



Global Tax Program

FY22 ANNUAL PROGRESS REPORT

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

JULY 2021 – JUNE 2022



THE WORLD BANK
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Acronyms

AfCFTA	African Continental Free Trade Area Agreement
AML	Anti-Money Laundering
ASA	Advisory Services and Analytics
ATAF	African Tax Administration Forum
BEPS	Base Erosion and Profit Sharing
BCM	Business Continuity Measures
CFT	Combating the Financing of Terrorism
CIAT	Inter American Center of Tax Administrations
CPI	Corporate Income Tax
CMU	Country Management Unit
CoP	Community of Practice
CPAT	Carbon Pricing Assessment Tool
CPLC	Carbon Pricing Leadership Coalition
CRATES	Customs Reforms and Trade Enhancement Somalia
CVP	Communications and Visibility Plan
DFID	Department for International Development (UK)
DRM	Domestic Resource Mobilization
EAC	East African Community
ECR	External and Corporate Relations
EOI	Exchange of Information
EOIR	Exchange of Tax Information Requests
ESMAP	Energy Sector Management Assistance Program
FCV	Fragility, Conflict and Violence
FCS	Fragile and Conflict-Affected Situations
FCI	Finance, Competitiveness, and Innovation
FCDO	The Foreign, Commonwealth & Development Office
FfD	International Financing for Development
FIODS	Financial Information and Investigation Services
FIRS	Federal Inland Revenue Service
FPP	Fiscal Policy Pillar
FPU	Fiscal Policy Unit
GDT	General Department of Taxation
GGP	Governance Global Practice
GMT	Global Minimum Tax
GP	Global Practice
GST	Global Sales Tax
GTP	Global Tax Program
IDB	Inter-American Development Bank
IEG	Independent Evaluation Group
IFFs	Illicit Financial Flows
IMF	International Monetary Fund
IPF	Investment Project Financing

IRC	Internal Revenue Commission
ITC	Innovations in Tax Compliance
KM	Knowledge Management
LIMC	Low- and Middle-Income Countries
LTO	Large Taxpayer Office
MAP	Mutual Agreement Procedure
MDTF	Multi-Donor Trust Fund
MOF	Ministry of Finance
MTI	Macroeconomics, Trade, and Investment Global Practice
MTRS	Medium Term Revenue Strategy
NORAD	Norwegian Agency for Development Cooperation
NRA	National Risk Assessment
NSW	National Single Window
OECD	Organization for Economic Co-operation and Development
PforR	Program for Results
PROFR	Prosperity from Revenue program
PCT	Platform for Collaboration on Tax
PIT	Personal Income Tax
PM	Practice Manager
PNG	Papua New Guinea
PFM	Public Financial Management
RF	Result Framework
SC	Steering Committee
SDGs	Sustainable Development Goals
SDTF	Single Donor Trust Funds
SECO	State Secretariat for Economic Affairs, Switzerland
SRGI	Strategic Revenue Growth Initiative
SSAP	Small States in Asia and Pacific
SSBS	Sugar-Sweetened Beverages
STS	State Tax Service
TA	Technical Assistance
TADAT	Tax Administration Diagnostic Assessment
TAXGIP	Tax Administrators' Exchange of Global Innovative Practices
TF	Trust Fund
TFA	Trade Facilitation Agreement
TPD	Tax Policy Department
TPAF	Tax Policy Assessment Framework
VAT	Value-added Tax
WBG	World Bank Group
WCO	World Customs Organization
WHO	World Health Organization

I. Executive Summary

The FY22 Annual Report provides an update on the progress of the activities undertaken by the Global Tax Umbrella Program (GTP Umbrella) during the period of July 2021 – June 2022. The GTP is a main vehicle in WB's support to Domestic Resource Mobilization in developing countries. Since its inception in 2018, the GTP projects amplified their impact by supporting over 50 concessional lending operations and 43 other technical assistances projects. As of the end of FY22, eleven WB approved loans DRM-related, with a cumulative volume above 4 billion have been informed by GTP-funded activities.

The GTP has been generously supported in the past years by nine development partners: Australia, Denmark, France, Japan, Luxembourg, Netherlands, Norway, Switzerland, and the United Kingdom. In 2021, the Bloomberg Philanthropies joined the GTP with a focused support on health taxes. At the close of FY22, the total pledges to the GTP Umbrella were well over \$85 million — US\$ 82 million for the Domestic Revenue Mobilization Pillar, and US\$ 5.6 million for the temporal Fiscal Pillar. Under the DRM Pillar, 85% percent of these resources are channeled to country-level activities.

In this reporting period, the DRM Pillar executed a total of US\$ 10.21 million. By June 30, 2022, the GTP DRM Pillar portfolio included 51 operational grants (including closed activities) in 88 countries, of which 57 percent were directed to countries that are International Development Association (IDA)-eligible and 17 percent to Fragile and Conflict-Affected Situations (FCS). In FY22, project teams provided technical assistance to 65 countries. In addition, during the FY, in response to additional demands from authorities, numerous GTP projects (e.g., Uzbekistan, Ethiopia, Vietnam and Kosovo) have extended their scope, ensuring timely and adequate support to country priorities. This progress report documents in detail the satisfactory portfolio and project level performance

The Uzbekistan Tax Reform Support project's scope (funded by the MTRF) incorporated a new counterpart (Uzbekistan's State Customs Committee) to provide support on Customs Administration as per the Government's request. The Ethiopia Tax Policy Reform Support project (funded by the Netherlands SDTF) expanded its scope by adding a new component. The team has extended the TA to covering the assessment of tax administration upon the request by the MOF; and the team mainstreams the tax policy and tax administration analysis under this project into the upcoming Ethiopia PER revenue chapter.

In FY20, a temporal Fiscal Pillar was created under the GTP Umbrella with the aim to help countries address the economic and fiscal impact of COVID-19 crisis which channels support to 41 projects in 33 different countries and to two regional projects. This temporal pillar will close at end of FY23.

In FY22, two new workstreams on gender equality and taxation and health taxes started implementation.

A Call for Proposal was launched in FY22 which led to inclusion of 17 new projects with total sum budget of UD\$ 8.19 million.

During FY22, an external Mid-Term Evaluation of the GTP DRM Pillar was implemented to assess the program strategy, management, and activities. The evaluation consists of two main parts: a GTP-portfolio-wide assessment and nine case studies. The mid-term evaluation report will be presented and discussed at the October 26, 2022 Steering Committee Meeting.

In FY22, the GTP Steering Committee and the Bank Management approved the extension of the end-disbursement date of the Global Tax Program Umbrella MTRF from June 2024 to June 2028.

II. Introduction

The recent IMF/WBG Annual Meetings was aptly titled Development in Crisis highlighting the fact that today's crises are happening all at once, and their negative repercussions are compounded by climate change.

The war in Ukraine and aftershocks from the COVID-19 pandemic triggered a steep rise in food, fertilizer, and energy prices, and interest rates. Many developing countries are experiencing historically high inflation, and more than half of IDA countries are at high risk of debt distress or already in debt distress, seriously limiting fiscal space available for many developing countries to alleviate the burden on their populations with spending measures.

In all these crises, the poor and vulnerable are the hardest hit. The recently published World Bank's [Poverty and Shared Prosperity Report](#) finds that COVID-19 dealt the biggest setback to global poverty-reduction efforts: it's estimated that about 70 million people were pushed into extreme poverty in 2020, the largest one-year increase since global poverty monitoring began in 1990. This period also dealt the worst blow to progress on education and learning— learning poverty has increased by a third in low- and middle-income countries—which may further worsen poverty in the future.

To respond to these multiple crises, many developing economies need to spend more to protect the poor and vulnerable households, to service their debt, to reverse the learning losses and to invest in climate change mitigation and adaptation.

At the same time, these countries are experiencing slower revenue recovery as their economic growth slows. Global tax revenues in 2020 declined by 12 percent in real terms, a steeper 15 percent decline in low-and middle-income countries.

It is expected that the year ahead will come with its own additional challenges for DRM, especially in terms of reversing some of the temporary measures which may have exacerbated these steep revenue reductions. The recent IMF Fiscal Monitor review of measures recently taken across the world in response to high energy and food prices finds that reducing consumption taxes ranked as number 1 (125 measures); and changes in income taxes measures as number 3 (48 measures). The [recent report](#) by the World Bank's Fiscal Policy and Sustainable Growth Unit explains that broad based reductions in tax rates or tax exemptions are typically difficult to target. While increases in taxes are quickly reflected in higher consumer prices, a reduction in taxes does not lower prices (unless administrative capacity is very high). Moreover, once a tax rate is reduced, political economy constraints make it difficult to reverse, even if the rate reduction is announced as temporary.

In this challenging context, the support to developing countries on DRM is more relevant than ever. The Global Tax Program, one of the key vehicles of the World Bank support in this area. Our projects' support authorities take actions such as:

Broaden the tax base and enhance fairness and equity. Many of the projects funded by the Global Tax Program focus on helping authorities build their capabilities along these lines for instance taxing digital transactions (e.g., Digital VAT Guidelines project), property (e.g., Property Tax project), wealth, and other often undertaxed sources; rationalizing tax expenditures (e.g., Tax Incentives Reform project); and increase overall efficiency and fairness of tax system with tax policy reforms (e.g. Ethiopia Tax Policy, Nigeria Tax and Customs, and Malaysia Tax Policy Reform projects).

Address negative externalities and reduce future costs to economy, environment and society. Several GTP projects support work on environmental (e.g., CPAT, Environmental Taxes projects) and health taxes which are another source to enhance revenue while ensuring healthier environment and societies.

Strengthen capacity in international taxation and introduce tax transparency practices. One of the largest projects in GTP, the International Tax project provides comprehensive support in this area. Other examples of projects providing support on international taxation are Peru International Tax, Vietnam Tax Reform, and Senegal MTRS and Customs. In addition, the National Risk Assessment (NRA) and the East African Community (EAC) Tax Evasion projects help build countries' capacities to fight against illegal tax evasion.

Strengthen and modernize tax and customs administration. This is a strong area of focus for GTP where several project teams support authorities in their efforts to optimize tax collections while minimizing the burden on taxpayers to comply with tax laws with tax administration reforms (e.g., Tax Reform in Uzbekistan, Tajikistan Tax Policy and Administration, State Tax Service Kyrgyz Republic Technical Assistance) and customs administration (e.g., Somalia Customs, Niger Customs, Nigeria Tax and Customs). In addition, through the country pilots, GTP projects such as the Innovations in Tax Compliance and Gender and Taxation identify actions that can be embedded in Bank operational support to improve taxpayer services and to increase voluntary compliance.

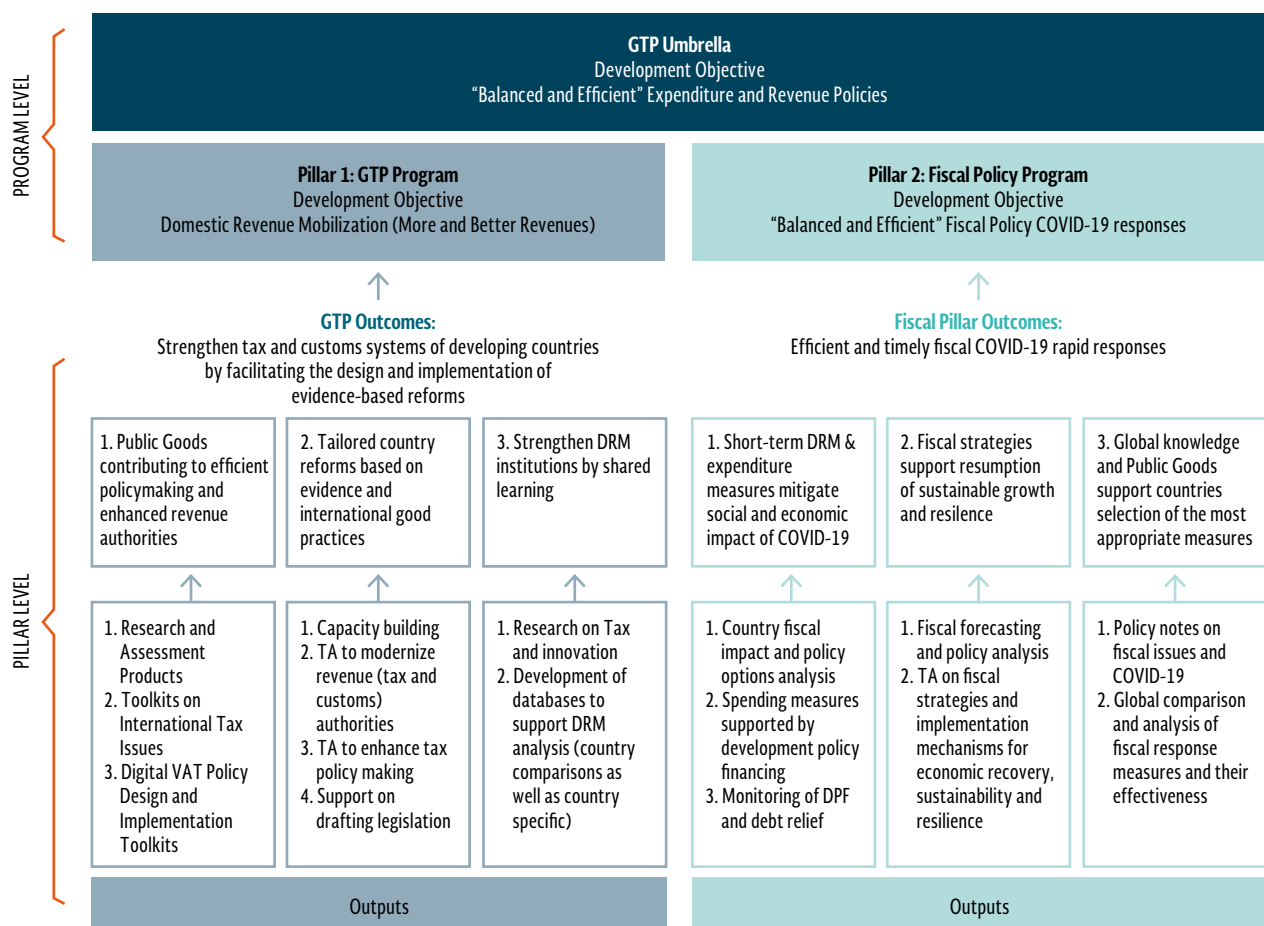
While these are challenging times, the crises also present opportunity for countries to improve their tax systems and enhance the quality of their tax and customs administration. In this Report, we are pleased to present the GTP portfolio and project level progress in FY22, and we look forward to support developing countries' DRM efforts in the year ahead.

III. Global Tax Program Umbrella at a Glance

A. Structure

1. **The FY22 Annual Report aims to report on (1) the progress of the GTP Umbrella at program and project level; and (2) the financial status of the Umbrella Trust Fund.** The GTP projects whose activities are detailed in this Report are financed by the Multi-Donor Trust Fund TF072864 and Single Donor Trust Funds TF072930 and TF073303. This year's report covers fiscal year 2022 (FY22), which spans from July 01, 2021, to June 30, 2022. The Report is submitted to the GTP Steering Committee to be reviewed during its annual meetings scheduled on October 26-27, 2022.
2. **GTP portfolio consists of Bank-executed advisory and analytical services (ASA)¹.** Figure 1 illustrates the scope and logical chain of the key expected results of the two pillars— Domestic Revenue Mobilization Pillar and the temporal Fiscal Pillar—of the GTP Umbrella.

