

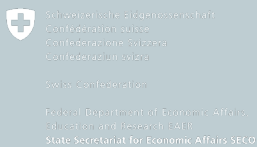


Global Tax Umbrella Program

ANNUAL PROGRESS REPORT FY20

FISCAL POLICY AND SUSTAINABLE GROWTH UNIT
MACROECONOMICS, TRADE AND INVESTMENT GLOBAL PRACTICE

JULY 2019 – JUNE 2020



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
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Swiss Confederation

Federal Department of Economic Affairs
Division of International Cooperation
State Secretariat for Economic Affairs SECO



Australian Government

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MINISTRY OF
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OF DENMARK



MINISTÈRE
DE L'ÉCONOMIE,
DES FINANCES
ET DE LA RELANCE

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This document reports on the progress of activities funded by the Multi-Donor Trust Fund TF072864 and Single Donor Trust Funds TF072930 and TF073303 of the World Bank's Global Tax Umbrella Program. It covers the period July 1, 2019 to June 30, 2020. The Report is submitted to the Advisory and Steering Committees of the GTP for their meetings on September 21-23, 2020.


ACRONYMS

AML	Anti-Money Laundering
ASA	Advisory Services and Analytics
ATAF	African Tax Administration Forum
BEPS	Base Erosion and Profit Sharing
CFT	Combating the Financing of Terrorism
CIAT	Inter American Center of Tax Administrations
CPAT	Carbon Pricing Assessment Tool
CVP	Communications and Visibility Plan
DFID	Department for International Development (UK)
DRM	Domestic Resource Mobilization
EAC	East African Community
EOI	Exchange of Information
EOIR	Exchange of Tax Information Requests
FCV	Fragility, Conflict and Violence
FCI	Finance, Competitiveness and Innovation
FfD	International Financing for Development
FPP	Fiscal Policy Pillar
FPU	Fiscal Policy Unit
GGP	Governance Global Practice
GP	Global Practice
GTP	Global Tax Program
IEG	Independent Evaluation Group
IMF	International Monetary Fund
ITC	Innovations in Tax Compliance
MDTF	Multi-Donor Trust Fund
MTI	Macroeconomics, Trade and Investment Global Practice
MTRS	Medium Term Revenue Strategy
NORAD	Norwegian Agency for Development Cooperation
NSW	National Single Window
OECD	Organization for Economic Co-operation and Development
PCT	Platform for Collaboration on Tax
PIT	Personal Income Tax
PM	Practice Manager

SC	Steering Committee
SDGs	Sustainable Development Goals
SDTF	Single Donor Trust Funds
SECO	State Secretariat for Economic Affairs, Switzerland
TADAT	Tax Administration Diagnostic Assessment
TAXGIP	Tax Administrators' Exchange of Global Innovative Practices
TF	Trust Fund
TFA	Trade Facilitation Agreement
TPAF	Tax Policy Assessment Framework
VAT	Value-added Tax
WBG	World Bank Group
WTO	World Trade Organization

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I. Executive Summary

This annual report provides an update on the progress of the activities undertaken by the Global Tax Umbrella Program (GTP Umbrella) during the period July 2019 – June 2020 and outlines the workplan for the next four years. Specifically, it reports on the status of development partners' contributions, the expenditures realized during FY20 and the progress of projects' implementation. The report also provides a summary of the key results achieved during the period, highlights the planned next steps, reviews the main risks and extracts lessons learned.

In May 2020, the GTP Steering Committee (SC) agreed to create a temporal pillar (18 months) under the existing GTP Umbrella to accommodate fiscal policy responses to address the economic and fiscal impact of COVID-19. This decision was reached in consideration of the urgency of the response required. As of the date of this report, this temporary Fiscal Pillar (FP) has secured USD 4.5 million in committed contributions from France, Norway and Switzerland. Progress on the activities implemented under this new pillar will be reported in the next period.

Currently, nine development partners fund the GTP: Australia, Denmark, France, Japan, Luxembourg, Netherlands, Norway, Switzerland and the United Kingdom. France confirmed their decision to join the Program in June 2020. The GTP's total secured contributions amount to USD 57.34 million for the MDTF and USD 14.83 million in SDTFs, bringing the total funding available for the Program to USD 72.17 million.¹

As of June 30, 2020, USD 51.24 million has been allocated to active projects. 7% of this funding has been assigned to Global Tax and Global Public goods activities; 82% to country level activities; 6% to actionable research and knowledge-related projects; and 6% to cover the costs of managing the Program and pre-implementation activities.

Under the DRM Pillar, the GTP has contributed to the drafting of publications that analyze the fiscal impact and potential revenue administration measures to respond to COVID-19, such as the note on *Revenue Administration Implications - Potential Tax Administration and Customs Measures to Respond to the Crisis*. This publication brings together the thinking of WB global and regional teams on governance and institutional approaches to dealing with COVID-19, with a focus on revenue administrations (find more details [here](#)).

Country level engagements are already yielding important results. During the reporting period, project teams have proposed a total of 52 reform recommendations for a total of 122 recommendations since the Program's inception. From this total, 45 reform recommendations have been endorsed by client governments. In FY20 alone, 25 reforms recommendations have been adopted in 16 countries and 37 capacity building events were conducted, six of them with a regional approach. Results include: Uzbekistan's new tax code was recently approved by Parliament; Nigeria mandated the publication of annual tax expenditures statements; Vietnam issued a revised decree on interest deductibility rules; Peru obtained a "Largely Compliant" rating in the Global Forum's Exchange of Information on Request (EoiR) peer review; new transfer pricing rules were approved by the Parliament as part of the Financial Law in Benin; Cabo Verde signed the Multilateral Convention on Mutual Administrative Assistance in Tax Matters and was removed from the EU list of non-cooperative tax jurisdictions for tax purposes; Eswatini joined the Inclusive Framework on Base Erosion and Profit Shifting (BEPS); the Government of Moldova enacted the necessary legislation and prepared the required IT tool to allow for tax collection of digital services and e-commerce; and finally, with GTP Support, the Kyrgyz Republic's State Tax Service (STS) is currently implementing changes required for electronic issuance of tax certificates, endorsing the recommended changes to move to online re-registration while streamlining de-registration.

¹ This amount includes the funding earmarked for the PCT and the temporary Fiscal Pillar.

II. GTP Umbrella Overview

The Global Tax Umbrella Program provides an overall framework for tax support and builds upon an ongoing program focused on strengthening tax institutions and mobilizing revenues at the international and domestic levels. GTP Umbrella activities are prepared and designed to enhance complementarities based on consultations with partner countries and with development partners. During this FY, a temporary Fiscal Pillar was added to the Program. The original scope of the GTP is referred to here as the DRM Pillar.

The GTP DRM Pillar supports activities through four windows:

Window 1: Global Tax Activities and Global Public Goods. The work on Global Public Goods includes the development of diagnostic tools, engagements and the provision of support for improving DRM in developing countries. This includes the Tax Policy Assessment Framework (TPAF) and the Tax DIAMOND framework for identifying drivers and solutions of performance weaknesses in revenue administrations.

Window 2: Country Level Activities. This window supports countries in the improvement of revenue collection through medium-term revenue strategies (such as the MTRS) that are guided by country- focused diagnostic work. This work is based on TPAF, TADAT or DIAMOND. Through regional consultations and ongoing programs, the World Bank has identified a wealth of activities which can be included under Window 2².

Window 3: Actionable Research and Data, Knowledge and Learning. This window brings together various strands of research, data analytics, and experimental methods to promote shared learning and push the research frontiers. This window will include research reports with the dual objectives of: (i) pushing the research frontier in an area of DRM that leverages GTP's comparative advantages; and (ii) creating actionable research that will ultimately improve operational results and inform the design of future World Bank projects. Knowledge management, sharing and training have also been identified as priorities under Window 3.

Window 4: Program Implementation and Supervision. This window supports the management of the Multi-Donor and Single Donor Trust Funds through the GTP Secretariat. The GTP Program is one of the Umbrella 2.0 pilot programs for Trust Fund (TF) Reforms recently undertaken by the World Bank Group (WBG). One of the main objectives of this TF Reform is to improve the efficiency and effectiveness of TFs at the WBG. A more centralized approach is expected to help better match the priorities of countries and donors with WBG comparative advantages and simultaneously improve the management of TFs (from both donors' and the WB's perspective). The GTP combines different types of trust funds: a Multi-Donor Trust Fund (MDTF), which manages funds collected from different donors as a single program, and Single-Donor Trust Funds (SDTFs), where the activities are determined by a bilateral agreement between the donor and World Bank.

The temporary Fiscal Pillar's objectives are : (a) to mitigate the social and economic impact of the COVID-19 pandemic by providing advice to governments on effective, efficient and balanced fiscal policy responses; and (b) to facilitate accountability, monitoring of and reporting on resource use for the COVID-19 response. This will be achieved by providing just-in-time advice to governments on fiscal policy measures designed to address the social and economic impacts of the pandemic. It will also entail informing the design of World Bank (WB) development policy financing and other forms of budgetary support linked to COVID-19. Adequate accountability mechanisms, transparent monitoring and evaluation and accurate reporting will need to underpin the use of domestic and external resources, including those provided in the context of the G-20 debt service suspension initiative.

Development Partner's Contributions (DRM Pillar)

Since the Global Tax Program's inception, the number of development partners that fund the GTP has increased from

² For details please refer to the GTP Program Document approved by the SC on June 2018.

three to nine and as of FY20-end includes Australia, Denmark, France, Japan, Luxembourg, Netherlands, Norway, Switzerland and the United Kingdom. As of the date of this report, the GTP's total secured contributions amount to more than USD 67 million (this excludes the Fiscal Pillar), of which USD 51 million (76%) has been allocated to ASA projects.

Table 1: Development Partners' Contributions in USD (excluding Fiscal Pillar)

MDTF	Commitments in USD	Paid in USD	Unpaid in USD
United Kingdom - DFID	11,379,736.50	5,201,656.50	6,178,080.00
Swiss State Secretariat for Economic Affairs (SECO)	5,006,697.36	2,616,691.91	2,390,005.45
Luxembourg - Ministry of Finance	2,413,358.19	1,475,238.19	938,120.00
Australia-Department of Foreign Affairs and Trade	6,965,642.50	5,001,455.00	1,964,187.50
Japan - Ministry of Finance	2,000,000.00	2,000,000.00	-
Norwegian Agency for Development Cooperation (NORAD)	12,159,150.68	7,975,150.32	4,184,000.36
Denmark - Royal Ministry of Foreign Affairs	5,253,317.17	5,253,317.17	-
Netherlands - Minister for Foreign Trade & Dev Cooperation	3,000,000.00	2,000,000.00	1,000,000.00
Pipeline: France - Ministry of Economy and Finance	3,990,000.00	-	3,990,000.00
Sub Total	52,167,902.40	31,523,509.09	20,644,393.31

SDTF	Commitments in USD	Paid in USD	Unpaid in USD
Swiss State Secretariat for Economic Affairs (SECO)	7,885,549.25	4,137,586.17	3,747,963.08
Netherlands - Minister for Foreign Trade & Dev Cooperation	7,000,000.00	2,750,000.00	4,250,000.00
Sub Total	14,885,549.25	6,887,586.17	7,997,963.08

TOTAL	67,053,451.65	38,411,095.26	28,642,356.39
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As presented in the Table 1, the DRM Pillar MDTF has a total of USD 52.17 million in commitments, while the SDTFs combined have approximately USD 14.89 million.

Taking into consideration the committed amounts for the Fiscal Pillar, total Donor committed contributions to the GTP Umbrella amount to USD 71.6 million (Table 2). Development Partners with the largest contributions include NORAD (20.1%), SECO (18.9%) and DFID (15.9%).

Table 2: Total Donor Commitments to the GTP Umbrella

Development Partner	Total Commitments in USD	% of Total
NORAD	14,359,150.68	20.1%
SECO	13,534,246.61	18.9%
DFID	11,379,736.50	15.9%
Netherlands	10,000,000.00	14.0%
Australia	6,965,642.50	9.7%
France	5,700,000.00	8.0%
Denmark	5,253,317.17	7.3%
Luxembourg	2,413,358.19	3.4%
Japan	2,000,000.00	2.8%
Total	71,605,451.65	100.0%

Table 3. DRM Pillar Cash Balances as of June 30, 2020

MDTF (in US\$)						
Donors	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY23
Contributions						
Australia	1,110,150.00	1,901,405.00	1,989,900.00	1,912,900.00		
Denmark		2,285,958.12	2,967,359.05			
France				570,000.00	1,140,000.00	2,280,000.00
Japan		2,000,000.00				
Luxembourg	1,018,718.19	456,520.00		456,000.00	456,000.00	
Netherlands		1,000,000.00	1,000,000.00	1,000,000.00		
Norway		1,985,942.13	5,989,208.19	4,180,000.00		
Switzerland	1,006,472.60	810,619.11	799,600.20	852,441.00	852,441.00	
United Kingdom	1,498,301.00	1,608,475.50	2,094,880.00	1,000,000.00	3,000,000.00	2,000,000.00
Total Contributions	4,633,641.79	12,048,919.86	14,840,947.44	9,971,341.00	5,448,441.00	4,280,000.00
Investment Income	19,296.49	210,753.39	280,779.25			
Total Cash Available	4,652,938.28	12,259,673.25	15,121,726.69	9,971,341.00	5,448,441.00	4,280,000.00
Disbursements	2,634,935.17	4,019,854.02	19,849,369.00	11,147,400.00	3,994,600.00	
Proposals under review				2,000,000.00	1,500,000.00	
Cash Balance	2,018,003.11	10,257,822.34	5,530,180.03	2,354,121.03	2,307,962.03	6,587,962.03

Note: MDTF figures include PCT related expenditures and planned budget. Disbursements from FY20 onwards include a portion of the proposed workplan of the following FY.

