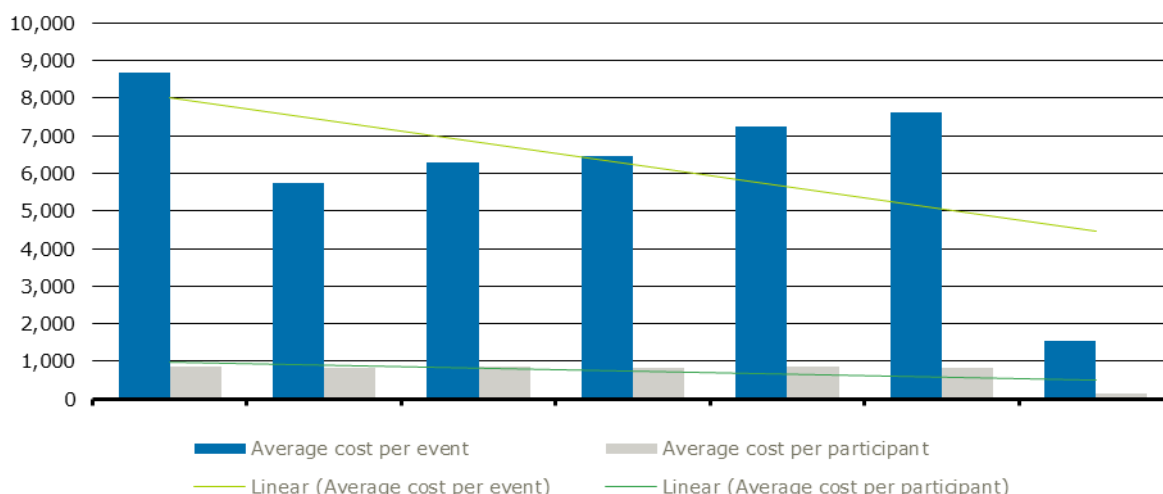
³¹ Twenty-four TNA users responded to the question “Do you believe that the investments and efforts put into the platform have been worth it?”. 21 - replied “yes, definitely”; 3 – “yes, to some extent”; 0 – “no, it’s not worth it”; 0 – “I don’t know”

As the majority of the costs associated with participation in these joint actions is covered by the Fiscalis 2020 budget (travel costs, costs linked to the organisation of events, daily allowances and accommodation costs), Member States incur very little costs. This is slightly different for third country working visits, where Fiscalis covers travel and subsistence, but organisation costs are borne by the host countries.

Because of this, arguably, Fiscalis joint actions benefits clearly outweigh the costs incurred by Member States. However, this might not be the case for candidate and potential candidate countries, as two interviewees suggested. One explained that an evaluation showed their financial contribution to Fiscalis as high considering the extent to which they can participate. Although they see value in participating, they would like access to more aspects of these actions.

In general, the average cost per participant has remained relatively stable with a slight overall decrease, which might signal improved efficiency (see Figure 11). There are no clear differences for different types of joint actions.

Figure 11: Average cost per event and per participant



Source: ART data

Fiscalis programme poll results each year are overwhelmingly positive, suggesting actions’ benefits are high. The majority of tax authorities interviewed for this evaluation agreed that the benefits outweighed costs. Therefore, it is safe to conclude that joint actions investments were considered worthwhile and cost-effective when considering the costs versus the outcomes achieved.

Expert teams, in particular, seemed highly cost-effective. Participation in expert teams is not fully reimbursable by the Fiscalis 2020. While travel and subsistence costs are fully reimbursed, personnel costs are only partly covered (the Fiscalis budget covers 50 % of administrations costs). These expert groups were crucial in the development of some of the Fiscalis IT systems which might not exist in the current setting without them (e.g. TNA, TEDB).

To illustrate further the cost-effectiveness of the Fiscalis joint actions, concrete examples from some of the case studies are presented in Box 7 below.

Box 7: Costs vs benefits of specific joint actions

- **MOSS:** Fiscalis 2020 invested EUR 375,111.43 into MOSS joint actions. With 381 participants at EUR 984.5 per participant, these actions were quite expensive compared to for example DAC1/DAC2 actions. However, the most expensive were the MOSS technical workshops and communication activities by the Commission. They were imperative for the proper system rollout and ensuring businesses were adequately informed, which in turn enabled compliance with 2015 VAT rules. This was recognised by stakeholders and applied again in preparing for the OSS.
- **DAC1/DAC2:** DAC1/DAC2 joint actions amounted to EUR 689,978.78 for 1,405 participants (i.e. EUR 491 per participant). Stakeholders considered the joint actions, as providing good platforms to further develop the Automatic Exchange of Information and exchange experience and best practice among the countries data use, which is a prerequisite for increased compliance and tax revenue.
- **TNA:** As the TNA is relatively new, many of the joint actions it implemented were expert team project groups to assess the tool's feasibility and assist its implementation. Without Fiscalis 2020 funding these project groups, TNA likely would not exist. The costs of the TNA-related joint actions (EUR 246,740) are relatively low compared to the other IT systems and the tool has significant potential benefits. Initial estimates assess that it has contributed to the detection of EUR 5.3 billion worth of fraudulent or suspicious transactions, indicating that investment in the related joint actions is arguably worthwhile.

17 4.1.4.3. TRAINING ACTIVITY COSTS COMPARED TO BENEFITS

In the period, EUR 6.9 million was committed for common tax training, compared to EUR 8.7 million budgeted (absorption rate, 80 %). The majority of the Fiscalis 2020 training budget (EUR 4.7 million) was allocated to eLearning modules. **These modules trained 130,470 individuals from tax authorities and 941,938 additional people from businesses and public.** Thus, the training modules cost EUR 4.9 per person trained.

Based on the most recent **eLearning** satisfaction survey, the courses are highly appreciated. Both national administrations and individual users have reported high quality scores on the content, methodology and technology³². This was confirmed in this evaluation. The majority of interviewed tax authorities described eLearning as useful and effective in increasing their capacity, as well as being helpful for other stakeholders. More broadly, other Fiscalis training activities taking place as part of project groups or capacity building activities (notably IT trainings) were also considered to have directly increased their administrative capacity and facilitated tax authorities' coordination and cooperation.

³² EU Customs and Tax Training Survey Report 2019.

18 4.1.4.4. SCOPE TO MAXIMISE EFFICIENCY

Fiscalis 2020 mid-term evaluation judged the overall structure and processes for managing the Fiscalis programme as broadly appropriate. Given that they have not recently changed, it can be assumed that this holds true, and it was not a focus of this evaluation. Further, the mid-term evaluation identified ways in which Fiscalis 2020 actually reduced the Commission and participating countries' administrative burdens, e.g. introducing unit costs for accommodation expenses, which resulted in cost and time savings.

However, it identified concerns about the paperwork required to join, initiate and provide feedback on joint actions. Also, limited human resources at national level to adequately respond to requirements led to recommending DG TAXUD to optimise procedures and resources for joint actions and keep workload manageable. This appears to have improved in the latter half of Fiscalis 2020, as no administration considered the burden too high compared to their benefits.

No concrete inefficiencies or possibilities to further simplify or reduce the burdens were identified. There are always certain barriers or burdens, for involved, but generally, tax authorities feel that these are balanced with the programme outcomes.

19 4.1.5. TO WHAT EXTENT IS FISCALIS 2020 COHERENT WITH BROADER EU POLICIES

Under the coherence criterion, we analyse the extent to which the Fiscalis 2020 programme is coherent with broader EU policies. As a first step, this section addresses Fiscalis 2020 coherence with the Commission broader strategic framework, especially in light of changes in Commission priorities since the mid-term evaluation. We then further analyse the relationship between Fiscalis and similar EU funding programmes, as well as its coherence with measures taken in non-EU Member States.

As noted during the Fiscalis 2020 mid-term evaluation, its programme action **was aligned and coherent to the Commission overall strategic priorities**, especially to the Europe 2020 strategy.

Looking at the Commission revised objectives for the 2019-2024 period, a similar conclusion can be drawn. Under the Commission priority “**An economy that works for people**”, the Commission aims at “...tackling tax abuse, ensuring sustainable revenues and supporting a better business environment in the Single Market.” The Fiscalis achievements under its specific objective to fight tax fraud, evasion and aggressive tax planning (see section 4.1.3) clearly aligns with this Commission strategic objective. Further, the Fiscalis 2020 funded actions are coherent with the Commission priority “**Europe fit for the digital age**”, under which the Commission aims to modernise public administrations as in the Commission's eGovernment Action Plan. Actions under the Fiscalis specific objective to enhance administrative capacity of participating countries, especially the development, improvement and implementation of EIS will support this priority.

In 2020, the Commission released the **Package for fair and simple taxation** containing 25 taxation initiatives to support, the recovery from the economic disruption caused by the COVID-19 crisis and the transition into a green and digital economy³³. Most of the initiatives are still in their preparatory phases and thus fall out of Fiscalis 2020 scope. The new Fiscalis programme will be able to contribute via joint actions to many of these initiatives. Below are relevant initiatives planned for 2021-2023:

- Amendment of 2011/16/EU to include exchange of information on income generate through share and gig platforms (DAC7) and crypto assets (DAC8);
- EU Initiative on VAT in the digital age, to amend the existing VAT directive in line with digital developments³⁴;
- Actions to further develop the Eurofisc network.

Fiscalis contributed to implementing two of the Commissions' 2019 political priorities, demonstrating its continued coherence with the Commissions' revised political priorities. While the context of the new Commission has changed since the mid-term evaluation, the overall conclusion that it corresponds to the overall political strategy and objective of the Commission remains valid.

There also appears to be **coherence between Fiscalis 2020 and other similar instruments**. Complementarities and synergies exist between the Fiscalis 2020 and the **Customs 2020 programme**. As established in Article 5 of Regulation (EU) 1294/2013, the general objective of the Customs 2020 Programme is to “support the functioning and the modernisation of the customs union in order to strengthen the internal market [...]”. Since DG TAXUD manages both programmes with similar management structures, this achieves efficiency gains in managing the Commission resources. Further, both programmes share many operational features that are co-funded by both programmes and available for customs and tax administrations. The programmes jointly funded key IT infrastructure such as CCN and EU common training materials. This leads to efficiency gains, as it avoids implementing separate systems, and enables customs and tax administrations to exchange information and share knowledge better.

The **Structural Reform Support Programme (SRSP) 2017-2020**³⁵ is complementary to Fiscalis 2020. Until 31 December 2019, the Structural Reform Support Service of the

³³ Communication from the Commission to the European Parliament and the Council an Action Plan for fair and simple Taxation Supporting the Recovery Strategy:

https://ec.europa.eu/taxation_customs/sites/default/files/2020_tax_package_tax_action_plan_en.pdf

³⁴ The VAT in the Digital Age includes: Modernising VAT reporting obligations (Action A4 in the Tax Action Plan); Addressing the challenges of the platform economy (Action A23); and Avoiding the need for multiple VAT registrations in the EU and improving the functioning of the tool implemented to declare and pay the VAT due for distance sales of goods imported from outside the EU (Actions A1 and A5).

³⁵ The SRSP was inherited by the Technical Support Instrument (TSI) 2021-2027

Commission managed it, replace by DG REFORM as of 1 January 2020. The SRSP offered tailor-made expertise to all EU Member States to design and implement institutional, administrative and growth-enhancing reforms in different policy areas including revenue (tax and customs) administration. The support ranged from strategic and legal advice, to studies, trainings and expert visits on the ground in any phase of the reform process. The support providers under the SRSP consisted of the European Commission in-house experts, EU Member State public organisations and individual experts, international organisations and private consultancy sector.

Regardless of the different objectives, and implementation modalities, synergies exist between both programmes. SRSP complemented Fiscalis 2020 by deploying tailored technical support for the programmes and bringing expertise from external providers such as International Monetary Fund (IMF), World Bank (WB) and Organisation for Economic Co-operation and Development (OECD), private consultancy companies and public organisations. Commission interviewees confirmed that synergies between the SRSP and Fiscalis 2020 exist. In their view, the SRSP could assist a country to undertake more structural reforms to tackle problems discovered during Fiscalis joint actions. For example, Fiscalis 2020 was used to kick-off technical assistance for the Greek tax administration before the launch of SRSP in 2017, which was later continued under Technical Support Instrument (TSI).

Complementarities between Fiscalis 2020 and the **Hercule III programme** managed by the EU Anti-Fraud Office (OLAF) also exist. Article 4 of Regulation 250/2014 laying down the provisions establishing the Hercule III programme indicates that its specific objective is “...to prevent and combat fraud, corruption and any other illegal activities affecting the financial interests of the Union”. Several of the actions eligible for funding under Fiscalis are similar to those under the Hercule III programme. An in-depth analysis and comparison of the Hercule III and Fiscalis’ work programmes revealed no overlap between the two, as the former did not include activities focusing primarily on tax fraud, tax evasion, and aggressive tax planning. On the contrary, one could argue that Hercule III is complementary to Fiscalis, as the fight against fraud conducted with Hercule equipment contributes to the fight against tax fraud and evasion. Despite the complementarities discovered between the programmes, there is no evidence of active cooperation or actively sought synergies. In line with the mid-term evaluation findings, synergies could be further explored through aligning management and planning of the two programmes more closely. Both OLAF and TAXUD receive each other's draft annual work programmes for interservice consultation, as a means to avoid or identify potential overlaps and to seek synergies wherever possible within our respective mandates.

The Fiscalis programme also **plays a role in and is coherent with programmes for candidate and potential candidate countries**. Seven non-EU Member States participated in Fiscalis 2020 via joint actions and training activities. During Commission and Fiscalis coordinator consultations, in three non-EU Member States, aspects of coherence between Fiscalis and other programmes in non-EU Member States were

identified. Similar to the Commission's TSI, the European Commission Technical Assistance and Information Exchange instrument (TAIEX) provides EU neighbourhood country administrations with support for their approximation or accession process to the EU. Through workshops, expert missions or study visits, knowledge and best practices are exchanged between candidate and EU countries, to drive reforms in non-EU Member States. Candidate country interviewees highlighted the benefits of access to both instruments, as Fiscalis is more flexible and provides short-term outcomes, while TAIEX enables non-EU Member States to pursue more long-term reform processes.

All non-EU Member States' representatives emphasised the usefulness of Fiscalis activities in supporting accession negotiations with the EU. They highlighted the importance of its joint actions to gain EU taxation policy framework knowledge and experience, which is important for the accession negotiations. DG NEAR interviewees added the important symbolic value of including non-EU Member States in Fiscalis 2020 as providing an opportunity to establish trust and goodwill between the negotiation parties.

20 4.2. HOW DID THE EU INTERVENTION MAKE A DIFFERENCE (VALUE ADDED)?

This section reports on what Fiscalis achieved that likely would not have been achieved, at least not as effectively or efficiently, without it. In other words, to what extent is the Fiscalis 2020 programme a vehicle to achieve more than the Member States would do alone? As said, it is difficult to compare Fiscalis 2020 achievements to a counterfactual scenario without it, as its predecessor programmes have been laying the foundation for the achievements for a long time. This aspect is therefore covered from a qualitative, hypothetical point of view.

21 4.2.1. EU ADDED VALUE OF FISCALIS 2020 IT SYSTEMS

Fiscalis 2020 was a fit-for-purpose instrument (see section 4.1). Fiscalis funded IT systems supporting the implementation of legislative changes and harmonisation in rules, to help Member States complying with new legislation. Without it, Member States would have had more difficulties. As discussed, IT infrastructure and systems such as the CCN, DACs, e-Forms, and MOSS made complying more effective and efficient than it likely would have been without an EU-wide coordination mechanism. With EU tax law becoming increasingly important with increasing globalisation and movement of workers (see section 4.3), the programme's added value is also likely to continue increasing.

Relatedly, without cooperation and coordination between Member States, unfair tax competition and tax shopping would likely increase, with fraudsters exploiting the lack of coordination across borders as 'loopholes' to avoid taxes. Tax fraud challenges cannot be tackled if Member States do not look beyond the borders of their administrative territories or cooperate intensively with counterparts, e.g. through MLCs, which tax authorities found particularly helpful (see section 4.1.3). It is likely that they would have a degree of bilateral or multilateral cooperation without Fiscalis 2020 and its IT systems. However, such approaches would be much less cost-effective, as this EU-wide approach

created economies of scale with interconnected systems and consistent information exchange. Without the CCN system, for instance, Member States would have to link national systems 27 times, and each time potentially with different specifications, implying additional time and financial resource investments and lower security levels when exchanging sensitive data. In sum, without Fiscalis they would need to invest more resources and may have produced weaker results.