Figure 1. GTP Umbrella Framework



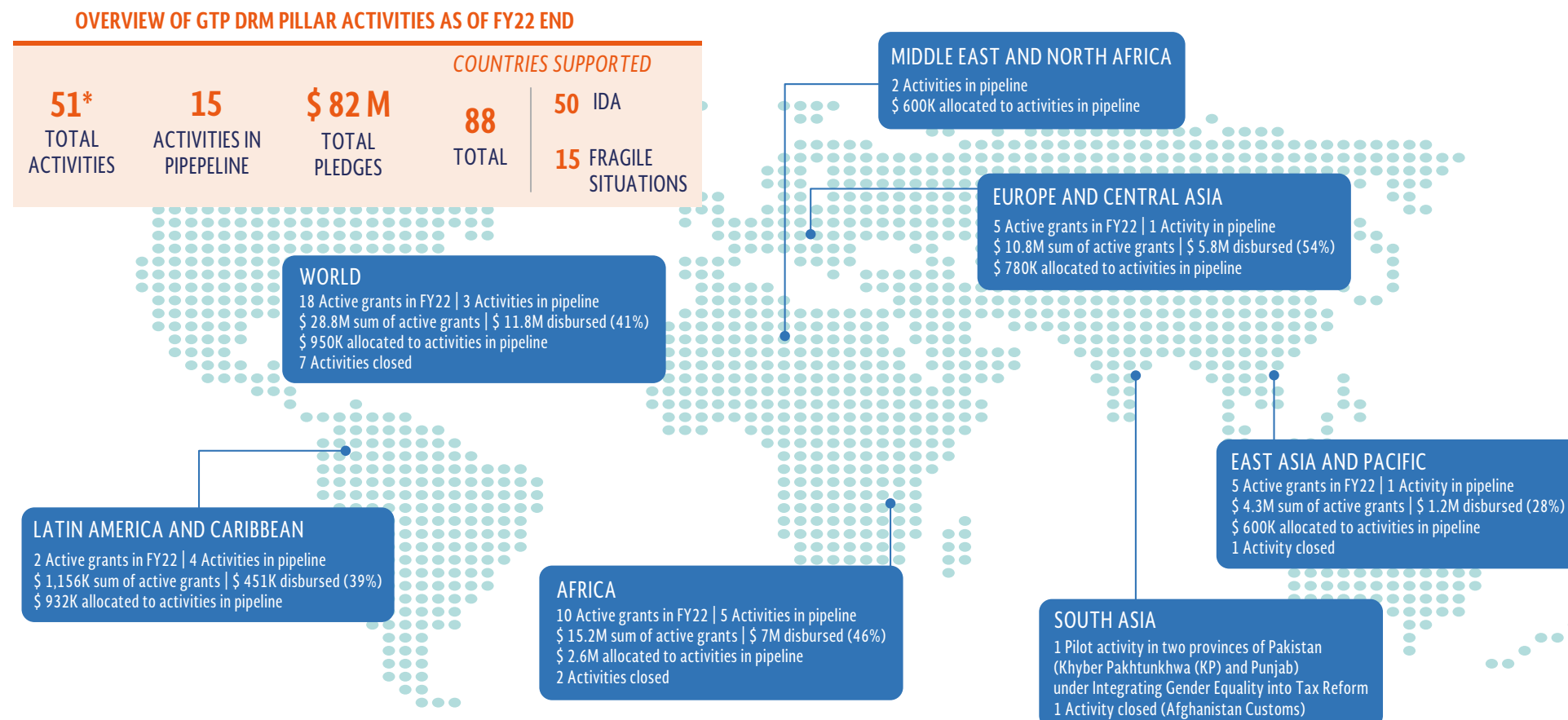
¹ Advisory Services and Analytics (ASA) are non-lending activities that help external clients advance a development objective. The World Bank provides ASA to support design or implementation of better policies, strengthen institutions, build capacity, inform development strategies or operations, and contribute to the global development agenda. ASA outputs include analytical reports, policy notes, hands-on advice, and knowledge-sharing workshops or training programs.

3. **The GTP's original anchor, Domestic Revenue Mobilization (DRM) Pillar, provides an overarching framework for domestic revenue mobilization support and finances an ongoing program of activities on strengthening tax institutions and mobilizing revenues at international and domestic levels.** Since its inception in 2018, the GTP DRM pillar has channeled resources to support country reforms in 88 countries, of which 57 percent were in the IDA-eligible category, and 17 percent are in Fragile and Conflict-Affected Situations (FCS). Currently, this pillar is supporting 40 activities in implementation, while 16 are in the pipeline. More than 85 percent of the GTP DRM portfolio is channeled to support country-level activities on a wide range of thematic areas covering tax policy reform, international taxation, environmental/green taxes, modernization and digitalization of the tax and customs system, tax expenditure governance, and tax compliance, among others. As of June 30, 2022, 11 activities have completed their delivery, five successfully completed implementation, and the other six were closed earlier than planned. According to the FY22 portfolio review exercise, the project's performance under the three windows of the DRM Pillar is satisfactory, and most projects are on track to achieve the key results. The GTP-funded activities have helped to inform design, preparation, and implementation of eleven DRM-related operations (most of which were IDA grants or concessional IDA lending), with a cumulative volume of US\$4 billion, thus leveraging multiple-folds of DRM support to countries that need it the most. For an overview of GTP DRM Pillar activities and results achieved to date, please see the infographics at the end of this section.
4. **In response to the COVID-19 pandemic a temporal Fiscal Pillar came into effect in FY21.** This pillar aims to help countries address the economic and fiscal impact of COVID-19 crisis through quickly mobilized advisory services on effective, efficient, and balanced fiscal policy responses, including strengthened accountability and monitoring. The Fiscal Pillar is supporting 41 projects which includes projects in 33 different countries and two regional projects (i.e., CEMAC and in South America). Activities are implemented in 16 IBRD, 13 IDA/FCV, and four blend countries – the majority in the AFR and EAP regions. The majority of projects are progressing well with an overall burn rate of 62 percent. As of June 30, 2022, 14 projects have completed their activities and the pillar is scheduled to close by June 30, 2023. Even though several countries have recovered from COVID-19, TA is providing useful support for producing a roadmap that will inform identification of medium-to-long terms structural reforms, and also strengthening the dialogue with the Governments on the distributional and economic implications of fiscal measures adopted in the COVID-19 context. Projects under the Fiscal Pillar support governments across the full spectrum of emergency responses, from the initial fiscal assessment of the COVID-19 crisis to developing short-term fiscal responses and designing longer-term recovery and consolidation strategies.
5. **A few months into the FY22, a designated work stream on gender equality and taxation was initiated with the FCDO's support. A year later, the project achieved significant progress with a substantive country pilot and several operationally relevant research projects.** During the first year of implementation, the Gender and Tax project made significant inroads by integrating into relevant Bank operations. Thus far, project team supported nine country engagements.
6. **During FY22, a new window focusing on Health Taxes was initiated with the support of the Bloomberg Philanthropies and Norway.** The main objective of the window is to support country authorities—the Ministries of Finance, Tax and Customs Authorities, and Ministries of Health in LMICs—in introducing/increasing and/or reforming excise taxes on tobacco, alcohol, and sugar-sweetened beverages (SSBs) with robust analysis and technical assistance. During the reporting period, 11 countries across five different regions benefitted from advice or technical review to reform excise taxes on tobacco, alcohol, and SSBs. This includes support to develop tools, models, or forecasts, direct support to developing WB's core diagnostics, capacity development on health taxes, and support to policy and tax dialogue at the country level.

Infographic 1: Overview of GTP DRM Pillar Activities as of FY22-end

The Global Tax Program (GTP) serves as a key vehicle to delivering the Bank's domestic revenue mobilization (DRM) Approach. This approach is centered around supporting countries' efforts in raising more and better revenues to achieve the SDGs by (i) promoting fairness, equity, and inclusive growth, and (ii) ensuring a stable, predictable, and sustainable fiscal environment.

The GTP DRM Pillar supports advisory services and technical assistance focused on strengthening tax institutions and mobilizing revenues fairly and efficiently at the international and domestic levels. By June 30, 2022, the GTP DRM Pillar portfolio included 51 operational grants in 88 countries, of which 57 percent are International Development Association (IDA)-eligible and 17 percent are in Fragile and Conflict-Affected Situations (FCS).



* Cumulated number of grants since the program's inception in 2018. Total grants include 41 active grants in FY22 (including Health Taxes and Gender and Taxation workstreams), and seven grants closed as of December 31, 2021 and four activities that closed by the end of FY22 (June 30, 2022).

Infographic 2: GTP DRM Pillar Results and Achievements at a Glance 2018-2022

Since its inception, the GTP DRM Pillar has proposed a total of 224 tax-related reform recommendations (laws or regulations) and several recommendations for tax reform and improving processes and practices to country governments in more than 45 countries. Cumulative results indicate that tax reforms (laws/regulations) have been endorsed by 29 countries, while fully implemented by 27. Additionally, nearly 20 countries have improved existing processes or introduced new best practices to strengthen the tax and customs administrations.

OUTPUTS

Public Goods contributing to efficient policy making and enhance revenue authorities	Diagnostic assessment products and strategic plans completed	Support with the drafting of legislation (new or existing legislation)	Support to improve procedures & practices by proposing new methodologies, business processes re-engineered, IT solutions, etc.	Support and guidance to countries on environmental tax reforms	Training to improve tax and customs authorities' capacities
<ul style="list-style-type: none"> • 4 Toolkits on international tax issues • 11 KM publications on international tax issues • 2 Regional VAT Guidelines published • 7 Tools and 16 modules for tax policy formulation • 5 Global databases were developed or enhanced to support DRM analysis • 4 Papers enhance access to knowledge on environmental taxation 	<ul style="list-style-type: none"> • 15 Countries benefited from diagnostic assessments and strategic plans produced • 43 Diagnostic assessment products completed • 3 MTRS developed with WB contribution • 17 Strategic plans developed in 9 countries 	<ul style="list-style-type: none"> • 33 Countries received support with the drafting of legislation to strengthen Int. Tax issues • 13 Countries received support with the drafting of legislation to strengthen domestic tax issues 	<ul style="list-style-type: none"> • 7 Countries received support to improve procedures /practices on TP administrative framework, risk assessment and audit process • 4 Countries received support to improve procedures /practices on information security management and other transparency-related systems proposed • 8 Countries received support to improve business processes, compliance risk management procedures, taxpayer services, ICT and HRM improvements • 4 Countries received support to improve other business processes including HR, ICT and based risk analysis 	<ul style="list-style-type: none"> • 32 Countries received support on environmental tax policy design from WB teams using CPAT • 6 Countries received support with the drafting of CCDRs • 4 Countries successfully piloted the MRIO for climate fiscal policy advisory 	<ul style="list-style-type: none"> • 26 Countries received capacity building on Int. Tax issues • 11 Countries received capacity building on Tax expenditure estimation, tax gap and revenue forecasting • 8 Countries received capacity building on tax data analysis and modeling • 8 Countries received capacity building on Audit, risk assessment, tax evasion, tax compliance, tax crimes, fraud, and corruption • 195 capacity building events conducted since the program's inception

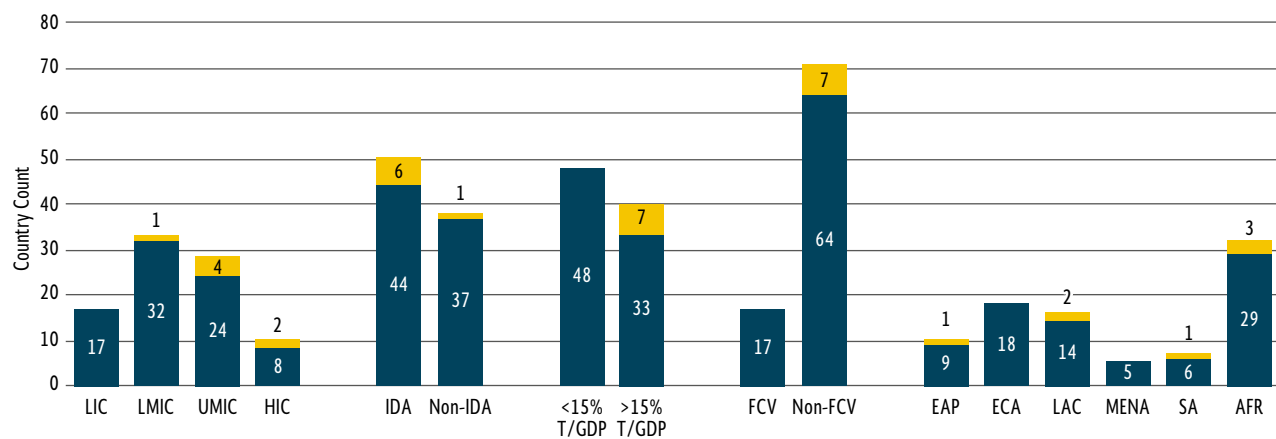
OUTCOMES

Strengthened international tax policies	Tax reform adopted towards simplification and modernization of the tax system	Action plans to reform tax systems/ modernize tax administration adopted	WB approved loans DRM-related, informed by GTP funded projects	Tax and customs authorities' capacities improved
<ul style="list-style-type: none"> • 22 countries endorsed WB's recommendations • 18 countries implemented changes to laws/regulations • 18 countries adopted new procedures or improved existing processes 	<ul style="list-style-type: none"> • 9 countries implemented changes to laws/regulations • 3 countries approved new tax codes • 8 countries improved procedures/practices (redesign of business processes, enhancing risk management, etc.) 	<ul style="list-style-type: none"> • 3 countries adopted the MTRS (developed with support from the WB team) 	<ul style="list-style-type: none"> • 11 WB concessional lending informed by GTP-funded projects, with a cumulative volume of US\$ 4 billion 	<ul style="list-style-type: none"> • Tax officials improving capacities in 40 countries • Over 1000 tax/customs officials have received training

B. FY22 DRM Pillar Portfolio Overview

7. During FY22, new engagements in 19 countries took place under the DRM pillar; and, project teams supported activities in a total 65 countries. **Figure 2** shows the GTP engagements, since inception in 2018, by country groups (income, IDA-eligible countries, tax-to-GDP ratio below 15 percent; affected by fragility and conflict, and region); **Map 1** illustrates geographic focus of the DRM pillar portfolio and **Map 2** illustrates the DRM portfolio size (in US\$) by country as of FY22-end.

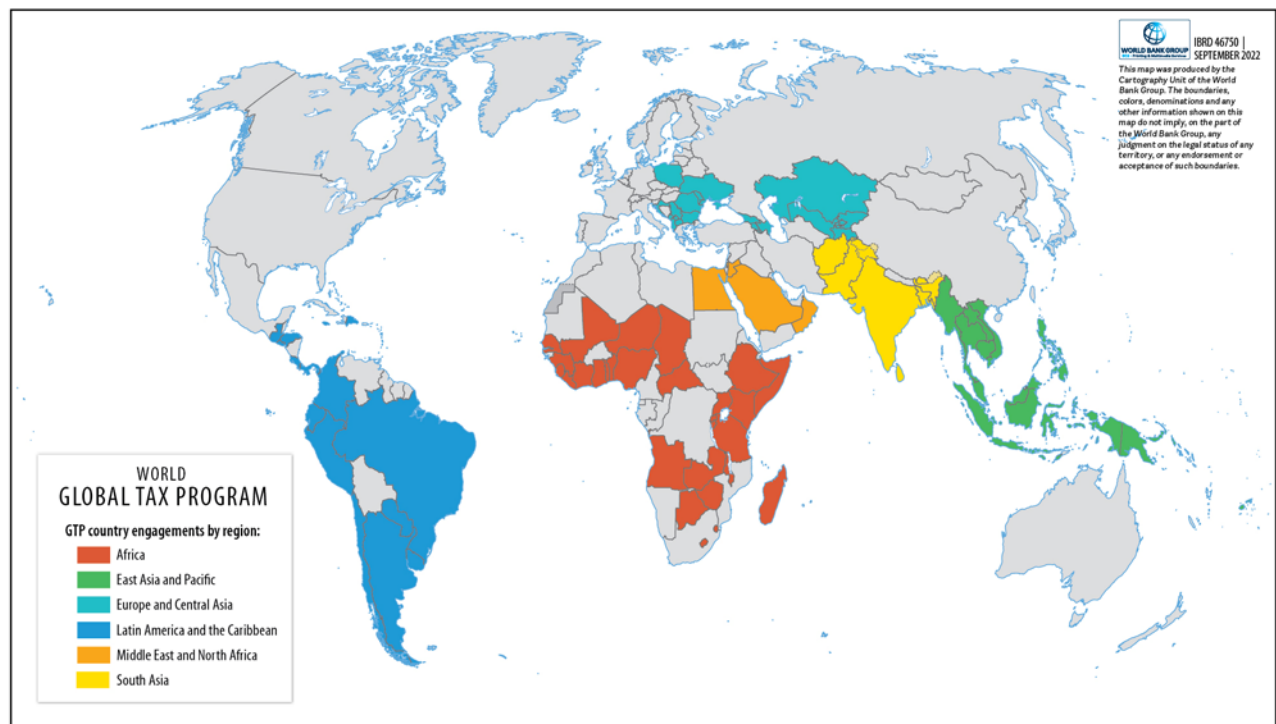
Figure 2. GTP DRM Pillar Engagements by Country Group as of June 30, 2022



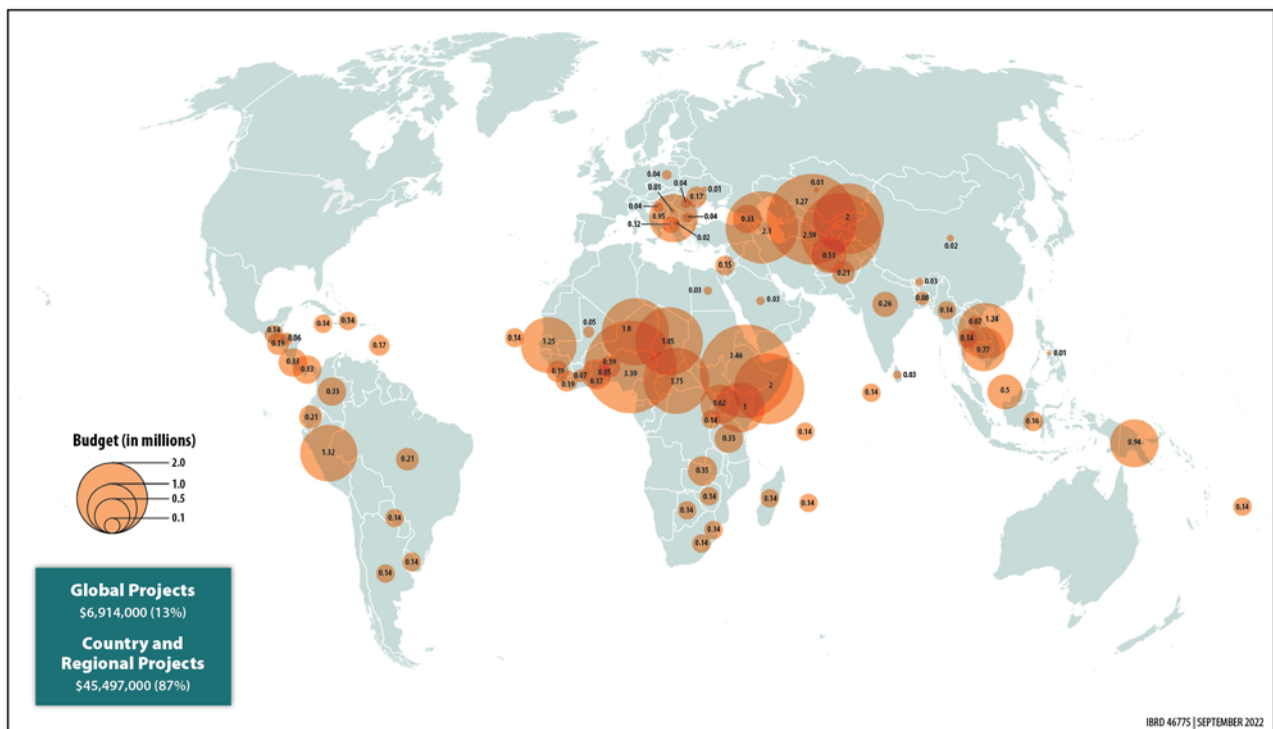
Note: Small Island states in yellow

Source: [GTP Activities Dashboard Note](#)