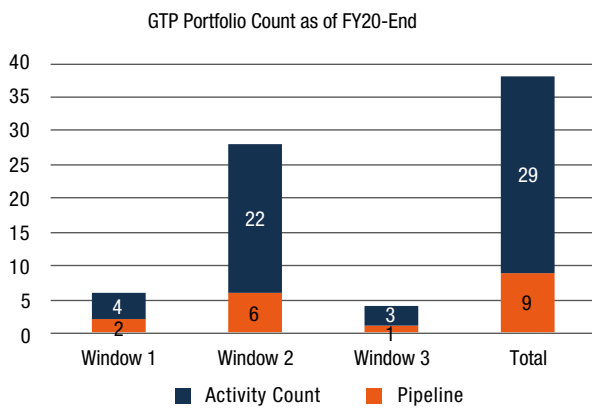
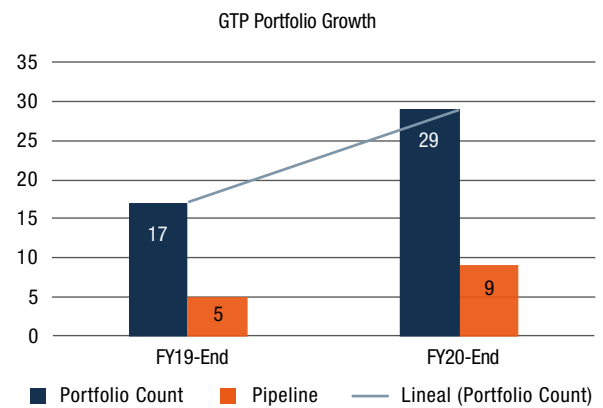
SECO SDTF (in US\$)						
Donors	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Contributions	1,983,955.12	2,153,631.05		1,765,500.00	1,926,000.00	-
Investment Income						
Total Cash Available	1,983,955.12	2,153,631.05	-	1,765,500.00	1,926,000.00	-
Disbursements	49,635.46	599,190.63	2,154,000.00	2,240,000.00	1,032,000.00	-
Cash Balance	1,934,319.66	3,488,760.08	1,334,760.08	860,260.08	1,754,260.08	1,754,260.08

Netherlands SDTF (in US\$)						
Donors	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Contributions		2,750,000.00		2,600,000.00	1,650,000.00	
Investment Income						
Total Cash Available	-	2,750,000.00	-	2,600,000.00	1,650,000.00	-
Disbursements		-	1,630,500.00	2,351,500.00	1,206,000.00	
Cash Balance	-	2,750,000.00	1,119,500.00	1,368,000.00	1,812,000.00	1,812,000.00

In FY20, the GTP spent a total of USD 7.34 million out of the USD 12.86 million planned for the period. This represents a 57% burn rate (for more details please see Annex B). The main reason for this deviation was the postponement of planned activities and missions due to the COVID-19 pandemic.

DRM Pillar Portfolio Overview

As of the FY20-end, the GTP DRM portfolio has a total of 38 developed activities: 28 are currently under implementation, 9 are in the pipeline and 1 was recently completed. Additional proposals are also under review, including the 7 applications received in response to a Call for Proposals launched for activities targeting the East Asia Pacific Region. The aim is to allocate a total of USD 3.5 million (up to USD 2 million per proposal). Special consideration is being given to applications that support client countries with tax-to-GDP ratios below 15% and proposals with a regional or multi-country approach.

Figure 1. GTP Portfolio (numbers of projects)**Figure 2. GTP Portfolio growth (number of projects)**

In the last six months, 4 new projects were developed and endorsed by Development Partners under the GTP's MDTF, including:

2.17 Tax Incentives Reform (USD 1.4 million)

The project aims to support developing countries in improving the design of their tax incentives reforms, building capacity to assess their cost-effectiveness, and implementing measures for greater transparency of their management and administration. This project will also develop global public goods in the form of practical guidance notes with the aim of enhancing global knowledge on the effectiveness of tax incentives. The team will develop an internationally agreed upon global transparency framework for tax incentives based on best practices and an internationally agreed upon benchmark to estimate their revenue forgone. The team will also develop global databases to foster a harmonized approach to reducing harmful tax competition and facilitating country-specific analysis and regional and international comparisons.

2.18 Carbon Pricing Assessment Tool (USD 900,000)

The objective of this project is to enable countries to design evidence-based green tax reforms and make informed fiscal decisions, especially with respect to carbon taxes, through the provision of the Carbon Pricing Assessment Tool (CPAT) and associated client support.

2.19 Central African Republic (CAR) Tax and Customs Reform (USD 1.75 million)

This activity's objectives are: (i) to support the tax administration of the CAR in improving policy and efficiency of the management of selected taxes, and (ii) to support the customs administration of the CAR in improving organizational efficiency and operational performance management through data-based decision making.

3.4 Ethiopia Tax and Gender (USD 1.29 million)

This project aims to support the Government of Ethiopia in building capacity for data collection and analysis of taxation across different socioeconomic and demographic groups. The improved data collection enables better understanding of the economic needs of these groups. This, in turn, is expected to contribute to strengthening the design of domestic tax and spending policies in an efficient and equitable manner. The project is structured in three components: (i) bringing together new data and knowledge on taxation of individuals, households and firms; (ii) bringing together new analysis on emerging microdata on taxation to address critical policy and research questions on the distributional implications of widened tax administration in Ethiopia; and (iii) providing recommendations on improved targeting of tax policy, as well as building capacity on regular subnational data collection and analysis. The three components support Ethiopia's efforts in strengthening its tax institutions and inform the design and targeting of tax policies going forward.

In addition, **2 new projects were developed and endorsed under the Netherlands SDTF:**

2.27 Chad Tax and Customs (USD 1.85 million)

This project aims to support Chad's authorities in increasing the efficiency and effectiveness of tax and customs administrations and improving revenue collection. These improvements will contribute to supporting revenue mobilization efforts in the medium and long term. The project is structured around five main components: (i) a functional review to measure the tax and customs institutions' baseline performance against a set of good practices; (ii) support provided to enhance tax legislation; (iii) identification of measures to strengthen HRM and operational capacities; (iv) emergency tax measures as a response to the containment phase 1 of COVID-19 crisis; and a (v) rapid response facility for emerging tax and customs reforms priorities.

2.28 Ethiopia Tax Policy (USD 1.7 million)

The project's objective is to support the Government of Ethiopia in enhancing its revenue collection capacity in an efficient and equitable manner, with a focus on strengthening the legal framework and capacity in the areas of international trade taxation as well as selected domestic tax issues. It was designed with five components: (i) implementing tariff reforms to facilitate the full accession of Ethiopia into WTO; (ii) continuing recent tax policy reforms to compensate for the revenue loss from further trade liberalization and to enhance the overall revenue collection; (iii) building suitable in-house capacity for tax policy and tax expenditures analysis; (iv) assessing the revenues impact of COVID-19 pandemic and identifying sectors severely hit by the pandemic; (v) and supporting the MOF in the design of tax policy framework that facilitates the speedy recovery of the economy while ensuring enhanced revenues mobilization in the long term.

III. Strategic Update

The Global Tax [Umbrella] Program Document was updated in June 2020 to reflect a temporal change in the structure of the Program Umbrella, broadening its scope to allow for a temporary pillar (18 months) on Fiscal Policy support in response to the COVID-19 crisis.

This new structure allows for a clear separation of the work under the two differentiated pillars: DRM and Fiscal Policy (FPP). The development objective of the GTP Umbrella was amended to include fiscal activities on macro-fiscal policy, expenditure policy and fiscal risk management, in addition to the activities focused on DRM.

The overall objective of the new broader umbrella (GTP and FPP) was changed to “*Support countries in the design and implementation of balanced and efficient expenditure and revenue policies that will contribute to achieving sustainable and inclusive growth*”.

Nonetheless, the Global Tax Program DRM Pillar’s overarching goal remains unchanged. The aim of this line of work continues to focus on providing support to countries in strengthening their tax systems by facilitating the design and implementation of evidence-based, comprehensive and sequenced reform programs. The expected impact is the generation of domestic revenue through taxation.

As of FY20-end, 76% of the total committed funding³ for the DRM Pillar has been allocated and 90% of the unearmarked MDTF contributions has been assigned to GTP ASA projects.

Table 4: GTP DRM Pillar funding allocations as of June 30, 2020

MDTF in USD '000	Committed	Allocated	Available
Funding Not earmarked	33,123	31,536	1,587
PCT funding	1,835	1,835	-
Earmarked for FCVs	12,000	8,390	3,610
Earmarked for Asia	3,500	0	3,500
Earmarked for Sahel	1,710	0	1,710
Total Funding MDTF	52,168	41,761	10,407
	Committed	Allocated	Available
SDTF SECO in USD	7,886	6,075	1,811
	Committed	Allocated	Available
SDTF NTH in USD	7,000	5,190	1,810

Note: This table shows that contributions earmarked for the PCT (under the GTP Umbrella) are not available to fund GTP activities.

Since its inception, the GTP has funded engagements in 63 countries, of which 70% are IDA. 43% of the Multi-Donor Trust Fund’s (MDTF) available resources have been allocated to these countries.

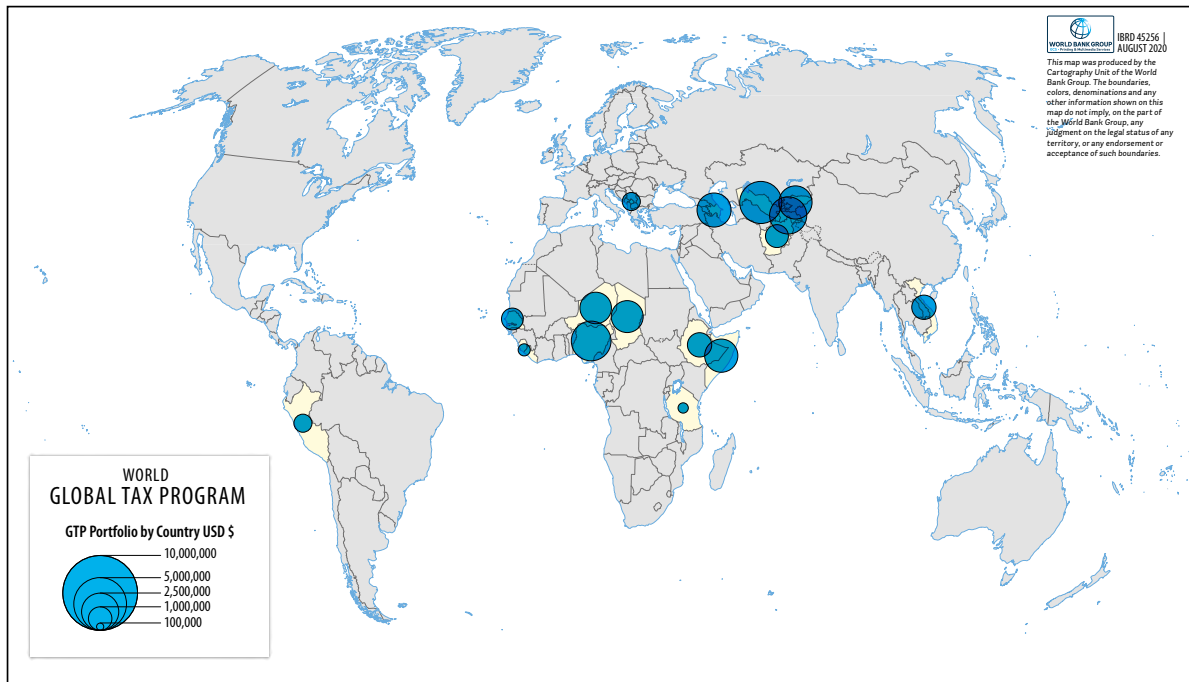
To fill an important geographic gap in the GTP DRM Portfolio, the Secretariat launched a Call for Proposals for activities targeting the East Asia Pacific Region in June 2020. Seven applications have been received and the aim is to allocate a total of USD 3.5million to these countries by Q1 FY21.

During this fiscal year, the design of the Program and the allocation of resources continued to be guided by the World Bank’s broader effort to increase its focus on countries with Fragility, Conflict and Violence (FCV) contexts, recognized by IDA18-19 as one of the most pressing challenges to the Sustainable Development Goals. As of FY20-end, USD 15.6 million (30%) of

³ Including France’s contribution.

the GTP's DRM Portfolio has been allocated to FCVs and IDA countries mostly in Africa. Considering the new contribution from France for the Sahel region, Norad confirmed its decision to un-earmark USD3.26 million of their contributions reserved for FCVs to provide more flexibility in the allocation of remaining MDTF funds and allow for a better management of the portfolio in terms of achieving the strategic priorities of the umbrella and balancing the overall risk of the Program.

Figure 3: GTP DRM Pillar Portfolio by Country ⁴



Also, in FY20, a new initiative to design a Carbon Pricing Assessment Tool (CPAT) was launched under the GTP. This initiative aims to allow governments to rapidly assess and design green fiscal policy instruments. CPAT's main objective is to help countries design fiscal packages for long-term, low-carbon development and efficient domestic resource mobilization, in line with the Sustainable Development Goals. This activity is aligned with the GTP's strategic priorities, as green fiscal reforms can improve both the incentive effects of countries' existing tax systems and their revenue-to-GDP ratios (given that environmental damages are an underused tax base for almost all countries).

To address equity considerations, in addition to traditional distributional analysis, a stronger focus on gender is also being implemented when appropriate. For example, in FY20, the GTP Secretariat liaised with the WB Gender Unit to advise on the design of a new initiative on Gender and Taxation in Ethiopia. This new project covers an assessment of the data generation, curation, and documentation processes for effective monitoring and evaluation (M&E) of revenue collection policies targeted to individuals and businesses. The project's assessments also address the availability of timely and high-quality administrative data and microeconomic survey data disaggregated by gender and individual socioeconomic characteristics. The project team will also conduct research studies to examine the tax burdens on employed men and women, as well as how individuals and firms pay taxes where informal economic activity is substantial and public expenditures are limited.

Outlook for FY21

Moving forward, comprehensive reforms that also include tax policy instruments to encourage change of behavior will be pursued by the GTP. The selection of project proposals will be guided by the GTP Program document which highlighted the importance of focusing sector related tax support to include: i. health taxes; ii. revenue management of extractive industries and natural resources; and iii. tax policy and administration for green technology.

⁴ Map shows budget allocations for country-specific TA provided by the GTP but does not reflect the engagements managed under the International Tax Program.