Box 8: Specific IT systems' EU added value

- **MOSS:** As a one-stop-shop allowing businesses to provide VAT returns once rather than in every Member State that they supply e-services, the MOSS provides businesses and Member States significant added value, by efficiently exchanging VAT payment information via one system rather than with 27 Member States bilaterally. It is unlikely that the necessary investments (financial and human resources) would have been made by Member States acting alone to set up a similar system to the MOSS.
- **DAC1/DAC2:** The Automatic Exchange of Information under DAC1/DAC2 provides significant EU added value by improving efficiency. Without DAC, each Member State would have to develop bilateral arrangements and technical specifications to exchange information, and the frequency and quality of information would likely be worse.
- **SEED:** Without SEED, relevant information could be not automatically transferred to the EMCS, and tax authorities would likely be exchanging paper-based information, significantly increasing processing times, increasing the potential for human error and inefficiencies.
- **TEDB:** Without the TEDB, according to interviews with the developers of the Excise Duty Calculator and the Single Digital Gateway, the former would likely not have been developed, and the information on the latter would have been less targeted and of lower quality. By centrally providing information on all major taxes in the EU, it addresses language barrier and other accessibility issues.

Another, perhaps unintended added value of the Fiscalis IT systems is that it helped national tax administrations to modernise and digitalise their own internal systems and tools (see section 4.1.2), notably for countries which have more recently acceded to the EU.

22 4.2.2. EU ADDED VALUE OF THE FISCALIS 2020 JOINT ACTIONS

Joint actions provided considerable EU added value. Expert teams such as those on the Excise Duty Calculator and TNA (Operation teams I and II) were crucial for preparing and implementing the related IT tools. Without Fiscalis financial support for Member States for these initiatives, they likely would not have been developed. The programme generated innovative ideas, developed by experts in Member States, who were largely compensated for their time via grants³⁶. Other joint actions such as workshops and seminars involving many actors, but also smaller scale ones like working visits and MLCs, helped tax authorities establish networks across Member States, and facilitated

³⁶ The Grants are usually reimbursements, covering 100 % of travel and hosting costs and 50 % of personnel costs.

knowledge sharing. Judging from the consistently positive feedback on joint actions' ability to meet their objectives (see section 4.1), it is safe to assume that they have had a positive impact. Without Fiscalis 2020 funding and (perhaps more importantly) coordination, most likely there would have been fewer events. Tax authorities voiced being faced with limited resources and would not have had the time or money to invest in planning, organising and carrying out such actions without Fiscalis.

In fact, the networks and knowledge sharing benefits go far beyond Fiscalis-funded joint action confines. One Fiscalis coordinator explained the networks created through joint actions have also opened up informal cooperation. In their country, there were ongoing tax reforms designed with the help and advice of coordinators from other countries. An interviewee from a non-EU country shared that they hired an Austrian tax expert they met through a collateralised loan obligations (CLO) joint action, as a consultant to help solve internal issues. These connections, especially with non-EU countries, would not have been likely without Fiscalis-funded actions.

23 4.2.3. EU ADDED VALUE OF THE FISCALIS 2020 TRAINING ACTIVITIES

As common training activities are closely related to Fiscalis IT systems, and understanding and implementing taxation Union law, their EU added value lies primarily in how they improved national tax administration officials' knowledge and capacity and thus the effectiveness and efficiency of administrations. Fiscalis-funded eLearning modules added value beyond the participants as they were also used internally to teach for example. The large number of people trained (e.g. just below 350 thousand, in 2020)³⁷ is evidence that they were considered useful. These training activities and modules would likely not have been developed if Fiscalis had not been in place.

24 4.2.4. LIKELY IMPACT IF HYPOTHETICALLY FISCALIS WAS DISCONTINUED

Based on the evidence presented, it is fair to say that without Fiscalis we would not have the IT systems, joint actions and training to the extent that we have and that were instrumental in implementing EU taxation law and fighting tax fraud, evasion and aggressive tax planning. While there may have been bilateral or multilateral efforts, they would not have achieved the same level of results as Fiscalis and they would not have benefitted from the economies of scale generated by Fiscalis or the timeline would have been very different and slower.

These findings are supported by tax authorities across the board. When asked to imagine a hypothetical situation where the Fiscalis programme was stopped or discontinued, all agreed that it would have significant negative consequences. This includes discontinuing IT systems and joint actions due to a lack of resources. In their view, if Member States continued IT systems themselves, to develop and innovate them would be much slower.

³⁷ DG TAXUD eLearning data

Joint actions would also not be possible on this scale if they relied on Member States' own resources. Existing (bilateral) networks between officials in different countries would continue to be exploited, but not as easily renewed in case of e.g. staff changes.

Some interviewees pointed to collaboration with the OECD or the International Organisation of Tax Administrations (IOTA) as an alternative framework. However, they stressed that it would reduce harmonisation and EU-specific benefits such as implementing common EU tax law, because there would not be the crucial IT systems to support it.

25 4.3. IS THE INTERVENTION STILL RELEVANT?

This section looks at the Fiscalis programme's **relevance** by exploring 'To what extent does the Fiscalis 2020 continue to respond to tax administrations, businesses and the general public needs. It elaborates the degree to which the Fiscalis 2020 proved and **continues to be relevant in achieving its overall aim** of improving the proper functioning of taxation systems in the internal market by enhancing participating countries tax authorities' and officials', cooperation. It explains the extent to which Fiscalis 2020 was able **to tackle new and future challenges and needs** stakeholders faced.

26 4.3.1. CHALLENGES AND PRIORITIES IN THE FIELD OF TAXATION

The fight against tax fraud, tax evasion and aggressive tax planning is an ongoing challenge that results in significant revenue losses in the EU every year as the VAT gap figures attest. Globalisation and digitalisation combined create new challenges to tax systems ability to collect tax revenue by creating potential for tax avoidance or evasion if tax administrations and systems do not keep up with change.

A range of taxation legislative change was adopted during the 2014-2020 period to keep up with the increasingly digitalised, globalised world. Fiscalis 2020 actions were closely linked to these developments. For instance, the 2015 VAT place of supply rule changes were accompanied by the introduction of the MOSS system to facilitate cross-border trade in digital services. The DAC directives were introduced to facilitate the exchange of information between tax administrations, to ensure the fair payment of taxes for taxpayers (individual or entities) who generate income in cross-border activities. Technological advances such as the rise in Artificial Intelligence led to innovations such as the TNA.

Looking to the future, a relevant trend related to all these aspects is the rise in e-commerce. As part of Fiscalis 2020 and building on lessons from its implementation, notably the MOSS system, preparatory work was done to introduce OSS and the IOSS, which became operational on 1 July 2021.

Moreover, the ongoing COVID-19 pandemic has brought numerous changes in existing working patterns, such as normalising remote work. Hybrid remote working

arrangements seem to be here to stay³⁸ which could potentially lead to an increase in the movement of workers across Europe in coming years.

While tax matters remain Member States' competence, such structural changes accentuate the need to reinforce tax administration cooperation and national authorities' administrative capacities. In other words, EU action to facilitate Member States' communication, cooperation and coordination for the internal market effective and efficient functioning remains relevant in this context. Given Fiscalis 2020 success in addressing these aspects in the past, the continuous improvement of IT systems and providing joint actions and training will continue to be relevant.

As discussed in the following subsection, **there is wide consensus among key stakeholders that the Fiscalis 2020 is necessary, relevant and corresponds to key actors' needs**. Findings confirm that the programme is engrained in the EU tax policy landscape and is now one of tax administrations' and economic operators' main work-tools.

27 4.3.2. EXTENT TO WHICH FISCALIS 2020 MET TAX AUTHORITIES' NEEDS

The evaluation confirms Fiscalis-funded activities relevance in addressing challenges tax authorities identified in the mid-term evaluation.

Firstly, **EISs are reported to be highly relevant** for tax officials' daily work, as they are the main information exchange platforms, which in turn fosters mutual assistance and coordination. In light of the developments just outlined, national tax administrations emphasise coordination between EU Member States as important for adequately applying EU law and fighting tax fraud and evasion. In this regard, the majority of interviews with tax authorities and national coordinators confirmed the relevance of Fiscalis-funded EISs in setting up common platforms. They serve as communication platforms through which Member States can exchange relevant data to fight tax fraud and evasion and implement EU law.

Training and joint actions are also considered relevant to enhance administrative capacity such as knowledge building and networking. Joint actions, particularly working visits and project groups, were mentioned repeatedly as highly relevant. Through the exchange of information and good practices, Fiscalis supports policymaking and the equal and predictable application of EU law, as tax administrations can work together to develop and implement taxation policy. For instance, the Fiscalis tax gap project group (FPG/041), established in 2016, gathered 15 national experts from different Member States to pool knowledge and share experience of estimating tax gap, essential for

³⁸ [McKinsey Global Institute](#) (2020) What's next for remote work: An analysis of 2,000 tasks, 800 jobs, and nine countries.

shedding light on tax evasion and tax fraud. The project group's work resulted in reports³⁹ to guide tax gap estimations and enhanced coordination. An interviewee also highlighted Fiscalis role in developing dialogue spaces where EU tax officials responsible for operational tasks, harmonising procedures and audits could exchange good practices and guidelines. The TNA also offers another good example of where an identified need and idea were developed and materialised through several project groups. Overall, the evidence suggests that the Fiscalis 2020 programme allowed tax administrations to have a space to exchange ideas with counterparts in other countries, identify needs and develop solutions in a joint manner.

While all interviewees acknowledged the programme's relevance, two interviewed stakeholders mentioned a number of gaps that could be addressed. For example, one coordinator mentioned that Fiscalis could support the creation of a database on Member States' legislative developments in the tax field, and that it should be adjusted to better cover emerging developments affecting taxation such as the new OSS and IOSS schemes, virtual currencies, digital solutions to combat fraud, etc.

Overall, Fiscalis 2020 is highly relevant to addresses tax administrations' major challenges and meet their needs. However, Fiscalis coordinators in candidate countries pointed out their limited capacity to benefit fully from Fiscalis-funded actions due to its EU-oriented nature. This adds to the fact that these countries do not have access to all IT systems, which affects their ability to take part in related training components.

28 4.3.3. EXTENT TO WHICH FISCALIS 2020 MET ECONOMIC OPERATORS' NEEDS

Securing a level playing field and ensuring fair competition is key for economic operators to perform their activities. Moreover, excessive administrative burden and tax compliance costs can prevent some businesses from carrying out economic activities, particularly across borders. For example, some economic operators, particularly SMEs, can potentially be discouraged from operating beyond their borders due to different VAT compliance requirements across countries. As above, recent legislative reforms were established to update and adapt VAT rules on cross-border business-to-consumer e-commerce activities.

In particular, **Fiscalis IT systems are especially relevant for economic operators**. For instance, the MOSS proved to be very relevant in alleviating the administrative burden on companies providing telecommunications, broadcasting and electronic services by avoiding filing VAT returns in each country where services are supplied, which improved tax compliance. The SEED facilitated economic operators' activities by simplifying compliance via making information easily available.

³⁹ [The Concept of Tax Gaps – Report on VAT Gap Estimations](#) (2016). FISCALIS Tax Gap Project Group (FPG/041). This report was followed by: "[The Concept of Tax Gaps - Report II: Corporate Income Tax Gap Estimation Methodologies](#) (2018) and "[The Concept of Tax Gaps – Report III: MTIC fraud gap estimation methodologies](#)" (2018).

29 4.3.4. EXTENT TO WHICH FISCALIS 2020 MET PUBLIC NEEDS

Although **Fiscalis was not designed explicitly to address citizens' needs, one could say it is indirectly relevant to the public.** Fighting tax fraud and evasion and ensuring tax compliance is a shared concern. As illustrated by the **2016 Eurobarometer survey, 75 % of respondents reported a preference for major EU intervention in fighting tax fraud** while only 5 % reported that the EU should intervene less.

This should not be surprising, if EU intervention in fighting fraud is more successful, tax revenue will increase (a trend observed in recent years). Moreover, supporting tax administrations cooperation and strengthening their capacities will result in more effective and efficient procedures and potentially reduce citizens' compliance costs.

30 5. CONCLUSIONS AND LESSONS LEARNED

This chapter presents key conclusions and lessons learned based on the findings outlined in the preceding chapter. It entails a discussion of the evaluation findings and the potential link between the results achieved and the more long-term impacts.

Fiscalis 2020 contributed to enhancing tax authorities' administrative capacity through IT systems, joint actions and common training activities, harmonising approaches, simplifying procedures and lowering administrative burdens.

Fiscalis 2020 enhanced tax authorities' administrative capacity through IT systems, joint actions and common training activities. Joint actions focused on sharing administrative guidelines and procedures as well as working practices. Participants reported a high degree of satisfaction with these actions and considered them useful. On average 77 % declared that an administrative procedure, working practice, or guideline derived from Fiscalis 2020 led to a positive change in their administrations' working practices. More than 130,000 tax officials were trained through Fiscalis common training activities. The numbers increased over time, and participants reported a high degree of satisfaction with the usefulness of these trainings.

IT systems used for information sharing also played a role in this, by reducing administrative burdens. They reduced the time and resources needed to carry out activities such as exchanging information or files; identifying taxpayers or economic operators; collecting and analysing data. The IT systems therefore enabled efficiency gains and the shifting of scarce resources to other important tasks. An example of this is the TNA - by making use of advanced data analytics to spot potential cases of fraud, TNA reduces the manual work associated with exchanging data and detecting potential cases of fraud for Eurofisc Liaison Officials. Although they still need to qualify and follow up on those potential cases and may not have less work than before, their resources are now more focused on qualified investigations, and the potential to identify actual fraud cases in the same amount of time is maximised.

Fiscalis 2020 reduced the administrative burden and compliance cost for taxpayers through its IT systems

The main target group for Fiscalis is the national tax administrations in the Member States, and most of the activities, and the IT systems, serve to improve exchange of information between the authorities. Some Fiscalis IT systems are directly relevant to taxpayers by improving access to information such as TEDB, VIES and TIN. Using Fiscalis 2020 funding, the **MOSS** was developed and implemented to enable businesses supplying telecommunications, broadcasting and electronic services to file only one VAT return in one Member State, rather than with several different tax administrations in different countries. Although they incurred compliance costs initially, those were largely outweighed by the benefits from using the system. It has been estimated that the **costs for businesses using MOSS are about 95 % lower than for businesses not using it** (EUR 2,200 vs. EUR 41,626 per business per year). Even if this is overestimated, the cost savings are likely significant. The same trend will likely be observed with the new OSS, introduced on 1 July 2021. Furthermore, the experience gained from MOSS has been instrumental to the new OSS, thus supporting the practical implementation of and compliance with the rule change taking place.

Through IT systems and a variety of joint actions including training, Fiscalis 2020 was assessed to have contributed to the improved functioning of the EU internal market by supporting the fight against tax fraud, tax evasion and aggressive tax planning.

Estimating and measuring tax fraud, tax evasion and aggressive tax planning is inherently difficult since taxable persons or entities deliberately try to hide the information to avoid paying taxes due. Still, the research undertaken for **the evaluation study showed that several of the key indicators on tax fraud, tax evasion and aggressive tax planning show signs of improvement**. Since 2014, the VAT gap has reduced. The focus on addressing offshore wealth has increased as can be seen through the large volume of leaked documents (as recently as October 2021 with the leak of the ‘Pandora Papers’).

These developments are difficult to link directly to actions funded by Fiscalis, but there is an indirect link, and the evaluations findings show that Fiscalis contributed towards these observed trends as exemplified by the following evaluation findings:

- The **TNA** IT system supports the identification of potential fraud cases, making use of advanced data-analytics so the process is more efficient than manual checks. Initial estimates show that the fraudulent or suspicious transactions uncovered amounted to EUR 5.3 billion in 2020 and a total of 1814 missing trader fraud cases were identified⁴⁰. It is worth noting that TNA supports Eurofisc Liaison Officials to detect potential cases of fraud. The collected evidence

⁴⁰ Based on data extracted on 17 February 2021.

suggests that TNA enables more potential fraud cases to be identified, which can then be subsequently addressed;

- The **MOSS** facilitated the filing of VAT returns for businesses providing telecommunications, broadcasting and electronic services. The system significantly reduced the time and effort required for this, compared to a situation in which VAT returns would have to be submitted in several Member States. Although difficult to make a direct link, this reduced burden could have increased compliance with VAT rules, thus reducing the incidence of tax evasion by businesses supplying telecommunications, broadcasting and electronic services;
- Through the existence of the **DAC** framework, there is more sharing of information on income declared and taxes paid across borders, making it more difficult to evade taxes. The system also acts to increase compliance, thereby preventing tax avoidance. As confirmed during the interviews with tax authorities, at least two Member States pre-fill tax returns based on DAC information, thus reducing the time needed for taxpayers to complete them and avoiding mistakes in filling in tax returns;
- In addition, capacity building activities such as workshops, seminars, trainings and working visits which target topics and activities aiming to prevent the occurrence of fraud and tax evasion through knowledge sharing.