Map 1. Geographic Focus of GTP DRM Country-Specific Support, since 2018



Map 2. GTP DRM Pillar Portfolio by Country since the Program's inception



8. **More than 85 percent of the GTP DRM portfolio is channeled to country support.** For instance, in FY22, the GTP DRM portfolio comprised of a total of 45 activities² in implementation and provided technical assistance in 65 countries. Thirty-five activities financed under Window 2—country level activities—which represent 85 percent of the total current value of the DRM pillar portfolio; six activities implemented under Window 1—global and/or regional public goods; and, four projects implemented under Window 3—actionable research, data generation, knowledge, and learning activities.
9. **In FY22, several projects were completed or closed.** Six activities were finalized successfully—four under Window 2 and under Window 3. For example, under Window 2, the Innovations in Tax Compliance (country work) (for more details of this project see **Box 1**) and WAEMU countries TADAT projects closed as planned, achieving all their targeted results. Similarly, under Window 3, the research component of the Innovations in Tax Compliance project, and the Revenue Academy project finalized delivering on all their key outputs. Two projects in the portfolio closed prior to their original end date: these were, the MTRS Pilots project and, the Afghanistan Customs project. Six other projects were closed in previous fiscal years.
10. **Thanks to a successful call of proposal process that was executed in FY22, the GTP portfolio grew considerably from 42 activities in FY21 to 51 during this review period³ (Figure 3 and Figure 4).** Total allocations to projects under the three key windows increased by 16 percent (reaching US\$ 60.9 million). **Four new activities approved by the SC during the last Call for Proposal (CfP) initiated implementation before the end of FY22** (for more details on GTP Portfolio please refer to

2 39 existing activities in implementation under the original GTP's original anchor (comprising Windows 1, 2 and 3), four new activities [approved during the latest Call for Proposal] initiated implementation before the end of FY22, one activity on Integrating Gender Equality into Tax Reform, and one activity on Health Taxes.

3 Activity counts include closed activities. By December 31, 2021, closed activities included: TPAF Development, TPAF Implementation, MTRS Pilots, SEOs in Tanzania, Afghanistan Customs, Myanmar Tax Reform Assistance and Data & Research.

Annex 3 GTP Portfolio). As of the end of FY22, the portfolio has sixteen activities in the pipeline portfolio. The World Bank project teams are currently following the internal steps required to operationalize the projects and start implementation.

Figure 3. GTP DRM Pillar Portfolio Count

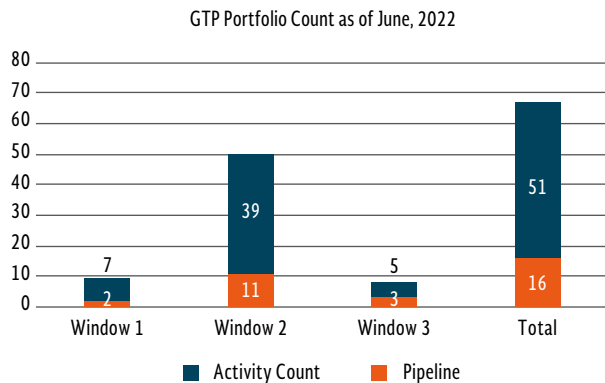
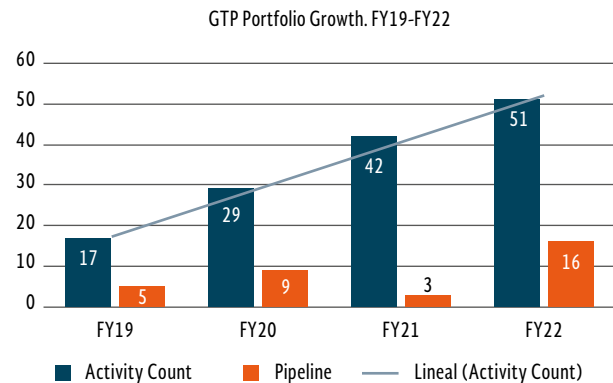


Figure 4. GTP DRM Pillar Portfolio Growth



11. **In FY22, the DRM Pillar executed a total of US\$ 10.21 million (see Figure 5).** The original four windows⁴ of the DRM Pillar executed US\$ 9.32 million out of the US\$ 15.45 million of the total budget planned for the period, representing a 62 percent execution rate. This indicates a slight improvement compared to the past two fiscal year's performance (FY21: 56% and FY20: 57%). For a detailed analysis, please refer to **Annex 2, Table 12** and **Table 13**. The reasons for this deviation vary, ranging from the postponement of in-person missions or planned activities due to the COVID-19 measures and restrictions; to staff transitions on counterparts side slowing down engagements temporarily; and in some instances, especially in FCSs, delays associated with challenging country environments.
12. **As of June 30, 2022, the allocations under the DRM Pillar are slightly over US\$ 60 million (US\$ 60.9M).** In line with the GTP Portfolio balance, 85 percent of these resources were channeled to country-level activities (Window 2) (see **Figure 6**). The remaining financed the development of new diagnostic tax tools and assessment frameworks (Window 1), and frontier research, data analytics, and experimental methods informing how to strengthen country-level tax systems (Window 3).

Figure 5. GTP DRM Pillar Total Expenditures

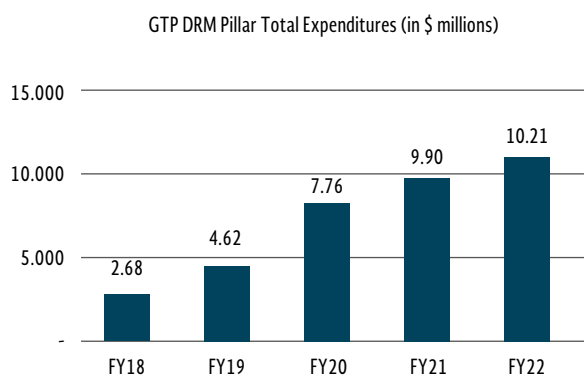
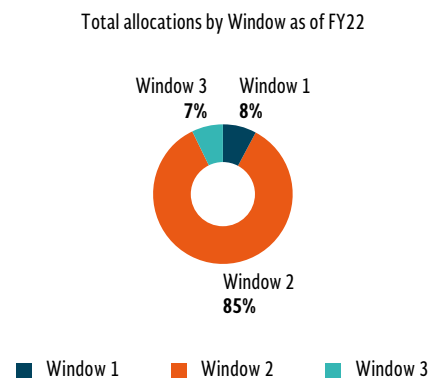


Figure 6. GTP DRM Pillar Total Allocations (in '000 USD) by Window



⁴ For FY22 calculation excluded the health taxes and gender work streams due to shorter implementation periods.

Box 1 Innovations in Tax Compliance: Building Frontier Knowledge on Tax Compliance in Developing Countries

Challenge

Domestic revenue mobilization is crucial to finance the sustainable development goals. In many countries, however, domestic revenue is below the needed level of 15% of GDP, a rough target to deliver basic government services. On the other hand, revenue collection in many parts of the world remains to be challenging due to weak compliance and enforcement, existing unfairness and inequity in tax regulations. Increasing tax collection through reforms strengthening tax compliance and enforcement is not the end of story. Taxpayers are willing to comply if they understand how their government spends their taxes. Thus, building trust between taxpayers and tax authorities – “fiscal contracts” - can help sustain more efficient, equitable and accountable tax systems.

Governments face a central challenge to balance a holistic approach between enforcement, facilitation and trust. The research on the role of trust in strengthening tax systems has been fragmented and yet to be transformed into consistent practice within reform efforts. Identifying innovative strategies is the key to growing efforts in building trust in tax system reforms.

Objectives

The objective of the Innovations in Tax Compliance Project is to develop an integrated framework and identify frontiers on how to improve tax compliance in developing economies by bringing together recent research on the drivers of tax compliance, trust and fiscal contracts with lessons from the field.

Implementation

The project team’s approach combined country engagement, research and analytics, and outreach and advocacy:

- The World Bank conducted pilots in five countries for in-depth fieldwork and developed case studies to design tools to assess motivations for compliance and non-compliance with an emphasis on trust. Pilot countries include Albania (taxation of high-net-worth individuals), Georgia (VAT compliance among medium-sized enterprises), Nigeria (property tax), Pakistan (voluntary compliance) and Tajikistan (e-services for private firms and large taxpayers). There is also an ongoing pilot in Kenya, now financed by a separate project.
- A conceptual framework for developing more effective approaches to tax reform and compliance was finalized and presented in a working paper. The framework paper was downloaded 12,308 as of July 20, 2022.
- The ITC survey instrument was developed as part of the project, which is expected to be integrated into the World Bank’s Enterprise Survey.
- As part of outreach and advocacy efforts, the project team organized two World Bank Tax Conferences, and participated in the organization of a third one. Conference themes included VAT compliance, personal income and wealth taxes, and new tax instruments in developing countries. The conference series hosted close to 600 participants from revenue administrations, ministries of finance, CSOs and academia.
- The project team conducted a Global Study on Distribution of Taxes and Transfers Impacts Peoples Willingness to Pay Tax. The results of the study are expected to contribute to upcoming operations which have a component on the progressivity of tax systems.

Results

Expanded frontier knowledge on tax compliance with an innovative framework: The GTP-supported project broadened our understanding of tax compliance in developing countries with the Enforcement-Facilitation-Trust (EFT) framework, a coherent strategy with innovative, practical lessons from country engagements. The framework proposes that by combining complementary investments in enforcement, facilitation, and trust, reformers can not only strengthen enforced compliance but can also (a) encourage quasi-voluntary compliance, (b) generate sustainable political support for reform, and (c) create conditions that are more conducive to the construction of stronger fiscal contracts. The case studies from country pilots was compiled as six topical chapters in a book, “Innovations in Tax Compliance: Building Trust, Navigating Politics, and Tailoring Reform”, which was released in February 2022.

Operationalized the EFT framework in World Bank projects with a lasting impact: The EFT framework was translated into an operational tool-kit, which details the process for applying the framework to tax compliance, and an ITC assessment for implementation. These tools are already put into work in new country pilots in Bolivia, Indonesia and Iraq, currently funded by the Bill and Melinda Gates Foundation. With the inclusion of the ITC survey instrument in the World Bank Enterprise Survey, the reach of the EFT framework will expand to other analytical products within the World Bank. The EFT framework is expected to influence more new and ongoing long-term World Bank engagements and interventions on tax reform in coming years.

Improved international standards and principles on tax systems: The influence of the EFT framework, developed by this project, has also gone beyond the World Bank operations. The project team collaborated with The Global Initiative for Fiscal Transparency (GIFT) to develop a new set of global principles that establish standards for transparency, participation, and accountability of domestic tax systems.

C. Highlights of FY22

13. Key milestones during this reporting period have been (1) the expansion of the GTP portfolio Call for Proposal, which increased the portfolio with 20 new activities (17 projects), as well as budget and timeline increases to select ongoing projects; (2) the approval of the Global Tax Program MDTF extension until June 2028; and (3) the external GTP Mid-Term Evaluation, which will inform the program's strategy and next steps for upcoming fiscal years. Below is a summary of these key FY22 milestones.

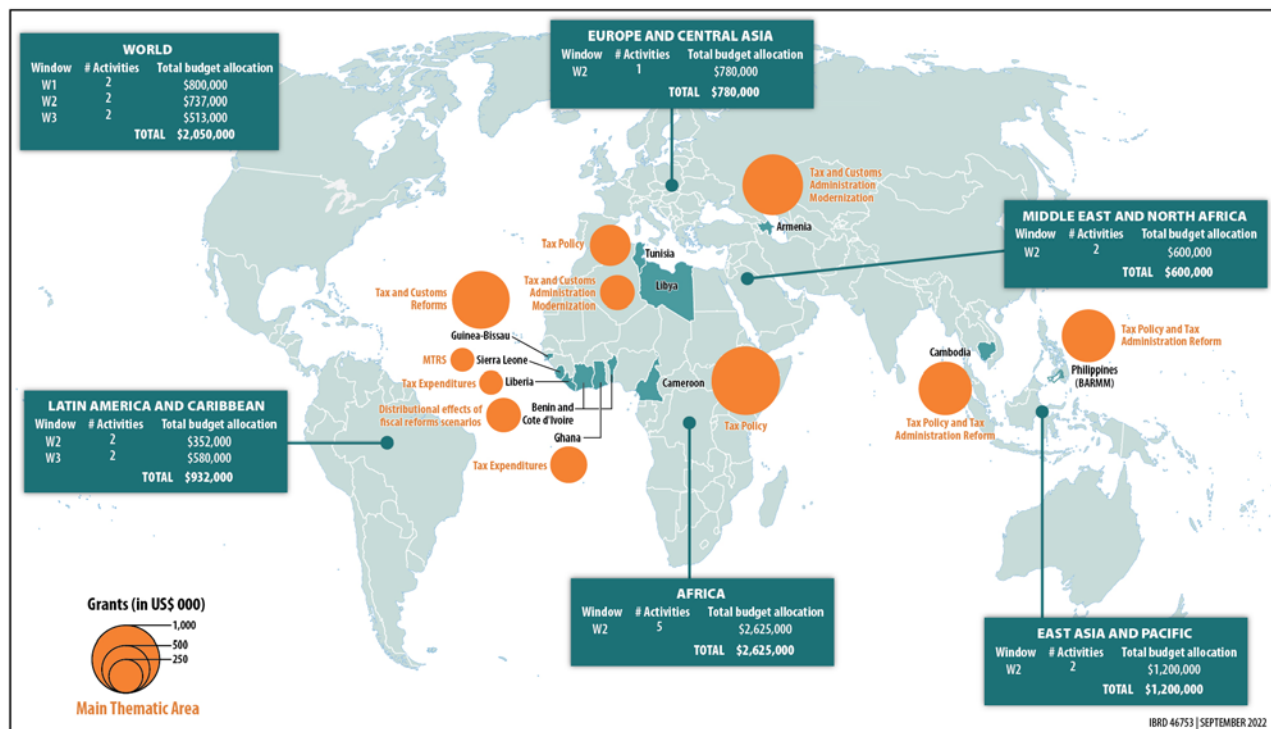
Expansion of GTP Portfolio with a Call for Proposals

14. **A DRM Pillar Call for Proposal⁵ (CfP) launched on December 2021, expanded the portfolio by 17 new projects (20 activities)** with a total of UD\$ 8.19M awarded.
15. **Out of the 20 new activities, 14 will be financed under Window 2- country-level activities, and the other six will be implemented under Windows 1 and 3.** The geographic focus of country-level activities includes Africa (5 activities), EAP (2 activities), ECA (1 activity), LAC (2 activities), MENA (2 activities), and two activities have a global approach. Four of the six activities under Windows 1 and 3 have a global approach, while the other two focus on the LAC region (see **Map 3**).
16. **New country-level activities include engagements in eight IDA-eligible countries and four countries in Fragile and Conflict-Affected Situations (FCS) category.** This is in line with the WB's DRM Approach and the GTP efforts to prioritize support to IDA 20-eligible countries and FCS⁶ (see **Map 3** and for more details on the approved projects please refer to Annex 3, **Table 14**).

⁵ Health taxes and Gender work streams were not included in this CfP as these two workstreams have a specifically tailored mechanism for country-level engagement.

⁶ As part of GTP's balanced portfolio perspective, this call for proposals was open to all developing countries.