In addition, GTP engagements could be further enhanced by strengthening the focus on the efficient use of tax reliefs (including those to encourage investment) and sector specific instruments (such as, transfer pricing and the tourism sector in small island countries).

The GTP will continue to support beneficiary countries in addressing tax equity considerations by identifying constraints that prevent poverty and inequality reduction via tax and benefit policies. Globalization and digitalization hinder effective taxation of incomes, requiring countries to turn to more regressive indirect taxes, and domestic tax policies and administration is often uneven which favors wealthier and more powerful taxpayers. The Program aims to address the equity impacts of taxes and spending by ensuring projects are designed to help countries to collect not only more, but better tax revenues by developing fair, sustainable and modern tax systems such as through an increased focus on broadening of tax base (including rationalization of and/or better design and administration of tax reliefs), tax progressivity, tax-mix balance (including taxation of capital income and property taxation), tax avoidance through Base Erosion and Profit Shifting (BEPS) and tax evasion .

In FY21, the Secretariat will continue stressing the need to make explicit reference to the approach that will be taken to incorporate these equity considerations in project proposals.

COVID-19 Update

The coronavirus disease, COVID-19, has been spreading rapidly across the world since December 2019 and was declared a global pandemic on March 11, 2020. In the first months of the outbreak, governments focused on dealing with the immediate effects of this crisis, concentrating their efforts in containing the pandemic and introducing measures to provide health care support and protect businesses, jobs and citizens from extreme economic hardship.

In this context, due to strict travel restrictions, country missions were cancelled, and some planned project activities were postponed. Nonetheless, from the onset of the crisis, GTP project teams have been providing just-in-time technical assistance to client governments on tax policy and tax and customs administration measures in response to COVID-19. Most of this work has been focused on developing business continuity plans that identify critical business processes and mitigation measures.

Given that the outlook on the evolution of the pandemic and related impacts is still highly uncertain, project teams cannot estimate if there will be any significant “savings” with respect to their original planned budgets. Programmed activities are being postponed, not cancelled, and additional support is being provided as needed. It is certain, however, that fiscal policy is a critical tool to mitigate the negative economic and social effects of the pandemic and will continue to be crucial in the recovery phases of this crisis.

Fiscal Policy Responses to COVID-19

During the year, GTP donors agreed in principle to establish an additional pillar under the GTP Umbrella to provide support World Bank teams who are advising governments on fiscal policy responses to the health and economic crises caused by COVID-19. This pillar is designed to cover an 18-month period. Initial funding of \$4.5 million has been provided by France, Norway and Switzerland.

The new pillar, which became operational in August 2020, should enable teams to rapidly access expert technical advice on the design and implementation of tax and spending measures to address the crisis. The window will additionally help to ensure that COVID-19 related fiscal measures are screened to prevent adverse effects on poverty, inequality, gender and environment.

A first call for proposals was issued in August 2020 which should be completed in September 2020. Priority will be given to applications from FCV and IDA countries but applications in respect other countries will also be considered from countries where COVID-19 is expected to have a severe impact.

Grants of up to US\$ 100,000 may be awarded to finance policy advice linked to operations, such as development policy finance, as well as providing ad-hoc advice on specific fiscal measures and longer-term fiscal strategies.

Box 1. The NORAD Survey of the Tax DIAMOND Platform: A DRM platform with tailored action plans that contribute to significant results

In July 2020, NORAD (jointly with the Norwegian tax administration) completed the mapping of the different DRM-related tools made available by international organizations to support tax administrations and tax system reforms. The aim of the discussion paper is to provide non-normative information on the scope, coverage and other relevant characteristics that are important to understanding the differences, similarities and comparative advantages of each tool. The report examines how the tools can be implemented in an effective way to ensure that they do not increase the burden on the authorities while considering the complexity of choices that developing country officials face in determining which tools to utilize. The full publication can be accessed [here](#)¹.

One of the DRM tools evaluated was the World Bank's Tax DIAMOND platform, an online data management platform that provides benchmarking and functional assessment exercises to better understand the strengths and limitations of existing tax administration systems. The NORAD report examined the following aspects of the Tax DIAMOND platform: assessment modalities; coverage and costs; transparency and dissemination; and prerequisite and subsequent engagements.

The Tax DIAMOND platform was noted for its breadth of services, addressing all key areas and functions of a revenue administration, from institutional set-up to legal framework to operations for both tax and customs. More specifically, the report highlighted how the platform provides support throughout the lifespan of the assessment: conducting initial diagnostics, producing action plans, supporting implementation of tax reforms, functioning as a performance management system and helping to build capacity through training courses.

The report commended the platform for its easy customization and tailoring to the specific context on the ground which makes it applicable regardless of size or capacity of the revenue administration and can be subsequently used either at national or sub-national level. Moreover, the platform enables administrations to identify relative strengths and weaknesses and translate these observations into a concrete action plan.

The assessment suggested that the Tax DIAMOND platform also creates strong ownership of the process from the participating revenue administrations, as it offers both self-assessment and guided assessment options. In the self-assessment option, the WB guides the revenue administration through the assessment remotely or via a desk review. In the guided assessment option, the WB provides a team of experts to assist the revenue administration in carrying out the assessment, followed by a field mission where the evidence and scoring are validated together. Both options facilitate the drafting of an action plan consistent with revenue administration's specific needs and offers quality assurance from the internal WB process.

The report made mention of the availability of training materials explaining the use of the tool. It also identified the robust scoring method, from the specific scores for individual indicators to the overall score for dimensions (or groups of indicators).

Finally, the transparency in the dissemination of results was highlighted, noting that all supporting documents and templates are available to institutions and revenue administrations that have been granted access to the online platform. With agreement from the host government, final reports can also be shared with other donors and international partners for greater knowledge sharing.

Overall, the NORAD's mapping of DRM assessment tools and frameworks looked at the existing diagnostic and measurement landscape while considering how to ensure donors and partner countries allocate their resources efficiently. The assessment included the OECD Maturity Models, TADAT and the Tax DIAMOND, among other DRM tools and frameworks². In so doing, the NORAD survey posed broader queries regarding the proliferation of DRM instruments, the necessity of determining complementarities and the transparency of country reporting. The study noted that no tool is complete in providing diagnostics, data collection, design advice, and monitoring; consequently, resource-strapped countries are tasked with researching and utilizing several tools in the development of their strategy. The assessment advised, in turn, that development partners utilize existing tools rather than design their own, developing new tools only as complements to existing efforts to reduce the complexity of choice and transaction costs for country officials. Ideally, this process would be streamlined by a periodic review, conducted jointly by partners, country representatives and researchers, to ensure complementarity and relevance of existing tools and to determine whether there is scope for merging. Moreover, the survey suggested that this review could also offer greater transparency on participation and cost estimates from countries that have used the tools, as well as enable the exchange and consolidation of data sets to enrich the analytic base for policy reform.

¹ <https://norad.no/en/toolspublications/publications/2020/reforms-of-tax-administration-and-systems-a-mapping-of-current-analytical-tools-and-frameworks/>

² Other tools included in the report: The Revenue Administration Gap Analysis (RA-GAP), Tax Administration Fiscal Blueprints (FB), African Tax Administration Forum (ATAF) African Tax Outlook (ATO), ATI Indicators, International Survey on Revenue Administration (ISORA) and the United States Agency for International Development (USAID) Collecting Taxes Database (CTD).

IV. Results Monitoring and Quality Assurance

Results Monitoring

Overall, the Program achieved most of its inception-to-date targets at the output level (4 out of 7 indicators). This was mainly due to the strong results of the previous period and the progress made in the first months of 2020. However, results for FY20 were not as positive because the outbreak of the COVID-19 crisis severely delayed the delivery of TA. At the end of FY20, the Program did not meet its expected Outputs for the period, with only 2 of the 7 key aggregated standard indicators reaching the targets set for the FY.

Though, two output indicators exceeded expectations, with results that surpassed their inception-to-date targets. These indicators were: Number of recommendations (laws and regulations) proposed, with 84 recommendations against a target of 71; and Capacity Building events conducted, with 74 training events completed against a target of 61.

At the outcome level, results were satisfactory. One of the two key outcome indicators, Number of reform recommendations (to improve procedures/practices/standards) endorsed, exceeded its FY and inception-to-date targets, influenced by the performances of the Kyrgyz Republic and Uzbekistan projects. The other key outcome indicator, Number of reform recommendations (laws and regulations) endorsed, also achieved important results with a total of 33 recommendations endorsed against an inception-to-date target of 34. These results were largely driven by the strong performance of the International Tax Program. For more details, please see the GTP Aggregated Logical Framework (Annex D).

To date, the GTP has made significant progress towards the achievement of its development objectives⁵, although, most projects are still in early stages of implementation and the COVID-19 crisis may continue delaying the delivery of technical assistance in the coming months. Given the current level of uncertainty, an assessment of the full extent of the crisis's impact on the Program's performance will be conducted in the next reporting period. Still, the GTP management expects that the two-year no-cost extension recently approved by the Steering Committee will allow the Program to stay on track to achieve its expected outcomes and impact.

Quality Assurance

In FY20, the GTP Secretariat strengthened the quality assurance process by setting clear standards for project design, implementation and evaluation. These standards also determine the criteria for assessing projects' progress and identifying deviations, facilitating the adoption of appropriate and timely remedial actions as needed.

Project Design

The GTP Secretariat has developed a Project Design and M&E Guidance Note to inform teams about the standards expected from project proposals. It covers all the steps of project design, from formulating the development objective to the identification of complementary activities to the development of the project's monitoring and evaluation framework. The Secretariat reviews all project proposals to ensure they include a logical framework of results. It also verifies the proposals' strategic fit (country and program level), client demand, complementarity with ongoing projects (internal and external) and financial planning.

A Technical Committee (chaired by the FPU PM from MTI and a GGP PM/Advisor) reviews all project proposals that meet the above criteria and recommends the best proposals (based on their technical robustness) to the MTI and Governance Global Directors for approval.

⁵ The Development Objective of the GTP is to strengthen tax systems of developing countries by facilitating the design and implementation of evidence-based tax reforms.

Box 2: Key lessons from GTP project teams

Showing Responsiveness and Flexibility During the Pandemic: Shifting Governmental Priorities and Digital Modes of Delivery

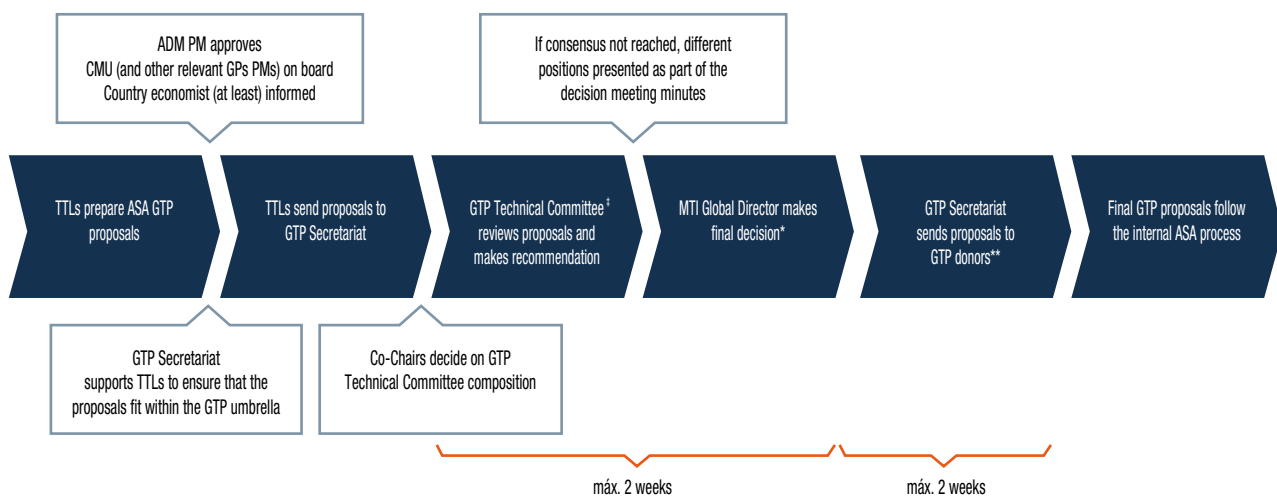
Project teams underscored the necessity of responsiveness and flexibility, particularly in the face of the COVID-19 pandemic in the latter part of the fiscal year. In Azerbaijan and Uzbekistan, teams highlighted the importance of shifting modes of delivery, the necessity of the provision of ad-hoc support and the reimagining of projects' focus to reflect the changing realities and needs of partner governments. This was further reiterated by the project team in Tajikistan, who successfully shifted from on-ground support to videos, online trainings and remote workshops/TA. Likewise, the project team in Kosovo engaged in the provision of virtual advisory services and has since initiated a plan for a Data Sharing Forum among key government stakeholders. Developing the NRA tax evasion module under the virtual Tax DIAMOND platform has proven to be an advantage, providing clients flexibility, including allowing for self-pacing of assessments. This has enabled the continued delivery of remote TA and the full shifting of ownership of the assessment process to the government counterparts.

Going Remote: The Necessity of Digital Infrastructure

In addition to flexibility, project teams emphasized the necessity of digital infrastructure. As a result of the virtual technical assistance provided by the Somalia project, the government authorities have accorded high priority to facilitating automated processes and digital solutions, which the project team is supporting. The Niger project is assisting the Niger Customs authorities in the development of a virtual regional exchange platform, with the intent of discussing the shift towards data science, disruptive technology and the future use of virtual platforms for greater information sharing and enhanced tax compliance. The project team in Nigeria is working with Nigeria's Federal Inland Revenue Service and the Nigeria Customs Service in adopting business continuity plans to allow continued services to citizens, taxpayers, and importers through an online e-services platform.

While this is a time of great uncertainty and reprioritization throughout the World Bank, it is also an opportunity for innovation and advancement. The Global Tax Program is using this time to implement creative and dynamic digitized interventions (including online training modules), in conjunction with development partners, that stand to improve the welfare of partner administrations and their beneficiaries far beyond the crisis.