Fiscalis 2020 contributed to a coherent implementation of EU tax law through information sharing and knowledge transfer

Fiscalis is a financial instrument that aids understanding and implementing EU taxation policy and not a policy programme. Evidence suggests that Fiscalis 2020 contributed to helping Member States understand and implement rule changes, as well as learn and share best practices for harmonisation. For instance, **MOSS** was introduced simultaneously with the 2015 VAT place of supply rules on telecommunications, broadcasting and electronic services. It introduced a system through which tax authorities could share VAT information in a coordinated and centralised way, rather than exchanging information bilaterally. **MOSS** thereby facilitated and simplified the implementation of the 2015 rule changes; this would have been less efficient if there was no EU-wide system to do so. Another example is the **DACs**. The DAC Automatic Exchange of Information system relies on the **CCN**, which is required for Member States to be able to fulfil the requirements of the **DACs**. Without the **CCN** system, it would be challenging for tax authorities to securely and automatically exchange information.

The IT systems were developed and implemented with Fiscalis 2020 funding (and earlier iterations of Fiscalis) and bring significant added value for Member States. Without Fiscalis, there would be less information sharing and knowledge transfer, and thus less harmonisation of rules and approaches. In that sense, Fiscalis can be considered a key instrument for the implementation of EU tax law.

Fiscalis will likely continue to be a relevant tool to enhance taxation systems at EU level and should continue to be funded

Fiscalis remains a relevant instrument to fund the development, implementation and operation of IT systems in the field of taxation. The operational Fiscalis IT systems are quite diverse, but all aim at achieving Fiscalis objectives and the case studies produced evidence that the IT structure and systems evaluated contributed to achieving these objectives. They enabled Member States to communicate and coordinate (CCN, DACs, eForms, EMCS, TIC); reduced administrative burdens and enhanced economic operators' tax compliance (MOSS, VIES, VAT Return); helped to detect and combat fraud (TNA); or simply provided information to feed into any or all of the above (TEDB, TIN, VoW).

The collected evidence indicated that joint actions fostered tax authorities' cooperation and provided space to exchange ideas among counterparts if a specific need was identified. They created networks for participating tax authorities, enabling further coordination and knowledge sharing. Based on the findings, seminars, workshops and project groups, bringing Member States together, were considered to have been useful because they foster mutual learning and harmonisation in the implementation of legislation. TNA is a good example of an IT system, which was developed and governed as a result of the cooperation of dedicated tax officials through a series of project groups. MLCs were also useful for administrative cooperation, particularly in fighting fraud. Other actions with a narrower scope, e.g. working visits and PAEOs, allowed participants to focus on sharing good practices on specific IT system activities, thus fostering mutual learning.

The evidence suggests that **expert teams could play a decisive role in developing new IT systems**, though they are relatively new and relevant for a limited number of EIS. TNA and the Excise Duty Calculator are key examples of systems that might not have existed if Fiscalis 2020 did not provide funding for expert teams. In light of capacity constraints, and the significant time investment for these expert teams, Fiscalis funding is crucial, especially because Fiscalis funds not only costs directly associated with expert team meetings, but also 50 % of staff costs of participants (100% now with the new programme). The **expert teams saved tax authorities time and money, and increased quality of IT solutions**, stemming from working together in a more synchronised, coordinated and collaborative way. In addition, as participation is voluntary, expert teams are an example of true engagement on the side of authorities. In the end, all Member States can benefit from the outcomes of expert teams, even if they were not involved. Considering the resource investment required, Member State participation in expert teams shows their commitment and solidarity to improving the taxation system for the EU as a whole.

Lesson learned/recommendation

In sum, Fiscalis components are mutually reinforcing. The IT systems, joint actions and training activities each play a role, in a complementary way, in the achievement of Fiscalis objectives. The design of the programme is therefore fit-for-purpose and should be maintained.

The resources invested into Fiscalis 2020 and its components were worthwhile considering the achieved results

EIS traditionally take up the largest share of Fiscalis funding (around 75 % each year), because they are expensive to develop and operate. However, they **can help Member States collect additional tax revenue, which offsets the investments**. In the case of MOSS, the VAT revenue collected through the system grew at a much faster rate than the overall VAT revenue growth (+87 % for MOSS compared to +17 % for VAT overall between 2015-2019). This is due to the general increase in cross-border B2C supplies of telecommunications, broadcasting and electronic services, and all four consulted tax authorities reported that the system significantly reduced burdens for them in collecting VAT revenue for telecommunications, broadcasting and electronic services compared to a hypothetical situation in which the system had not existed. For the DAC1/DAC2, an estimated additional EUR 1.6 million in tax revenue per consulted Member State during 2020 alone⁴¹. It is important to note that most of the costs borne by the Fiscalis programme in the field of IT consist mainly in interconnecting 27 heterogeneous national IT systems via exchanges of messages instead of developing central solutions based on data sharing. This architectural decision follows the agreed legal basis of the corresponding Taxation European Information Systems. However, it can lead to higher costs at EU level while limiting the capability of data processing with a possible impact on the cost / benefits ratio.

Lesson learned/recommendation

The findings indicate that the IT systems assessed in the study are generating benefits which outweigh the costs, in terms of simplification, potential fraud detection and compliance with taxation law. However, the evidence on costs and benefits is weak, and it could be worthwhile for DG TAXUD and Member States to explore ways of better measuring the costs and benefits of the investments made. More comprehensive data on costs (investments in IT systems) and benefits (tax revenue collected, simplification) could feed into further prioritisation and decision making.

Joint actions are a relatively small financial investment around 15 % of the Fiscalis budget, compared to the EIS. As outlined above, the evidence suggests that they were very well received by participants. They enabled knowledge sharing, mutual learning and capacity building, which in turn can lead to efficiency gains for authorities. The benefits clearly outweigh the costs for tax authorities because their participation is largely covered by the Fiscalis budget. This is not the case for non-EU countries, however. The interviews with non-EU participants highlighted the perception that their ability to participate is lacking compared to their financial contribution. They do not have access to most of the IT systems as they are designed to share data within the EU, and since many

⁴¹ A considerable share of the costs related to development costs, were on-off costs while the recurring costs of DAC1/DAC2 are marginal.

of the joint actions are linked to the IT systems, these are perceived as less relevant for non-EU countries. However, participation may increase if their awareness of activities that could be relevant for them to participate in is improved.

Common training activities made up only around 5 % of the Fiscalis budget and were used by more than 1 million people. As mentioned above, they not only benefited tax administrations, but also taxpayers. At an average cost of less than EUR 5 per person trained, paired with their perceived usefulness, **training activities can be considered cost-effective** although their actual impact cannot be estimated.

Lesson learned/recommendation

It is important to involve the participating non-EU countries in the Fiscalis programme's activities where relevant and appropriate, to make their financial investments worthwhile. There are many actions such as working visits, workshops, PAOEs that can have value for participating non-EU countries, for instance through knowledge sharing to enhance their tax administrations' capacity. One way to do this is to ensure full transparency and inviting them to events in which they can participate. DG TAXUD has already made moves to address this in Fiscalis 2021-2027, by ensuring that invitations are sent to non-EU participating countries, unless otherwise justified.

Fiscalis 2020 was coherent and consistent with EU priorities and it complements other funding programmes such as Customs 2020 and the Structural Reform Support Programme, though there is scope to improve synergies with Hercule III.

Fiscalis 2020 was aligned and coherent to the Commission overall political objectives, especially to the Europe 2020 strategy. It flexibly adapted to changing priorities and new legislation, fulfilling its role as a funding programme that supports the implementation of EU law on taxation.

Complementarities and synergies exist between the Fiscalis 2020 and the Customs 2020 programme. DG TAXUD manages both programmes with similar management structures, and the programmes share operational features that are co-funded by both programmes and available for customs and tax administrations. This promotes efficiency gains in managing resources. Complementarities between the programmes are likely to increase in importance in light of the recent adoption of the VAT eCommerce package. Nevertheless, a better discrimination of costs and benefits was seen as beneficial

Fiscalis is also complementary to the SRSP now TSI, which offered tailor-made expertise to all EU Member States to design and implement institutional, administrative and growth-enhancing reforms in different policy areas including revenue (tax and customs) administration. It complemented Fiscalis 2020 by deploying tailored technical support for the programmes and bringing expertise from external providers such as IMF, WB and OECD, private consultancy companies and public organisations. SRSP could

assist a country to undertake more structural reforms to tackle problems discovered during Fiscalis joint actions.

Finally, **Fiscalis is complementary to the Hercule III programme** managed by OLAF, as they share certain objectives. The fight against fraud supported with Hercule equipment contributes to the fight against tax fraud and evasion. However, despite their complementarity, there seems to be limited active cooperation or actively sought synergies. Synergies could be further explored through aligning management and planning of the two programmes more closely.

Lesson learned/recommendation

Synergies can create efficiency gains through knowledge, experience and resource sharing. DG TAXUD could explore ways to better coordinate with other services such as OLAF, for instance through coordination meetings in preparation of the relevant Annual Work Programmes.

ANNEX I: PROCEDURAL INFORMATION

1. Lead DG, Decide Planning/Work Programme reference.

The final (PLAN/2020/8201) and mid-term (PLAN/2017/933) evaluations are non-major initiatives organised in accordance with Article 17(1)(2) of Regulation (EU) No 1286/2013 of 11 December 2013 establishing a multiannual action programme Fiscalis 2020 for the period 2014 to 2020 to improve the operation of taxation systems in the European Union.

The lead Directorate General for the evaluation was the Directorate General for Taxation and Customs Union (DG TAXUD).

2. Organisation and timing.

The evaluation was informed principally by Final Fiscalis 2020 study conducted by an external contractor Ramboll. An inter-service steering group with the following Commission services who expressed their wish to participate in the group supported the study. However, elements of the mid-term evaluation were incorporated into this report also as was considered relevant and appropriate.

Table 12: Commission services that formed the final study's ISG

Meetings and written procedure	Written procedure only
DG AGRI Agriculture and Rural Development	DG BUDG Budget
DG ECFIN Economic and Financial Affairs x 2	DG CNECT Communication Networks, Content and Technology
DG ENV Environment	DG EMPL Employment, Social Affairs and Inclusion
DG FISMA Financial Stability, Financial Services and Capital Markets Union	
DG DIGIT Informatics x 2	
DG HOME Migration and Home Affairs	
DG NEAR Neighbourhood Policy and Enlargement Negotiations	
DG SG Secretariat-General x 2	
DG REFORM Structural Reform Support x 2	
DG TRADE Trade	
Legal Service	
OLAF European Anti-Fraud Office	
DG JUST Justice and Consumers (mid-term evaluation only)	

Notes: x 2 indicates the service was also an ISG member for the mid-term study

The inter-service steering group for the final evaluation met four times on 18 June and 17 November in 2020 and 21 January and 8 July in 2021. The last meeting was a validation for Fiscalis 2020 programme during which the external consultants presented their findings, conclusions and recommendations. These were further on discussed with the group, their validity and credibility confirmed. The mid-term study was also supported by an inter-service steering group that met five times over the life and finalisation of the project. The mid-term evaluation report was published⁴² as well as an executive summary of the mid-term evaluation study⁴³.

3. Evidence used together with sources and any issues regarding its quality

The present evaluation SWD is based on work carried out by external consultants. The material informing this evaluation consisted of (1) programming documentation, (2) previous studies, reports and evaluations, and (3) the Performance Measurement Framework (PMF), as detailed in Table 13, which also presents the intended purpose of use.

The evaluations gathered also primary data on the programme's implementation, functioning, results and use directly from the best-placed stakeholders: the tax administrations of the participating countries and, albeit to a smaller extent, from economic operators. Evidence was collected through targeted consultations and cases studies, details of how these were collected are in Annex II 0.

Finally, the Commission organised a public consultation on the Commission's spending programmes and funds. This public consultation was launched within the context of the Commission's proposals for the next generation of financial programmes for the post-2020 Multiannual Financial Framework (MFF). The Fiscalis 2020 programme was included in the public consultation on investment, research and innovation, SMEs and single market. The findings of the consultation were incorporated into the mid-term stakeholder consultation report. The public consultation part is also Annex V of this report.

Table 13: Sources of information used for the evaluation of Fiscalis 2020

Source	Purpose
1. Programming documentation	
1.1 Programme Regulation Regulation (EU) No 1286/2013	Underlying rationale, history and context main features of the programme key stakeholders and beneficiaries

⁴² See the attached for more details of the [Fiscalis 2020 mid-term evaluation SWD \(europa.eu\)](#)

⁴³ Mid-term evaluation of the Fiscalis 2020 programme: Executive summary [mid-term evaluation summary report_f2020.pdf \(europa.eu\)](#)

	<p>specific and operational objectives</p> <p>headline budget figures</p> <p>overview of activities and priorities</p>
<p>1.2 Annual Work Programmes (AWP)</p> <p>The Fiscalis 2020 AWP are annexed to each yearly financing decision</p>	<p>Structuring and selection of case studies</p> <p>priorities in terms of resource allocation</p> <p>continuing relevance and policy issues of interest for the programme</p> <p>expected results and annually updated goals</p>
<p>2. Studies, reports and evaluations</p>	
<p>2.1 Annual Progress Reports (APR)</p> <p>Published yearly, available for 2014, 2015, 2016 and 2017</p>	<p>intervention logic</p> <p>programme performance/effectiveness in terms of outputs and results</p> <p>insight into how the PMF is used and reported</p> <p>structuring and topicality for the evaluation case studies</p> <p>perceived strengths and areas for further development – early warnings and learning within the programme</p>
<p>2.2 Evaluations, impact assessments and reports</p> <p>Final evaluation of Fiscalis 2013</p> <p>Action Follow-up Plan: Final Evaluation of Fiscalis 2013</p> <p>Impact assessment (IA) for Fiscalis 2020</p> <p>Study for ex-ante evaluation for Fiscalis post-2020</p>	<p>previous findings, conclusions and recommendations</p> <p>background for recent developments in the programme</p> <p>ideas for other sources of data:</p> <p>ideas for issues to explore / build on past and envisaged policy context going</p>
<p>3. Performance Measurement Framework (PMF)</p>	
<p>3.1 PMF management and design documentation</p> <p>Background documentation detailing the structuring of the PMF, considerations and reasoning which lead to its instigation, the purpose of each data-collection tool, indicators and their use, etc.</p>	<p>Impetus and rationale for the current design of PMF</p> <p>evaluation design, mapping PMF indicators to evaluation questions</p> <p>limits of PMF indicators</p> <p>purpose and design of different indicators</p> <p>practicalities of PMF data collection and their consequences</p>
<p>3.2 Activity reporting tool (ART)</p>	<p>in-depth activity descriptions</p>

Management tool that provides the framework for collecting and storing basic data about all activities, with input beginning from grant requests	context of activities in terms of motivation and needs context of activities in terms of relation to other activities and AWP projects
3.3 Action Follow-up Form (AFF) Form providing a self-reported rating of the degree of achievement of expected results, to be completed for all activities of the previous year	participant satisfaction programme effectiveness in terms of perceived achievement of results programme reach in terms of spread of results in national administrations
3.4 Event Assessment Form (EAF) Form providing a rating by participants of the extent to which their expectations were met and expected result(s) achieved, completed three months after the end of an event or yearly in the case of project groups	participant satisfaction programme effectiveness in terms of perceived achievement of results programme reach in terms of spread of results in national administrations
3.5 Programme Poll A questionnaire that measures the awareness and wider perceptions of the programmes in terms of networking and dissemination	conducted every 18 months (Jul-Sept 2015 + Jan 2017)
3.6 Training activity monitoring Training activities have separate monitoring and data collection, which feeds into the PMF (eLearning statistics + eLearning survey)	demand for and reach of eLearning modules satisfaction and results of eLearning modules training and competency building for EOs
3.7 IT statistics Data on results within IT collaboration and implementation of common IT systems for officials and economic operators	Budget allocation for EIS development and continued operation of EIS effectiveness and reach of EIS demand and use of programme outputs by economic operators
3.8 Impact indicators Indicator data not gathered as part of the PMF reporting tools, but collected from various sources in connection with evaluation reports.	Development within overarching policy goals addressed by Fiscalis 2020 programme impact and effectiveness in terms of degree of implementation and ratio/level of participants/participation programme impact in terms of perceived extent to which results have been achieved

2 *Use of external expertise*

The Commission carried out two evaluation studies using external consultants procured through a framework contract. The Fiscalis 2020 final evaluation study, which is the main study informing this report was conducted Ramboll Management Consulting⁴⁴. This was signed October 2020 for a period not exceeding 12 months. The mid-term evaluation study was commissioned to Oxford Research, Coffey, Economisti Associati and wedoIT, with a consortium led by Economisti Associati Srl⁴⁵ for 13 months.