Map 3. Overview of GTP DRM Pillar new activities approved in the last CFP



Existing GTP projects with scope, budget, or timeline extensions

17. **In the FY22 Semi-Annual SC meeting of January 2022, the SC approved a budget increase with a timeline extension to two projects; and a no-cost timeline extensions granted to three other projects.** Under Window 2, the International Tax Program was extended for 12 months until June 2024 and received an additional budget of US\$ 1.5M to cover new activities to be implemented in FY23-FY24. Under Window 1, the Toolkits & Research on International Tax project was approved a 24-month extension until June 2024 and an additional budget of US\$ 650K to develop new knowledge products and continue the global advocacy for developing countries, and to support Bank's technical contributions to the PCT materials. Peru International Tax and Peru Tax Domestic projects, both of which are funded by the SECO SDTF, were extended until June 2024. The Sierra Leone and Liberia project, funded by the Netherlands SDTF, was extended until December 2022 to deliver its final planned outputs.
18. **Since then, the following GTP projects were granted budget extensions: Kosovo Tax Registration; TADAT Implementation; Carbon Pricing Assessment Tool; Environmental Tax Reform; and, the Digital VAT Guidelines projects.** The Kosovo Tax Registration project received additional funds of US\$350K, and the project's end date was extended until June 2024. The additional resources will support new activities to enhance the quality and scope of the taxpayer services, broaden the tax base, and increase tax collection. The extension is also in line with the request for additional support from the Kosovo Tax Administration (TAK) and Business Registry Agency (KBRA) to support the implementation of recommendations to improve automation, data exchanges, and business processes. (For more details on the Kosovo Tax Registration project and the results achieved to date, please see **Box 2**). The TADAT Implementation project budget was increased by US\$ 135K, to respond to immediate demand for a TADAT assessment in Kazakhstan and set the basis for future analytical work and research activities. The CPAT project received additional budget of US\$ 295K, which will allow to

expand number of experts supporting country specific analysis (for more details on the CPAT project, please see **Box 3**). Similarly, the Environmental Tax Reform project, the Window 2 activities budget was increased by US\$ 50K to meet the rising country demand. The Digital VAT Guidelines project which successfully finalized two regionally focused guides, received additional funding (US\$ 80K) and a timeline extension towards the finalization of the third toolkit focusing on the Africa region.

Box 2 Kosovo: Digitalization and Data-Sharing to Boost Tax Compliance and Reduce Informality

Challenge

Improving the quality of the taxpayer register is critical to reduce the level of informality and increase tax revenues. Low reliability of taxpayer register data is one of the key operational challenges for the Tax Administration of Kosovo. Tax administration data from 2020 show that more than 30,000 businesses in the taxpayer register had missing or invalid address information, and more than 25% of individual businesses registered as being active did not file tax returns. The existing processes to get registered in or deregistered from the taxpayer register or to update register information also impose a high compliance burden on businesses. As there are no penalties in the current legislation for not deregistering or updating information in a timely fashion, many businesses in practice ignore these obligations. Without reliable taxpayer data, the Tax Administration of Kosovo (TAK) cannot verify if these businesses are inactive and neglected to deregister or simply ignore their tax filing obligations, leading to further inefficiencies in tax enforcement.

Objectives

With support from the Global Tax Program, the World Bank is helping TAK to address challenges in improving the quality of its taxpayer register. The Kosovo Enhancing the Quality and Scope of Tax Registration Project (EQSTR), funded by the Global Tax Program, aims to boost tax compliance and reduce informality through technical assistance. In the longer term, the activity will contribute to increasing domestic revenue collection.

Implementation

In consultation with TAK and other government agencies, the EQSTR project determined two obstacles that need to be addressed to improve the quality of the taxpayer register: 1) the limited motivation of businesses to voluntarily and timely report changes of business to public registries such as the Kosovo Business Registry Agency (KBRA) and the State Address Register; and 2) insufficient data sharing arrangements to make information from other public registry agencies available to TAK.

To address the first obstacle, the World Bank team prepared a comprehensive report in May 2021, which included recommendations on business process design and necessary legal changes to improve the quality of taxpayer register. The main goal of the reform is to introduce a fully digital, one-stop process for business registration, information updates, and deregistration. Major elements of a digitalized registration process are the strengthening of the data links between KBRA and TAK, the cancellation of the obligation to collect a registration certificate in paper format, and the introduction of a fine for violating information update obligations.

Another key area of implementation was to establish a data sharing forum bringing together government agencies managing relevant data for operating and updating the taxpayer registry. The project team supported the establishment of the Data Sharing Forum through technical assistance in drafting of governance arrangements and facilitating interagency meetings and workshops. Recommendations on standardization of data, concepts and terminology were also provided.

Addressing operational reform needs of TAK's two key partner registers, KBRA and the State Address Register, is critical to ensure the quality and integrity of data supplied to TAK. The project team assessed the KBRA's requirements and capacity needs to introduce more proactive data management to verify and update business data. The assessment provided three recommendations to strengthen online data links between three public registries.

Additionally, the project team is currently supporting TAK to further increase the taxpayer base in Kosovo through tax gap analysis, capacity building activities, IT enhancements and outreach campaigns.

Results

Further digitalization of taxpayer data with legal action underway: Informed by this report, in February 2020, Kosovo introduced the legal basis for the implementation of e-signature as a precondition for the digitalization of business and taxpayer register. The authorities are currently working on drafting the actual legal amendments to relevant tax laws to improve the quality of taxpayer registration.

Developing a culture of openness and partnerships to improve and sustain taxpayer data quality: A tax authority needs to rely on and cooperate with several other government agencies to improve and sustain the quality of taxpayer register. A culture of openness and partnerships is also essential to achieve this goal. In June 2020, Kosovo established the Data Sharing Forum, which brings together general directors from TAK and other key public registries, to strengthen data exchange and inter-agency cooperation. With the support from the project team, the Data Sharing agreed on an action plan in November 2021 to further strengthen the quality of data sharing and tax registration.

Proactive data-management to ensure the integrity of the taxpayer data: With the support of the project team, TAK and The Kosovo Business Registration Agency (KBRA) are implementing three key recommendations on online links to improve data sharing as well as enhancements to information technology (IT) solutions. These improvements will help TAK to update information for business taxpayers through KBRA website and establishing internet links with the State Address Register to enable use and validation of address information in business, taxpayer and other registers. The project team provided technical assistance to finalize the integration of online data links, facilitated a four-day online workshop for TAK and KBRA in September 2021, and helped TAK in enhancing its IT solutions for non-filers and clean up business and taxpayer register data ahead of the implementation of the new integrated tax management system (ITAMIS).

Expanding the country's taxpayer net by enhancing its capacity to register informal businesses: In addition to capacity building workshops for TAK and tax/business registration officials, the project initiated awareness and outreach campaigns for unknown taxpayers. In December 2021, a school competition on combating informality was held along with an awards ceremony.

“Fostering a common understanding and acceptance of new business processes is important in digitalizing business and taxpayer registration.”

Ilir Murtezaj, General Director of TAK

Box 3. Carbon Pricing Assessment Tool

The Climate Policy Assessment Tool (CPAT) is a model for rapidly assessing climate-informed tax and subsidy reforms alongside complementary regulatory and fiscal policies. CPAT helps countries get a quick impact assessment for compare a wide range of policies, including carbon taxes, emissions trading systems, coal excise taxes, road fuels taxes, power feebate, electricity excises, electricity emissions tax and renewable subsidies. The model is developed jointly between the World Bank and IMF.

CPAT seeks to improve the accessibility of advanced analyses in a topic area which is new to most Finance Ministries. A large research literature suggests that most countries could benefit from reforms to environmental taxes, but to act on that literature, Finance Ministries need tools enabling quantitative impact assessments. In many countries, these tools are either lacking entirely or miss important elements. Where models exist, they often require specialized skills or software to use. These requirements mean that policymakers generally cannot normally run reform scenarios themselves but need the support of a modeling team, raising transaction costs and causing time gaps between the time when policy design questions arise and when impact assessments become available. CPAT seeks to overcome each of these problems. It is being produced for 190 countries. It runs without installing new software, and has a user-friendly interface which a generalist economist can use without specialized training. It is easily sharable in a moderately-sized Excel spreadsheet, and it is modular: to be expanded or narrowed to include specific focus areas. To help users get started quickly, the tool comes with most data preloaded and default settings, but it allows more advanced users ample customization options.

Figure. CPAT interface

The screenshot displays the CPAT interface, which is a spreadsheet-based tool for assessing climate policy impacts. It is organized into several sections:

- Input Fields (Rows 2-14):**
 - 1 Select country:** Example country (dropdown).
 - 2 Select policy:** Carbon tax (dropdown).
 - 3 Define policy:**
 - Year to introduce new policy: 2023
 - Starting carbon price (real USD per ton CO₂): 0.0
 - Target level of carbon price: 0.0
 - Year to reach target level: 2030
 - 4 Select settings (defaults or manual):** Manual (dropdown).
 - 5 Policy coverage (for policies without pre-defined sectoral fuel coverage):**
 - Exclusions:** Coal, Natural Gas, Gasoline, Diesel, Kerosene, Other oil products, Power, Road, Domestic aviation, Domestic shipping, Residential, Other energy use.
 - Inclusions:** Food & forestry, Services (private & public), Mining & chemicals, Iron & steel, Other metals, Machinery, Cement, Other manufacturing, Construction, Fuel transformation & transportation.
 - 6 Exemptions (fuels/sectors):** Phaseout, starting in: 2023, 5 years to phase out (if applicable).
 - 7 Fossil fuel subsidies (producer):** Phaseout, starting in: 2023, 5 years to phase out (if applicable).
 - 8 Fossil fuel subsidies (consumer):** Phaseout, starting in: 2023, 5 years to phase out (if applicable).
 - 9 Price controls (for fuels):** Phaseout, starting in: 2023, 5 years to phase out (if applicable).
 - 10 Renewable subsidy:** \$ - 25.
 - 11 #N/A**
- Key inputs and outputs (Rows 17-26):**
 - Key policy options:**
 - Additional mitigation effort in non-energy sectors? Yes*
 - Price pathway continues to rise after target year? Linear*
 - Policy pathway is in nominal or real terms? Real*
 - Power price: portion of cost change passed-on? 100%
 - Power feebate: power revenues rebated per kWh? No*
 - Harmonize VAT rates in residential and transport? No*
 - Include electricity in fuel subsidy phaseout? Include*
 - Key inputs and outputs:**
 - Policy strength: carbon price trajectory (US\$ per tCO₂e, 2020-2035), World aviation bankers.
 - Policy coverage: CO₂ emissions covered (% of national total).
 - Revenue recycling: tax reductions, expenditures, or transfers (% of total).
 - Baseline GDP and population growth (2019-2035).
 - International energy prices (2018-2035, source: IMF-WB).
 - Income elasticities of energy consumption.
 - Price elasticities of demand by fuel.
- Charts (Rows 27-39):**
 - Policy strength: carbon price trajectory:** Line chart showing carbon price trajectory (US\$ per tCO₂e, 2020-2035) for different scenarios (e.g., Carbon price trajectory - real, Effective carbon rate trajectory).
 - Policy coverage: CO₂ emissions covered:** Bar chart showing CO₂ emissions covered (% of national total) for different sectors (e.g., Power sector, Industry, Transport, Residential).
 - Revenue recycling: tax reductions, expenditures, or transfers:** Bar chart showing the proportion of revenues allocated to different sectors (e.g., Power sector, Industry, Transport, Residential).
 - Baseline GDP and population growth:** Line chart showing Real GDP growth and Population growth (2019-2035).
 - International energy prices:** Line chart showing International energy price projections (2018-2035) for different fuels (e.g., Crude oil, Natural gas, Coal).
 - Income elasticities of energy consumption:** Line chart showing Income elasticities of energy consumption (2020-2035) for different sectors (e.g., Electricity, Motor fuels, Other products).
 - Price elasticities of demand by fuel:** Scatter plot showing Price elasticities of demand by fuel (2020-2035) for different fuels (e.g., Coal, Natural gas, Motor fuels, Other products).

CPAT results go beyond climate impacts, providing detailed assessments for development impacts, too. While developing countries have committed to reducing greenhouse gas emissions, they face many other pressing issues, too. CPAT seeks to help Finance Ministries identify reform options that combine progress on climate and development targets. To this end, the tool quantifies a wide range of policy reform impacts, including for 1) GDP and tax revenues; 2) energy consumption and greenhouse gas emissions; 3) local air pollutant; 4) equity impacts between income groups and the rural/urban divide, including from revenue uses; and 5) development of climate co-benefits, such as reduction in mortality and morbidity from improved air quality, road safety and road congestion. By providing results on many reform design options, CPAT helps users narrow in on those which best align short-term socioeconomic and fiscal objectives with their climate targets.

CPAT complements and jump-starts, rather than substitutes, other modeling efforts. CPAT is focused on providing rapid, first-pass estimate of effects for fiscal economists who are not deep specialists of specific aspects of environmental fiscal reforms. It is meant for initial assessment of a broad set of impacts, allowing users to narrow down on the most promising reform designs. Once a country has decided on a specific reform option, they are encouraged to further investigate the various specific aspects of that reform by using tools built specifically for that purpose. For example, CPAT provides rapid estimates of energy sector impacts of fuel taxes, approximating effects and allowing broad comparisons of design options, but once a specific design is selected for further consideration, countries would want to do further energy system modeling which recognizes engineering constraints, dispatch schedules, etc. Equally, CPAT provides output effects based on econometric and macrostructural estimations of fiscal multipliers, enabling quick checks how reform designs broadly compare for GDP; but once policymakers zoom in on the most promising policy design, they may want to consult a full macroeconomic model. Undertaking the analysis with CPAT first enables subsequent modeling efforts to start off with a clearer definition of policy designs, so policymakers can communicate more clearly to modeling teams what scenarios exactly they should focus on. Furthermore, CPAT has also been coupled with larger macro and energy system models, as its broad scope of impact assessments often includes aspects missing in other tools (e.g., equity impacts for macro models, air pollution impacts for power sector planning tools).

CPAT is being rolled out currently. The tool has already been applied in more than 30 countries. Most features are already available for 190 countries. A helpdesk is available at cpat@worldbank.org in case of further questions.

19. **Two country projects expanded their scope of work without requesting a budget increase or a timeline extension.** The Uzbekistan Tax Reform Support project's scope (funded by the MTRF) incorporated a new counterpart (Uzbekistan's State Customs Committee) to provide support on Customs Administration as per the Government's request. The Ethiopia Tax Policy Reform Support project (funded by the Netherlands SDTF) expanded its scope by adding a new component. The team has extended the technical assistance to covering the assessment of tax administration upon the request by the MOF; and the team mainstreams the tax policy and tax administration analysis under this project into the upcoming Ethiopia PER revenue chapter.
20. At the end of FY22, the Vietnam Tax Reform, and Nigeria Tax and Customs projects requested a second no-cost timeline extension. The project team working in Vietnam has successfully extended the technical assistance support to the National Assembly (NA) to prepare for the revisions of major tax laws during the NA term 2021-2025. The project team proposes a no-cost extension until April 2024, which would help realize the reform recommendations suggested by the Vietnam tax reform strategy 2021-2030, a key document supported by this project. Similarly, activities supported by the Nigeria Tax and Customs project will ramp up technical assistance in FY23 and FY24 significantly. The Property Tax team working in Zambia is requesting an extension until June 2024. The team completed the first phase of the support by delivering the Diagnostic Assessment Report on Property Tax Policy and Administration, which was shared with the Government in April 2022. A request from the project's counterpart to extend the support beyond June 2023 was received. These requests will be presented and discussed at the October 26, 2022 Steering Committee Meeting.

Table 1. Additional Request for No Cost Timeline Extension

Project Name	Window	Region	Timeline extension	Budget increase	Original End Date	New End date
Nigeria Tax and Customs	W2	AFR	12-month	No	June 2023	June 2024
Vietnam Tax Reform	W2	EAP	16-month	No	December 2022	April 2024
Property Tax Activity in Zambia	W2	AFR	12-month	No	June 2023	June 2024

GTP Mid-Term Evaluation

21. **As was envisioned in the GTP's Program Document, at the beginning of the FY22 the GTP embarked on a Mid-term Evaluation (MTE) to assess the program strategy, management, and activities to inform future directions.** The MTE aims to distill lessons learned from the first few years of implementation to assist the World Bank, and GTP partners make any course corrections.
22. **Following a competitive selection process, the SEO Amsterdam Economics** was awarded the evaluation contract, and they started their work in mid-October 2021. A GTP development partner sub-group was formed with the participation of the UK, France and SECO. The group reviewed and provided feedback on all key elements of starting with the term of reference of the evaluation and later, all key aspects of the evaluation approach such as the proposed evaluation methodology, the evaluation work plan, the case study selection etc.
23. **The evaluation consisted of two main parts: a GTP-wide assessment and a bottom-up assessment of individual GTP-funded TA projects (case studies).** The first part includes a portfolio analysis of the available M&E data for the GTP projects and an assessment of GTP's strategy and management. To this end, the evaluator team conducted a comprehensive desk review of Program documents, a portfolio analysis (financial data and output/outcome indicators), and interviews with key stakeholders. The second part assessed a selection of individual projects and focused on the degree to which the GTP

projects have achieved or are on track to attain their objectives. A sample of nine projects (see **Table 2**), previously discussed with the Donors Evaluation Committee, was proposed for the case studies to ensure a good representation of the GTP Portfolio while maintaining a deep level of analysis for each selected project. The assessment was conducted according to the OECD Development Assistance Committee (DAC) criteria, except the impact dimension, which was excluded due to the stage of program implementation.