Figure 4: Approval process for ASA project proposals funded by the GTP



‡ The GTP Technical Committee is co-chaired by the FPU PM (MTI) and a GGP PM/Advisor

* The best proposals will be recommended for concurrence to the GGP Global Director and for decision to the MTI Global Director

** GTP donors receive proposals for information and comments. A matrix of comments and responses needs to be prepared by the TTL and substantive comments need to be incorporated in the CN. These proposals will be included in the GTP annual workplan, which is endorsed by the GTP SC.

Implementation

Project teams implement GTP ASA projects in close collaboration with development partners and government counterparts and can propose adjustments to the design as needed. GTP-funded activities always include a Global Tax Team (GTT) technical expert in the peer review process of deliverables.

Progress reports: As per TF provisions, all GTP-funded projects in implementation stage are required to report on their progress semi-annually. Teams are required to report on the progress of project activities, project results and risks. The Secretariat monitors budget expenditures to flag significant deviations (+/- 25%) from the approved workplan. The achievement of results is also tracked against the set targets for the period. The Secretariat has developed a standardized methodology that assigns numeric ratings to three performance dimensions: results achievement, budget execution and timeliness of delivery. The overall assessment of these dimensions determines if projects are “flagged” for closer monitoring. Projects that are flagged for two or more consecutive periods will be discussed in the annual and semi-annual SC meetings to decide if the project must be extended, redesigned or terminated.

Results validation: The Secretariat conducts a semi-annual review of the supporting evidence for the results claimed in each project to validate the reported outputs/outcomes. This validation process also facilitates the aggregation of results at the Program level.

Coordination and Collaboration: The Secretariat performs an annual mapping exercise to identify tax-related projects within both WB and external partner organizations and determines the scope of the complementarities. The preliminary results of this mapping are then shared with project leaders for validation and to better define proper coordination and collaboration mechanisms. A summary of the results of this exercise and a brief narrative of key synergies, challenges and lessons learned is included in the GTP’s Annual Report.

Mid-term Review and Post-completion Evaluation

As outlined in the GTP’s Program Document, a Mid-term Review (MTR) will be undertaken in 2021 and an End-of-Program evaluation (in 2024) will be conducted to review the Program’s strategy and account for results.

The MTR will assess the implementation of the strategy and help inform the WB and the GTP partners on how to improve DRM reforms, including best practices for ensuring sustainability.

The End-of-Program Evaluation will assess the performance of the Program against the objectives as set out in the Program document and account for results already achieved. In addition, the evaluations will assess client’s feedback on team’s responsiveness, accessibility and on internal and external collaboration.

V. Complementarities and Collaboration

The GTP continues to assert the value of the close collaboration and coordination with stakeholders, namely development partners, government clients and other WB teams. This collaboration is guided by the GTP's commitment to identifying complementarities and, in doing so, developing shared approaches that harness synergies among partner organizations for more effective strategy development, policymaking and project implementation.

Collaboration also enables project teams to leverage greater resources for improved outcomes. For example, the EAC Tax Evasion project reported improved outcomes as a result of deeper collaboration with the Bank's financial integrity (FCI) team. As a result of this coordination, the project team has expanded the technical assistance to cover anti-money laundering (AML) and combating financing of terrorism (CFT) issues, with increased focus on strengthening the capacity to identify, investigate and prosecute tax evasion.

Project teams have also noted the beneficial aspect of collaboration across the project's lifespan. The Digital VAT Guidelines project team celebrated the contributions of Vietnam's General Department of Taxation in the strategy development process and coordination of development partner support. In parallel, the Senegal MTRS project team lauded the leadership of partner IMF's efforts at the project's implementation, noting that the World Bank team was best-placed for implementation support in the late stages of preparation and implementation.

In FY19, guided by the PCT Partners' commitment to identifying complementarities and developing approaches to enable effective coordination, the GTP Secretariat launched an ongoing effort to identify the complementarities of the GTP active portfolio. An annual mapping exercise is performed based on the data available in the WB Portal and in the PCT partners Online Integrated Platform database, and later the preliminary list of complementary activities is validated with project teams. The process for establishing formal coordination mechanisms among these complementary activities is also being led by the GTP Secretariat at the project design stage, ensuring comparative advantages are leveraged and the risks of redundancies minimized.

Below is an updated summary of the identified complementary projects by region, differentiated by Technical Assistance (or ASA) and Lending activities. Countries where the GTP is providing TA are shaded in light blue, the WB-wide TA portfolio is highlighted in a darker shade of blue and WB lending operations in green⁶. PCT partners' activities are colored in red. To provide a more complete picture, the scope of the specific collaboration and coordination mechanisms are discussed under each project card.

⁶ It is important to note that the graphs are reflecting the total value of the projects' budgets, of which their tax components might only be a small percentage.

Africa (AFR)

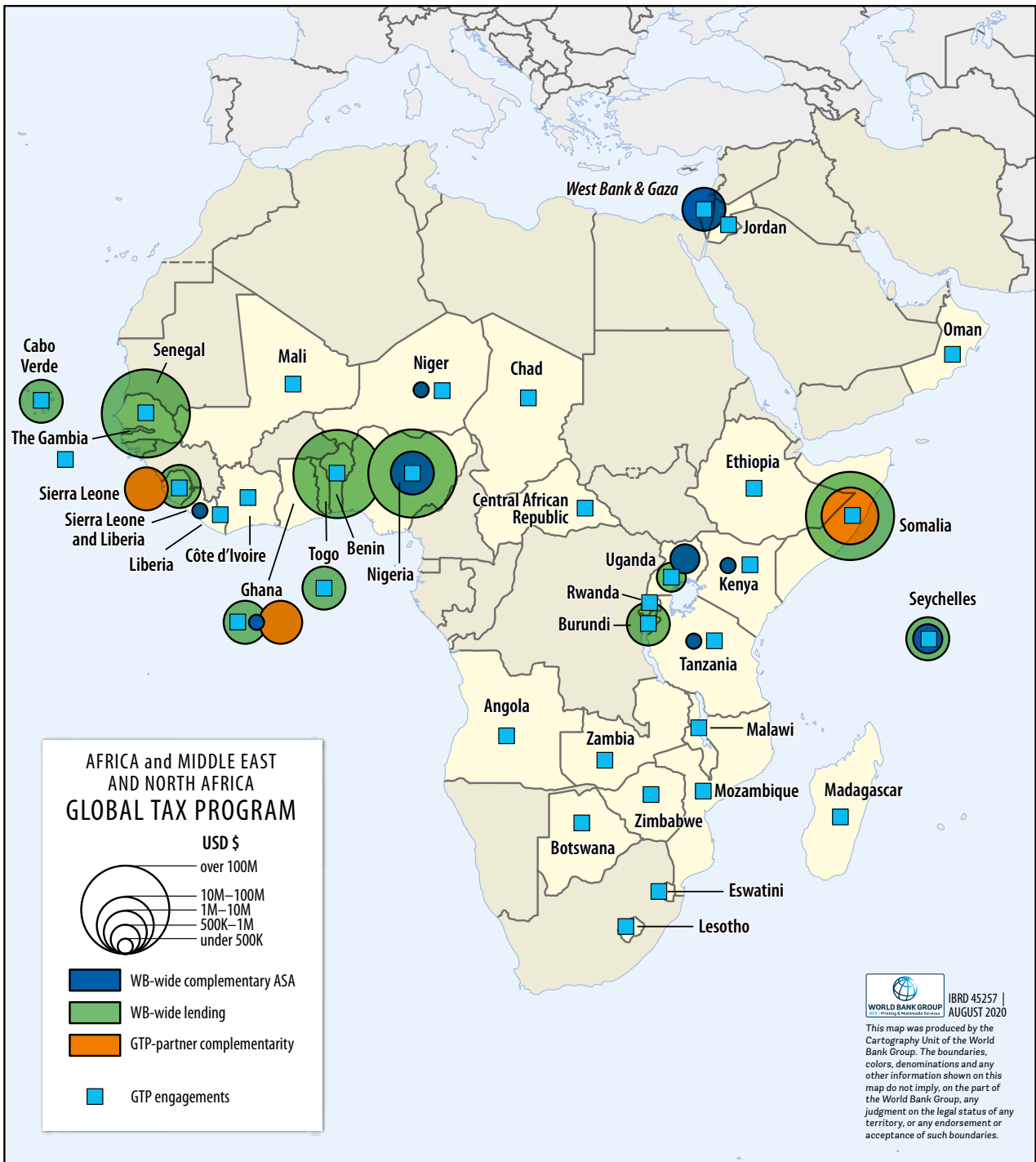


Figure 5. The map displays complementary projects in the AFR region.

Asia

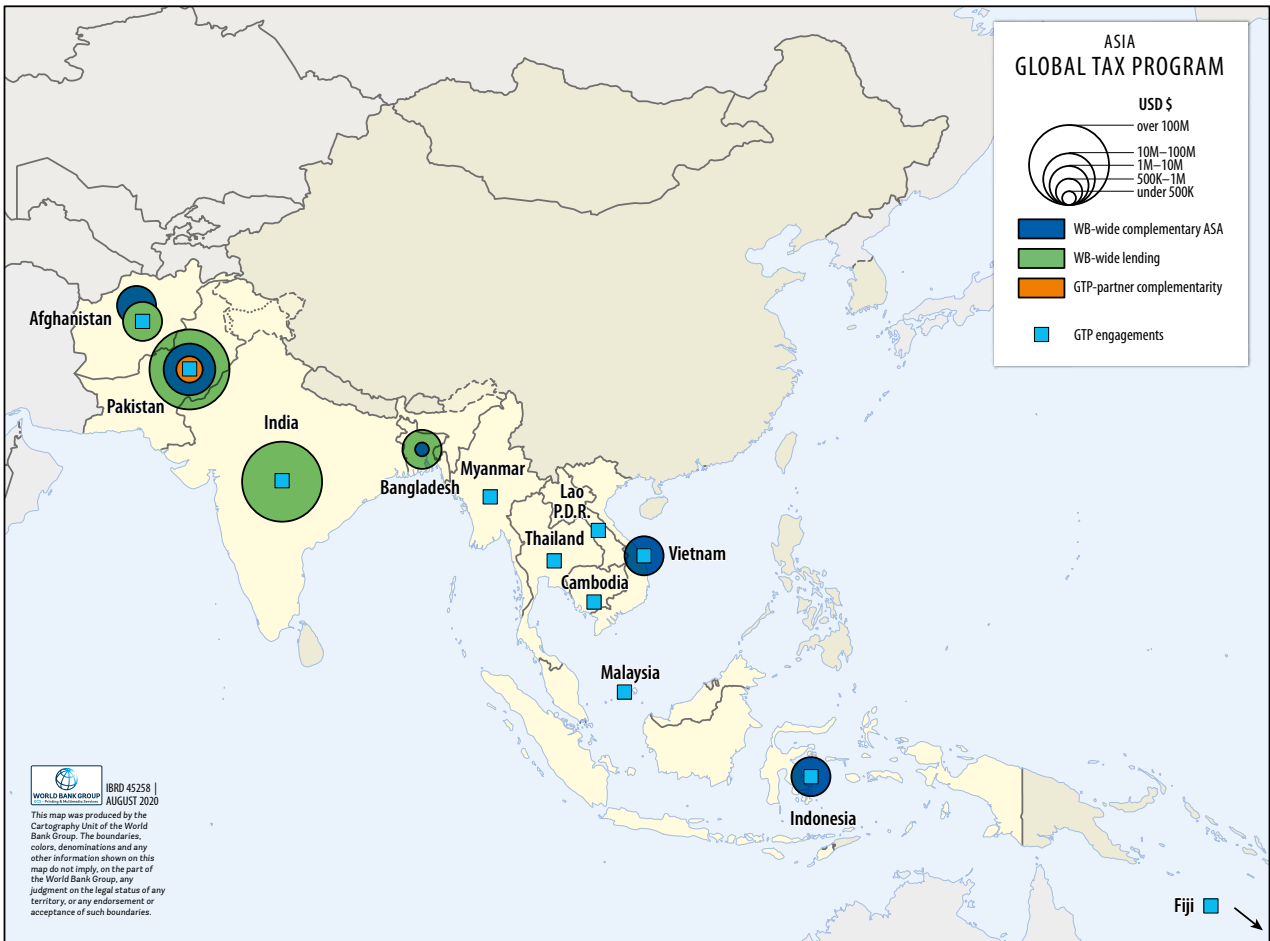


Figure 6. The map displays complementary projects in the Asia region.