ANNEX II. METHODOLOGY AND ANALYTICAL MODELS USED IN THE FINAL STUDY

APPROACH

The final study had an evaluation approach that consisted of assessing relevance, effectiveness, efficiency, coherence and EU added value of the Fiscalis 2020 programme. To ensure this assessment's robustness, a structured evaluation approach was used, relying on an elaborated intervention logic, operationalised evaluation matrix, and a mix of data collection and analytical methods. The overall approach included the following four main tasks:

- Task 1: Structuring and scoping
- Task 2: Fieldwork
- Task 3: Analysis and judgement
- Task 4: Recommendations

EVALUATION QUESTIONS

In line with the Commission's Better Regulation Guidelines⁴⁶, the evaluation criteria of relevance, effectiveness, efficiency, coherence and EU added value were covered. They were addressed through seven key evaluation questions:

⁴⁴ Framework Contract No TAXUD/2019/CC/148

⁴⁵ Framework Contract TAXUD/2015/CC/132

⁴⁶ European Commission, 2017, Better Regulation Guidelines (SWD (2017) 350).

To what extent has, the Fiscalis 2020 programme:

- Contributed to fighting tax fraud, evasion and aggressive tax planning?
- Helped to implement Union taxation law?
- Enhanced participating countries' administrative capacity?
- Resources produced the best possible results at the lowest possible cost?
- Responded to tax administrations, businesses and the general public needs?
- Been coherent with broader EU policies?
- Been a vehicle to achieve more than the Member States would do on their own?

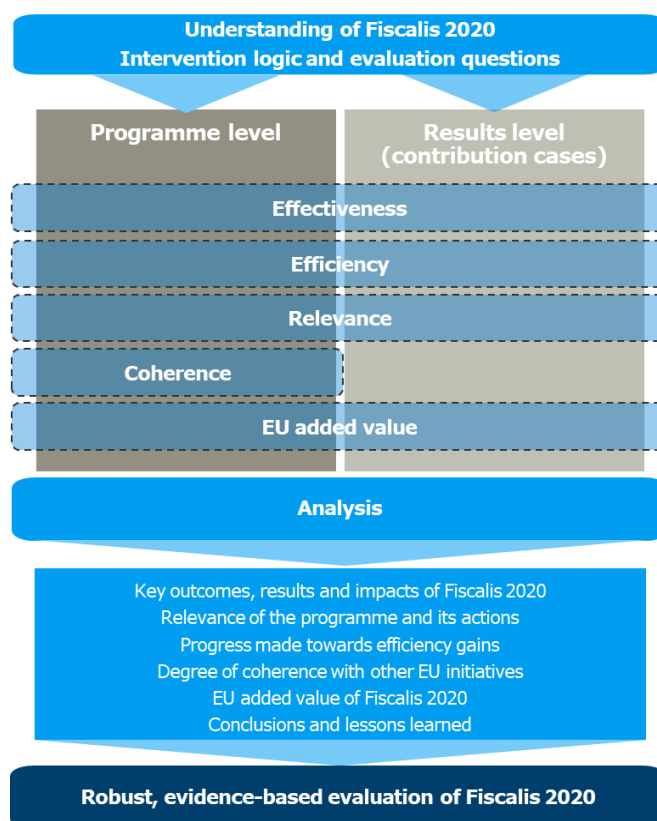
These questions were operationalised and associated indicators and judgement criteria were developed, to provide a framework for collecting data and making evaluative judgements (see Annex III).

OVERALL METHODOLOGICAL FRAMEWORK

The methodological approach consisted of a **theory-based evaluation**, which had two streams: one at the level of Fiscalis 2020 as a programme, and the other at the level of case studies concerning the specific objectives of the programme. The evaluation made use of a contribution analysis to uncover the Fiscalis contribution to the observed results, including an assessment of why observed results occurred (or not) and the role played by the intervention compared to other internal and external factors.

The figure below is a visualisation of the approach, which is described in more detail below.

Figure 12: Methodological approach



Source: Own elaboration

PROGRAMME LEVEL EVALUATION

At the programme level, we evaluated Fiscalis 2020 achievements as a whole as compared to its intervention logic (see Figure 1), which outlines what it intended to achieve and how. Although a theory-based evaluation approach cannot assess causality and attribute observed changes to actual activities or initiatives, it can nevertheless demonstrate programme contribution by clearly identifying logical linkages in what is being observed. These serve as the basis for making plausible judgements on the level and scale of Fiscalis 2020 achievements.

The programme-level evaluation relied on desk research, interviews with stakeholders and the case study results.

The evaluation used contribution analysis to draw conclusions on the programme's contribution to observed outcomes. This enabled structuring the analysis around information gathered, which helped generate hypotheses. These hypotheses were on the links between Fiscalis 2020 funded activities, the outputs they delivered (IT systems, joint actions, etc.), and the results and long-term impacts these have on beneficiaries, economic operators and society as a whole. The hypotheses were tested against the data collected. Crucially, it assessed potential alternative explanations to strengthen the evaluation validity by providing a sound analysis of how and to what extent these alternative explanations helped or inhibited the programme's ability to achieve its outcomes.

The programme was split into manageable pieces for which individual theory of change models were developed, underlying assumptions hypothesised, and results measured. This was done through five case studies, each concerning one Fiscalis-funded IT tax system.

DATA COLLECTION AND ANALYSIS

Desk research

Programme-level

As the main aim of this study was to assess how well Fiscalis 2020 performed during the 2014-2020 period, the evaluation's starting point was to assess its implementation, processes and results using the Performance Management Framework. The study relied on the Annual Progress Reports and raw data provided by DG TAXUD. On this basis, a comprehensive database of activities and associated outputs (e.g. number of joint actions organised, number of IT system users, level of awareness of the activities, etc.) was developed. This enabled comparing results over time and across activities.

Case studies

Programme-level data, previous studies and IT-specific documents (e.g. vision documents, business cases) were used to develop the theory of change for each IT system case study. DG TAXUD stakeholders verified these in dedicated meetings.

Stakeholder consultations

Programme-level

Consultations with key stakeholders aimed to quantify and explore existing evidence made largely available through the Performance Management Framework and provided additional qualitative evidence to answer evaluation questions. Notably tax authorities, who are the main target audience of Fiscalis 2020, were consulted. Commission officials as the implementers were also consulted. A number of videoconference meetings with DG TAXUD's operational and IT unit staff were held during the inception phase. They provided a deeper understanding of the programme and its components, as well as data availability and case study selection insights. Additional interviews with Commission staff in DG TAXUD and DG NEAR took place during the fieldwork phase to further fill gaps and validate findings. An overview of the stakeholder activities is presented in Figure 12 below⁴⁷.

As the mid-term evaluation was finalised in late 2018, to avoid consultation fatigue, Fiscalis coordinator interviews were only conducted with Member States that were not in the case studies. There were 14 Fiscalis coordinator interviews asking high-level

⁴⁷ For more information, please see Synopsis report.

questions about the functioning and usefulness of Fiscalis 2020. This number was considered appropriate, as national coordinators would likely not have a clear picture of programme details but a general view of their key challenges and how and to what extent Fiscalis 2020 helped address them. The Commission’s Better Regulation Guidelines require public consultations in evaluations however; as the public know, little about Fiscalis 2020 there was none.

Case studies

The stakeholder consultations were adapted to each case study’s IT system. The case studies included in-depth interviews with national tax officials in five Member States and DG TAXUD staff working with the systems, as well as other Commission staff (e.g. DG GROW in the context of TEDB), as necessary (see Table 14). For the TNA IT system, a survey was developed to reach a wider group of TNA users, who were also invited to provide additional information in follow-up interviews. For MOSS, SEED and TEDB, 9 (representatives of) economic operators were interviewed on the IT systems’ usefulness, effectiveness and efficiency.

Table 14 Overview of consultation activities

Programme interviews	Stakeholder type	Number of interviews
In-depth interviews	DG TAXUD	2
	DG NEAR	1
	Fiscalis national coordinators (AT, BG, HR, CY, EL, HU, LV, LT, MT, RO, SK, RS, ME, TK)	14
Total		17
Case study consultation activities	Stakeholder type	No. of interviews/survey respondents
In-depth interviews	National authorities (DE, IE, SE, NL, IT, BE, FI, DK, FR, CZ, EE, LU, AT, BG, CY, PT, PL, SI)	30
	European business organisation	9
	EU officials (DG TAXUD, DG GROW)	7
Total		46
Survey (TNA Case study)	TNA user (national tax officials)	26

Data analysis

Programme-level

The programme-data analysis consisted primarily of descriptive statistics for the Fiscalis 2020 quantitative performance data, qualitative interviews coding analysis⁴⁸ and cost-effectiveness analysis to the extent possible with the available cost data. The analysis followed the evaluation matrix to structure and triangulate results from all the information collected.

Case studies

The theories of change were developed based on desk research and initial discussions with DG TAXUD. Relevant sources of information were analysed and used in the contribution analyses. Finally, stakeholder consultation and desk research information were assembled, analysed, using contribution analyses and written up, as case study reports. The data collected was mapped, coded and analysed to assess if and to what extent they confirmed or discounted hypotheses or assumptions of its underlying theory of change. The analysis was finalised by tracing the extent to which causal pathways from Fiscalis 2020 funded activities produced the intended outputs, results and long-term impacts.

Case study selection

To select five case study topics, we mapped out Fiscalis-funded IT systems' key characteristics such as functionality, users, objective, cost and baseline situation. This was informed by DG TAXUD documentation and previous reports and evaluations.

Based on exploratory discussions with DG TAXUD programming and IT units, we selected five case study topics. This took into account considerations such as objectives and targeted users; development costs; and a mix of 'older' and recently implemented systems. The final selection consisted of the following EIS:

Table 15: Case study selection – description of the IT systems

IT system	Short description
Transaction Network	The TNA is an automated data-mining tool using advanced data analytics and algorithms to detect potential cases of cross-border Missing Trader Intra-Community (MTIC) ⁴⁹ fraud quickly and accurately. They are reported to Eurofisc

⁴⁸ Coding is a process of identifying a passage in the text (qualitative data), searching and identifying concepts and finding relations between them. This process helps organise a large amount of qualitative data to identify key emerging themes.

⁴⁹ MTIC fraud is the most common type of VAT fraud. It pertains to activities that seek to exploit differences in how VAT is treated in different EU Member States. A structure of linked companies and individuals is created across Member States to abuse national and international trading and revenue-accounting procedures, taking advantage of VAT free trading across Member State borders. VAT is applied only to sales within a Member State at the applicable domestic rate. In this way, when goods are sold, VAT is charged to buyers without remitting the value to the tax authorities.

IT system	Short description
Analysis (TNA)	liaison officials (ELOs) ⁵⁰ for further investigation. It aims to make detection of risky traders and administrative cooperation easier and more efficient. Key users are thus ELOs.
Mini One Stop Shop (MOSS)	The MOSS is an IT system allowing businesses supplying telecommunications, broadcasting and electronic (TBE) services to submit their VAT return just once, in their registered Member State. These Member States can then collect VAT returns and payments and redistribute them to the Member States where the services are consumed and the VAT due. The system therefore enables administrative cooperation and exchange of information between Member State tax authorities, and reduces TBE services VAT compliance burden for authorities and businesses alike. Key users are businesses supplying TBE services and EU tax authorities.
System for Exchange of Excise data on Europa website (SEED)	The SEED is a core component of the Excise Movement and Control System (EMCS), an IT system for monitoring the movement of excise goods under duty suspension in the EU. SEED is used to record excise traders who are approved to hold, move or receive goods under excise duty suspension, details. It also provides tax authorities with up-to-date copies of authorised economic operators' characteristics, mandatory to complete validation of e-Ads. This removes the need to cross-consult information from one authority to another and enables formal validations. SEED-on-Europa is a public online register that traders can use to verify their trading partners' SEED for excise authorisations. Key users are excise traders and EU tax authorities.
Directive on Administrative Cooperation 1 and 2 (DAC1/2)	The DAC requires Member States exchange income information on taxpayers' without tax residency in their territory. Under this regime, a tax authority where a taxpayer is resident receives and sends information to the tax authority where the taxpayer earns income and holds assets. The information is exchanged automatically once a year with the Automatic Exchange of Information system (AEOI). In addition, tax authorities may request information from other Member States in specific cases (such as tax audits) or send spontaneous information to other Member States (e.g. if suspicious transactions are registered). Under DAC1, information on taxpayers' income from employment, pensions, directors' fees, life insurance products or immovable property are exchanged. Under DAC2 information on taxpayers' bank accounts and income from financial services are exchanged. Key users are EU tax authorities.
Taxes in Europe Database (TEDB)	The TEDB is a freely accessible online database, providing harmonised and comparable information on taxation in all Member States. Member States enter the information into the database annually and bi-annually, depending on the type of tax. The TEDB is a source of information for the Single Digital Gateway ⁵¹ and the Excise Duty Calculator ⁵² , which is being developed. The VAT eCommerce package ⁵³ , which makes online marketplaces liable for VAT could increase

⁵⁰ Eurofisc liaison officials (ELOs) are national tax officials who cooperate, exchange information and qualify traders as risky based on the information they have. They are part of the Eurofisc network, which aims to enhance Member States administrative cooperation to combat organised cross-border VAT fraud focusing on MTIC fraud.

⁵¹ The [Single Digital Gateway](#) is a single point of access to information (including taxation), procedures and assistance services online for citizens and businesses, developed by DG GROW.

⁵² The Excise Duty Calculator is another tool, developed using Fiscalis 2020 funds. The project group are working to develop a common EU tool to calculate excise duties in Member States trading excise goods.

⁵³ The VAT eCommerce package, implemented July 2021, will insist marketplaces be deemed VAT suppliers when they facilitate certain cross-border business-to-customer transactions of third-party sellers. It will make them liable to

IT system	Short description
	TEDB's use, as it recently added an option to find goods and services VAT rates using Combined Nomenclature (CN) and Classification of Products by Activity (CPA) codes. As it is accessible to all, it targets tax authorities as well as economic operators and the public.

TRIANGULATION

Drawing on evidence from the case studies and the programme evaluation, answers to the evaluation questions were formulated. By means of triangulation of the information collected through desk research, interviews and case studies, the study aimed to overcome the weakness or intrinsic biases and problems that come from single method/observer/theory studies. Throughout the triangulation process, we referred to the evaluation question matrix for the analysis and judgement of each evaluation question, to ensure transparent and robust results.

CONCLUSIONS AND LESSONS LEARNED

The findings informed conclusions and lessons learned about the achievements and impact of different Fiscalis 2020 elements. The Fiscalis 2020 mid-term evaluation recommendations were also assessed, as presented in section 3.2.

LIMITS TO THE EVIDENCE BASE AND ROBUSTNESS OF FINDINGS

The **evidence base is considered robust, and the generated findings valid and consistent**. Nevertheless, there are inherent challenges in evaluating a programme such as Fiscalis, which should be highlighted and taken into account when reading the report.

First, Fiscalis 2020 is the continuation of several initiatives to support and increase administrative cooperation between Member States' tax authorities, dating back to 1993. To some extent, Fiscalis cooperation has become "engrained" in EU tax authorities and its counterfactual (i.e. situation without Fiscalis) is challenging to construct. This is particularly true for IT systems in place a long time, such as the CCN/CSI, VIES and EMCS/SEED, where respondents have difficulty imagining implementing EU legislation without EIS support. This is an evaluation challenge but can also be seen as a testimonial of Fiscalis' relevance and EU added value.

Secondly, quantifying Fiscalis 2020 costs and benefits proved difficult. Some EIS costs are shared with the Customs 2020 programme and costs per policy field or IT system could not be disentangled and attributed with certainty. The evaluation tried to work with estimations with DG TAXUD input. Benefits of fraud detected, or tax revenue generated proved difficult to obtain and monetise. This is because it is difficult to link such benefits

collect, report and remit the VAT. This will require access to goods and services VAT rates. The TEDB could provide this service.

to Fiscalis 2020 and there is a lack of Member State level information in part due to their reluctance to share sensitive information on combatting fraud and tax evasion.

Finally, the evaluation struggled to reach certain stakeholders. Respondents found it difficult to prioritise information requests, which is not surprising, as Fiscalis has two evaluations per cycle, requiring feedback from stakeholders every two to three years and potentially leading to consultation fatigue. Efforts to reach economic operators to assess Fiscalis 2020 simplifying effects were moderately successful, but still showed added value where it was possible (in particular for MOSS).