Table 2. GTP MTE sample of projects for the case studies

Name	Window	Region	Start date	Expected end date	Budget US\$ X1000	Source of funds
International Tax Program	2	Multi-country	Jul/2017	Jun/2024	8300	MDTF
Senegal MTRS and Customs	2	AFR	Jan/20	Dec/2022	966	NTH SDTF
Ethiopia Tax Policy	2	AFR	Jun/20	Jun/2024	1960	NTH SDTF
Vietnam Tax Reform	2	EAP	Dec/18	Dec/2022	1075	SECO SDTF
State Tax Service Kyrgyz Republic	2	ECA	Dec/18	Jun/2024	2000	SECO SDTF
Malaysia Tax Policy Reform	2	EAP	Oct/20	Mar/2024	500	MDTF
Ethiopia Gender and Taxation	3	AFR	Jun/20	Mar/2024	1290	MDTF
Somalia Customs	2	AFR	Nov/19	Jun/2023	2000	MDTF
Tax Reform in Uzbekistan	2	ECA	Nov/18	Jun/2024	3200	MDTF

- 24. During the reporting period, the evaluator team completed the evaluation Inception Note and the GTP MTE Preliminary Findings Draft Report.** The evaluation team presented the findings to the GTP SC members on June 30th, 2022. This meeting allowed for an open discussion with all members on the key topics. The SC members thanked the evaluation team for a well-detailed presentation and insightful findings. Among the key reflections, it was highlighted the interest from the SC to deepen the analysis on the comparative advantages of the GTP and to explore options for long-term monitoring and follow-up actions to increase the program's sustainability. The final report will be shared in advance of the FY22 GTP Annual SC meeting.

Extension of the program

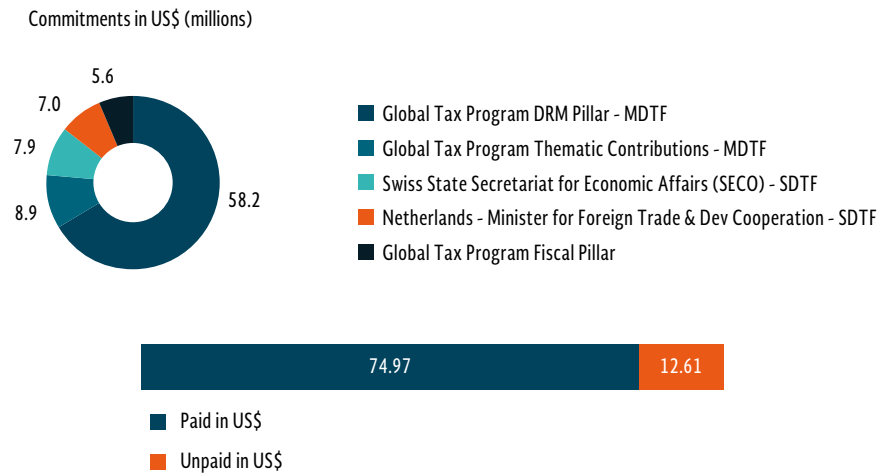
- 25. In FY22, the GTP Development Partners approved the extension of the end-disbursement date of the Global Tax Program Umbrella MDTF from June 2024 to June 2028.**
- 26. The Program's strategy and design of future activities will benefit from the key inputs emerging from the Mid-Term Evaluation.** As a final step of the evaluation process, the GTP Secretariat – guided by the GTP Technical Committee – will prepare an action plan informed by the findings and recommendations of the mid-term evaluation and discussion with SC members. The extension of the Program will ensure timely adoption of the recommendations.

D. Financial Update

- 27.** The current level of pledges to the GTP Umbrella stands at US\$87.58 million, of which 74.97 million has already been received. The GTP Multi-donor Trust Fund (MDTF) DRM pillar has a total of US\$ 58.2 million in commitments (see **Figure 7**). During the first half of FY22, Japan made an additional contribution of US\$1.5 million which is now reflected in the total (see Annex 1, **Table 10** Section A). In FY22, the Norwegian Agency for Development Cooperation (NORAD) made an additional contribution of US\$ 3.38 million to the DRM Pillar (see Annex 1, **Table 10** Section A) and other US\$ 3.12

million to support the health taxes workstream, also reflected in the new total (see Annex 1, **Table 10** Section B). The Single Donor Trust Funds (SDTF) total commitments stand at US\$14.91 million. For more details on GTP Umbrella Commitments please refer to Annex 1, **Table 10** and **Table 11**).

Figure 7. Development Partners' Contributions to the GTP Umbrella Trust Fund as of June 30, 2022 (in millions)



28. The projected cash flow position is provided in **Table 3**, including funds allocated for activities approved under recent call for proposals. As shown in table below the MDTF has a negative balance of US\$1.1 million.

Table 3. DRM Pillar Cash Balances, As of June 30, 2022 (in US\$)

MDTF TF072864 (in US\$) - DRM Pillar				
Donors	FY2018 - 2021	FY 2022	FY 2023	FY 2024
Contributions				
Australia	7.070.555,00			
Denmark	5.253.317,17			
France	1.187.100,00	3.265.700,00		
Japan	3.500.000,00	1.500.000,00		
Luxembourg	1.949.958,19	462.200,00		
Netherlands	2.000.000,00	1.000.000,00		
Norway	12.256.657,06	3.380.586,42		
Switzerland	3.496.151,04	880.475,46		
United Kingdom ¹	5.201.656,50	313.920,00	727.080,00	
Total Contributions	41.915.394,96	10.802.881,88	727.080,00	
Disbursements	20.873.062,93	7.535.480,74	15.799.500,00	10.347.500,00
Cash Balance	21.042.332,03	24.309.733,17	9.237.313,17	(1.110.186,83)

¹ Excludes Outstanding Commitments

² Table includes only donor Contributions and Disbursements. Additionally TF has also earned investment income amounting to US\$640,000

MDTF TF072864 (in US\$) - Health Taxes				
Donors	FY 2021	FY 2022	FY 2023	FY 2024
Contributions				
Bloomberg	1.813.000,00		2.187.000,00	
Norway		1.123.216,89	2.000.000,00	
Total Contributions	1.813.000,00	1.123.216,89	4.187.000,00	
Disbursements		481.210,96	3.000.000,00	3.642.005,93
Cash Balance	1.813.000,00	2.455.005,93	3.642.005,93	-

MDTF TF072864 (in US\$) - Gender			
Donors	FY 2021	FY 2022	FY 2023
Contributions			
United Kingdom	274.140,00	670.375,00	842.758,43
Total Contributions	274.140,00	670.375,00	842.758,43
Disbursements	21.234,70	404.409,18	1.361.629,55
Cash Balance	252.905,30	518.871,12	-

MDTF TF072864 (in US\$) - Fiscal Pillar		
Donors	FY 2021	FY 2022
Contributions		
France	593.550,00	1.180.100,00
Norway	2.307.697,97	
Switzerland	658.255,62	
United Kingdom	820.740,00	
Total Contributions	4.380.243,59	1.180.100,00

SECO SDTF TF072930 (in US\$) - DRM Pillar				
Donors	FY2018 - 2021	FY 2022	FY 2023	FY 2024
Contributions	5.944.163,96	1.962.922,57		
Disbursements	2.484.047,12	743.685,41	2.489.000,00	1.713.000,00
Cash Balance	3.460.116,84	4.679.354,00	2.190.354,00	477.354,00

Netherlands SDTF TF073303 (in US\$) - DRM Pillar				
Donors	FY2018 - 2021	FY 2022	FY 2023	FY 2024
Contributions	2.750.000,00	2.150.000,00	2.100.000,00	
Disbursements	1.602.612,50	1.045.585,61	1.979.000,00	1.398.000,00
Cash Balance	1.147.387,50	2.251.801,89	2.372.801,89	974.801,89

IV. GTP Results Monitoring

A. Internal and external collaboration and partnerships

29. **Since its inception in 2018, the GTP DRM Pillar has helped inform 50 Bank operations and 43 Advisory Services and Analytics (ASAs) technical assistances projects.** Several activities under this pillar are being implemented in close collaboration with other WB operations, or linked to larger ASAs, thereby offering key synergies with other activities within the WB.

World Bank's concessional lending⁷ informed by GTP activities

30. **As of the end of FY22, eleven WB approved DRM-related lending operations, with a cumulative volume over US\$ 4 billion, have been informed by GTP-funded activities.** Ten projects financed under the DRM Pillar have contributed to the design, preparation and/or implementation of those loans. Therefore, the WB loans are using or applying key outputs delivered through the support of the GTP. These important outcomes are a key measure of effectiveness and clear evidence of the critical role of the GTP in influencing, shaping, or improving, directly or indirectly, the direction and quality of the Bank's concessional lending to support countries on DRM reforms. Also, FY22 GTP funded activities have contributed to the policy dialogue of four WB concessional lending operations currently in the pipeline. (For more details see Annex 4).
31. **During FY22, the Kyrgyz Republic Tax Reform project continued supporting the implementation of the IDA-financed Tax Administration and Statistical System Modernization project (P163711).** Since the ASA project's inception, the WB project team has ensured complementarity of the GTP funded technical assistance and the concessional lending operation, by generating knowledge that will feed into its implementation. During this reporting period, one of the project's major outcomes, consisting in the approval the new Tax Code on December 22, 2021, is directly contributing to the US\$ 35M IPF. The timely adoption of the key legal revisions, aligned with international best practices, will play an important role in the implementation of the comprehensive modernization of the tax administration business processes.
32. **GTP-funded activities in Uzbekistan and Tajikistan continued supporting concessional lending operations in both countries.** In Uzbekistan, the team revisited the project's activities to support the government in implementing its recently approved tax code and the \$60M IPF (P173001) focused on DRM reforms, which was rendered effective in June 2022. (For more details on this project and the results achieved to date, please see **Box 4** and **Box 5**). In Tajikistan, recent achievements under the Tajikistan Tax Policy and Tax Administration Reform project, such as the ratification of the new tax code and enhanced IT infrastructure, have prepared the way for the US\$50M PforR (P171892), which is effective since June 2022. The PforR will help meet the development objective of enhancing capacities

⁷ Investment Project Financing (IPF): IPF provides IBRD loan IDA credit/grant as well as IBRD and IDA guarantee financing in support of clients for activities that create the physical or social infrastructure necessary to reduce poverty and create sustainable development. IPF focuses on long-term (5-10 years) finance of goods works services and other types of expenditures.

Development Policy Financing (DPF): DPF provides direct budget support to governments for policy and institutional reforms aimed at achieving a set of specific development results. These operations provide rapid financial assistance to allow countries to deal with actual or anticipated development financing requirements.

Program-for-Results (PforR): PforR links disbursement of funds directly to the delivery of defined results helping countries improve the design and implementation of their own development programs and achieve lasting results by strengthening institutions and building capacity.

and enhancing the effectiveness and efficiency of the tax administration. In Tajikistan, the GTP-funded project played a key role by identifying areas of improvement (e.g., tax gap analysis, gaps in the legal infrastructure), through the various assessments and capacity building engagements, informing the design of the PforR. The Innovations in Tax Compliance project, also a funded by the GTP, informed the IDA-supported grant in Tajikistan. In FY22, the project team finalized the pilot assessment on the taxation of private firms. The data collected as part of the survey has provided a baseline measurement for the development objective indicator on VAT compliance tax gap. In FY23, the GTP-funded activities will continue giving support during its implementation, with technical analysis or building local capacities.

Box 4. Uzbekistan: A Journey Toward a Fairer and More Efficient Tax System

Challenge

Since 2017, the Government of Uzbekistan has launched an economic reform agenda with the long-term objective of fully transitioning into a modern, market-based economy. Uzbekistan's past policies emphasized state intervention, import-substitution, and foreign exchange restrictions while de-emphasizing regional trade and cooperation.

The tax reform constitutes as one of the key components of Uzbekistan's aspirations of greater economic liberalization. Uzbekistan's tax revenues have been falling over time. Its tax system has been characterized by multiple tax regimes with complexity and lacked efficiency and neutrality. High taxes made it unprofitable for businesses to grow or create new jobs. Hiring workers was exceptionally costly because of high labor taxes. As a result, tax evasion was widespread, and government revenues depended on a small number of large taxpayers. In 2018, the Uzbek authorities have requested World Bank support to help evaluate different tax reform options in the short term and to strengthen their capacity to mobilize tax revenues in the medium term.

Objectives

The main objective of the Uzbekistan Tax Reform Project, supported by the Global Tax Program, is to assist the State Tax Committee and the Ministry of Finance of Uzbekistan with tax reform efforts and build local capacity in both tax policy and tax administration. Uzbekistan has sought support in developing and evaluating tax policy reform options, drafting related amendments to the Tax Code and underpinning regulations, improving tax administration, and building capacity.

Implementation

Since 2018, the GTP support has enabled the World Bank project team to provide the Uzbek tax and customs authorities with just-in-time, comprehensive technical support and international best practices. To support Uzbekistan in attaining its tax reform goals, the project team has delivered tools, technical and policy notes, and capacity building activities on a variety of topics in tax policy, international tax, and tax and customs administration in 2018-2022. Some of the highlights include:

- The World Bank has supported the implementation of various reform initiatives such as e-invoicing, business intelligence tool, and automated risk management system with technical analysis and capacity building, but also provided strategic support and advice on a wide array of topics from VAT implementation to how to profile taxpayers. The project team has conducted five comprehensive diagnostic assessments such as Tax and Customs Administrations, business process, ICT, that led to a transformational agenda.
- During the COVID-19 pandemic, a number of documents and measures were produced between April and June 2020 to support the STC and the Ministry of Finance. Among areas of support include a mapping of tax and fiscal measures adopted globally and a stress test to the tax (inland) and customs administrations.
- As part of the project, 20 technical workshops, seminars, and training were delivered to help the Uzbek tax and customs authorities build capacity in international tax practices throughout the COVID-19 pandemic. These capacity building activities cover a wide range of issues

such as tax analysis and estimation of the shadow economy using a micro-simulation model, international tax policy, customs valuation, cash flow management, environmental tax, digital services, and so on.

- The performance of tax administration assessment of Uzbekistan was completed through the DIAMOND, a tool developed by World Bank. This work has contributed to the revised tax code, effective on January 1, 2020.
- The World Bank also helped Uzbek authorities to put in place a VAT refund mechanism and a risk-based management framework to select cases for audit. Over 110 STC officials were trained during a comprehensive tax audit on VAT. The training covered the preparation, the conducting, and the finalization of an audit with several case studies.
- Upon the request from the government, the project support was extended to State Customs Committee (SCC) to undertake comprehensive reforms in the customs administration in FY22. The project team supported SCC in the development of strategy for the state customs service for 2022-2025 through technical analysis and advisory.

Results

A new Tax Code ratified: A revised Tax Code was ratified in January 2020. The new Tax Code aims to reduce complexity, increase neutrality and efficiency of the tax system. The project team contributed to the draft Tax Code through their technical analysis and advisory in a variety of areas including the taxation of digital economy and strategy for taxpayer segmentation.

A fairer and more efficient tax system in Uzbekistan: The ongoing tax policy reforms, which are supported by the project team since 2018 and culminated into the revised Tax Code, have made Uzbekistan's tax system fairer, more efficient and simplified by reducing the tax burden for taxpayers and businesses, revising the tax code and reducing rates. As the compliance has become easier for taxpayers, about 1.4 million new citizens and businesses registered as taxpayers – leading to a reduction in the informal sector of the economy while broadening the tax base. Tax compliance has increased from 80 percent in 2016 to 95 percent in 2020.

Increase in government revenues: Government revenue collections have increased, despite sharp reductions in tax rates. The tax-to-GDP ratio reached 28 percent in 2020, compared to 14.2 percent in 2018. Between 2016 and 2020, the number of registered businesses increased 1.96 times.

Alignment with international tax regulations and best practices: A set of international tax regulations and standards such as transfer pricing, controlled foreign corporations, thin capitalization, and group taxation rules, became effective on January 1, 2022. Since 2018, the Uzbek authorities started to actively use state-of-the-art tools and concepts in their tax reform efforts such as the DIAMOND assessment, a World Bank tool to help monitor and implement tax reforms, business intelligence systems, transfer pricing, revenue forecasting, key performance indicators, etc.

Enhancing digitalization and the risk management in the tax system: The adoption of technologies by tax administrations leads to better provision of e-services to taxpayers, e-invoicing and risk management, thus increasing collection of tax revenue. The State Tax Committee of Uzbekistan introduced an automated risk management system in 2020, which allows to identify and monitor high-risk taxpayers, and developed tools for risk profiling for large taxpayers and SMEs. The project team contributed to the development of the risk management framework.

Increased commitment to tax reforms: The ongoing World Bank support, enabled by the Global Tax Program, led to an additional US\$60 million to finance tax reforms in Uzbekistan. The increased support will help finance modernizing data centers and expanding the data storage capacity and processing power of the Uzbek tax and customs authorities.

Box 5. Tajikistan: Facilitating economic recovery through Domestic Resource Mobilization

Challenge

Through the National Development Strategy, the government of Tajikistan has set a target of increasing domestic revenues and reducing poverty by half by 2030. Domestic revenue mobilization (DRM) is a top policy priority for the government for achieving its objectives and improving budget sustainability. The COVID-19 pandemic has negatively impacted tax collection efforts while increasing the demand for social spending. This context has made tax reforms even more urgent.

Objectives

The Tajikistan Tax Policy and Tax Administration Reform Project, funded by the Global Tax Program, aims to provide critical support to the government's State Tax Committee. Key objectives include informing and enhancing capacities for implementing comprehensive tax policy and administration reforms in Tajikistan while emphasizing efficiency, simplicity, and equity. At the outset, the World Bank's support, funded by the Global Tax Program, focused on supporting the design and implementation of a new Tax Code which aims to modernize the legal framework, simplify the operations of the tax administration, and promote voluntary compliance.