Europe and Central Asia (ECA)

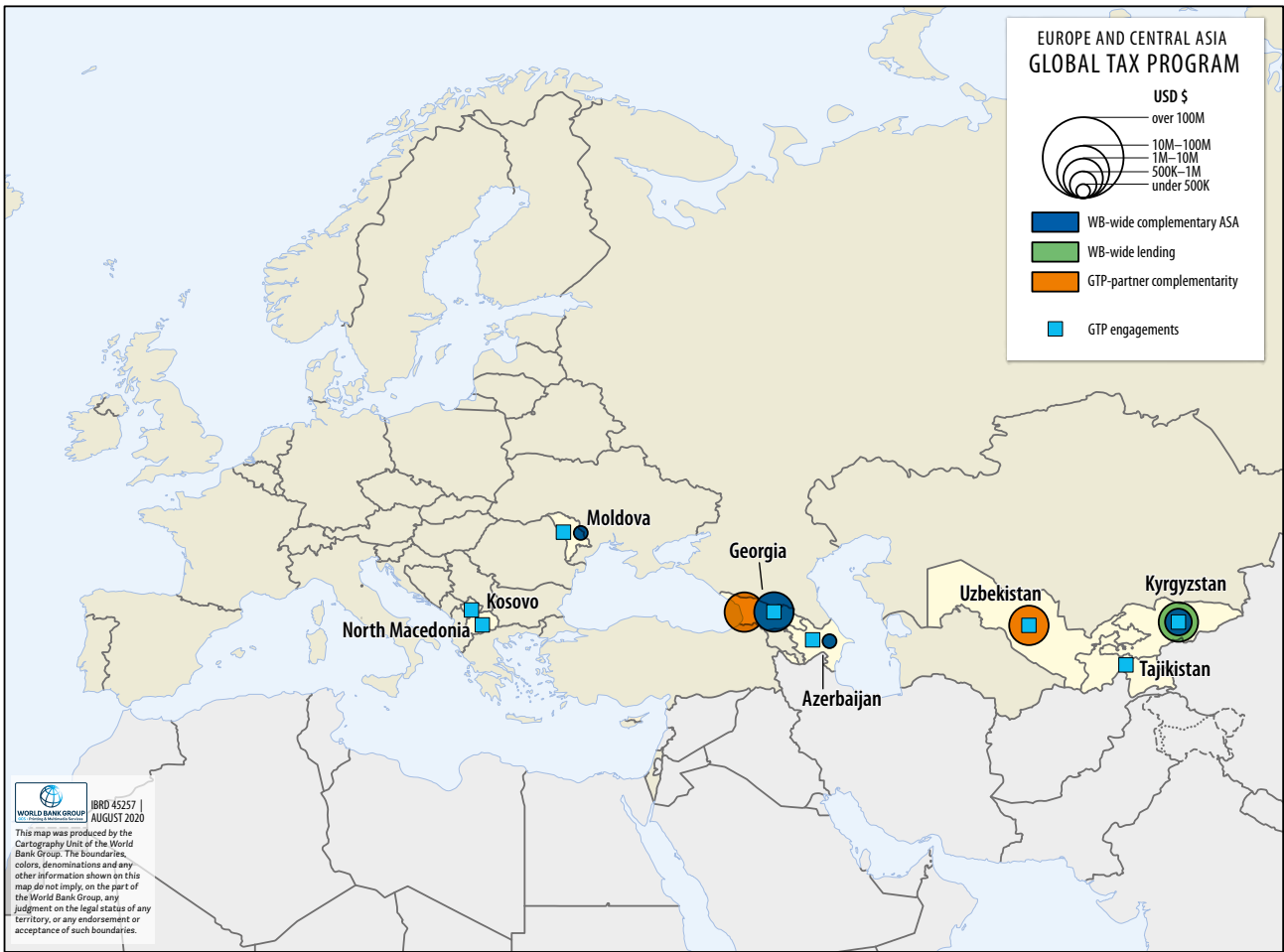


Figure 7. The map displays complementarity projects in the ECA region.

Latin America and the Caribbean (LAC)

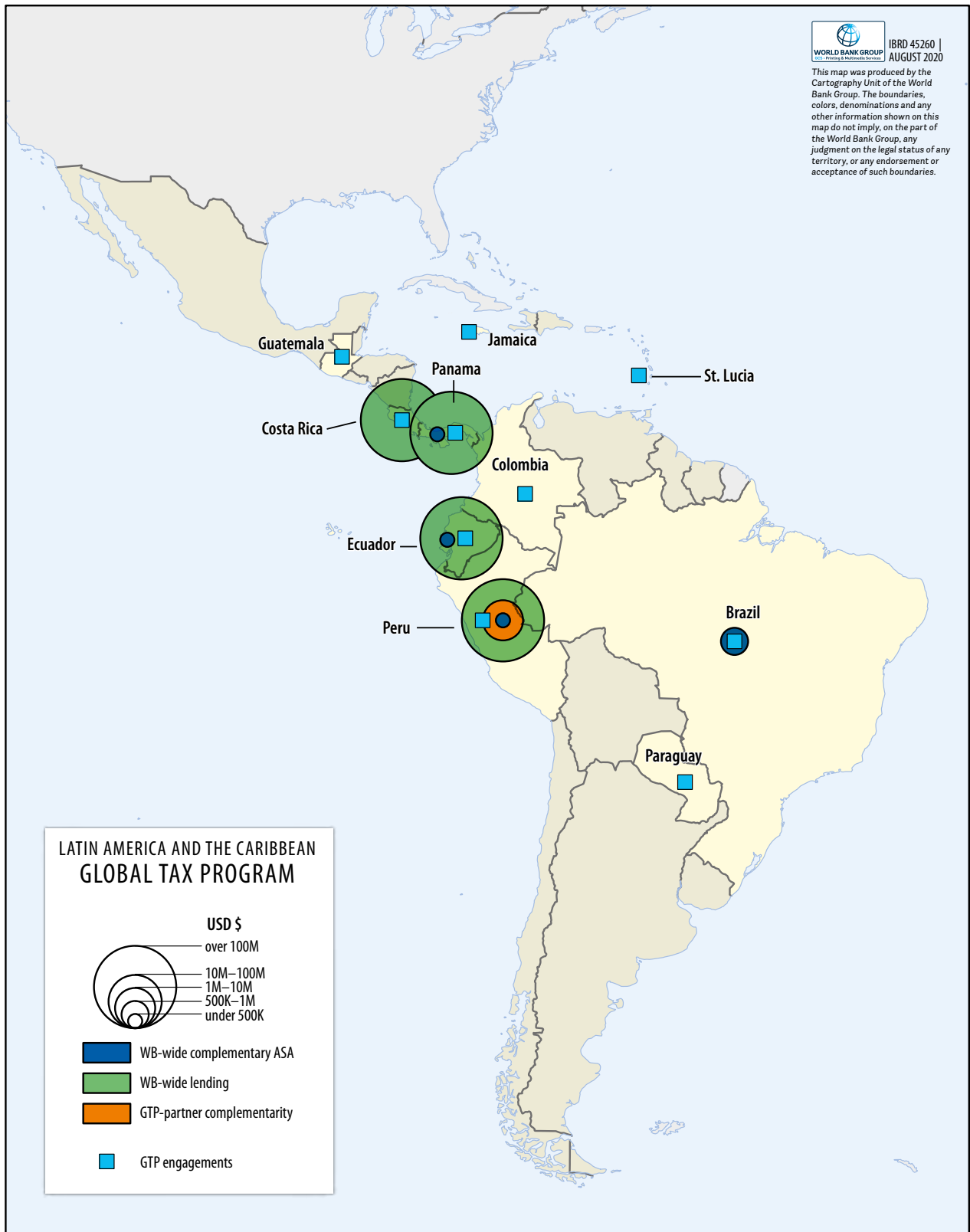


Figure 8. The map displays complementarity in the LAC region.

VI. Progress Update at the Window Level

Window 1: Global Tax Activities and Global Public Goods

GTP activities under Window 1 currently represent seven percent of the total Program proposed allocations to date and cover two main areas: i. the development of more efficient tax policy and administration assessments to enhance the legitimacy of country governments and facilitate cross-country comparisons and learning; and ii. preparation of toolkits and research documents that improve the ability of tax authorities in participating countries to apply international tax practices that fit country circumstances.

In FY20, eight new modules were developed under this Window. The TPAF team completed the Excise Tax Module and seven new modules were developed for the Tax DIAMOND platform, including the Tax Automation, Customs Automation, ICT Infrastructure Needs, Information Security, Tax Litigation, Property Tax, and Tax Evasion (offshore) assessment modules.

During the same period, the Toolkits on International Taxation project completed a new toolkit on transfer pricing and anti-abuse (with WBG and OECD leadership), with the aim of helping developing countries address the issue of implementation of transfer pricing documentation requirements. This project also developed a Transfer Pricing E-Learning Tool to build capacity of personnel working on transfer pricing and related issues in tax administrations.

The Digital VAT Guidelines project team, in partnership with the OECD, IDB and CIAT, worked on the design of a detailed regional VAT digital toolkit for the LAC region. The objective is to provide practical and effective guidance on measures that are tailored to the needs and specific circumstances of the countries in the region (including administrative organization and capacity building) using a collaborative and inclusive approach. This guidance aims to provide quick and effective implementation at the country level within the relevant region, first in LAC (Latin America and the Caribbean) and eventually in the East Asia and Pacific (EAP) and Africa (AFR) regions.

Table 5: Key aggregated results under Window 1

Standard Indicators	Projects	Project target FY20	Project results FY20	Results details FY 20	Cumulated targets FY 20	Cumulated results FY 20	Inception to date targets	Inception to date results	Total targets	Total results
A.1 Number of new modules developed	1.1 TPAF Development	3	1	1. Excise Module	10	10	14	13	16	13
	1.2 TAX DIAMOND	3	7	1. ICT infrastructure needs assessment, 2. Tax automation assessment, 3. Customs automation assessment, 4. Information security assessment, 5. Tax Litigation assessment, 6. Property Tax assessment, 7. Tax Evasion assessment						
	1.3 Toolkits & Research	3	2	1. TP Documentation Requirements toolkit, 2. E-learning course on TP Electronic Tool						
	1.4 Digital VAT Guidelines	1	0							
A.2 Number of documents, reports, studies, notes prepared	1.3 Toolkits & Research	4	1	1. Discussion paper on the Paper on future of int. taxation and digital economy	4	1	6	4	6	4

Window 2: Country-level Activities

GTP activities under Window 2 currently represent 82% of the total Program allocations to date.

When aggregating results at the Window level, it is worth highlighting that out of the 84 reform recommendations (laws or regulations) proposed by project teams since Program inception, 33 reforms recommendations have been endorsed as of FY20-end. In FY20, key results were achieved by the International Tax Program, Uzbekistan, Tajikistan, Nigeria, Azerbaijan, Vietnam and Peru projects.

At the Output level, contributions from the Sierra Leone & Liberia Tax project were also significant. During this FY, the project team provided recommendations to improve the transfer pricing draft regulation in Sierra Leone, and shared a policy note with the government of Liberia on international taxation proposing two specific amendments to the Revenue Code regarding adjustments of taxable profits under the transfer pricing regulation and interest deductibility provision. GTP work in these countries is currently complemented and leveraged by three WB lending projects. Also, the WB team is in close collaboration with development partners (AFDB in case of international taxation in Sierra Leone, IMF in case of tax exemptions in Liberia), which is an important vehicle for leveraging resources for greater results.

GTP project teams have also proposed 38 reform recommendations (procedures, practices or standards) since the start of the program. As of FY20-end, 12 of these reform recommendations have been endorsed. In the reporting period, significant progress was achieved by the Kyrgyz Republic and Uzbekistan projects.

In Kyrgyz Republic, key results include the STS's endorsement of the recommended redesign of business processes required for electronic issuance of tax certificates, which are currently being implemented. The STS has also endorsed recommendations to move to online re-registration while streamlining de-registration and introduce a risk-based approach in selecting cases for liquidation audits and spot checks by tax inspectors. In addition, the STS adopted the recommendations on taxpayer services for enhancing the response capacity of the STS Call Center. During this reporting period, the project team also delivered recommendations for improvements on existing taxpayer services, practices in taxpayer communication and education, and VAT refund processing. This progress towards project objectives is critical since the Bank is implementing a lending operation focused on improving the effectiveness of tax collection and modernization of the national statistical system. The project leader of the lending operation is also leading this ASA to ensure complementarity between the two projects. The knowledge generated as part of this TA project will guide and feed into the implementation of the lending operation.

Some of the results achieved in Uzbekistan include the design of a new risk management audit framework and a business intelligence tool both of which have been endorsed by the STC. Also, a new VAT refund mechanism was approved, and the automation of the process is currently being developed. These results are of particular importance as the Bank is preparing a lending operation that is solely focused on DRM reforms. The operations share similar objectives, namely modernizing the tax administration, enhancing the IT infrastructure, strengthening enforcement and promoting voluntary compliance. The team members of this lending operation are leading this activity, and this is helping create important synergies. Also, the IMF has two technical assistance programs in Uzbekistan and close collaboration is taking place with the World Bank.

Table 6: GTP reforms (laws or regulations) proposed and endorsed under Window 2

Standard Indicators	Projects	Project target FY20	Project results FY20	Results details FY 20	Cumulated targets FY 20	Cumulated results FY 20	Inception to date targets	Inception to date results	Total targets	Total results
B.1 Number of reform recommendations (laws/regulations) endorsed	2.04 International Tax Program	11	8	Benin (2), Costa Rica (1), Cabo Verde (1), Eswatini (1), Indonesia (1), Georgia (1) and Thailand (1)						
	2.05 Tax Reform in Uzbekistan	0	1	1. Tax code approved by Parliament in December 2019						
	2.13 Tajikistan	0	1	1. Reform recommendations to the Tax code endorsed						
	2.15 Nigeria Tax and Customs	0	2	1. Regulations mandating Annual Tax Expenditure Statements and 2. Introducing VAT taxation of international digital services	19	14	34	33	81	33
	2.20 Tax Reform in Azerbaijan	2	0	1.A revised decree on interest deductibility rules was issued on June 24, 2020,						
	2.21 Vietnam Tax Reform	1	1	1. April 2020, GF published Peer Review Report on the Exchange of Information on Request (EoIR) in Peru						
B.1.1 Number of reform recommendations (laws/regulations) proposed	2.04 International Tax Program	19	22	Benin (2), Eswatini (3), Cabo Verde (4), Madagascar (1), Ecuador (1), Panama (1), Thailand (2), Cambodia (1), Myanmar (1), Fiji (1), Georgia (1), Moldova (1), Indonesia (1), Seychelles (2)						
	2.05 Tax Reform in Uzbekistan	2	1	1. Recommendations to the tax code and regulations focused on VAT						
	2.13 Tajikistan	1	1	1. Team supported the drafting of the tax code						
	2.15 Nigeria Tax and Customs	0	2	1. Recommendations on VAT taxation of international digital services and 2. Tax expenditure						
	2.20 Tax Reform in Azerbaijan	2	1	1. The project team has reviewed and provided detailed comments on the new customs code.	35	31	71	84	128	84
	2.21 Vietnam Tax Reform	3	1	1. Reform recommendations on registration, filing, payment, and enforcement						
	2.23 Peru Internation Tax	7	1	1. Assistance on establishing beneficial ownership for companies and other legal persons to comply with the EoIR standard						
2.25 Sierra Leone & Liberia Tax	1	2	1. Liberia: policy note on international taxation. 2. Sierra Leone: Recommendations to improve the draft regulation on transfer pricing							

Table 7: GTP reforms (procedures, practices or standards) proposed and endorsed under Window 2