ANNEX III. EVALUATION MATRIX AND, WHERE RELEVANT, DETAILS ON ANSWERS TO THE EVALUATION QUESTIONS (BY CRITERION)

Evaluation question	Operational questions	Indicators	Judgement criteria	Main sources of evidence
Effectiveness				
1. To what extent has the Fiscalis 2020 programme contributed to fighting against tax fraud, tax evasion and aggressive tax planning?	1.1 To what extent is there tangible evidence of (positive) change towards this objective?	Evidence on changes with respect to tax fraud, tax evasion and aggressive tax planning over the evaluation period	<ul style="list-style-type: none"> Descriptive question 	<p>Desk research</p> <p>Stakeholder consultation (Interviews with EU stakeholders)</p>
	1.2 What actions/types of actions have been implemented to address this objective?	<ul style="list-style-type: none"> Number of IT systems in research/development phase/operation implemented to achieve this objective Rate and spread of use of these IT systems Number of joint actions implemented for this objective Rate and spread of participation therein 	<ul style="list-style-type: none"> Descriptive question 	<p>Desk research (e.g. Mid-term evaluation, Monitoring data from DG TAXUD's reporting tools and annual progress reports)</p>
	1.3 To what extent were the actions successfully implemented as intended?	<ul style="list-style-type: none"> Evidence on the extent to which Joint actions/ Training activities have been implemented as intended and contributed to the intended result Stakeholder views on the extent to which Joint actions/ Training activities have been implemented as intended and contributed to the intended result 	<ul style="list-style-type: none"> Number, rate and spread of actions and activities have improved over time Joint actions/ Training activities have been implemented as intended and contributed to the intended result The majority of stakeholders consulted agree that Joint actions/ Training activities have been implemented as intended and 	<p>Case studies</p> <p>Stakeholder consultations (Interview with EU stakeholders and national tax authorities)</p> <p>Desk research (e.g. Mid-term evaluation, Monitoring data from</p>

Evaluation question	Operational questions	Indicators	Judgement criteria	Main sources of evidence
			contributed to the intended result	DG TAXUD's reporting tools and annual progress reports)
	1.4 To what extent was the mix of actions implemented conducive to achieving the results?	<ul style="list-style-type: none"> ▪ Evidence that the mix of actions implemented was conducive to achieving the results ▪ Stakeholder views on the extent to which the mix of actions implemented was conducive to achieving the results 	<ul style="list-style-type: none"> ▪ The mix of actions implemented was conducive to achieving the results ▪ The majority of stakeholders consulted agree that the mix of actions implemented was conducive to achieving the results 	Case studies Stakeholder consultations (Interview with EU stakeholders) Desk research (e.g. Mid-term evaluation, Monitoring data from DG TAXUD's reporting tools and annual progress reports)
	1.5 What has been the (relative) role or importance of the Fiscalis funded IT systems to achieve the objective?	<ul style="list-style-type: none"> ▪ Evidence that the IT systems contributed towards achieving the objective ▪ Stakeholder views on the importance of IT systems in achieving the objective 	<ul style="list-style-type: none"> ▪ The IT systems contributed towards achieving the objective ▪ The majority of stakeholders consulted agree that the IT systems contributed towards achieving the objective 	Case studies Stakeholder consultations (interview with EU stakeholders) Desk research (e.g. Mid-term evaluation)
	1.6 To what extent can the observed effects be attributed to Fiscalis 2020?	<ul style="list-style-type: none"> ▪ Existence of causal link between the IT systems/Joint actions/Training activities and a contribution to fighting against tax fraud, tax evasion and aggressive tax planning 	<ul style="list-style-type: none"> ▪ There is a causal link between the IT systems/Joint actions/Training activities and a contribution to fighting against tax fraud, tax evasion and aggressive tax planning 	Case studies Desk research (e.g. Mid-term evaluation) Answers to previous sub-questions
	1.7 What external factors play a role?	Evidence of external factors	Limited evidence of external influencing factors explaining the result	Case studies Stakeholder consultations (interviews with EU stakeholders and national tax authorities)

Evaluation question	Operational questions	Indicators	Judgement criteria	Main sources of evidence
				Desk research (e.g. Mid-term evaluation)
2. To what extent has the Fiscalis 2020 programme helped with the implementation of Union law in the field of taxation?	2.1 To what extent is there tangible evidence of (positive) change towards this objective?	Evidence on changes with respect to the implementation of Union law in the EU Member States (e.g. number of court cases, compliance issues)	Descriptive question	Desk research Stakeholder consultation (Interviews with EU stakeholders)
	2.2 What actions/types of actions have been implemented to address this objective?	<ul style="list-style-type: none"> ▪ Number of IT systems implemented to achieve this objective ▪ Rate and spread of use of these IT systems ▪ Number of joint actions implemented for this objective ▪ Number of relevant training activities ▪ Number of recommendations, guidelines and other outputs issued ▪ Rate and spread of participation therein 	Descriptive question	Desk research (e.g. Mid-term evaluation, Monitoring data from DG TAXUD's reporting tools and annual progress reports)
	2.3 To what extent were the actions successfully implemented as intended?	<ul style="list-style-type: none"> ▪ Evidence on the extent to which Joint actions/ Training activities have been implemented as intended and contributed to the intended result ▪ Stakeholder views on the extent to which Joint actions/ Training activities have been implemented as intended and contributed to the intended result ▪ Action managers' view on the extent to which JA that sought to enhance the understanding and implementation of Union law in the field of taxation have achieved their intended result(s) 	<ul style="list-style-type: none"> ▪ Number, rate and spread of actions and activities have improved over time ▪ Joint actions/ Training activities have been implemented as intended and contributed to the intended result ▪ The majority of stakeholders consulted agree that Joint actions/ Training activities have been implemented as intended and contributed to the intended result 	Case studies Stakeholder consultations (Interview with EU stakeholders and national tax authorities) Desk research (e.g. Mid-term evaluation, Monitoring data from DG TAXUD's reporting tools and annual progress reports)

Evaluation question	Operational questions	Indicators	Judgement criteria	Main sources of evidence
		<ul style="list-style-type: none"> ▪ Participants' views on the extent to which a JA that sought to enhance the understanding and implementation of Union law in the field of taxation has achieved its intended results ▪ Participants' views on the extent to which an event that sought to enhance the understanding and implementation of Union law in the field of taxation met their expectations ▪ Participants' views on the usefulness of an event that sought to enhance the understanding and implementation of Union law in the field of taxation 		
	2.4 To what extent was the mix of actions implemented conducive to achieving the results?	<ul style="list-style-type: none"> ▪ Evidence that the mix of actions implemented was conducive to achieving the results ▪ Stakeholder views on the extent to which the mix of actions implemented was conducive to achieving the results 	<ul style="list-style-type: none"> ▪ The mix of actions implemented was conducive to achieving the results ▪ The majority of stakeholders consulted agree that the mix of actions implemented was conducive to achieving the results 	Case studies Stakeholder consultations (Interview with EU stakeholders) Desk research (e.g. Mid-term evaluation, Monitoring data from DG TAXUD's reporting tools and annual progress reports)
	2.5 What has been the (relative) role or importance of the Fiscalis funded IT systems to achieve the objective?	<ul style="list-style-type: none"> ▪ Evidence that the IT systems contributed towards achieving the objective ▪ Stakeholder views on the importance of IT systems in achieving the objective 	<ul style="list-style-type: none"> ▪ The IT systems contributed towards achieving the objective ▪ The majority of stakeholders consulted agree that the IT systems contributed towards achieving the objective 	Case studies Stakeholder consultations (interview with EU stakeholders) Desk research (e.g. Mid-term evaluation)

Evaluation question	Operational questions	Indicators	Judgement criteria	Main sources of evidence
	2.6 To what extent can the observed effects be attributed to Fiscalis 2020?	<ul style="list-style-type: none"> Existence of causal link between the IT systems/Joint actions/Training activities and a contribution to the implementation of Union law in the field of taxation 	<ul style="list-style-type: none"> There is a causal link between the IT systems/Joint actions/Training activities and a contribution to the implementation of Union law in the field of taxation 	Case studies Desk research (e.g. Mid-term evaluation) Answer to previous sub-questions
	2.7 What external factors play a role?	Evidence of external factors	Limited evidence of external influencing factors explaining the result	Case studies Stakeholder consultations (interviews with EU stakeholders and national tax authorities) Desk research (e.g. Mid-term evaluation)
3. To what extent has the Fiscalis 2020 programme enhanced the administrative capacity of participating countries?	3.1 To what extent is there tangible evidence of (positive) change towards this objective?	Evidence on changes with respect to the administrative capacity of participating countries	Descriptive question	Desk research Stakeholder consultation (Interviews with EU stakeholders)
	3.2 What actions/types of actions have been implemented to address this objective?	<ul style="list-style-type: none"> Number of IT systems in research phase/development phase/in operation to achieve this objective Rate and spread of use of these IT systems Number of joint actions that sought to extend working practices and/or administrative procedures/ guidelines in a given area to other participating countries implemented Number of training activities implemented for this objective 	<ul style="list-style-type: none"> Descriptive question 	Desk research (e.g. Mid-term evaluation, Monitoring data from DG TAXUD's reporting tools and annual progress reports)

Evaluation question	Operational questions	Indicators	Judgement criteria	Main sources of evidence
		<ul style="list-style-type: none"> ▪ Rate and spread of participation therein ▪ Number of IT training sessions organised for given systems ▪ Number of tax officials trained in IT systems/by using EU common training material ▪ Number of recommendations, guidelines and other outputs issued ▪ Number of best practices / administrative procedures developed/shared ▪ Number of face-to-face meetings (total for the programme) ▪ Number of on-line collaboration groups (PICS) (total for the platform) ▪ Number of downloaded and uploaded files from PICS (total for the platform) ▪ Number of tax officials trained in IT systems/by using EU common training material ▪ Number of EU eLearning modules produced/used/downloaded ▪ Total number of operational MLCs ▪ Number of Member States participating in MLCs ▪ Number of Member States initiating MLCs ▪ Number of presences in the offices and participation in administrative enquiries ▪ Availability of CCN (% of time) 		

Evaluation question	Operational questions	Indicators	Judgement criteria	Main sources of evidence
		<ul style="list-style-type: none"> ▪ Availability of VIES-on-the-Web (% of time) ▪ Availability of EMCS (% of time) ▪ Volume of data exchanged on CCN (Customs and Taxation) ▪ Number of messages on CCN Network (Customs and Taxation) ▪ Number of European Information Systems in operation, as per Annex 1 of the Fiscalis 2020 Regulation 		
	3.3 To what extent were the actions successfully implemented as intended?	<ul style="list-style-type: none"> ▪ Action managers' view on the extent to which JAs that sought to enhance collaboration between participating countries, their administrations and officials in the field of taxation have achieved their intended result(s) ▪ Extent to which the target audience is aware of the programme ▪ Degree of networking generated by programme activities ▪ Extent to which programme outputs (e.g. guidelines or training material) are shared within national administrations ▪ Percentage of tax officials who found that the IT training met their expectations ▪ Percentage of tax officials who found the IT training to be useful ▪ Number of EU eLearning modules produced 	<ul style="list-style-type: none"> ▪ Number, rate and spread of actions and activities have improved over time ▪ Joint actions/ Training activities have been implemented as intended and contributed to the intended result ▪ The majority of stakeholders consulted agree that Joint actions/ Training activities have been implemented as intended and contributed to the intended result 	<p>Case studies</p> <p>Stakeholder consultations (Interview with EU stakeholders and national tax authorities)</p> <p>Desk research (e.g. Mid-term evaluation, Monitoring data from DG TAXUD's reporting tools and annual progress reports)</p>

Evaluation question	Operational questions	Indicators	Judgement criteria	Main sources of evidence
		<ul style="list-style-type: none"> ▪ Number of EU eLearning modules used by participating countries (combined number of all modules used in each country) ▪ Number of tax officials trained by using EU common training material ▪ Number of times publicly available EU eLearning modules were downloaded from Europa.eu website ▪ Average training quality score by tax officials ▪ Action managers' view on the extent to which JAs that sought to enhance administrative cooperation have achieved their intended result(s) ▪ Participants' views on the extent to which a JA that sought to enhance administrative cooperation has achieved its intended results ▪ Participants' views on the extent to which an event that sought to enhance administrative cooperation met their expectations ▪ Participants' views on the usefulness of an event that sought to enhance administrative cooperation ▪ Action managers' view on the extent to which JAs that sought to extend working practices and/or administrative procedures/guidelines in a given area to other participating countries have achieved their result(s) ▪ Participants' views on the extent to which a JA that sought to extend working practices and/or administrative procedures/guidelines in a given 		

Evaluation question	Operational questions	Indicators	Judgement criteria	Main sources of evidence
		<p>area to other participating countries (has) achieved its intended result(s)</p> <ul style="list-style-type: none"> ▪ Participants' views on the extent to which an event that sought to extend working practices and/or administrative procedures/guidelines in a given area to other participating countries met their expectations ▪ Participants' views on the usefulness of an event that sought to extend working practices and/or administrative procedures/guidelines in a given area to other participating countries ▪ Percentage of participants that disseminated a working practice/administrative procedure/guideline developed/shared with the support of the programme in their national administration (under this objective) ▪ Percentage of participants which declare that an administrative procedure/working practice/guideline developed/shared under the programme led to a change in their national administration's working practices (under this objective) ▪ Action managers' view on the extent to which JAs that sought to contribute to the availability, reliability and/or quality of (specific) Union components of EIS have achieved their intended result(s) ▪ Participants' views on the extent to which a JA that sought to contribute to the availability, 		

Evaluation question	Operational questions	Indicators	Judgement criteria	Main sources of evidence
		<p>reliability and/or quality of (specific) Union components of EIS (has) achieved its intended result(s)</p> <ul style="list-style-type: none"> ▪ Participants' views on the extent to which an event that sought to contribute to the availability, reliability and/or quality of (specific) Union components of EIS met their expectations ▪ Participants' views on the usefulness of an event that sought to contribute to the availability, reliability and/or quality of (specific) Union components of EIS 		
	3.4 To what extent was the mix of actions implemented conducive to achieving the results?	<ul style="list-style-type: none"> ▪ Evidence that the mix of actions implemented was conducive to achieving the results ▪ Stakeholder views on the extent to which the mix of actions implemented was conducive to achieving the results 	<ul style="list-style-type: none"> ▪ The mix of actions implemented was conducive to achieving the results ▪ The majority of stakeholders consulted agree that the mix of actions implemented was conducive to achieving the results 	<p>Case studies Stakeholder consultations (Interview with EU stakeholders) Desk research (e.g. Mid-term evaluation, Monitoring data from DG TAXUD's reporting tools and annual progress reports)</p>
	3.5 What has been the (relative) role or importance of the Fiscalis funded IT systems to achieve the objective?	<ul style="list-style-type: none"> ▪ Evidence that the IT systems contributed towards achieving the objective ▪ Stakeholder views on the importance of IT systems in achieving the objective 	<ul style="list-style-type: none"> ▪ The IT systems contributed towards achieving the objective ▪ The majority of stakeholders consulted agree that IT systems contributed towards achieving the objective 	<p>Case studies Stakeholder consultations (interview with EU stakeholders) Desk research (e.g. Mid-term evaluation)</p>
	3.6 To what extent can the observed effects be attributed to Fiscalis 2020?	<ul style="list-style-type: none"> ▪ Existence of causal link between the IT systems/Joint actions/Training activities and a 	<ul style="list-style-type: none"> ▪ There is a causal link between the IT systems/Joint actions/Training activities and 	<p>Case studies Desk research (e.g.</p>

Evaluation question	Operational questions	Indicators	Judgement criteria	Main sources of evidence
		contribution to enhancing administrative capacity of participating countries	a contribution to enhancing administrative capacity of participating countries	Mid-term evaluation)
	3.7 What external factors play a role?	Evidence of external factors	Limited evidence of external influencing factors explaining the result	Case studies Stakeholder consultations (interviews with EU stakeholders and national tax authorities) Desk research (e.g. Mid-term evaluation)
Efficiency				
4. To what extent have the Fiscalis 2020 programme's resources produced best possible results at the lowest possible cost?	4.1 What has been the allocation of resources for IT systems (and other actions) towards the different specific objectives?	<ul style="list-style-type: none"> ▪ Costs associated with IT systems/Joint Actions/Training activities with respect to the fight against tax fraud, tax evasion, aggressive tax planning ▪ Costs associated with IT systems/Joint Actions/Training activities with respect to the implementation of Union law in the field of taxation ▪ Costs associated with IT systems/Joint Actions/Training activities with respect to enhancing the administrative capacity of participating countries 	-	Cost data provided by DG TAXUD
	4.2 What have been the costs of the different IT systems developed / maintained through funding from Fiscalis 2020, for the EC and for Member States?	<ul style="list-style-type: none"> ▪ Cost of Fiscalis IT systems for EU Commission ▪ Cost of Fiscalis IT systems for tax authorities 	-	Cost data from DG TAXUD Cost data gathered via the case studies