Implementation

Through the project's support, important improvements were introduced to help reduce the burden on taxpayers, as well as tackle the informal sector.

The project team – composed of both local and international experts – engaged closely with the government and provided nearly daily inputs and guidance to the drafting committee and actively participated in the working group established by the Minister of Finance. Most importantly, the Bank's work included analytical analysis of various tax policy scenarios (using micro-simulation models) to help decision-makers make an informed decision prior to ratifying the Code.

The World Bank leveraged its global experience and provided valuable insights on thematic challenges including transfer pricing and the role of IT. The project team also participated in strategic meetings with the Minister of Finance and coordinated closely with the IMF.

Results

Ratification of the new Tax Code: The Code was ratified by the lower chamber of parliament on November 5, 2021, passed by the parliament on December 17, 2021, and signed by the president on December 23, 2021. The new Tax Code will help to promote voluntary compliance by modernizing the legal infrastructure and enhancing the State Tax Committee's effectiveness and efficiency. The World Bank team played a critical role in the ratification of the Tax Code by providing the authorities with hands-on support, continuous feedback, sharing of best practices, and much needed analysis.

The work is underway to produce associated bylaws with the support of the project team. In addition, the project team is helping the authorities prepare explanatory notes to clarify and educate taxpayers on new concepts and practices outlined in the Tax Code, including issues related to international tax, transfer pricing, and the like. Moreover, and as part of supporting the implementation of the new legislation, the project team is conducting revenue forecasting analysis while providing advice on the sequencing of new policy measures.

Increased support to the implementation of the new legislation: The GTP-supported project – and through its work on the law – paved the way for a \$50 million lending operation and a Program-for-Results (PforR), that aims, among other things, to support the implementation of the new legislation and enhance the effectiveness and efficiency of the tax administration.

33. **In Panama, as of the end of FY22, GTP-funded activities provided support to two lending operations.** In FY21, the NRA tax evasion project informed the first in a series of two Bank lending operations, “Panama Pandemic Response and Growth Recovery Development Policy Operation” (P174107 – US\$ 300M), regarding the risks of tax evasion and legal entities/structures. The GTP-funded project helped identify the institutional, operational, and legislative gaps. The project also contributed to the preparation of the FATF risk-assessment report. In FY22, the International Tax Program supported the second DPF Panama Pandemic Response and Growth Recovery Development Policy Operation 2 (P175930 – US\$ 250M), aiming to improve the effectiveness of implementing tax transparency standards. The support comprehended comments to draft legislation and regulations, including on the obligation of maintain Beneficial Ownership information updated and effective sanctions, and the obligation of maintaining accounting records in Panama and corresponding sanctions.

34. **Three other lending operations are being complemented by technical assistance under the International Tax Program in the LAC region.** In Ecuador, the project team contributed to the policy dialogue of the First Green and Resilient Recovery DPF (P176983 – US\$ 700M). Currently, activities supported by this project are contributing to the preparation of the second DPF Second Green and Resilient Recovery DPF (P178636 – US\$ 500M). The support consisted of advice on the beneficial ownership legal framework, resulting in the adoption of most of the project team’s recommendations in laws/regulations issued. Also, in FY22, the International Tax Program team has resumed support and technical advice in Guatemala (previous engagement in FY19) on the beneficial ownership legal framework and consistency with the exchange of information on request standard contributing to the policy dialogue of a concessional lending under preparation.
35. **In Peru, the project team of the GTP-funded activities, in collaboration with the Bank’s country team, provided inputs on prior actions for the US\$750m DPF-DDO focused on green taxation.** The concept note of the Peru Sustainable and Inclusive Growth DPL-DDO (P178591) was approved in FY22 and focuses on strengthening institutions to mitigate the social and economic impact of the COVID-19 pandemic and reinforcing structural foundations for an inclusive and climate-smart economic recovery. The project benefits from the strategic guidance of the regional LAC macro-fiscal team, including Bank economists who are based in the field. Engagement of the Bank’s office in Lima (Country Management Unit) ensures the alignment of these two projects with different work streams of the World Bank as well as its instruments, including, but not limited, to the WB Country Partnership Framework and Country Work Program Agreements.
36. **The findings from analytical and advisory work under the Senegal MTRS and Customs project have been used as inputs to the recently approved First Equitable and Resilient Recovery in Senegal Development Policy Financing (P172723 – US\$ 300M).** The project team expects some prior actions and or triggers supported by the GTP funded project will be include in the policy matrix. In addition, the team also had internal collaboration with the Bank’s Trade Facilitation in West Africa (TFWA) program in the context of implementation of the recommendations in the Customs Diagnostic Report delivered by the Senegal MTRS project. For example, TFWA among others, provided recommendations and action plans to foster the analysis of risk at clearance and after clearance (PCA), and supported the adoption of SIGMAT at the Dakar-Bamako corridor. (For more details on the Senegal MTRS and Customs project, please see **Box 6**)

Box 6. Senegal: Medium-Term Revenue Strategy for Holistic Tax and Customs Reforms

Challenge

The **Medium-Term Revenue Strategy (MTRS)** helps countries implement effective tax systems reform to increase tax revenues and enhance the tax system over the medium term through a country-led and whole-of-government approach. Through MTRS, countries can stay committed to reform initiatives over the medium term while focusing on intermediate goals, building capacity and institutions, and making necessary changes in the legal framework while sustaining trust among stakeholders.

In 2020, with the support of the World Bank and IMF, Senegal launched an MTRS - Plan Sénégal Émergent (PSE). The development and implementation of MTRS can support Senegal in enhancing its domestic resource mobilization so that the country can meet its investment goals for human capital and public infrastructure. However, the plan requires significant commitment to tax system and institutional reforms while seeking to raise tax-to-GDP ratio to 20 percent by 2023. Despite major tax policy reforms and the introduction of a revised tax code in 2012, structural challenges such as difficult VAT administration, misuse of tax exemptions, and high levels of informality and high compliance burdens on the private sector, have created inefficiencies in revenue collection. The COVID-19 pandemic also hampered the economic growth and tax revenues in 2020. The implementation of MTRS is one of the key structural reforms to help Senegal strengthen its revenue collection.

Objective

The Senegal Medium Term Revenue Strategy (MTRS) Project, funded by the Global Tax Program, aims to support the Ministry of Finance and Budget in Senegal with the MTRS formulation and implementation to guide policy and administrative reforms of tax and customs. The main objective is to increase domestic revenue mobilization (DRM) while improving the business environment and fostering equity and shared prosperity.

Implementation

Since January 2020, through the GTP funding, the World Bank has provided Senegal with support in diverse policy areas:

- The project team assessed the administrative firm-level tax data and the impact of COVID-19 on firms in Senegal. With the technical support of the World Bank, Senegal advanced the MTRS implementation matrix by incorporating the effects of COVID-19 into the MTRS.
- The World Bank further helped Senegal implement the MTRS by providing technical advisory, support and capacity building in key areas, including international taxation, tax incentive reform, risk management and the impact of COVID-19 on revenues.
- The project team helped Senegal conduct a Customs Assessment to complement the TADAT review which provided eight (8) major recommendations for customs reform. The assessment also featured a diagnostic of the Human Resources in the Customs Directorate.
- As part of the risk management support, the project team supported Senegal in developing a fraud detection algorithm for firms which is currently being used in all tax centers to select 50% of the audit cases.
- The international tax was another key area of support. The project team helped Senegal review the 2018 Transfer Pricing Regulations (drafted with WB support) to strengthen the law and align it with the ongoing changes in international tax.
- In 2022, the project team gave training in advanced pricing arrangements and transfer pricing to over 80 Senegalese officials.
- VAT system was another important focus area for the World Bank support to Senegal. The project team conducted a fiscal incidence analysis of incentives focusing more on the VAT system and provided a micro-simulation tool of fiscal reforms with technical support, including a capacity building for to Ministry of Finance and DGID (Tax Administration) staff on the Tax Incidence Analysis Tool.

Results

Data-driven policy response to COVID-19: The firm-level data on the COVID-19's impact on businesses allowed the authorities to implement sector specific measures in their COVID-19 response, targeting the hardest hit sectors. The Budget Law 2021 enlisted more support to the companies most affected by crisis.

Improved MTRS implementation with technical analysis and advisory: Through the World Bank technical support and advisory, Senegal has improved the MTRS formulation and implementation. For instance, recommendations made in the Human Resources component of the Customs Assessment made into the MTRS strategy.

Built further capacity in tax policy design: Senegal developed further capacity in designing and implementing tax policy in an efficient and effective manner through technical analysis and data provided by the World Bank. The fiscal incidence analysis of incentives focusing more on the VAT System, micro-simulation tool for fiscal reforms, and customs assessment developed for the TADAT review are a few examples of the World Bank support in this area.

Improved international tax policy and capacity: The technical support and training activities on international tax issues provided by the World Bank and OECD allowed Senegal to enhance its capacity as well as regulations on transfer pricing and BEPS.

Increase in the tax collection performance: Despite the economic slowdown in Senegal during the pandemic, the country was able to increase its tax collection performance from 15.4 percent in 2020 to 17.1 percent in 2021. Customs revenue was one of the areas where the increase was noted by the Senegalese authorities. Mr. Abdoulaye Daouda Diallo, the Minister of Finance and Budget, remarked during the International Customs Day, that the launch of the MTRS contributed to the rise in customs revenue in 2021*.

* Customs revenues, more than 1000 billion cfa francs collected in 2021 | senepplus

37. **GTP-funded activities are also supporting WB grants and concessional lending to support five countries in Fragile and Conflict-Affected Situations on DRM reforms.** In FY22, the Tax Administration and the Customs Administration in Central African Republic worked with the WB team to develop the Public Sector Digital Governance (PSDG) Investment Policy Financing (P174620 – US\$30M). The design of the PSDG project was informed by work already carried out through the GTP-funded Central African Republic Tax and Customs Technical Assistance project and is accompanying its implementation. The close collaboration is ensuring synergies between the technical assistance and the investment project. Specifically, the team supported both administrations in coordinating development partners' technical assistance, hence helping the partners work together towards a more efficient support to domestic resource mobilization. Technical support to discussions on property taxes was also provided since this is a key issue on the decentralization discussions.
38. **The GTP supported Niger technical assistance project complements the Niger Public Sector Capacity and Performance for Service Delivery which is an IDA grant (P145261- US\$40M).** While the Niger Customs GTP-funded project focuses on the revenue side particularly support to Customs Administration the PCDS focused on and the Public Financial Management and public expenditure side The Niger Customs project also served as a general background to inform the Niger DPOs and Public Expenditure Review (PER). A new series of DPOs is ongoing and some discussions is ongoing on potential laws on tax exemptions.
39. **During FY22, the Chad Tax and Customs project provided support and input to the Chad Domestic Resource Mobilization and Management and COVID-19 Response Project, an IDA concessional operation.** In this reporting period, two activities were conducted jointly. First, a joint virtual mission to perform the MTR of the IDA Project (P164529 -US\$ 35M) and to assess the performance of the Chad Tax and Customs project. The mission discussed the restructuring of the IDA and the Chad Tax and Customs projects, and reconfirmed key activities for better revenue mobilization which will be supported by both projects. Secondly, the GTP funded project initiated to support the initial steps of implementing the Chadian Tax IT system, which will be included in the IDA Project after restructuring. Outcomes from the GTP funded project, once finalized, will inform WB's interventions in DRM in Chad.

40. **As a result of the policy dialogue on DRM issues in Nigeria, sustained through the GTP funded Tax and Customs project, the Bank launched a \$750 million Program for Results preparation in FY22.** The Accelerating Resource Mobilization Reforms (ARMOR) PforR is expected to be approved by the Bank Board in FY23. This is a comprehensive DRM reform PforR which encompasses oil revenues, tax policy, tax administration, and customs. The Nigeria Tax and Customs project will provide various technical assistance to implementing agencies under the ARMOR PforR to complement Bank's support and achievement of results. This is an opportune time for engaging with the government in this area, given the high priority accorded to DRM reforms by the government, the renewed emphasis on increasing non-oil DRM, and strong political will as evidenced by recent reforms in the Finance Act 2019.

Collaboration with other WB ASAs and WB core diagnostics

41. **The GTP-funded projects collaborated with relevant Bank teams leading other core diagnostics and technical assistance, ensuring synergies and complementarities were exploited for higher impact and value.** For example, Ethiopia Tax Policy project is contributing to the upcoming PER FY23 (P178208) chapter on revenue performance assessment. The project team is also contributing to the planned project on fiscal federalism initiated by the request of the House of Federation of Ethiopia. Furthermore, the project team is leveraging the research reports using the Ethiopia Socioeconomic Survey (ESS) data produced under the Ethiopia Gender and Taxation project financed under Window 3. The knowledge and data are being used particularly for the microsimulation on personal income tax (for more details on this collaboration please see **Box 7**).

Box 7. Informing tax policy research with survey data in Ethiopia

Two Global Tax Program funded projects in Ethiopia, the **Ethiopia Technical Assistance to Support Tax Policy Reforms** and the **Ethiopia Technical Assistance to Support Data Collection and Policy Guidance on Taxation and Gender**, are supporting tax policy studies and providing technical assistance. The research and technical assistance activities aim at enhancing the country's 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.

By complementing administrative data, the **Ethiopia Socioeconomic Survey (ESS)** is a key source of data for several studies included in the two GTP-funded projects. The survey is a nationally representative multi-topic household survey with several modules that collect socioeconomic and demographic information from individuals, households, and communities. It is a collaborative project between the Ethiopian Statistics Service and the Living Standards Measurement Study (LSMS), World Bank. Along with detailed individual-level data on basic demographics, education, health, labor and time use, household spending, and asset ownership, the survey in 2018/19 included questions on tax payments and cash and in-kind contributions. Among them were questions about formal and informal taxes levied on individuals and households and questions about taxes levied directly on nonfarm and agricultural enterprises. The survey also collected detailed data on income earned by casual, wage, and salaried workers as well as data on other household sources of income, impediments to setting up and growing non-farm enterprises, and geospatial data on the locations of households and community facilities. This allows in-depth studies to understand how tax payments and their welfare impacts are distributed by sex, economic sector, and geography as well as income.

Recently completed and ongoing research projects using the ESS data include, (i) **a gendered fiscal incidence analysis**, (ii) **gender norms, land-ownership and rural land use fee and agricultural income tax**, (iii) **gender presumptive taxation**, and (iv) **children and the fiscal space**. In addition, the data are being used in the Ethiopia Tax Policy Project, particularly for the microsimulation on personal income tax (PIT). The microsimulation underpins the World Bank's analytics of the revenue and distributive impact of the current PIT regime and alternative policy options. The study on PIT, in combination with the broader concurrent income tax policy review, is intended to support the MOF with the evidence-based analysis of the income tax policy reforms.

42. **The GTP activities are also complementing and leveraging broader WB's initiatives in the EAP region.** For instance, in Papua New Guinea (PNG), the GTP funded technical assistance project complements and leverages a broader Fiscal Policy and Public Finance Management which includes a programmatic Public Finance Review (P171817) that is aiming at informing the government on fiscal reform action, both at revenue and expenditure; and, a sub-national programmatic ASA (P174416) focused on horizontal accountability for service delivery and a series of development policy operations that support revenue reform actions. A new programmatic series of DPOs is also in the pipeline for PNG, and if this series proceeds is likely to include a significant fiscal pillar with a focus on revenue reforms in particular. Another example is the GTP supported project in Malaysia which is complemented by a wider program supported via the Bank's Malaysia Office Support Agreement. This includes the Growth and Inclusion ASA (P174668) which comprises regular macro-fiscal policy dialogue with the authorities, as well as the Tax and Public Expenditure ASA (P175386), which includes both, revenue activities (supported via the GTP) and expenditure activities (supported by the Office Support Agreement).
43. **The GTP activities are fully aligned with Bank's country engagement plans and actions.** For instance in LAC, the Peru projects are fully aligned with and they support the objectives of the FY17-21 the Bank's country partnership strategy. A new Peru Country Partnership Framework is under preparation for the period FY23-FY27 and is expected that activities funded by the GTP also support its objectives. Engagement of the WB local office (Country Management Unit) ensures the alignment of this project with different WB streams and instruments, including, but not limited, to the WB Country Partnership Framework and Country Work Program Agreements. For example, in FY22, the project team collaborated with the Peru Country Climate Development Report (CCDR), providing comments to focus on the introduction of a carbon tax, complemented by other measures, to encourage private investments into climate mitigation. The work in Azerbaijan is another example of complementarity between GTP funded activities and Country Partnership Framework. The project team maintains close coordination with complementary work such as the Strengthening Medium Term Budget Planning in Azerbaijan. This coordination is part of the CPF Focus Area 1, which entails strengthening economic resilience and medium-term strategic planning.
44. **The GTP-funded environmental taxes project provides essential technical analysis that informs Bank's core diagnostic and policy dialogue on climate change mitigation.** Environmental Tax project team provides the Multi-Regional Input Output model with price-endogenous technology that informs core diagnostics and concessional lending operations, and the demand for their analysis has been exponential. **Box 8** details the project's activities and explain how the project creates impact above and beyond its modest budget.