	Standard Indicators	Projects	Project target FY20	Project results FY20	Results details FY 20	Cumulated targets FY 20	Cumulated results FY 20	Inception to date targets	Inception to date results	Total targets	Total results
B.2	Number of recommendations to improve procedures/practices/standards endorsed	2.04 International Tax Program	3	1	Fiji (1)						
		2.05 Tax Reform in Uzbekistan	0	3	1. New risk management process endorsed by STC 2. Business intelligence (BI) tool designed and endorsed 3. New VAT refund mechanism approved						
		2.9 SOEs in Tanzania	1	1	1. Broadened scope of annual TR statement by incorporating more financial performance aspects	4	11	4	12	67	12
		2.16 Kosovo Tax Registration	0	1	1. Establishment of the data sharing forum						
		2.22 STS Kyrgyz Republic	0	5	1-3. Redesign of business processes to transform existing paper-based issuance of tax certificates into e-services, endorsement of recommendations to improve, 4. Reregistration of taxpayers, deregistration due to liquidation and 5. Enhancing response capacity of the STS Call Center.						
B.2.1	Number of recommendations to improve procedures/practices/standards proposed	2.04 International Tax Program	4	1	Fiji (1)						
		2.05 Tax Reform in Uzbekistan	7	5	1&2. Supported the development of a fast and long track VAT refund mechanism and a risk management audit framework, 3. Design of a business intelligence tool, 4. KPI Dashboard, 5. Short-to-long term actions and recommendations aimed at strengthening customs performance						
		2.09 SOEs in Tanzania	1	1	1. Tailored recommendations to the Tanzania context						
		2.12 Afghanistan Customs	1	2	1. Operational Review of export, import and transit processes finalized and 2. Recommendations for the next steps in the process of designing, developing and implementing the ANSW.	26	21	38	38	93	38
		2.16 Kosovo Tax Registration	1	1	1. Drafting of governance documents such as the ToR and work plan						
		2.20 Tax Reform in Azerbaijan	6	0							
		2.22 STS Kyrgyz Republic	3	10	1-4. Recommendations for improvements in the area of taxpayer communication and education and taxpayer services. 5. Recommendations to improve the VAT refund processing. 6-10. Recommendations for improvement of STS' existing taxpayer services.						
		2.25 Sierra Leone & Liberia Tax	1	0							
		2.26 Senegal MTRS Tax	2	1	1. Reform recommendations for improvement of the Customs Department						

Box 3: Afghanistan Customs: Important progress in the strengthening of core tax administration functions for improved customs environment despite challenging context

Afghanistan is a country affected by fragility, conflict and violence (FCV), which significantly affects the government's ability to function and subsequently impacts the work of projects and teams on-ground. Violence, civilian casualties, drought and internal displacement create a difficult economic and security environment. FY20 was a year of political instability for Afghanistan. National elections that took place in September 2019, in which initial outcomes were refuted, parallel governments were developed as a result and the official recognition of the president only occurred in March 2020, heightened the political uncertainty in the country. Worryingly, the economy is expected to contract by up to five percent in 2020, with the negative impacts of COVID-19 virus overshadowing agricultural gains from improvements in weather conditions.

WBG's programmatic approach is and will continue to be multi-faceted, focusing on advisory work and macro-fiscal policy, in addition to infrastructure, governance and human capital development. Short-term priorities include continued implementation of business environment and anti-corruption reforms to improve private sector confidence and investments from the international community. These interventions seek to help Afghanistan build strong and accountable institutions to deliver services to its citizens and to encourage growth of the private sector.

GTP's Afghanistan Customs TA project works closely with the Afghanistan Customs Department (ACD), focusing on key customs business processes and strengthening customs performance and practices to enhance control of operations and increase the efficiency and fairness of the release of legitimate goods. The ACD's environment is characterized by insecurity, loopholes in border control and challenges in coordinating different border agencies. Accordingly, the ACD has articulated an ambitious reform agenda in its comprehensive five-year Strategic Plan 2018-2022. The continued roll-out of the ASYCUDA World (AW) system is a central piece part of this agenda. The system supports the streamlining of core business processes across various customs points and contributes to improved controls and increased revenue collection from imports, exports and transit. Core functions of this system include the collection of duties and taxes, improved Information and Communications Technology (ICT) infrastructure at the majority of borders, and provision of real-time information on tax revenues and lane performance.

In the last fiscal year, the project team finalized the operational review of export, import and transit processes and upon completion of this review, provided support to the ACD on tariff and valuation. In parallel, the WB also supported the ACD in the continued implementation of ASYCUDA World system, ensuring 24/7 operations across the majority of border points, as well as in the introduction of e-payment for taxes at the border. This was done through complementary financing from other investment financing projects and ASAs within the Bank, namely the Fiscal Performance Improvement Support Project (FSP), the Incentive Program Development Policy Grant (IP DPG) series and the Fiscal Performance Improvement Plan Advisory Facility (FPIP). The project has engaged with three different Director Generals for the ACD but the team maintains an ongoing dialogue with the government, whose engagement has remained fairly committed despite the changes in leadership personnel.

The Government of Afghanistan (GOA), as a member of the World Trade Organization (WTO), is committed to the implementation of the provisions of the Trade Facilitation Agreement (TFA); subsequently, it is required to implement a National Single Window (NSW), which simplifies import and export requirements for traders, reduces transaction costs and improves data integrity. The project team conducted a National Single Window (NSW) visioning workshop with the ACD, in which the team delivered recommendations for the next steps in the process of designing, developing and implementing the Afghanistan National Single Window (ANSW). To both inform this process and share best practices, the team has had ongoing discussions and knowledge exchange with other countries (e.g., virtual exchange with Peru) on how to prepare for the implementation of a NSW.

In the medium and long-term, the GTP team will provide a follow-up to the Operational Review Recommendations, including discussions on the organizational structure and continued support on tariff and valuation. The GTP team will also engage on post-clearance audit and conduct a legal review of the Afghanistan's Customs Act.

Box 4: Nigeria Tax and Customs Project: WB sees significant DRM reform in mandate to publish annual tax expenditures

Nigeria is a multi-ethnic and culturally diverse federation, which consists of 36 autonomous states and the Federal Capital Territory. It is Africa's most populous country and its biggest oil exporter, with the largest natural gas reserves on the continent. However, oil price volatility influences Nigeria's growth performance and since 2015, growth has stagnated. Additionally, agricultural growth is compromised due to insurgencies and farmer-herdsmen conflicts, weakening prospects for the rural poor, while inflation-driven high food prices negatively affect the urban poor. Furthermore, growth is constrained because of a weak macroeconomic framework with multiple exchange rate windows, lack of revenue-driven fiscal consolidation, and high public debt. Inequality in income and opportunities has grown, adversely affecting the poverty reduction goals of the World Bank and stakeholders.

In order to raise living standards of low-income groups while simultaneously increasing spending on public resources, reforms are necessary: subsidies need to be rationalized, foreign exchange and trade restrictions need to be eliminated, monetary policy must be more transparent, and domestic revenue mobilization needs to increase. The World Bank's Nigeria Tax and Customs Program supports the Ministry of Finance (MoF) and the Federal Inland Revenue Service (FIRS) in planning, implementing and steering these reforms.

To strengthen tax and customs administration, the project team advised the Government in its issuance of regulations aimed at implementing a 7.5% VAT rate and a VAT turnover threshold of NGN 25 million through the Federal Ministry of Finance, Budget, and National Planning (FMFBNP). Additionally, the project team supported the Government in adopting a business continuity plan to provide services to citizens, taxpayers, and importers on an online platform. This platform includes e-filing, e-payment of taxes and duties, operationalizing of an e-platform for VAT and an electronic submission system for bills of lading¹ through the Federal Inland Revenue Service and the Nigeria Customs Service. Those reforms are a critical step in the digitalization of tax processes in Nigeria and the facilitation of public services for taxpayers.

In the most significant reform in the last twenty years, the Government, with the support of the GTP project team, issued a Circular on April 30, 2020, mandating the publication of annual tax expenditures statements as part of the preparation of the annual Medium-Term Expenditure Framework and Fiscal Strategy Paper, as well as the annual Federal Budget. A direct result of the GTP's advisory role, the Circular is in line with the Economic Recovery and Growth Plan (ERGP) and its goal of stabilizing the macroeconomic environment of Nigeria and more efficiently managing public finances. The Federal Inland Revenue Service (FIRS) has also issued a VAT Circular in April 2020, aimed at implementing VAT taxation of digital services, a recommendation from the project team's February 2020 mission. The project team continues to work with the FIRS on tax administration issues including improvement of VAT compliance. The GTP team also hosted a virtual mission in early June with the objectives of developing methodologies and beginning the process of compiling data to prepare a tax expenditure statement (as indicated in the Circular) and developing a VAT compliance enhancement strategy.

Moving forward, the WB team will continue working on and finalizing the Tax Expenditures Statement for its publication by December 2020. The team will support much-needed policy reforms in VAT and CIT, working with the Fiscal Policy Reforms Committee to be introduced in the Finance Bill 2020, which will be drafted and produced by December 2020. Finally, the team will conduct VAT gap modeling training of FIRS and MoF officials and conduct VAT compliance capacity building with FIRS.

¹ A bill of lading is a required document to move a freight shipment, working as a receipt and contract between a freight carrier and shipper (freightquote.com/how-to-ship-freight).

Window 3: Actionable Research and Data, Knowledge & Learning

This Window's Budget represents 6% of the GTP total funding allocations to date.

As of FY20-end, three activities are under implementation in this Window and key results achieved include the completion of the standardized program to extract statistics from tax data. With this data, a report with initial cross-country comparisons was drafted by the Data and Research project and the Tax Analysis module was launched by the Revenue Academy project. This module was shared with interested World Bank teams and has been used extensively to conduct macro assessments of the tax system in Egypt, India, Kenya, Namibia and Turkey.

Table 8: Key aggregated results under Window 3

Standard Indicators	Projects	Project target FY20	Project results FY20	Results details FY 20	Cumulated targets FY 20	Cumulated results FY 20	Inception to date targets	Inception to date results	Total targets	Total results
C.1.1 Number of KM documents prepared	3.1 Innovations in Tax Compliance	2	2	1. Innovations in Tax Compliance: Conceptual Framework published. 2. Note on innovations in tax compliance focused on COVID19.						
	3.2 Data & Research	3	3	1. Templates for revenue data sharing 2. Methodology paper on meta-level statistic 3. 'The Impact of COVID-19 on Formal Firms: An Application Using Micro Tax Data Across Countries'	5	5	5	5	11	5
C.2.1 Number of documents, reports, studies, notes prepared	3.1 Innovations in Tax Compliance	1	1	1. Operational Toolkit 'Applying the Enforcement-Facilitation-Trust Conceptual Framework'	5	2	6	4	6	4
	3.4 Revenue Academy	4	1	1. Vat Gap Model developed.						

Box 5: Innovations in Tax Compliance (ID: P161196): Building Trust in the Tax System

To enhance revenue collection, tax reforms usually focus on one of two interventions: increasing the cost of non-compliance through strengthened enforcement or facilitating compliance by lowered costs. Strategies to increase tax compliance involve improvements in enforcement, namely sanctions for citizens and corporations that avoid paying their full legal obligations. These strategies also require reforms that streamline the process for taxpayers to find out what they owe and make payments accordingly. Despite significant investments in both intervention strategies, however, voluntary compliance remains low in many countries.

The World Bank Group's Innovations in Tax Compliance (ITC) team has identified that this lack of voluntary compliance is, in part, because of a lack of trust in the system. Without a "credible fiscal contract" between citizens and the government, taxpayers remain hesitant to pay what they owe. The project's aims to increase tax compliance in low and middle-income countries through a holistic approach to tax reform, one that perceives trust as a core tenement of tax policy.

The project rests on three pillars: enforcement, facilitation and trust, or the integrated Enforcement, Trust and Facilitation (EFT) framework. The TA was designed to encourage countries to make investments across these three pillars to not only boost trust and subsequent compliance, but also, build state capacity and create the necessary strengthened fiscal contracts between citizens and governments for sustainable compliance.

In the last fiscal year, the WB's ITC program has yielded quantifiable and meaningful results: the team finalized the Traders' Perception Baseline Report after a long-term engagement with Pakistan Customs and published the "Innovations in Tax Compliance: Conceptual Framework", together with the support of the Bill and Melinda Gates Foundation and the International Center for Taxation and Development. The team also finalized the operational toolkit, "Applying the Enforcement-Facilitation-Trust Conceptual Framework", and published a note on how the Innovations in Tax Compliance approach can contribute to managing compliance across the three phases in response to COVID-19. At present, the pilot of the ITC-informed survey in Georgia, in addition to the four pilots planned before the crisis in Malawi, Bangladesh, and Tajikistan and Uzbekistan, are shifting focus to compliance problems specific to the respective tax administration in the aftermath of the COVID-19 crisis, once resumed.

To further disseminate knowledge products and shape more effective taxation policy, the team developed the Innovations in Tax Compliance webpage on the WB website and posted four thematically relevant blogs about the EFT framework and analyzing local drivers of trust. Furthermore, the team led the BBL, "Building Trust in the Tax System: A New Approach" and participated in the virtual TICTeC 2020 Conference "Civic tech, tax and trust", the joint eMBED-ITC seminar, and the OECD Conference on "The Role of Tax Morale in Development"¹. The team also drafted a targeted study on building trust through tax transparency from the civil society organization perspective.

In the medium and long-term, the project team's outputs, including country engagements, framework and toolkit development and research agenda-setting, are leading to the production of a Guidance Report, which will operationalize the framework and guide the development of an ambitious tax research agenda. Country pilots², in which teams are conducting in-depth fieldwork assessing motivations for compliance and non-compliance with a specific focus on dimensions of trust, will be resumed once the situation allows. The team has finished drafts of four Deep Dive chapters on High Net Worth Individuals, SMEs, Corporate taxation and Individual taxation and initiated the fifth Deep Dive chapter on Sub-national taxation as well as a paper on the cross-cutting role of technology, for dissemination in the next six months.

In these efforts, the team is closely collaborating with the International Center for Tax and Development, the Bill & Melinda Gates Foundation, and the OECD.