Evaluation question	Operational questions	Indicators	Judgement criteria	Main sources of evidence
	4.3 To what extent are the costs for the IT systems justified by tangible benefits (cost-benefit of use, simplification, achieving specific objectives)?	<ul style="list-style-type: none"> ▪ Evidence that costs incurred are proportionate to the benefits of using Fiscalis IT systems for all stakeholders (i.e. achievement of specific objectives, simplification) ▪ Stakeholder views on the proportionality of the costs incurred and the identified benefits of using the IT systems ▪ Stakeholder views on the necessity of the costs incurred 	<ul style="list-style-type: none"> ▪ The costs are proportionate to the results achieved ▪ The majority of stakeholders consulted agree that the costs were necessary ▪ The majority of stakeholders consulted agree that the costs were proportionate to the results achieved 	<p>Answers to questions on Effectiveness</p> <p>Answers to the previous questions on Efficiency</p> <p>Stakeholder consultations (interviews with EU stakeholders and national tax authorities)</p> <p>Case studies</p> <p>Desk research (e.g. Mid-term evaluation)</p>
	4.4 To what extent and how could efficiency have been improved by reducing resources spent, more effective or better implementation or increasing benefits?	<ul style="list-style-type: none"> ▪ Evidence of inefficiencies or potential ways to reduce costs / maximise benefits ▪ Stakeholder views on potential inefficiencies/ways to reduce costs and maximise benefits 	There are no inefficiencies identified with respect to the costs associated with the programme	<p>Stakeholder consultations (Interviews with EU stakeholders and national tax authorities)</p> <p>Case studies</p> <p>Desk research (e.g. Mid-term evaluation)</p>
Relevance				
5. To what extent does the Fiscalis 2020 programme continue to respond to the needs of the tax administrations, businesses and the general public?	5.1 What are the (new) challenges faced by <ul style="list-style-type: none"> a) the national tax administrations, b) economic operators, c) the general public? 	<ul style="list-style-type: none"> ▪ Identified relevant challenges and needs of each stakeholder group 	<ul style="list-style-type: none"> ▪ Descriptive answer - identified relevant challenges and needs of each stakeholder group 	<p>Stakeholder consultation (Interviews with national authorities and EU stakeholders)</p> <p>Desk research</p> <p>Case studies</p>
	5.2 Are these (new) challenges appropriately addressed by Fiscalis 2020?	<ul style="list-style-type: none"> ▪ Evidence of the Fiscalis 2020 Joint actions / Training activities / the European Information Systems matching the identified needs 	<ul style="list-style-type: none"> ▪ The majority of consulted stakeholders within each group agree that Fiscalis 2020, including its objectives and funded actions / 	<p>Stakeholder consultation (Interviews with national authorities)</p>

Evaluation question	Operational questions	Indicators	Judgement criteria	Main sources of evidence
		<ul style="list-style-type: none"> ▪ Stakeholder views on the extent to which Fiscalis 2020 meets their needs <ul style="list-style-type: none"> ○ Views on extent to which JA events (related to each of the objectives) met their expectations ○ Views on usefulness of JA events ○ Views on extent to which training activities (related to each of the objectives) met their expectations ○ Views on usefulness of training activities ○ Views on extent to which the EIS met their expectations ○ Views on usefulness of the EIS ▪ Gaps identified by stakeholders that are not addressed by Fiscalis 2020 	<p>activities, was relevant</p> <ul style="list-style-type: none"> ▪ The programme was sufficiently flexible to address new challenges and needs 	<p>and EU stakeholders)</p> <p>Desk research</p> <p>Case studies</p>
Coherence				
6. To what extent is the Fiscalis 2020 programme coherent with broader EU policies?	6.1 To what extent is Fiscalis 2020 coherent with the new Commission's strategic priorities?	<ul style="list-style-type: none"> ▪ Identified main differences between Commission priorities in 2013 and those in 2019/2020 (given the fact that some of the long-term strategies and priorities have changed) ▪ Identified ways in which Fiscalis 2020 contributes to the new priorities of the Commission ▪ Evidence of inconsistencies between Fiscalis 2020 and the new strategic priorities of the 	<ul style="list-style-type: none"> ▪ Descriptive answers providing concrete examples of ways in which Fiscalis 2020 contributes to the priorities of the Commission ▪ No evidence of inconsistencies between Fiscalis 2020 and the new strategic priorities of the Commission ▪ Fiscalis 2020 is coherent with the new strategic priorities of the Commission 	<p>Desk research (e.g. Mid-term evaluation)</p> <p>Stakeholder consultations (Interviews with EU stakeholders)</p>

Evaluation question	Operational questions	Indicators	Judgement criteria	Main sources of evidence
		Commission <ul style="list-style-type: none"> ▪ Evidence of coherence between Fiscalis 2020 and the new strategic priorities of the Commission 	(especially, with respect to the EU priority of smart, sustainable and inclusive growth)	
	6.2 To what extent is the programme complement/reinforce other similar instruments? (e.g. Customs 2020, Hercule III, Structural Reform Support Programme)	<ul style="list-style-type: none"> ▪ Evidence of complementarity between Fiscalis and related instruments, such as Customs 2020, Hercule III, the newly adopted Tax Package ▪ Evidence of inconsistencies and gaps between Fiscalis 2020 and the new strategic priorities of the Commission 	<ul style="list-style-type: none"> ▪ No evidence of inconsistencies and gaps between Fiscalis 2020 and related instruments, such as Customs 2020, Hercule III, the newly adopted Tax Package ▪ Evidence that Fiscalis 2020 and other related instruments complement and reinforce each other in terms of objectives first and followed by activities 	Desk research (legislative and strategic planning documents) Stakeholder consultation (Interviews with EU stakeholders)
EU added value				
7. To what extent is the Fiscalis 2020 programme a vehicle to achieve more than the Member States would do alone?	7.1 What do key stakeholders perceive as the main EU added value of the Fiscalis 2020?	<ul style="list-style-type: none"> ▪ EU added value identified by stakeholders 	<ul style="list-style-type: none"> ▪ Descriptive question to form a hypothesis on what constitutes the EU added value of Fiscalis according to stakeholders 	Stakeholder consultation (Interviews with national authorities and EU stakeholders)
	7.2 To what extent does the evidence collected in the evaluation support these perceptions of added value?	<ul style="list-style-type: none"> ▪ Evidence of EU added value stemming from the preceding evaluation criteria with respect to: <ul style="list-style-type: none"> ○ Reducing administrative burden and costs and improving the capacity of tax authorities ○ The exchange and storage of information between tax authorities and with economic operators ○ Administrative cooperation ○ Other aspects identified in the 	<ul style="list-style-type: none"> ▪ Fiscalis 2020 has considerable EU added value according to stakeholders with respect to: <ul style="list-style-type: none"> ○ Reducing administrative burden and costs ○ The exchange of information between authorities ○ Administrative cooperation ○ Other aspects identified in the evaluation 	Evidence from preceding evaluation questions Desk research (e.g. Mid-term evaluation results) Case studies

Evaluation question	Operational questions	Indicators	Judgement criteria	Main sources of evidence
		evaluation		
	7.3 To what extent could Member States have achieved the same results without the support of Fiscalis 2020?	<ul style="list-style-type: none"> ▪ Stakeholder views on the likelihood that the same results could be achieved by Member States acting alone or together 	<ul style="list-style-type: none"> ▪ The majority of consulted stakeholders agree that Fiscalis 2020 goes beyond what they could achieve bilaterally or multilaterally by the activities and policies of Member States 	Stakeholder consultation (Interviews with national authorities and EU stakeholders)
	7.4 To what extent has Fiscalis 2020 complemented the activities and policies of the Member States?	<ul style="list-style-type: none"> ▪ Evidence on the complementarity between Fiscalis 2020 and national activities and policies of Member States ▪ Stakeholder views on the complementarity 	<ul style="list-style-type: none"> ▪ There are synergies between Fiscalis 2020 and activities and national policies of Member States ▪ The majority of consulted stakeholders agree that Fiscalis 2020 complements activities and national policies of Member States 	Stakeholder consultation (Interviews with national authorities) Case studies Desk research Answer to Question 6
	7.5 What would happen if the Fiscalis programme were discontinued? In particular, how would the existing IT systems be managed and maintained? What would be the effect of discontinuing Joint Actions and training activities?	<ul style="list-style-type: none"> ▪ Stakeholder assessment of likely sustainability of the programme's results should the programme be discontinued in terms of management and maintenance of IT systems ▪ Stakeholder assessment of the potential effect of discontinuing: <ul style="list-style-type: none"> ○ Joint Actions ○ Training activities 	<ul style="list-style-type: none"> ▪ Descriptive question 	Stakeholder consultation (Interviews with national authorities and EU stakeholders)

ANNEX IV. OVERVIEW OF BENEFITS AND COSTS

	Citizens/Consumers		Businesses		Administrations	
	Quantitative	Comment	Quantitative	Comment	Quantitative	Comment
Direct Costs: 1. IT capacity building (EIS supported by fiscalis) 2. Joint Actions 3. Training	1. NA 2. NA 3. NA	There are no direct costs for citizens consumers.	1. NA 2. NA 3. NA	There are no direct costs for Businesses. Of course these have to learn how to work and adjust to new IT systems. So they can incur indirect costs for EIS, for example associated with required changes to billing software logic, capturing additional transactional information, website changes.	1. Not all costs have been identified. However, based on a sample of case studies the EIS related costs were: MOSS: Average development cost of EUR 2.5 million, ranging from EUR 1-6.5 million. Annual maintenance costs ranged from EUR 100,000-500,000; DACs related costs: Compliance cost was EUR 126.6 million for all Member States during 2017-2019. Most (between 82-92 %) were development costs, and maintenance costs were limited; TNA: Member States incurred EUR 383,752 for co-financing the Operational Teams (Expert team for Transaction Network Analysis I and II) in the period between 2018 and 2020; TEDB: are around 2.6 FTE a year on average. 2. The majority of the costs associated with participation in joint actions is covered by the Fiscalis 2020 budget (travel costs, costs linked to the organisation of events, daily allowances and accommodation costs), Member States incur very little costs and these mostly	Member States incur costs for acquiring, developing, installing, maintaining and day-to-day operating of the non-Union components of the Fiscalis IT systems. These costs vary significantly between countries and systems, based on the IT infrastructure already in place, the size of the country where it is being implemented and how their tax administration is organised, the local costs of IT support, and so on. It was difficult to accurately estimate the costs associated with this aspect of participating in the Fiscalis 2020 programme, and interviewed coordinators were unable to provide estimates. Some joint actions also involved some costs for hosting countries.

					<p>regard country visits where Fiscalis covers travel and subsistence but organisation costs are borne by the host countries.</p> <p>Participation in expert teams is not fully reimbursable by the Fiscalis 2020. While travel and subsistence costs are fully reimbursed, personnel costs are only partly covered (the Fiscalis budget covers 50 % of administrations costs).</p> <p>3. NA</p>	
<p>Direct Benefits:</p> <p>1. IT capacity building (EIS supported by fiscalis)</p> <p>2. Joint Actions</p> <p>3. Training</p> <p>Indirect Benefits:</p> <p>1. IT capacity building (EIS supported by fiscalis)</p> <p>2. Joint Actions</p> <p>3. Training</p>	<p>Direct benefits</p> <p>1.NA</p> <p>2.NA</p> <p>3.NA</p> <p>Indirect benefits</p> <p>1./2./3. Higher compliance and less tax evasion and avoidance can benefit the general public in an indirect manner.</p>	<p>The programme was not designed explicitly to address citizens/consumers' needs. One could say it is indirectly relevant to the public as tax compliance and fighting tax fraud and evasion and ensuring tax compliance is a shared concern. In that sense one could say that any improvements in this area that the programme may have supported have a very general indirect benefit to the</p>	<p>Direct benefits</p> <p>1. Based on a sample of case studies the EIS related benefits included important savings: the costs of using MOSS are about 95 % lower than costs for businesses not using it (EUR 2,200 vs. EUR 41,626 per business per year); TEDB: considered cost-</p>	<p>Many of the benefits are inherently difficult to quantify. Nevertheless, the case studies conducted as part of this evaluation revealed concrete examples of benefits outweighing costs notably for specific EIS systems.</p> <p>In general, the evaluation has also assessed that the programme has contributed to a better application of Union law in the field of taxation and effective in supporting</p>	<p>Direct benefits</p> <p>1. Based on a sample of case studies the EIS related benefits included:</p> <p>DAC1/ DAC2: EUR 0.5 million net a year in additional tax revenues;</p> <p>TNA: for every EUR 1 spent, EUR 1,454 of fraudulent or suspicious transactions detected leading to estimates assess of EUR 5.3 billion worth of fraudulent or suspicious transaction detected;</p> <p>SEED time savings (not possible to quantify);</p> <p>TEDB: considered cost-efficient in the provision of information. The EIS increased interoperability and information sharing among authorities.</p>	<p>Many of the benefits are inherently difficult to quantify. Nevertheless, the evaluation revealed concrete examples of benefits outweighing costs.</p> <p>In general, the evaluation has also assessed that the programme has contributed to a better application of Union law in the field of taxation and effective in supporting the fight against tax fraud, evasion and ATP.</p>

		<p>public.</p> <p>Also, some of the training may have been used to raise awareness and information.</p>	<p>efficient in the provision of information. Also they have also contributed to more efficient, simplified and standardised procedures.</p> <p>Indirect benefits:</p> <p>2./3. The joint actions and trainings have contributed to more efficient, simplified and standardised procedure and time savings.</p>	<p>the fight against tax fraud, evasion and ATP, which can also benefit businesses.</p>	<p>They have also contributed to more efficient, simplified and standardised procedures.</p> <p>2. The majority of tax authorities interviewed agreed that the benefits outweighed costs. Joint actions were assessed as providing good platforms to further develop the Automatic Exchange of Information and exchange experience and best practices for mutual learning and even enacting reforms. They have also contributed to developing some EIS systems and in turn more efficient, simplified and standardised procedures.</p> <p>3. Training has supported a better understanding of EU tax law and EIS knowledge and thus improved administrative capacity and a more coherent application of EU law.</p>	
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ANNEX V. STAKEHOLDER CONSULTATION – SYNOPSIS REPORT

STAKEHOLDER CONSULTATION ACTIVITIES – METHODOLOGY AND APPROACH

This report presents the stakeholder consultation activities performed within the context of the “Study on the final evaluation of the Fiscalis 2020 programme”. The purpose of this report is to present the stakeholder groups consulted as part of the study and the consultation methods, topics covered, as well as the associated limitations.

The stakeholder consultation activities conducted as part of this study are outlined in Table 16 below.

Table 16 : Overview of consultation activities

Programme interviews	Stakeholder type	Number of interviews
In-depth interviews	DG TAXUD	2
	DG NEAR	1
	Fiscalis national coordinators (AT, BG, HR, CY, EL, HU, LV, LT, MT, RO, SK, RS, ME, TK)	14
Total		17
Case study consultation activities	Stakeholder type	Number of interviews/survey respondents
In-depth interviews	National authorities (DE, IE, SE, NL, IT, BE, FI, DK, FR, CZ, EE, LU, AT, BG, CY, PT, PL, SI)	30
	European business organisation	9
	EU officials (DG TAXUD, DG GROW)	7
Total		46
Survey (TNA Case study)	TNA user (national tax officials)	26

INTERVIEWS

PROGRAMME LEVEL INTERVIEWS

During the inception phase of the study, two exploratory interviews with the Fiscalis team within DG TAXUD were held. The objective of these interviews was to gain a deeper understanding of the programme and its components, as well as data availability and case study selection insights. An exploratory interview with DG NEAR staff was also conducted. At a later stage, exploratory interviews with operational and IT unit staff working directly with the EIS (European Information systems) analysed were conducted (see Table 17).

Moreover, 11 semi-structured targeted interviews were carried out with Fiscalis programme coordinators in Member States that were not interviewed in the context of the case studies. Three Fiscalis programme coordinators in third countries (RS, ME, TK) were also interviewed.

Overall, 17 semi-structured interviews were conducted with relevant stakeholders in the EU institutions, as well as with Fiscalis national coordinators both in EU Member States and third countries. The table below presents a full overview of the stakeholders, which were interviewed as part of the programme-level evaluation. The data gathered through the interviews was coded, analysed and categorised into themes after which, triangulation with additional data sources, provided insights into the evaluation questions.