Box 8. Multi-Regional Input Output model contributes to trigger the dialogue with government counterparts regarding the opportunities of environmental tax reforms towards inclusive, low-carbon recoveries

The flexible, global Multi-Regional Input-Output Tool with Price-endogenous Technology ('MRIO Tool') can lay the groundwork for, or serve directly in, WBG engagements with government counterparts on managing sectoral and distributional employment effects towards inclusive, low-carbon recoveries:

Inducing low-carbon structural change which is inclusive, actively reducing inequalities, and growth-friendly constitutes the defining policy challenge of the 21. century. The COVID-19 pandemic has exaggerated preexisting challenges faced by governments around the globe: inequality in incomes and wealth is surging as millions of jobs were lost, multidimensional poverty is increasing for the first time in decades. Fiscal space to finance public investments in crucial infrastructure, such as clean energy and transportation, has further tightened. At the same time, as greenhouse gas emissions are surging, rising to pre-pandemic levels in 2021, an increasing number of countries have adopted decarbonization or net-zero targets, putting pressure on policymakers domestically to deliver on their pledges, and to avoid being left behind.

From a whole-of-economy view, environmental tax reforms can bring positive effects for overall employment, output, and revenues, but careful policy choices need to ensure that 'what's under the hood', how effects distribute among sectors, workers, and regions, furthers inclusive development goals. The core aim of this global analytical tool is to inform country-specific opportunities and risks for green transitions, which environmental tax reforms are suitable to leverage their capabilities for low-carbon diversification, and what it would mean for workers, regions, sectors etc. To date, the vast majority of the 'just transition' literature is in advanced economies. However, two fundamental insights emerge: low-carbon structural transitions, specifically induced by fiscal policies, can bring positive effects for net employment, far beyond the energy sector. However, the underlying sectoral, spatial, and income heterogeneities can be large, generating winners and losers across the whole of the economy. How transitions play out depends on countries' comparative advantages, endowments with human or physical capital, socioeconomic context, and particularly their policy choices.

Only tailored policy choices can achieve the necessary deep structural transformations in an equitable – and thereby publicly acceptable – manner, and governments, and country economists consulting them, will have an active role to play in shaping them. Today, most countries share the overall goals of achieving both inclusive/pro-poor and climate-friendly development. One of the defining political concerns around environmental tax reforms is their public acceptability and perceived fairness. However, the underlying shapes of such development and the policy instruments for achieving it will vary starkly from country to country, depending on countries' specific social contexts, comparative advantages, and endowments. The WBG will play a central role in guiding governments towards green diversification and integration in global green markets, particularly in view of the twin goals of improving equity and eliminating poverty. Labor market and jobs outcomes and their distribution across occupations, space, incomes, and gender are front and center in this regard.

The diagnostics of the MRIO Tool serve to answer exactly these pressing questions and have triggered dialogue within WBG teams and with government counterparts regarding the opportunities of environmental tax reforms towards inclusive, low-carbon recoveries. The application of the Tool in Advisory Services and Analytics, such as in the first batch of Country Climate Development Reports (CCDRs), the WBG's new core diagnostic on climate and development, lays the groundwork for subsequent engagements and dialogue with client countries regarding climate-fiscal reforms towards green and inclusive recoveries. As the CCDRs are now being discussed with government counterparts, this will trigger engagement in respective green Development Policy Operations for adopting climate-informed macro-fiscal strategies. The flexible analytical approach and user-friendly global scope allow for immediate application in WBG country diagnostics and government interactions.

Demand for the application of the MRIO Tool in country work is high and quickly growing. Demand from governments, and country teams supporting them, is quickly growing to know which fiscal policy packages could support not only reaching their countries' climate ambitions but also pursuing their strategic development goals, particularly with a view of post-COVID jobs recovery. The Tool has already been successfully piloted for climate fiscal policy advisory in four Eastern European countries, namely Romania, Croatia, Bulgaria, and Poland, producing a core input to the EU Regular Economic Report 7. Further country teams have used the analysis in their CCDRs; among others, these include Peru, Kazakhstan, The Philippines, Pakistan, and Bangladesh.

External Collaboration

45. **In FY22, the GTP project teams continued the close collaboration and coordination with various partner organizations.** These collaborations encompassed the PCT Partners (IMF, OECD, UN, and WB), the Inter-American Development Bank (IDB), Asian Development Bank (ADB), African Tax Administration Forum (ATAF), UK Foreign, Commonwealth & Development Office (FCDO), European Union (EU), African Development Bank (AfDB), and United Nations Development Programme (UNDP), among others.
46. **In the area of international tax issues, regular check-ins with the PCT Partners have strong value.** Key topics on international tax are often discussed among PCT Partners at the Technical Working Group meetings twice a month, allowing for brainstorming and feedback across institutions. In addition, following WB internal procedures, WB reports require a review process in which external partners (including PCT partners) are often invited to participate, as reviewers and/or discussants. Further to this formal process, informal discussions generally take place (e.g., in the form of seminars or technical meetings), which allows for feedback on ongoing work and better coordination to avoid duplication of efforts.
47. **In FY22, the VAT Digital Toolkit for Asia-Pacific Region report was completed and jointly launched by the OECD, the ADB and the WB in January 2022.** In partnership with the OECD, the World Bank embarked on the design of VAT digital toolkits for the LAC, EAP and AFR regions. Collaboration and synergies with development partners and other regional international organizations and stakeholders are carried out through different channels, including consultation workshops organized for each of the regions embarked on the project (e.g., consultations with tax authorities from across the APAC region; with stakeholders from the public and private sectors in the LAC region). While the toolkit for LAC region was launched in FY21 in collaboration with the Inter-American Development Bank and CIAT, during the second half of FY22, the team started developing the VAT Digital Toolkits for the African region, in collaboration with the OECD and the African Tax Administration Forum (ATAF).
48. **External collaboration has been central to the Somalia Customs project's implementation to avoid duplication and reduce the burden on the government institutions.** With support from the GTP, the project team has been closely coordinating with the UK FCDO CRATES and PREMIS projects in Somalia and PROFR in Somaliland. To date, the collaboration has worked well, providing a platform for coordinated technical advice to the client and coordinated development support that is high impact with a low burden on these low-capacity government entities. (For more details, please see **Box 9**).

Box 9. Reducing the burden on the government institutions in Somalia and Somaliland through external collaboration between DPs supporting the DRM reform agenda

Aiming to reduce burden on the government institutions, the Somalia Customs project activities are closely coordinated and collaborated with all the development partners that support the domestic revenue mobilization (DRM) reform agenda in Somalia and Somaliland. Notably in the context of, the International Monetary Fund (IMF) Program Benchmarks, European Union budget support Benchmarks, the United Kingdom Foreign Commonwealth and Development Office (FCDO) Customs Reforms and Trade Enhancement Somalia (CRATES) project in Somalia, and Prosperity from Revenue programme (PROFR) in Somaliland.

To this end, regular coordination meetings are held with the development partners and their project teams during each WB mission, in addition to activity specific coordination to provide collaborated support to the government entities. More importantly, in Somalia the government-led existing Intergovernmental Fiscal Forum (IGFF) that has been established by the World Bank Group's Recurrent Costs and Reforms Financing (RCRF), is used for the High-level Dialogue among the Federal Government of Somalia, the Puntland State of Somalia, and the Jubbland State of Somalia. As one example, the High-level Customs IGFF Meetings are jointly conducted with CRATES, in Somalia. Such a coordinated and collaborative approach is contributing to the HIPC Decision and Completion Point process.

The collaboration has worked very well. The flexible design of the GTP-funded ASA enables the team to adapt (and not duplicate) per other development partners' support. One example of such collaboration in Somalia is the Customs Risk Management Framework, as the FCDO/CRATES project took lead to develop this framework, which was envisaged for the GTP support. In consultation with the FCDO/CRATES the GTP is complementing it by developing the Framework for Inland Revenue. The outcome of this approach will be to create a centralized risk management function opportunity for Somalia in the medium to long term. As another example, the GTP is supporting the Goods and Service Tax TA in collaboration with the FCDO PROFR project in Somaliland.

This coordination and collaboration with the UK FCDO CRATES, PREMIS, and PROFR Project is steered by the respective Ministries of Finance and the Revenue Department that further helps the coordination. The WB team meets the development partner and the CRATES and PROFR team as a standard operating procedure during each WB mission. In addition, activity specific coordination meetings are held with both, the development partner as well as the respective project implementation team. The main value of this collaboration is having one coordinated technical advice to the client and coordinated development support that is high impact with low burden on these low-capacity government entities.

Some examples on how the work implemented under the GTP-funded project has informed the tax interventions implemented by external partners or how the project's intervention is complementary with efforts led by other development organizations are:

- Customs and Inland Revenue high-level dialogue between the Federal Government of Somalia and the Federal Member States of Somalia upstream technical advisory and analytical support to inform the FCDO CRATES downstream reform implementation.
- DRM Advisors bridging support by the Banks DRM & PFM Project after closing of the FCDO PREMIS Project in Somalia, coordinated by the GTP-funded project in consultation with the FCDO and PREMIS team.
- Customs Automated System (CAS) technical assistance bridging support by the Bank's RCRF Project coordinated by the GTP-funded project in consultation with the FCDO and CRATES team.
- Goods and Services Tax analytical and technical advisory support by the GTP-funded project in Somaliland after closing of the FCDO PROFR Project in consultation with the FCDO and PROFR team.

The counterparts benefiting from this external collaboration are the Ministries of Finance, Inland Revenue Departments and Customs Departments of the Federal Government of Somalia, Jubbland State of Somalia, Puntland State of Somalia, South West State of Somalia, Hirshabelle State of Somalia, Galamadug State of Somalia, and Somaliland.

49. **The World Bank has taken a leading role in the coordination with development partners supporting the domestic resource mobilization efforts in the Central African Republic.** The World Bank team convenes regular meetings with different development partners to have technical exchanges on the different interventions. The GTP-funded project's task team leader is part of the weekly coordination meetings with development partners on public financial management issues where domestic resource mobilization is often the main focus. The meeting has regular participation of from the IMF,

EU, AfDB, and UNDP, and it is used as a space to brief all partners on any missions or technical assistance activities taking place in the country. During these meetings key reform initiatives are discussed and partners coordinate on how/whether to work together to advance them. Importantly, as budget support has been suspended by all partners for the medium term, the meetings allow for a space to strategize on how else partners can provide positive influence on reform processes. In practical terms the coordination means that all DRM-related missions will debrief (or pre-brief) to the meeting, most terms of reference for technical assistance are circulated between partners, and often open discussions on best approaches and what we have learned are held. However, it also means the pace of implementation can be slowed down as the project team wait for a partner to advance on any activity that is a pre-requisite for the GTP-funded project (such as the national PFM strategy and the ASYCUDA upgrade), but it also means that the team maintains a steady “absorption” level for the counterparts who are less overwhelmed with support. (For more details, please see **Box 10**).

Box 10. Coordinating Development Partners for Domestic Resources Mobilization

The Central African Republic (CAR) has lived a period of extended conflict and crises through the last decade. Development partners and bilateral donors mobilized to support CAR's peace consolidation in 2016 and committed 2.2 billion USD to development efforts in the country which were consolidated on a National Development Plan (Plan National de Relevement et Consolidation de la Paix en Centrafrique – RCPCA). In February 2019 a new Peace Accord, signed in Kartoum, renewed the positive prospects of the country. Enhancing domestic resources mobilization was one of the elements of the RCPCA which sought to go beyond the humanitarian crisis the country had been victim to and move towards development interventions. Enhancing domestic resources mobilization was seen as fundamental element of, not only fiscal sustainability, but for the restoration of the State.

Overall domestic revenues amounted to 8.9 percent of GDP in 2018, making it one of the lowest in the Sub-Saharan Africa region. The GTP proposal sought to improve policy and efficiency in the management of selected taxes and customs duties to improve organizational efficiency, and operational performance management through data-based decision making. The pandemic continued its effects on the country slowing down the implementation of the grant, and once some elements of normalcy started gaining ground at the end of 2020 a new violent episode driven by the Presidential elections erupted in December further delaying implementation and generally taking reform efforts off track.

In June 2021 as the fog of COVID-19 pandemic and civil unrest subsided most development partners and bilateral donors found themselves with programs which were approved two years ago but put on hold, and which were never quite socialized in country. This is when the overlaps began appearing between development partners' support, especially at the office of the Director of the Tax Administration (DGID). The GTP project team, where task team leader is based in CAR, observed that coordination was needed, and unless action was to be taken there were going to be serious overlap problems. After a survey of most partners in town, including the European Union Delegation (AU), the International Monetary Fund (IMF), the African Development Bank (IDB), and the United Nation Development Fund (UNDP), it became clear that most of the development partner programs had focused on the very real problem of outsized tax exemptions. The task team leader of the GTP-funded project was able to successfully convene a meeting of the development partners working on the DRM realm. Her efforts for coordination allowed partners to realize that there were least two partners who were preparing rather similar terms of references to be executed during the same week.

Since that one meeting development partners and bilateral donors with programs to support the Government of CAR on DRM hold informal technical exchanges regularly. It has become customary for Mission working on DRM to include visits to other partners on their agenda and when possible, to carry out a join debrief. This has not only avoided overlaps but more importantly it has allowed for partners to exploit synergies between their programs. For instance, today, the GTP project team have relied on the African Development Bank's survey of exemptions to help the Tax Administration develop a strategy on which exemptions to tackle first, while we also work together with the EU and the IMF on the digitalization of customs procedures. This coordination has been a key asset to all DRM programs in CAR and is expected to continue as a priority for the GTP grant implementation.

50. **In FY22, the project teams collaborated with their IMF counterparts on several technical assistance engagements.** For example, in Tajikistan the WB and the IMF worked closely to see the Tax Code finalized and ratified in December 2021. The collaboration between the two institutions was facilitated by government partners through working groups led by the client. In Nigeria, the WB team and the IMF teams are regularly exchanging on their inputs provided to the Nigerian government counterparts. In FY22, an MoU was signed between the IMF's Fiscal Affairs Department and the Bank Governance Practice in which the modalities of collaboration were clearly laid out. This included sharing information and outputs, keeping each other informed of missions, and ensuring broad agreement on tax policy and tax administration reform recommendations. Another example is the collaboration between the WB and the IMF in Malaysia. Since its inception, the Malaysia Tax Reform project team had numerous exchanges with the IMF on the GTP-funded work program that supports the MOF. The collaboration has focused on fiscal management (the MOF's focus was on the Fiscal Responsibility Act Framework), personal income tax and consumption tax (focus of WB's activities as part of the MOF's Medium-Term Revenue Strategy). Similarly, in PNG the GTP-funded activities complement the MTRS implementation led by the IMF. Specifically, the planned activities would help to improve the compliance risk management agenda of the tax administration. On the tax policy side, the project aims to assist the government in rationalizing the tax incentives regime.
51. **In the Asia region, GTP funded projects are also being implemented in collaboration with the Asian Development Bank.** In Kyrgyz Republic, the project team continued coordinating with the IMF and the ADB in their planned support to the tax administration reforms which allowed the respective teams to avoid any overlaps. The project team in Vietnam has been exchanging on their planned activities with the ADB and the IMF to ensure complementarities. In Azerbaijan, the WB team coordinates with the IMF and the ADB at key milestones of the project. This ensures complementarity of activities and focusing on the core mandate and comparative advantage of the World Bank, especially with a focus on activities with the broader objectives of improving domestic resource mobilization and enhancing the capacity of the tax administration.
52. **In Vietnam, the health tax policy review has led to a broader collaboration with several partners in this thematic area.** The WB is collaborating with several partners and organization in carrying out the health taxes review in Vietnam such as the WHO, the Bloomberg, the Health Bridge, and the Tobacco Free Kids who have been actively supporting health taxes reform in Vietnam over the years. It is expected that the WB would help to secure political support from the National Assembly, and at the same time, building on the recent studies completed by the partners on the health tax topics to deliver practical policy advice to the National Assembly.
53. **Collaboration with external partners in Ethiopia is promoting synergies between different development partners.** The aim is to avoid duplications of efforts and streamline reform proposals of different partner organizations. The Ethiopia Tax Policy project team has collaborated with development partners (IMF, FCDO, AfDB, and UNDP) through the monthly donor macroeconomic group meetings. These meetings discuss the overall macroeconomic situations and areas of concern in partners' ongoing support. To date, the collaboration has been coordinated by the development partners themselves. Nevertheless, these efforts directly benefit the Ministry of Finance and Ministry of Revenues, as development partners coordinate and collaborate in contributing various aspects of tax policy and tax administration reforms without duplication of efforts. That enables, efficient use of resources and makes the interventions provided through development partners comprehensive as much as possible.

V. FY22 Progress Update at the DRM Window Level

54. The Portfolio Review exercise demonstrated that most of the GTP projects are making good progress toward meeting their expected results, as is reflected in the key results achieved in FY22. During this reporting period, the GTP project teams continued producing public goods, ranging from working papers, policy notes, databases, and toolkits, led by projects in Window 1 and Window 3, as well as providing support with technical assistance and delivering reform recommendations to 31 countries under Window 2 projects.