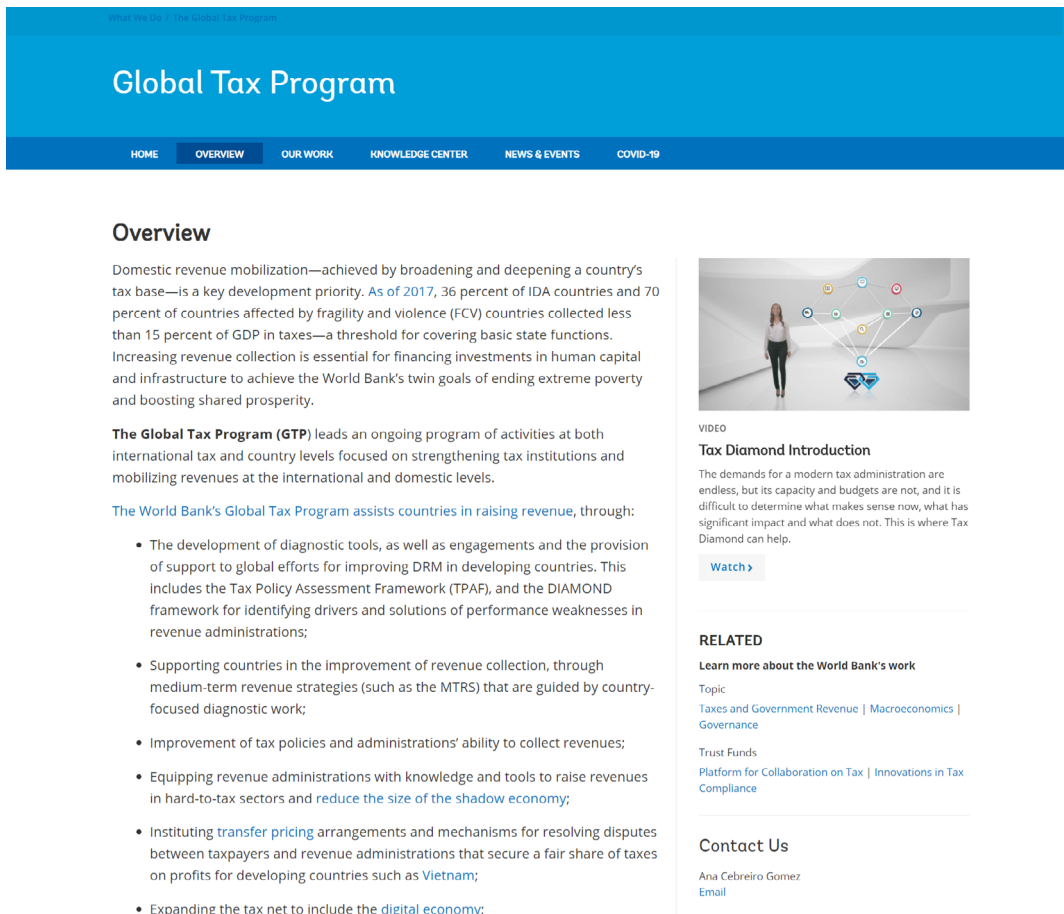
¹ Additional meetings and conferences include the Global Tax Program Steering Committee Meeting, The Changing Politics of Tax Reform: Innovations in Tax Compliance and DIAMOND Assessments conference;

² Pilots in CAR, Malawi, Bangladesh, and Uzbekistan will be resumed once the situation allows; the pilot survey work in Georgia will be resuming remotely in July and the pilot work in Kaduna State, Nigeria, is completed.

Window 4: Program Management

During this reporting period, the GTP Secretariat has been focused on the development of the Program website as a means of communicating progress, centralizing the work for increased accessibility and knowledge sharing, and identifying complementarities with partners for enhanced cooperation. This website will be of public access and it is expected to be launched in FY21Q1.

The website is a critical element of the GTP’s Communication and Visibility Plan (CVP) as it promotes the exchange of information. The medium of a website allows the GTP to communicate the importance of innovative and evidence-based DRM interventions in the achievement of the Sustainable Development Goals (SDGs) to a wider audience. It also enables the Program to expand the global dialogue on taxation and foster dialogue with development partners.



What We Do / The Global Tax Program

Global Tax Program

HOME OVERVIEW OUR WORK KNOWLEDGE CENTER NEWS & EVENTS COVID-19

Overview

Domestic revenue mobilization—achieved by broadening and deepening a country’s tax base—is a key development priority. As of 2017, 36 percent of IDA countries and 70 percent of countries affected by fragility and violence (FCV) countries collected less than 15 percent of GDP in taxes—a threshold for covering basic state functions. Increasing revenue collection is essential for financing investments in human capital and infrastructure to achieve the World Bank’s twin goals of ending extreme poverty and boosting shared prosperity.

The Global Tax Program (GTP) leads an ongoing program of activities at both international tax and country levels focused on strengthening tax institutions and mobilizing revenues at the international and domestic levels.

The World Bank’s Global Tax Program assists countries in raising revenue, through:

- The development of diagnostic tools, as well as engagements and the provision of support to global efforts for improving DRM in developing countries. This includes the Tax Policy Assessment Framework (TPAF), and the DIAMOND framework for identifying drivers and solutions of performance weaknesses in revenue administrations;
- Supporting countries in the improvement of revenue collection, through medium-term revenue strategies (such as the MTRS) that are guided by country-focused diagnostic work;
- Improvement of tax policies and administrations’ ability to collect revenues;
- Equipping revenue administrations with knowledge and tools to raise revenues in hard-to-tax sectors and [reduce the size of the shadow economy](#);
- Instituting [transfer pricing](#) arrangements and mechanisms for resolving disputes between taxpayers and revenue administrations that secure a fair share of taxes on profits for developing countries such as [Vietnam](#);
- Expanding the tax net to include the [digital economy](#);

VIDEO

Tax Diamond Introduction

The demands for a modern tax administration are endless, but its capacity and budgets are not, and it is difficult to determine what makes sense now, what has significant impact and what does not. This is where Tax Diamond can help.

[Watch >](#)

RELATED

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Trust Funds

[Platform for Collaboration on Tax](#) | [Innovations in Tax Compliance](#)

Contact Us

Ana Cebreiro Gomez
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Figure 9: Screenshot of GTP Website – Overview tab

The GTP’s website outlines the Program’s progress in the “Overview” tab; shares lessons learned through reports and publications in the “Our Work” tab; expands the global dialogue on DRM through blogs and multimedia in the “Featured” tab; and enhances knowledge through toolkits, e-learning platforms and the collaborative work of development partners in the “Knowledge Center” tab. The website serves as a central catalogue for previously published reports, blogs, tools and multimedia as well as a medium for releasing updated and cutting-edge new materials, featured in the “News and Events” tab. The site also features a “COVID-19” pillar, consistent with WB practice, to keep partners, donors and beneficiaries abreast of any developments related to the pandemic as it pertains to the Program.

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Global Tax Program

HOME OVERVIEW OUR WORK **KNOWLEDGE CENTER** NEWS & EVENTS COVID-19

Publications & Knowledge

Reports & Working Papers

- Malaysia's Digital Economy: A New Driver of Development
- Thinking Strategically about Revenue Administration Reform: The Creation of Integrated, Autonomous Revenue Bodies
- Taxation and the Sustainable Development Goals Conference Report
- Low Tax Jurisdictions and Preferential Regimes: Policy Gaps in Developing Economies
- The Cost and Benefits of Tax Treaties with Investment Hubs: Findings from Sub-Saharan Africa
- Mobilizing Tax Resources to Boost Growth and Prosperity in Sub-Saharan Africa
- Taxation and the Shadow Economy: how the tax system can stimulate and enforce the formalization of business activities

Blogs

- Pushing for tax fairness in a digital world | November 2019
- Taxing the shadow economy | January 2019
- How to create a system for taxation in the digital age | October 2018
- Game-changers and whistle-blowers: taxing wealth | February 2018

Tools

PODCAST

The TADAT Podcast explores the impact of TADAT by drawing on stories of past assessments, trainings, and other outreach activities.

[Listen >](#)

VIDEO

Taxation and the Sustainable Development Goals

Achieving the Sustainable Development Goals requires massive investment in physical and human capital.

Figure 10: Screenshot of GTP Website – Knowledge Center tab

In alignment with the recommended targets for WBG web content, communications reach success will be monitored using the following indicators: traffic, exit rate and page views. Traffic will be measured annually with a reach target between 1,000 and 5,000 visits. The maximum exit rate, or the number of visitors who exit the site without engagement, is expected to be between 70% and 35%. Finally, the percentage of page views with less than 1 minute spent should range between 70% and 55%. This quantitative data will enable deeper understanding of what constitutes engaging content and will allow the Secretariat team to analyse the performance of the website.

Table 9: Communications performance indicators

Website / Page Type or Template	Traffic (visits to page -measured annually)		Exit Rate (% of visitors that exit the site's home and listing pages without clicking on any links; measured annually)		% Page views with time on page less than 1 minute (on content pages; measured annually)	
	Minimum	Good performance	Maximum	Good performance	Maximum	Good performance
Program Page	1,000+	5,000+	70%	35%	70%	55%

Overall, the GTP website has been developed to facilitate knowledge sharing and allow the Program to communicate strategic priorities, enhance the understanding of the approaches used and offer beneficial insights to a broader audience for greater awareness of the impact of DRM interventions on development outcomes.

VII. Annexes

Annex A: Updated GTP Workplan

in USD '000	Project ID	Child TF	TTL	Status	Total MDTF Budget	Total SECO Budget	Total NTH Budget
Window 1: Global Tax Activities							
Assessment Frameworks							
1.1 TPAF Development	P163971	TF0A9217	S. James	●	350	0	0
1.2 DIAMOND	P166147	TF0A8322	R. Junquera	●	880	0	0
Knowledge Base on Intl Tax Issues							
1.3 Toolkits & Research on Intl Tax	P169976	TF0A9455	J. Loeprick	●	575	0	0
1.4 Digital VAT Guidelines	P172968	TF0B1578	D. Alvarez	●	600	0	0
1.5 Tax Incentives Reform	P174543	TF0B3098	S.James	●	450	0	0
1.6 Carbon Pricing Assessment Tool	pending	pending	D. Heine	●	500	0	0
Sub-Total					3355	0	0
Window 2: Country Level Activities							
2.01 TPAF Implementation	P163971	pending	S. James	●	380	0	0
2.02 TADAT Implementation	P169803	TF0A9157	D. Alvarez	●	550	0	0
2.03 MTRS Pilots	P166493	TF0A7739	M. Verhoeven	●	428	0	0
2.04 International Tax Program	P166606	TF0A6516/ TF0A9396	J. Loeprick/ A.Cebreiro	●	6800	0	0
2.05 Tax Reform in Uzbekistan	P168210	TF0A8528	R. Junquera	●	3200	0	0
2.06 Innovations in Tax Compliance	P161196	TF0B0124	A. Custers	●	450	0	0
2.07 Property Taxes	P169109	TF0A8995	R. Awasthi	●	1970	0	0
2.08 EAC Tax Evasion	P170712	TF0B2235	Y. Quiros	●	1526	0	0
2.09 SOEs in Tanzania	P164792	TF0A9561	G. Raballand	●	149	0	0
2.10 Somalia Customs	P172650	TF0B1416	S. Shah	●	2000	0	0
2.11 Niger Customs	P172636	TF0B1548	S. Diop	●	1800	0	0
2.12 Afghanistan Customs	P173604	TF0B2347	A. Custers	●	950	0	0
2.13 Tajikistan	P173237	TF0B2202	R. Junquera	●	2500	0	0
2.14 NRA Tax Evasion	P173289	TF0B1941	Y. Quiros/ A. Cebreiro	●	2000	0	0
2.15 Nigeria Tax and Customs	P173409	TF0B2031	R. Awasthi	●	2848	0	0
2.16 Kosovo Tax Registration	P173730	TF0B2447	J. Fallov	●	600	0	0
2.17 Tax Incentives Reform	P174543	TF0B3076	S. James	●	950	0	0
2.18 Carbon Pricing Assessment Tool	pending	pending	D. Heine	●	400	0	0
2.19 Central African Republic	pending	pending	E.H. Dialigue	●	1750	0	0
SDTF SECO							
2.20 Tax Reform in Azerbaijan	P166912	TF0A7239	R. Junquera	●	0	2100	0
2.21 Vietnam Tax Reform	P166917	TF0A6919	V. Nguyen	●	0	1075	0
2.22 State Tax Service Kyrgyz Republic	P167921	TF0A8081	N. Biletska	●	0	2000	0
2.23 Peru International Tax	P160517	TF0A7238	A. Cebreiro	●	0	600	0
SDTF NTH							
2.24 WAEMU countries TADAT	P169803	TF0B0758	S. Diop	●	0	0	600
2.25 Sierra Leone and Liberia	P171983	TF0B1142	O. Balabushko	●	0	0	375
2.26 Senegal MTRS Tax and Customs	P173565	TF0B2186	J. Loeprick	●	0	0	895
2.27 Chad Tax and Customs	P174411	TF0B3122	S. Diop	●	0	0	1850
2.28 Ethiopia Tax Policy	P174549	TF0B3115	T. Minh Le	●	0	0	1070
Sub-Total					31251	5775	4790
Window 3: Actionable Research, K&L							
3.1 Innovations in Tax Compliance	P161196	TF0A9175	A.Custers	●	615	0	0
3.2 Data & Research	P169704	TF0A9017	A.Custers	●	635	0	0
3.3 Revenue Academy	P166150	TF0B0365	S.James	●	300	0	0
3.4 Ethiopia Gender and Taxation	P174551	TF0B3082	A. Ambel	●	1290	0	0
Sub-Total					2840	0	0
Window 4: Program Management							
4.1 GTP Secretariat	P160093	TF0A5744	A. Cebreiro	●	2380	0	0
	SECO	TF0B0565			0	300	0
	NTH	TF0B0516			0	0	350
	B.Dev MDTF	TF0B0277			100	0	0
	B.Dev NTH	TF0B0515			0	0	50
Sub-Total					2480	300	400
TOTAL in '000					39926	6075	5190