Table 17: Stakeholders consulted as part of the program-level interviews

Stakeholder group	Stakeholder type	Position	Unit	Number of interviews	Number of interviewees
EU officials	DG TAXUD	Deputy Head of Unit	TAXUD.C.4	1	1
		Project Manager	TAXUD.B.4	1	2
		Head of Sector			
	DG NEAR	Policy Officer -	NEAR B.4	1	3
		Team Leader	NEAR A.3		
		Programme officer	NEAR A.3		
Subtotal				3	6
National authorities	Fiscalis programme coordinators	AT	N/A	1	2
		BG		1	1
		HR		1	1
		CY		1	2
		EL		1	1
		HU		1	1
		LV		1	2
		LT		1	1
		MT		1	1
		RO		1	1
		SK		1	1
		RS		1	1
		ME		1	1
		TK		1	1
Subtotal				14	17
Total				17	23

CASE STUDY CONSULTATION ACTIVITIES

Each case study included the collection of documentary evidence and interviews with stakeholder directly involved in the technical aspects of the Fiscalis EIS systems but also with policy officers. The stakeholder consultations were adapted to each case study's EIS.

The exact number of interviews conducted per case study is presented in Table 18.

Table 18: Stakeholders interviewed in the frame of the case studies

Stakeholder group	Country	Organisation	Position	Number of interviewees
Mini One Stop Shop (MOSS)				
National tax administration	DE	German Federal Tax Office	Fiscalis Coordinator, two VAT policy / MOSS experts	5
	IE	Office of the Revenue Commissioners	Five interviewees, representing both the VAT policy side and the MOSS IT side.	5
	SE	Swedish Tax Agency (Skatteverket)	Three interviewees, representing both the policy side and the MOSS IT side	3
	NL	Dutch Tax and Customs administration (Belastingdienst)	Dutch Tax and Customs administration (Belastingdienst)	3
Subtotal tax administrations				16
Economic operators	IE	Anonymous <i>Large organisation representing businesses that make use of MOSS, provide tax advice</i>		2
	MT	Anonymous <i>Small organisation (+- 40 employees) supporting businesses with VAT compliance, notably in the gaming industry</i>		1
Subtotal economic operators				3
EU officials		DG TAXUD	Policy officer in VAT legislation (TAXUD.C.1) Policy assistant (TAXUD.C.1)	2

Stakeholder group	Country	Organisation	Position	Number of interviewees	
				Total	21
Transaction Network Analysis (TNA)					
National tax administration	IT	Revenue Agency	Working Field 1 coordinator	1	
	BE	FPS Finance - Special Tax Inspectorate (Belgium)/ TNA Operational team	Grant coordinator	1	
	FI	Tax Administration	TNA user	1	
	IE	Revenue Ireland	TNA user	1	
	DK	Tax Agency	TNA user	1	
	IT	Revenue Agency	TNA user	1	
	FR	General Directorate of Public Finance	TNA user	1	
	DE	Federal Central Tax Office	TNA user	1	
Subtotal tax administrations				8	
EU officials		DG TAXUD	IT Leader (TAXUD.B.4.) Policy Officer (TAXUD C.4)	2	
Subtotal EU officials				2	
Total				10	
System for Exchange of Excise data on Europa website (SEED)					
National tax administration	CZ	General Directorate of Customs, Excise Duties Division	Head of Excise Liaison Office (ELO) and EMCS Department	1	
	DK	Danish Tax Agency	Professional Consultant	1	
	EE	Tax and Customs Board	Tax and Customs Board Chief Specialist Public Services	1	
	LU	Administration of Customs and Excise Duties	Principal Inspector	1	
Subtotal tax administrations				4	
Economic operators	PL	Imperial Tobacco		1	
	EU	European Committee of Wine Enterprises (CEEV)		1	
	UK/EU	British American Tobacco		1	
Subtotal economic operators				3	
EU officials		DG TAXUD	Policy Assistant (TAXUD C.2)	1	

Stakeholder group	Country	Organisation	Position	Number of interviewees
Total				8
Taxes in Europe Database (TEDB)				
National tax administration	AT	Federal Ministry of Finance	Policy officer	1
	DE	Federal Ministry of Finance	Two policy officers	2
	BG	Ministry of Finance	National expert	1
	CY	Ministry of Finance	VAT officer Tax official	2
	FR	Directorate-General of Customs and Indirect Taxes	Head of section Policy officer	2
	BE	Federal Public Service Finance	Advisor	1
	FR	Directorate-General of Customs and Indirect Taxes	Project manager	1
	PT	Ministry of Finance	Project manager	1
Subtotal tax administrations				8
EU officials		DG TAXUD	Deputy Head of Unit	1
		DG GROW	Policy Officer	1
		DG TAXUD	Policy Officer	1
Subtotal EU officials				3
Economic operators	SE	Anonymous	Co-founder	1
	MT	Anonymous	Director Tax and VAT	1
	DE	Anonymous	Director Tax and VAT	1
	IT	Anonymous	Director Tax and VAT	1
Subtotal economic operators				4
Total				15

Stakeholder group	Country	Organisation	Position	Number of interviewees
Directive on Administrative Cooperation 1 and 2 (DAC1/2)				
<i>National tax administration</i>	BE	MINFIN	Project leader in the international relations department of Belgium Finance Ministry	2
	FI	Tax Administration (Vero)	Senior Adviser	1
	FI	Tax Administration (Vero)	Risk Manager	1
	FI	Tax Administration (Vero)	Development expert	1
	PL	National Revenue Administration Department	Head of Unit Senior Advisors	4
	SI	Financial Administration of the Republic of Slovenia	Head of Division and Senior Advisor	2
Subtotal tax administrations				11
<i>EU officials</i>		DG TAXUD	Policy Officer Taxation (TAXUD.D.2)	1
Total				12

For the TNA system, a survey was developed to reach a wider group of TNA users and to gather a better understanding of their experience with using the IT system. They were also invited to provide additional information in follow-up interviews. The survey was disseminated with the assistance of the coordinator of Eurofisc Working Field 1 on 18 May 2021 and it was open until 1 June 2021. Twenty-six Eurofisc Liaison Officials responded, of which 24 completed the entire survey.

PUBLIC CONSULTATION

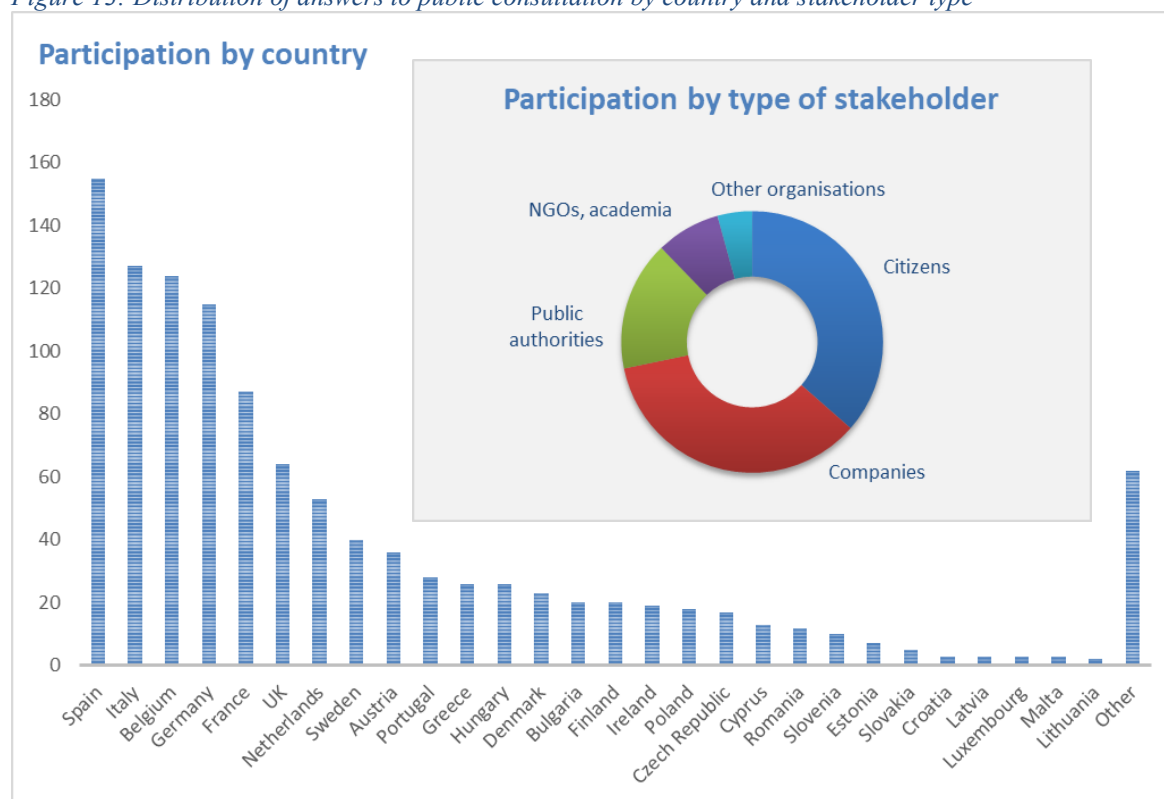
The public consultation supporting the mid-term evaluation of the Fiscalis 2020 programme was launched within the context of the Commission's proposals for the next generation of financial programmes for the post-2020 Multiannual Financial Framework, which is the EU's long-term budget. As the financial framework cuts across all policy fields, the public consultation documents were divided in a number of thematic area. The Fiscalis 2020 programme was included in the public consultation on investment, research and innovation, SMEs and single market. This consultation covered both the retrospective and prospective elements of the Commission's spending programmes.

The consultation run for the period of 8 weeks and took place between 10th of January 2018 and 9th of March 2018. The Secretariat General of the European Commission sanctioned this derogation. The questionnaire was available in all EU languages.

Overall, the Commission has received 4052 replies from all 28 EU Member States, Norway, Iceland, Switzerland and 12 other countries. Around 60 % of replies came from just six countries: Spain, Italy, Belgium, Germany, France and UK. A third of replies came from citizens (409), a third from companies (396), 16 % from NGOs and academia (180), 8 % from public authorities (89). There were 257 replies from individual companies (93 % of which were SMEs) and 95 replies from business associations. National public authorities from 14 EU Member States, 7 non-EU Member States and regional or local authorities from 13 Member States participated in the consultations (see Figure 13).

Respondents to this public consultation could choose between the four policy fields most important for them (investment, research and innovation, SMEs and single market). The general objective of the Fiscalis 2020 programme being to support the functioning and modernisation of taxation systems in order to strengthen cooperation amongst tax administrations in the internal market, the most pertinent area of consultation in the Fiscalis 2020 context would be the single market. It was indicated by approximately 7.5 % of the respondents⁵⁴.

Figure 13: Distribution of answers to public consultation by country and stakeholder type



54 The remaining fields were “EU support for research and innovation” (3837 answers, 95 % of all answers) , “EU support for SMEs and entrepreneurship ” (1034 answers – 25 % of all answers, “EU support for Investment” (642 answers – 16 % of all answers);

CHALLENGES AND MITIGATION STRATEGIES

Throughout the course of the interviews, several challenges were encountered, as presented in Table 19 below.

Table 19: Problems and solutions for the interviews

Problem/limitation	Solution/mitigation
Specific aspects of the IT systems were not widely known across each of the stakeholder groups.	As the level of knowledge and experience with the Fiscalis IT system was different for the different interview respondents, not all interviewees were able to answer to questions relating to all evaluation criteria. The flexible approach to the design of the interview guides allowed for information to be gathered taking into account the experience of the interviewee with the Programme. For instance, the focus of the programme level interviewees was placed on Joint Actions as Fiscalis coordinators were not that familiarised with certain aspects of the IT systems. Where limited evidence was collected on specific funded actions and areas of Fiscalis, the other stakeholder groups (such as end users), as well as desk research helped to fill any gaps.
Some stakeholders could not be reached	The evaluation struggled to reach certain stakeholders. Respondents found it difficult to prioritise information requests, which is not surprising, as Fiscalis has two evaluations per cycle, requiring feedback from stakeholders every two to three years. Efforts to reach economic operators to assess Fiscalis 2020 simplifying effects were not successful, it was not possible to access contact details from Member States and several economic operators contacted declined participation.

KEY FINDINGS PER EVALUATION CRITERIA

EFFECTIVENESS

All the Fiscalis national coordinators interviewed agreed that Fiscalis 2020 has contributed to fighting tax fraud, tax evasion and aggressive tax planning. Coordinators reported that the framework provided by the programme enables cooperation and coordination among different tax administrations in the EU which in turn enhances their administrative capacity and the implementation of EU taxation law through knowledge sharing. The Eurofisc network, multilateral controls (MLCs), trainings and working visits were perceived as very relevant by Fiscalis national coordinators to achieve the programme's objectives.

The EIS systems are perceived to significantly reduce the administrative burden and compliance cost for taxpayers according to the majority of the interviewed national tax administrations in the MS. In the context of the MOSS case study, national authorities

interviewed perceived that the systems were most about compliance, which indirectly contributed to less tax evasion, than fighting fraud per se. They explained that businesses have good intentions and will comply with rules but are unable to do so if not well-informed. In the context of DAC1/DAC2, national authorities consulted acknowledged the deterrent effect as playing an important role in reducing tax fraud and tax evasion. National authorities interviewed in the frame of the SEED case study agreed that the system helped to minimise fraud as only authorised economic operators can use the systems allowing a better tracking of the movement of goods. In terms of enhancing a common understanding of the implementation of EU law, national authorities in the frame of the TEDB case studies confirmed that the system is a good tool to find up to date information but that it is not sufficiently advertised.

EFFICIENCY

Generally, interviewees perceived that the costs are proportionate to the benefits generated by the programme, particularly in regard to EIS analysed. Regarding the Joint Actions (JA), one Fiscalis coordinator reported that the costs are justified depending on how much of the information ends up being disseminated. One coordinator flagged the fact that changes in IT systems sometimes imply changes in national systems which comes with additional costs which need to be borne by national administrations. It is also important to highlight the fact that the interviewed national coordinators from third countries reported that in some cases their contribution is not proportionate to the actual benefits obtained from the programme (i.e. given the fact that they do not have access to the IT systems).

RELEVANCE

There is wide consensus among key stakeholders interviewed on the fact that the Fiscalis 2020 is necessary, relevant and responds to major challenges. However, four Fiscalis coordinators interviewed reported lack of staff and limited administrative capacity to address these challenges. Moreover, Fiscalis coordinators interviewed in candidate countries pointed out their limited capacity to benefit fully from Fiscalis-funded actions due to its EU-oriented nature. This adds to the fact that these countries do not have access to all IT systems, which affects their ability to take part in related training components. Another area for improvement highlighted by one of the coordinators was to better cover emerging developments affecting taxation such as the new VAT One Stop shop (OSS) and Import-One-Stop-Shop (IOSS) schemes aimed at facilitating the collection and payment of VAT across MS, virtual currencies, digital solutions to combat fraud, etc.

COHERENCE

National Fiscalis coordinators from non-EU countries were asked about the TAIEX (Technical Assistance and Information Exchange instrument of the European Commission) and whether this instrument complemented or overlapped with Joint

Actions funded by Fiscalis 2020 Programme. Overall, non-EU country coordinators reported that it is complementary as it allows them to implement actions that can not be implemented by Fiscalis (i.e. legislation). Moreover, a DG TAXUD officer (previously working for DG REFORM) interviewee confirmed that synergies between the SRSP and Fiscalis 2020 exist. In their view, the SRSP could assist a country to undertake more structural reforms to tackle problems discovered during Fiscalis joint actions. For example, Fiscalis 2020 was used to kick-off technical assistance for the Greek tax administration before the launch of SRSP in 2017, which was later continued under TSI.

EU ADDED VALUE

All Fiscalis coordinators interviewed acknowledged the importance of Fiscalis 2020 Programme in enabling a common understanding of EU tax law among the different EU tax administration. When asked to imagine a hypothetical situation where the Fiscalis programme was stopped or discontinued, national authorities interviewed agreed that it would have significant negative consequences such as discontinuing IT systems and joint actions due to a lack of resources. In their view, if Member States continued IT systems themselves, to develop and innovate them would be much slower. Joint actions would also not be possible on this scale if they relied on Member States' own resources. Existing (bilateral) networks between officials in different countries would continue to be exploited, but not as easily renewed in case of e.g. staff changes. One Fiscalis coordinator pointed to collaboration with the OECD or the International Organisation of Tax Administrations (IOTA) as an alternative framework. However, he/she stressed that it would reduce harmonisation and EU-specific benefits such as implementing common EU tax law, because there would not be the crucial IT systems to support it.