NA: Not Applicable; FCVs in orange ● In implementation ● Pipeline ● Closed

Annex B: GTP Detailed Workplan and FY20 Budget

GTP Portfolio as of June 30, 2020

in USD '000	Project ID	Child TF	TTL	Status	FY18 Expenses	FY19 Expenses	FY20 Budget				FY21 Budget	FY22 Budget	FY23 Budget	
							MDTF	SECO	NTH	Expenses				Burn Rate
Window 1: Global Tax Activities														
Assessment Frameworks														
1.1 TPAF Development	P163971	TF0A9217	S. James	●	0	206	144	0	0	86	60%	0	0	0
1.2 DIAMOND	P166147	TF0A8322	R. Junquera	●	0	310	570	0	0	457	80%	0	0	0
Knowledge Base on Intl Tax Issues														
1.3 Toolkits & Research on Intl Tax	P169976	TF0A9455	J. Loeprick	●	0	148	252	0	0	186	74%	175	0	0
1.4 Digital VAT Guidelines	P172968	TF0B1578	D. Alvarez	●	0	0	200	0	0	26	13%	200	200	0
1.5 Tax Incentives Reform	P174543	TF0B3098	S. James	●	0	0	0	0	0	0	NA	250	100	100
1.6 Carbon Pricing Assessment Tool	pending	pending	D. Heine	●	0	0	0	0	0	0	NA	200	200	100
Sub-Total					0	664	1166	0	0	755	65%	825	500	200
Window 2: Country Level Activities														
2.01 TPAF Implementation	P163971	pending	S. James	●	0	0	180	0	0	0	NA	200	0	0
2.02 TADAT Implementation	P169803	TF0A9157	D. Alvarez	●	0	31	289	0	0	253	88%	150	116	0
2.03 MTRS Pilots	P166493	TF0A7739	M. Verhoeven	●	48	79	101	0	0	142	141%	100	59	0
2.04 International Tax Program	P166606	TF0A6516/ TF0A9396	J. Loeprick/ A. Cebreiro	●	1242	1315	1835	0	0	1148	63%	1290	1805	0
2.05 Tax Reform in Uzbekistan	P168210	TF0A8528	R. Junquera	●	0	751	700	0	0	582	83%	1200	667	0
2.06 Innovations in Tax Compliance	P161196	TF0B0124	A. Custers	●	0	50	200	0	0	27	14%	200	173	0
2.07 Property Taxes	P169109	TF0A8995	R. Awasthi	●	0	73	717	0	0	302	42%	640	955	0
2.08 EAC Tax Evasion	P170712	TF0B2235	Y. Quiros	●	0	0	572	0	0	167	29%	620	739	0
2.09 SOEs in Tanzania	P164792	TF0A9561	G. Raballand	●	0	34	166	0	0	115	69%	0	0	0
2.10 Somalia Customs	P172650	TF0B1416	S. Shah	●	0	0	300	0	0	265	88%	750	985	0
2.11 Niger Customs	P172636	TF0B1548	S. Diop	●	0	0	800	0	0	6	1%	800	994	0
2.12 Afghanistan Customs	P173604	TF0B2347	A. Custers	●	0	0	310	0	0	329	106%	300	321	0
2.13 Tajikistan	P173237	TF0B2202	R. Junquera	●	0	0	455	0	0	220	48%	1185	1095	0
2.14 NRA Tax Evasion	P173289	TF0B1941	Y. Quiros/ A. Cebreiro	●	0	0	300	0	0	68	23%	900	1032	0
2.15 Nigeria Tax and Customs	P173409	TF0B2031	R. Awasthi	●	0	0	342	0	0	238	70%	1370	1240	0
2.16 Kosovo Tax Registration	P173730	TF0B2447	J. Fallov	●	0	0	63	0	0	24	38%	273	303	0
2.17 Tax Incentives Reform	P174543	TF0B3076	S. James	●	0	0	0	0	0	0	NA	350	300	300
2.18 Carbon Pricing Assessment Tool	pending	pending	D. Heine	●	0	0	0	0	0	0	NA	100	100	200
2.19 Central African Republic	pending	pending	E.H. Dialigue	●	0	0	0	0	0	0	NA	690	690	370
SDTF SECO														
2.20 Tax Reform in Azerbaijan	P166912	TF0A7239	R. Junquera	●	22	246	0	232	0	243	105%	839	750	0
2.21 Vietnam Tax Reform	P166917	TF0A6919	V. Nguyen	●	7	85	0	544	0	270	50%	439	274	0
2.22 State Tax Service Kyrgyz Republic	P167921	TF0A8081	N. Biletska	●	0	122	0	728	0	319	44%	819	740	0
2.23 Peru International Tax	P160517	TF0A7238	A. Cebreiro	●	20.6	146	0	233.4	0	22	9%	211.4	200	0
SDTF NTH														
2.24 WAEMU countries TADAT	P169803	TF0B0758	S. Diop	●	0	0	0	0	400	162	41%	200	238	0
2.25 Sierra Leone and Liberia	P171983	TF0B1142	O. Balabushko	●	0	0	0	0	225	106	47%	150	119	0
2.26 Senegal MTRS Tax and Customs	P173565	TF0B2186	J. Loeprick	●	0	0	0	0	280	130	46%	425	340	0
2.27 Chad Tax and Customs	P174411	TF0B3122	S. Diop	●	0	0	0	0	0	0	NA	800	1050	0
2.28 Ethiopia Tax Policy	P174549	TF0B3115	T. Minh Le	●	0	0	0	0	0	0	NA	545	525	0
Sub-Total					1339.6	2932	7330	1737	905	5138	52%	15546.4	15810	870
Window 3: Actionable Research, K&L														
3.1 Innovations in Tax Compliance	P161196	TF0A9175	A. Custers	●	0	143	472	0	0	226	48%	246	0	0
3.2 Data & Research	P169704	TF0A9017	A. Custers	●	0	90	350	0	0	335	96%	210	0	0
3.3 Revenue Academy	P166150	TF0B0365	S. James	●	0	0	200	0	0	209	105%	91	0	0
3.4 Ethiopia Gender and Taxation	P174551	TF0B3082	A. Ambel	●	0	0	0	0	0	0	NA	515	455	320
Sub-Total					0	233	1022	0	0	770	75%	1062	455	320
Window 4: Program Management														
4.1 GTP Secretariat	P160093	TF0A5744	A. Cebreiro	●	457	457	490	0	0	484	99%	490	492	0
		SECO	TF0B0565		0	0	0	100	0	92	92%	108	100	0
		NTH	TF0B0516		0	0	0	0	60	58	97%	150	142	0
		B.Dev MTDf	TF0B0277		0	51	20	0	0	17	85%	32	0	0
		B.Dev NTH	TF0B0515		0	0	0	0	30	29	97%	21	0	0
Sub-Total					457	508	510	100	90	680	97%	801	734	0
TOTAL in '000					1797	4337	10028	1837	995	7343	57%	18234	17499	1390

NA: Not Applicable; FCVs in orange ● In implementation ● Pipeline ● Closed

Annex C: Total PCT Budget**Indicative PCT Budget FY21 - FY24 (in \$'000)**

Description	FY21	FY22	FY23	FY24	Total
Staff Costs	794	809	823	894	3,320
Toolkits/Translation	81	0	0	0	81
Tax and SDGs	244	207	210	107	768
Web/OIP maintenance	46	47	47	48	188
Workshops	407	414	421	428	1,669
P&M Activities	25	26	26	27	104
Travel costs	0	28	29	29	86
Total costs	1,598	1,530	1,556	1,533	6,216

Note: Remaining PCT contributions under the GTP Umbrella amount to USD486,415.83.
All of these funds will be spent in FY21.

Annex D: GTP Aggregated Logical Framework

Aggregated Logical Framework - Global Tax Program

WINDOW 1: Global tax activities and global public goods											
Standard Indicators	Projects	Project target FY20	Project results FY20	Results details FY 20	Cumulated targets FY 20	Cumulated results FY 20	Inception to date targets	Inception to date results	Total targets	Total results	
A.1	Number of new modules developed	1.1 TPAF Development	3	1	1. Excise Module	10	10	14	13	16	13
		1.2 TAX DIAMOND	3	7	1. ICT infrastructure needs assessment, 2. Tax automation assessment, 3. Customs automation assessment, 4. Information security assessment, 5. Tax Litigation assessment, 6. Property Tax assessment, 7. Tax Evasion assessment						
		1.3 Toolkits & Research	3	2	1. TP Documentation Requirements toolkit, 2. E-learning course on TP Electronic Tool						
		1.4 Digital VAT Guidelines	1	0							
A.2	Number of documents, reports, studies, notes prepared	1.3 Toolkits & Research	4	1	1. Discussion paper on the Paper on future of int. taxation and digital economy	4	1	6	4	6	4
WINDOW 2: Country level activities											
Standard Indicators	Projects	Project target FY20	Project results FY20	Results details FY 20	Cumulated targets FY 20	Cumulated results FY 20	Inception to date targets	Inception to date results	Total targets	Total results	
B.1	Number of reform recommendations (laws/regulations) endorsed	2.04 International Tax Program	11	8	Benin (2), Costa Rica (1), Cabo Verde (1), Eswatini (1), Indonesia (1), Georgia (1) and Thailand (1)	19	14	34	33	81	33
		2.05 Tax Reform in Uzbekistan	0	1	1. Tax code approved by Parliament in December 2019						
		2.13 Tajikistan	0	1	1. Reform recommendations to the Tax code endorsed						
		2.15 Nigeria Tax and Customs	0	2	1. Regulations mandating Annual Tax Expenditure Statements and 2. Introducing VAT taxation of international digital services						
		2.20 Tax Reform in Azerbaijan	2	0	1. A revised decree on interest deductibility rules was issued on June 24, 2020,						
		2.21 Vietnam Tax Reform	1	1	1. April 2020, GF published Peer Review Report on the Exchange of Information on Request (EoIR) in Peru						
B.1.1	Number of reform recommendations (laws/regulations) proposed	2.04 International Tax Program	19	22	Benin (2), Eswatini (3), Cabo Verde (4), Madagascar (1), Ecuador (1), Panama (1), Thailand (2), Cambodia (1), Myanmar (1), Fiji (1), Georgia (1), Moldova (1), Indonesia (1), Seychelles (2)	35	31	71	84	128	84
		2.05 Tax Reform in Uzbekistan	2	1	1. Recommendations to the tax code and regulations focused on VAT						
		2.13 Tajikistan	1	1	1. Team supported the drafting of the tax code						
		2.15 Nigeria Tax and Customs	0	2	1. Recommendations on VAT taxation of international digital services and 2. Tax expenditure						
		2.20 Tax Reform in Azerbaijan	2	1	1. The project team has reviewed and provided detailed comments on the new customs code.						
		2.21 Vietnam Tax Reform	3	1	1. Reform recommendations on registration, filing, payment, and enforcement						
		2.23 Peru Internation Tax	7	1	1. Assistance on establishing beneficial ownership for companies and other legal persons to comply with the EoIR standard						
		2.25 Sierra Leone & Liberia Tax	1	2	1. Liberia: policy note on international taxation. 2. Sierra Leone: Recommendations to improve the draft regulation on transfer pricing						

Standard Indicators	Projects	Project target FY20	Project results FY20	Results details FY 20	Cumulated targets FY 20	Cumulated results FY 20	Inception to date targets	Inception to date results	Total targets	Total results
B.2	2.04 International Tax Program	3	1	Fiji (1)	4	11	4	12	67	12
	2.05 Tax Reform in Uzbekistan	0	3	1. New risk management process endorsed by STC 2. Business intelligence (BI) tool designed and endorsed 3. New VAT refund mechanism approved						
	2.9 SOEs in Tanzania	1	1	1. Broadened scope of annual TR statement by incorporating more financial performance aspects						
	2.16 Kosovo Tax Registration	0	1	1. Establishment of the data sharing forum						
	2.22 STS Kyrgyz Republic	0	5	1-3. Redesign of business processes to transform existing paper-based issuance of tax certificates into e-services, endorsement of recommendations to improve, 4. Reregistration of taxpayers, deregistration due to liquidation and 5. Enhancing response capacity of the STS Call Center.						
B.2.1	2.04 International Tax Program	4	1	Fiji (1)	26	21	38	38	93	38
	2.05 Tax Reform in Uzbekistan	7	5	1&2. Supported the development of a fast and long track VAT refund mechanism and a risk management audit framework, 3. Design of a business intelligence tool, 4. KPI Dashboard, 5. Short-to-long term actions and recommendations aimed at strengthening customs performance						
	2.09 SOEs in Tanzania	1	1	1. Tailored recommendations to the Tanzania context						
	2.12 Afghanistan Customs	1	2	1. Operational Review of export, import and transit processes finalized and 2. Recommendations for the next steps in the process of designing, developing and implementing the ANSW.						
	2.16 Kosovo Tax Registration	1	1	1. Drafting of governance documents such as the ToR and work plan						
	2.20 Tax Reform in Azerbaijan	6	0	1-4. Recommendations for improvements in the area of taxpayer communication and education and taxpayer services.						
	2.22 STS Kyrgyz Republic	3	10	5. Recommendations to improve the VAT refund processing. 6-10. Recommendations for improvement of STS' existing taxpayer services.						
	2.25 Sierra Leone & Liberia Tax	1	0							
2.26 Senegal MTRS Tax	2	1	1. Reform recommendations for improvement of the Customs Department							
WINDOW 3: Actionable research and data, knowledge and learning										
Standard Indicators	Projects	Project target FY20	Project results FY20	Results details FY 20	Cumulated targets FY 20	Cumulated results FY 20	Inception to date targets	Inception to date results	Total targets	Total results
C.1.1	3.1 Innovations in Tax Compliance	2	2	1. Innovations in Tax Compliance: Conceptual Framework published. 2. Note on innovations in tax compliance focused on COVID19.	5	5	5	5	11	5
	3.2 Data & Research	3	3	1. Templates for revenue data sharing 2. Methodology paper on meta-level statistic 3. 'The Impact of COVID-19 on Formal Firms: An Application Using Micro Tax Data Across Countries'						
C.2.1	3.1 Innovations in Tax Compliance	1	1	1. Operational Toolkit 'Applying the Enforcement-Facilitation-Trust Conceptual Framework'	5	2	6	4	6	4
	3.4 Revenue Academy	4	1	1. Vat Gap Model developed.						