ANNEX VI. MID-TERM EVALUATION RECOMMENDATIONS

This annex contains the recommendations coming out of the mid-term evaluation to improve the programme, and the state of their implementation at the date of March 2022. The recommendations are based on the findings and conclusions presented in the mid-term study report and are structured in themes that relate to different aspects of the programme. Since responsibility for implementing the recommendations is split between the Commission services and national tax administrations, we also specify who should take action in each case, and according to what time frame.

Based on the input provided by the studies, the Commission set-up an Action Plan that responds to each of the recommendations outlined in the evaluation studies, specifying the extent to which and how the recommendations can be implemented.

It should be emphasised that the results of the evaluation are generally positive. While there is room for improvement in certain areas, these amount to tweaks to a programme that on the whole is relevant, working well and adding value. It follows from this that the

Fiscalis programme should be continued and that, in the next funding period, a similar programme will be needed to consolidate the achievements made so far and to address the needs of target audiences as well as the EU more generally.

Programming and design

Recommendation 1:	Make more practical use of the Annual Work Programme projects and consider multi-annual programming
Responsible actor	DG TAXUD
Timeframe	Short-term and for the next funding period
Background	<p>By grouping planned joint actions (other than procurement) into a series of thematically-linked projects, the current programme improved on previous funding periods, which simply presented long lists of loosely related activities. The idea was to boost the effectiveness and coherence of the programme by ensuring different funded joint actions support and complement each other better.</p> <p>However, the evaluation found that this potential is not fully realised, since few stakeholders actually know about the projects or refer to them in any practical way. Similarly, despite the multi-annual nature of many of the funded activities (such as long-term project groups and IT development projects), the planning process is annual, leading to a lot of repetition and making it hard for stakeholders to engage actively, given the limited time and resources faced by customs officials in many national administrations.</p>
Recommendation	<p>In the short term, DG TAXUD could make the projects come to life simply by referring to and discussing them more regularly (and based on ad hoc needs) with national coordinators, DG TAXUD officials and other users of the programme. Setting up common PICS groups for relevant actors could also be considered. Knowledge sharing around the identified policy projects could also increase their relevance.</p> <p>In the longer term (as is already proposed for the next period) we recommend that a multi-annual programming process is put in place that would correspond better to the nature the programme and the activities it supports. Such a multi-annual process could be flexible, setting broad priorities that are still operationalised in annual programmes, with some contingency for emerging needs. This would help further increase the coordination between activities, improving the quality of planning documents and their practical implementation as well as the programme’s coherence.</p>

Recommendation 2:	Designate long-term, platform-like project groups as such
Responsible actor	DG TAXUD
Timeframe	Next funding period
Background	The evaluation found that while some project groups are highly focused and aimed at generating well-defined outputs, other project groups are quasi-permanent platforms used for various types of coordination . The current reporting and monitoring structure is good at dealing with the first type. However, it is less suited to defining expectations and goals, and monitoring the outputs and results of actions that fall into the second category. This in turn makes it difficult to figure out when such actions are successful and make decisions about whether or not to support them.
Recommendation	When the operational details of the next programme are defined, we recommend categorising platform-like project groups as such, and defining and applying appropriate criteria for funding applications and monitoring . This would make it easier to take funding decisions about these actions, gauge success and learn lessons that can be used for future improvements.

Recommendation 3:	Refine strategy for development and promotion of elearning modules
Responsible actor	DG TAXUD and national administrations
Timeframe	Short-term and for the next funding period
Background	The evaluation showed that, while the elearning modules are of high quality, participating countries have different training needs and curricula . This means that while some countries, especially those with fewer resources, have fully integrated (some of) the modules into their curricula, others make them available more as a complement to existing material while in a number of countries the modules are not used at all. Despite these differences, the modules are designed with all participating countries in mind , while yearly targets focus mainly on increasing the number of administrations who use them. This makes it hard to establish realistic benchmarks for progress, and to

	tailor the training offer to the most important needs.
Recommendation	We recommend developing a strategy based more on addressing identified training needs . A first step could be an initial survey conducted with the help of the Training Support Group to take stock of needs and interest. Leading from this, a strategy could be devised, ideally for multiple years, listing priorities to be taken up in future training modules and promotional plans. Importantly, this could mean prioritising those countries whose needs and likelihood to actually use the modules are greatest.

Recommendation 4:	Investigate ways to improve the technological platform for the delivery of elearning modules
Responsible actor	DG TAXUD and national administrations
Timeframe	Short-term and for the next funding period
Background	As evidenced by the evaluation findings, there are many participating countries which report difficulties accessing modules due to technical issues and lack of an easy fit with their own learning management systems. A better adapted platform would also allow for better reporting of usage as well as feedback.
Recommendation	We recommend exploring alternative solutions that currently exist on the market which could meet participating countries' needs in terms of security, limited distribution, central management and flexibility. Best practices and synergies could also be identified with other Commission services and initiatives, in particular the OECD.

Recommendation 5:	Improve the procedures for the translation, localisation and updates to elearning modules
Responsible actor	DG TAXUD and national administrations
Timeframe	Short-term and for the next funding period
Background	Evaluation findings showed that language, localisation and updates to elearning are critical for the success and use of the modules. Translation to local languages is considered particularly important for modules that target operational issues, which often involve the training of front-line staff.

	In terms of localisation and updates , the content of the modules needs to reflect local specificities and be flexible to incorporate changes in legislation or IT systems to remain relevant to the target audiences.
Recommendation	<p>We recommend prioritising an agile and flexible management of elearning modules, focused on improving the procedures for the translation of the modules and on facilitating quick localisation and updates of the training material. In relation to translation of the elearning modules, we suggest communicating more clearly that participating countries can request at any moment the localisation of an EU elearning course through the signature of partnership agreements with the Commission, and that no requests have been turned down in the current programming period. If participating countries miss the window of opportunity for the translation of a given module, it is purely because of national limitations.</p> <p>In relation to localisation and updates to the elearning modules, alternative strategies should be investigated to facilitate changes in the content of the modules to reflect local characteristics as well as emerging issues, such as new legislation, changes in IT systems and guidelines.</p>

Implementation

Recommendation 6:	Increase coordination with other EU programmes
Responsible actor	DG TAXUD and other Commission DGs
Timeframe	Short-term and for the next funding period
Background	In terms of synergies with the Customs programme, the evaluation (as well as the parallel evaluation of the Customs programme and a recent Court of Auditors report) found that, while the two programmes share an organisational structure and a number of activities, there was still a lack of coordination . This means that potential synergies in areas such as e-commerce, VAT fraud and IT system development have not been fully realised, and that there is room for translating relevant lessons learned in one programme to the other, in particular in the context of horizontal joint actions, IT systems and training modules that cut across both programmes. An example of the potential there is for exchanging experiences between the two programmes is the Electronic Customs Multi-Annual Strategic Plan (MASP), a management and planning tool drawn up by the Commission in partnership with Member States, which sets out a strategic framework and milestones for the

	management of new IT projects in the area of customs. The development of this tool under Fiscalis should feed from the Customs initiative.
Recommendation	<p>In relation to Customs and Fiscalis cooperation, we recommend that the two programmes explore opportunities to enhance operational coordination and the sharing of information on shared components, including IT systems and approaches for human competency building and training. The Multi-Annual Strategic Plan for Customs European Information Systems and the EU Common Framework for Customs should serve as baselines and examples for the development and implementation of these initiatives under Fiscalis. Flagship Fiscalis initiatives should also be identified that could be taken as examples in Customs.</p> <p>In relation to Fiscalis cooperation with other Commission DGs, while acknowledging that officials in DG TAXUD and other DGs are already burdened with meetings and other obligations, we recommend that a common coordination forum is established between relevant officials in DG TAXUD, DG GROWTH, DG HOME, DG ECFIN and OLAF in particular. This could start with a single meeting and evolve as appropriate, with a view to establishing more formal links and identifying and exploiting more links where possible.</p>

Recommendation 7:	Optimise the procedures and resources for the implementation of joint actions
Responsible actor	DG TAXUD and national administrations
Timeframe	Short-term and for the next funding period
Background	To ensure that the EU budget is spent in line with the overall principles and the objectives, the programme procedures require various steps regarding the different action types mainly to initiate and to report on joint actions. However, these administrative and procedural requirements sometimes are considered as disproportionate to the level of the EU investment (e.g. the approval of a regional workshop with ten participants, currently may take more than two months and requires multiple consultation and review cycles). This seems to be the case in particular in terms of working visits, expert teams, and for smaller one-off events. At the same time, the lack of sufficient human resources both at the Commission and in national administrations may reduce joint actions' agility and put too much pressure on the officials

	responsible for implementing and reporting on the programme. of the implementation of joint actions and create a sub-optimal workload and pressure on the staff.
Recommendation	We recommend that DG TAXUD, where appropriate involving national coordinators, review the workload for existing human resources and the steps for applying for and reporting on joint actions , with the aim of establishing more effective and efficient administrative processes and reducing the workload on staff. This could entail the introduction of a project-based approach (replacing an event-based management) that would reduce micro-management and related administrative burdens. Resulting in the reduction of micro management and related administrative burden. The central and national programme management levels could also produce easy-to-use guides and templates to lighten the burden.

Monitoring and reporting

Recommendation 8:	Streamline the monitoring system so that it meets actual needs while reducing administrative burdens
Responsible actor	DG TAXUD
Timeframe	Short-term and for the next funding period
Background	<p>The performance measurement framework that was put in place for the current funding period has undoubtedly added value by providing evidence for accountability purposes. However, it has also added heavy reporting burdens without leading to more evidence-based decision-making.</p> <p>This is due to several inter-related factors, such as: there are too many indicators; indicators at impact level that are based on data that is rarely collected and impossible to connect to the programme's achievements; there are so many forms that they become a tick-box exercise; programme managers are driven to distraction by the amount of data to process (often manually) and report on; annual progress reports come out too late in the programming process.</p>
Recommendation	A simplified framework could be both more useful and less time-consuming for stakeholders. In the short term, DG TAXUD could put in place some quick fixes to reduce burdens on programme managers and participants . For example, the action-follow-up form and event assessment form could be simplified so as to place a smaller burden on participants. DG TAXUD could also focus on a

	<p>limited number of core indicators rather than reporting equally on all of them, especially given numerous overlaps and some inconsistencies.</p> <p>We also recommend that DG TAXUD conduct an evaluation of the performance measurement framework to assess the monitoring system in detail. This should lead to specific recommendations to reduce the number of indicators and eliminate irrelevant indicators and overlaps in order to ultimately lighten administrative burdens and establish firmer links between monitoring and performance management.</p> <p>Since indicators at impact level relate more directly to specific customs policies than to the programme, a small set of impact indicators has been defined for data collection during monitoring and evaluation of these policies. In theory, the data collected should then be made available to the programme management unit to feed into the monitoring system. However, for this to work, the impact indicators, monitoring and evaluation of relevant policies will need to be used to collect data on these indicators at regular and sufficiently frequent intervals. The evaluation of the Performance Measurement Framework should assess this challenge and propose recommendations for tackling it.</p> <p>Other changes are also worth exploring. For example, some surveys and satisfaction forms could be replaced by less frequent (but more in-depth) consultations with key stakeholders. Electronic tools for data collection, analysis, and presentation (such as automatically updating dashboards) could reduce the effort needed for these tasks while making the reports more timely and usable. Since much of the programme's achievements rely on networking, coming up with indicators on this should be a priority.</p>
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Recommendation 9:	Develop a more coherent approach to assessing programme performance
Responsible actor	DG TAXUD
Timeframe	Next funding period
Background	The Multiannual Financial Framework programming cycle typically requires DG TAXUD to conduct several exercises that require input from national administrations (e.g. studies, progress reports) . Parallel to the present evaluation, these included an ex ante evaluation for the next funding period, a mid-term evaluation of the Customs 2020 programme and impact assessment for that

	<p>programme's successor. All of these studies included consultation with overlapping sets of stakeholders and significant effort from programme managers. The need for two full evaluations (i.e. mid-term and final) per programme, per funding period also generates considerable burdens.</p> <p>The combined effect is to produce consultation fatigue and a reluctance among stakeholders to engage multiple times with the various studies. This undermined the robustness of the work carried out and thus the evidence base for future decision-making.</p>
Recommendation	<p>While certain requirements are fixed, there are several options for reducing the burden on national administrations. These include:</p> <ul style="list-style-type: none"> • Combine the impact assessment / ex ante evaluation of future funding periods with the mid-term evaluation of the current period, which several DGs (such as DG Education and Culture) have done successfully. • Make the mid-term evaluation lighter, focused more on operational matters and implementation. This could be sensible, especially considering that many impacts cannot be identified at such an early stage of implementation. • Combine studies related to the Fiscalis and Customs programmes. This would build on the coordinated approach taken to the present mid-term evaluations and further reduce overlap and the duplication of administrative and other work as well as helping to generate synergies between the programmes. • Undertake more evaluations focused on policy-related issues, and use their results to inform smaller, more focused evaluations of the programme. Each policy evaluation in the tax area, particularly areas that draw from the programme support, should regularly and specifically examine the role of the Fiscalis programme, including the programme-funded IT systems. Successive programme evaluations have provided evidence that the programme is successful and that major changes are not required. What could be more relevant would be the assessment of key policies and how well the various programme instruments and activities support them.

Recommendation 10:	Improve reporting and information-sharing tools
Responsible actor	DG TAXUD
Timeframe	Next funding period
Background	The PICS information sharing tools and ART reporting tool are crucial, both for the everyday functioning of the programme and for sharing information securely in support of objectives such as increasing administrative cooperation. However, they have been

	criticised for a lack of user-friendliness that wastes time and prevents them from realising their potential. Moreover, some supported activities rely on CIRCABC, another information-sharing tool developed outside DG TAXUD that was also criticised for a lack of user-friendliness.
Recommendation	<p>We recommend that DG TAXUD conduct an (internal or external) audit of these tools and their use and, based on the results, decide on next steps. Given shifting security and file-sharing needs, PICS in particular could be either revamped or replaced, while ART could be refined so that its formidable functionalities are made more user-friendly.</p> <p>Any changes should then be communicated in an accessible way to stakeholders in the Commission and administrations, particularly the national coordinators who are responsible for sharing information about the programme among potential joint action and training participants. Such communication could include online tutorials as well physical training sessions as appropriate.</p>

Communication

Recommendation 11:	Increase senior-level buy-in and political will
Responsible actor	National administrations
Timeframe	Both short-term and for the next funding period
Background	<p>Buy-in and political will from the senior leadership of national administrations is vital to securing engagement with the programme and a critical mass of participation in specific activities. In most cases this was present, but in some countries it was not, taking collaboration down the list of priorities and contributing to low participation rates.</p> <p>Since many activities rely on network effects and active collaboration, the lack of engagement from some countries also affects the programme's potential more widely. This is especially the case for actions based on sharing experiences and best practices between countries.</p>
Recommendation	We recommend that the senior leadership of national administrations engage more actively with the programme , with a view to expressing any concerns or needs that are not being met and helping DG TAXUD to address them. National coordinators, as the 'ambassadors' of the programme in their respective countries, have a particular role to play in communicating about the

	programme throughout their administrative hierarchies. This is especially true in candidate countries , some of which participate relatively little in the programme.
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Recommendation 12:	Communicate more actively about the possibilities of the programme
Responsible actor	National administrations
Timeframe	Both short-term and for the next funding period
Background	Similarly, the evaluation found that the limited uptake of certain activities, especially new funding instruments such as communication and monitoring actions and expert teams, was due in part to insufficient promotion at both European and national levels.
Recommendation	We recommend that national coordinators and other officials take a more active role in finding out about and spreading awareness of the possibilities of the programme within their administrations. Relevant action could range from sharing materials produced by DG TAXUD on local intranets and translating such materials to organising information sessions and asking other administrations for success stories and other forms of assistance.

Recommendation 13:	Review strategy for dealing with economic operators and citizens
Responsible actor	DG TAXUD and national administrations
Timeframe	Both short-term and for the next funding period
Background	Economic operators and citizens more widely are important secondary audiences for the programme, but awareness and engagement appeared low despite strong potential interest and the existence of a communication strategy. Moreover, the evaluation did not find a clear view among stakeholders about whether and to what extent such groups should be pursued as target audiences beyond economic operator representation in certain joint actions and use of certain IT systems and elearning modules. The level of priority for getting economic operators to use the training modules appeared particularly unclear, with promotional activity ad hoc rather than systematic.

Recommendation	<p>We recommend that DG TAXUD review the communication strategy for the programme, with a view to arriving at a common understanding of whether and to what extent actors beyond administrations should be targeted. This could include some intermediate action, such as surveying certain subsets of economic operators to gauge needs and interest. Later on, DG TAXUD could decide whether any Fiscalis branding would be appropriate, and design activities for reaching given types of stakeholders.</p>
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