A. Window 1 - Global Tax Activities and Global Public Goods

55. GTP activities under Window 1 make up 8% of the total DRM Pillar allocations (based on total allocations under Window 1, Window 2, and Window 3) to date. Window 1 activities focus on three main areas:
- i. Support the development of more efficient tax policy and administration assessments to enhance the legitimacy of country governments and facilitate cross-country comparisons and learning. This includes the Tax DIAMOND, which is an integrative tool that accompanies the implementation and monitoring of tax reforms the development of more efficient tax policy and administration assessments to enhance the legitimacy of country governments and facilitate cross-country comparisons and learning;
 - ii. Provide tax authorities in participating countries with toolkits and research documents that improve the ability of tax authorities to apply international tax practices and global advocacy activities to support the effective implementation of international tax policy in developing economies. These activities are currently in implementation under the Toolkits and Research on International Tax project.
 - iii. Development of tools in the form of public goods to help countries to rapidly assess and design green fiscal policy instruments; enhance access to knowledge on the effectiveness of environmental tax reforms for sustaining the recovery and fiscal consolidation; and enhance global knowledge on the effectiveness of tax incentives. These activities are currently in implementation under the Carbon Pricing Assessment Tool (CPAT), Environmental Tax Reform and Tax Incentives Reform projects.
56. **In FY22, five new modules/tools/databases were developed under Window 1.** One of these key outputs is the second of the VAT Digital Toolkit series, “[VAT Digital Toolkit for Asia-Pacific Region](#),” which was completed and jointly launched by the OECD, the ADB, and the WB in January 2022. The toolkit is the result of a close, collaborative, and productive partnership of the World Bank (lead by the GTP-funded project team) with VAT technical experts from the OECD (Consumption Tax Working Group – WP9), the ADB, and inputs from consultations with authorities from regional organizations and representatives of the academia and the private sector. The report covers all the key implementation and operational aspects of VAT reform including policy design and legislative reform, building the infrastructure to support the registration and compliance processes, an accompanying communications strategy, effective audit, and administrative risk management strategies, including concrete measures

to tackle VAT fraud associated with online trade. The second output was delivered by the Toolkits and Research on International Taxation project team who prepared, jointly with the OECD, an additional module of the Transfer Pricing E-Learning tool on TP comparables. The third output was developed by the Tax Incentives Reform project team, consisting in a high-level database of tax incentives for about 150 countries. This database will provide countries with information on the prevalence of different tax incentives around the world and will benefit policymakers and researchers. Finally, under the CPAT project, three new modules were developed. The estimation of equity impacts from tax-induced changes in consumption prices has been extended to 64 countries and to help offset equity impacts, users can now model impacts of changes to labor taxes, besides cash transfers and expansions of social security systems. Also, a new module for running multi-scenario analysis is now available, and the team has worked on a trial version of a new module on finance. The project team supported the Bank's departments for Finance and Climate Practices and external academics (e.g., ClimaFin) in developing a model of green finance interventions which is now connecting to CPAT.

57. **Eight research documents, policy notes, policy briefs were developed during FY22.** The Toolkits and Research on International Taxation project team, as part of its support for the effective implementation of international tax best practices in developing economies, prepared a [Policy note on TP reform](#), published a report on [Digital Service Taxes](#) and a [policy brief](#) on the implications of the Pandora Papers on the work that the Bank does on illicit financial flows (including on tax avoidance/evasion and tax transparency). Also, the team has been very engaged in the discussions on Pillar 1 and 2 at the Inclusive Framework, and prepared [detailed material](#) on the rules for the proposed minimum tax on MNEs (Pillar 2) and gave a presentation (Unpacking the Pillar 2 rules) to a select group of Spanish speaking countries which requested support in this area. More than 40 tax officials attended the meeting from six countries including Argentina, Colombia, Costa Rica, Chile, Ecuador, and Uruguay. The project team also launched a series of events to cover insights on International Taxation, co-financed with BB funding. The first event discussed “The New Landscape for Taxing Multinationals” and the second focused on “Policy Options and Roadmap for a Global Minimum Tax on MNEs”.
58. **The Tax Incentive project team also contributed to the discussions on how to help countries implement the global minimum tax that is under discussion under the inclusive framework.** In FY22, the team supported the strategy by developing a detailed guidance note on the subject. This note will form the basis of the project team engagement with countries on minimizing the impact of harmful tax incentives.
59. **Research papers targeting to enhance access to knowledge on environmental taxation were also produced during FY22.** Under the Environmental Tax Reform project three working papers were finalized. These include:
 - i. [The COVID-19 Crisis and the Road to Recovery: Green or Brown](#). This paper analyses the policies launched in response to COVID-19 and evaluates their consistency with the world's low-carbon transition.
 - ii. [The Role of Environmental Tax Reform in Responding to the COVID-19 Crisis](#). This paper discusses the optimal timing of fiscal consolidation and the instruments to achieve it at the lowest economic cost.
 - iii. [Political Challenges of Introducing Environmental Tax Reforms in Developing Countries](#). This paper discusses political economy challenges to the implementation of environmental tax reforms in developing economies.

Table 4. Key Aggregated Results Under Window 1

Aggregated Logical Framework - Global Tax Program										
WINDOW 1: Global tax activities and global public goods										
Standard Indicators	Projects	Project target FY22	Project results FY22	Results details FY22	Cumulated targets FY22	Cumulated results FY22	Inception to date targets	Inception to date results	Total targets	Total results
A.1 Number of new modules/tools/databases developed	1.1 TPAF Development									
	1.2 TAX DIAMOND	0	0							
	1.3 Toolkits & Research on Intl	0	1	1. An additional module of the Transfer Pricing E-Learning tool on TP comparables has been developed jointly with the OECD.						
	1.4 Digital VAT Guidelines	0	1	1. The second of the VAT Digital Toolkit series "VAT Digital Toolkit for Asia-Pacific Region" report was completed and jointly launched by the OECD, the ADB, and the WB in January 2022.	2	5	21	25	23	31
	1.5 Tax Incentives Reform	2	1	1. A high-level database of tax incentives for about 150 countries has been prepared						
	1.6 Carbon Pricing Assessment Tool	0	2							
	1.7 Environmental Tax Reform	0	0							
A.2 Number of documents, reports, studies, notes, guidelines, training materials prepared	1.3 Toolkits & Research on Intl	3	4	1. A Policy note on TP reform published 2. Report on Digital Service Taxes was published 3. Detailed material (in English and Spanish) on the rules for the proposed minimum tax on MNEs (Pillar 2) 4. Policy brief on the implications of the Pandora Papers on the work that the WBthe Bank does on illicit financial flows (including on tax avoidance/evasion and tax transparency) was published						
	1.5 Tax Incentives Reform	3	1	1. The project supported the strategy on how to help countries implement the global minimum tax that is under discussion under the inclusive framework. A detailed guidance note was prepared on the subject.	9	9	24	19	28	19
	1.6 Carbon Pricing Assessment Tool	1	1							
	1.7 Environmental Tax Reform	2	3	1. The Role of Environmental Tax Reform in Responding to the COVID-19 Crisis (Working Paper) 2. The COVID-19 Crisis and the Road to Recovery: Green or Brown (Working Paper) 3. Political Challenges of Introducing Environmental Tax Reforms in Developing Countries (Report)						
A.3 Number of workshops/policy dialogues/consultations / Global advocacy activities conducted	1.3 Toolkits & Research on Intl	1	5	1. A seminar on the Transfer pricing E-learning course was held on July 13, 2021, targeting the Asia and Pacific region 2. The New Landscape for Taxing Multinationals event to cover Insights on International Taxation. 3. Event on Policy Options and Roadmap for a Global Minimum Tax on MNEs 4. The team participated in a PCT "Ask-An-the Eexpert" seminar on the PCT Tax Treaty Toolkit on June 15 5. Presentation "Unpacking the Pillar 2 rules" on April 25 to a select ed group of Spanish speaking countries	10	10	20	18	27	18
	1.4 Digital VAT Guidelines	0	1	1. Consultation workshop organized by partner institutions from October 28-29 with participation from regional tax authorities and experts to gather views and insights on both the structure and the content of the first draft of the APAC Toolkit.						
	1.5 Tax incentives Reform	4	0							
	1.7 Environmental Tax Reform	5	4	1. Three papers produced under this project were discussed in a seminar on 'Securing a Sustainable Recovery' chaired by the Vice President of EFI, Indermit Gill on November 16 2021						

B. Window 2 - Country-level Activities

60. **GTP activities under Window 2 currently represent 85% of the total Program allocations to date.** Since Program inception, GTP activities financed under Window 2 have proposed a total of 224 tax-related reform recommendations (laws or regulations) out of which, 96 of these proposals have been endorsed by country governments in 29 countries as of end-FY22 (reforms have been fully implemented in 27 countries). In FY22 alone, 39 reform recommendations (laws or regulations) have been endorsed by respective governments in 15 countries. Out of these, 36 reform recommendations were fully adopted in 13 countries. For further details see **Table 5**.

Key achievements of the DRM Pillar's country-focused work during FY22

- **Completion of diagnostic assessments and preparation of strategic plans:** TADAT Performance Assessment Report in Rio Grande do Sul-Brazil; TADAT assessment in Cote d'Ivoire; Monitor and Evaluation Assessment (KPI Module) in Uzbekistan; ICT self-assessment using DIAMOND in Tajikistan; DIAMOND Business Process Mapping Tool in Azerbaijan; Institutional assessment of the customs administration and assessment of the opportunities and challenges of enhancing the effectiveness of property taxation in CAR;; diagnostic assessments on property tax policy issues in Zambia and Ghana; customs compliance study in Somalia, pilot of the national risk assessment module on tax evasion in Panama; diagnostic of the fiscal system related to GHG emissions in Peru, diagnostic assessment and legal review to improve the quality of taxpayer registration in Kosovo; support to develop a Taxpayer Registration Improvement Strategy in PNG; HRM assessment for the Customs administration and the related HRM strategic plan in Senegal; a geospatial study for the adoption of a redeployment strategy of agents was prepared based on GIS data on trade routes and smuggling in Niger.
- **Contribution to the policy dialogue on the tax area:** Policy dialogue on international tax issues with countries' governments from LAC region, targeting 4 countries (Argentina, Ecuador, Guatemala, and Panama), was supported by the International Tax Program team; tax incentive review in Saint Lucia is contributing to the policy dialogue in the preparation of a lending operation, policy dialogue with health and finance authorities in Chile.
- **Strengthening international tax policies:** In Peru 1) Amendment of the rules to determine market value of unlisted shares through approval of Legislative Decree No. 1539; 2) The 2021 OECD Inclusive Framework peer review of the Action 13 minimum standard concluded that Perú has fully implemented the BEPS Action 13 (CbC reporting) minimum standard and meets all the terms of reference; in Ecuador, WB's recommendations on the beneficial ownership legal framework were adopted and BO registry must be compiled and maintained by the Tax Administration as well as the criteria for verification of BO info/registry; in Panama and Colombia recommendations on BO were adopted; in Cambodia a New Tax Treaty Model was adopted, and in Thailand MLI was signed.
- **Strengthened capacity on international tax issues:** 13 virtual workshops on transfer pricing and international tax issues were delivered in six countries (Eswatini, Ghana, Lesotho, Rwanda, Senegal, Liberia and Fiji); one online course on TP in Liberia, one virtual meeting on direct taxation of the digital economy in Argentina, 1 virtual workshop to provide audit support in Uganda, two awareness seminars and recommendations on the interaction of Pillar 2 and tax incentives in Saint Lucia and Uruguay, and one awareness meeting on transparency and BO information in Panama.
- **Approval of New Tax Code:** in Tajikistan the revised tax code (supported by the project team) was ratified in November 2021; in Kyrgyz Republic the team provided support with the rewrite of the draft Tax Code, which was approved by the Parliament on December 22, 2021.
- **Adoption of new laws, amendments, regulations contributing to enhance DRM:** in Kosovo, the authorities, informed by the project, are currently working on drafting the actual legal amendments to change relevant tax laws (business registration laws and other relevant laws, regulations and internal procedures) to improve the quality of tax registration; the property valuation methodology was changed by the Government of Punjab (India) from a flat rate method in practice to a capital valuation method based on government rates for the valuation of land (for stamp duty purposes) and the cost of construction of buildings; in Nigeria, the government adopted regulations on electronic money transfer levy and endorsed regulations on telecom services and non-alcoholic beverages; in Bhutan WB's recommendations were included in the new Fiscal Incentive Act 2021; the Malaysia Personal Income Tax Policy Microsimulation Model (GTP funded model) contributed

to the proposed abolition of the tax exemption on foreign sourced income beginning January 1, 2022; in Ethiopia recommendations were adopted and included in the revised tariff book introduced in July 2021, effective as of August 11, 2021.

- **Adoption of Medium-Term Revenue Strategy and other actions plans/strategies:** On April 23, 2022, the Prime Minister of Vietnam approved the tax system reform strategy through 2030, with a focus on building a modern and effective taxation regime; adoption of a taxpayer services and taxpayer communication and education strategies in Kyrgyz Republic; adoption of a strategy for the development of the state customs service for 2022-2025 in Uzbekistan (supported by the GTP project)
- **Contribution to the drafting or review of new/existing laws:** recommendations for tax reform on international tax issues (including transfer pricing and EoIR and AEoI) were delivered to ten countries (Eswatini, Uganda, Maldives, Seychelles, Cabo Verde, Colombia, Ecuador, Guatemala, Panama and Jamaica); in Nigeria the project team contributed to the draft of several regulations on excise duty, newly excisable products, telecom services and electronic money transfer levy; detailed recommendations on reform of tax incentives were delivered to four countries (Sri Lanka, Saint Lucia, Bhutan and Egypt).
- **Guiding government counterparts regarding the opportunities of environmental tax reforms towards inclusive, low-carbon recoveries:** ten countries have benefited from the underlying tools (MRIO) and analysis under the Environmental Tax Reform project. Five WB country teams are using the analysis in Country Climate Development Reports (CCDR) under preparation; on January 25th, 2022, the Government of Peru enacted Supreme Decree N° 003-2022-MINAM declaring the climate emergency to be of national interest.
- **TA on tax policy, tax and customs administration and capacity building:** a total of 57 capacity building events were conducted with tax and customs officials from 20 countries (Kenya, Uganda, Somalia, Rwanda, Nigeria, Morocco, Egypt, Ethiopia, Tajikistan, Uzbekistan, Kosovo, Albania, Bhutan, Cambodia, Sri Lanka, Indonesia, Malaysia, PNG, Peru, and Saint Lucia) from different regions. The trainings covered a wide range of thematic areas such as: data science and business intelligence, data analytic and modelling, tax crimes, enhancement of excise administration, and tax and business registration. Additionally, some of these TA and trainings focused on specialized tax policy analytics and skill building on areas such as tax gap analysis/GST tax gap model tax expenditure, revenue forecasting and tax policy analysis, SME taxation, and environmental taxation and use of CPAT, among others.

61. **At the Outcome level, as a result of project team's technical assistance, under Window 2, 13⁸ countries adopted and implemented WB's tax reform recommendations, while two countries have endorsed recommendations** (for more details see Table 5). During FY22, five countries implemented international tax good practices following the International Tax Program team's technical advice. For example, in Ecuador as part of the technical assistance and the policy dialogue (lending operation) the project team provided advice on beneficial ownership legal framework most of which were included in the Law for Economic Development and Fiscal Sustainability Post-COVID-19 of November 29, 2021, and regulations. As part of this reform, it was established that the BO registry must be compiled and maintained by the Tax Administration as well as the criteria for verification of BO info/registry. In addition, due to this project's support, in August 2021, Ecuador successfully passed its confidentiality assessment allowing the country to have its relevant reciprocal exchange relationships under the CRS-MCAA. As a result, in September 2021, Ecuador started exchanging information reciprocally under the AEOI standard as follows: i) Ecuador sent information of over 50,000 reportable accounts to 42 exchange partners, and ii) received information of over 44,000 reportable accounts from 43 exchange partners. Another example, in Colombia the project team recommendations on BO definition and legal persons definition, scope of rules, sanctions were adopted and as part of this reform, BO registry under DIAN was implemented as well as its verification and due diligence obligations to report BOs. Other countries, benefiting from the technical assistance implementing reforms were Panama, Cambodia, and Thailand.

8 Countries that adopted tax reform recommendations in FY22 are: Ecuador, Colombia, Panama, Peru, Cambodia, Bhutan, Malaysia, Vietnam, Thailand, Tajikistan, Kyrgyz Republic, Nigeria, and Ethiopia.

62. **In the ECA region, WB's major tax reform recommendations towards simplification and modernization of the tax system were adopted with the approval of a new Tax Code in Tajikistan and Kyrgyzstan.** In Tajikistan, the project team has been working closely for the past two years with the Working Group in reviewing and fine-tuning the Tax Code draft. In this reporting period, the code was ratified by the lower chamber of parliament on November 5, 2021, passed by the parliament on December 17, 2021, and signed by the president on December 23, 2021. With support from the WB, the previous tax system's complexities were addressed by simplifying tax procedures which will help reduce the burden on taxpayers, harmonizing tax rates, reducing reliance on "minor" taxes, improving the VAT refund system, reducing tax reliefs, and tackle the informal sector through, among others, incentivizing non-cash payments. The new tax code helps modernize the legal framework and will facilitate tax administration and compliance. The Bank team will continue supporting the tax administration and the relevant working group on the implementation of the tax code. In Kyrgyz Republic, the new Tax Code was approved on December 22, 2021. The draft Tax Code developed by the WB provided for two main approaches to taxation, general tax regime and simplified taxation system based on single tax, retained the current tax rates for main taxes and most of tax exemptions, raised the threshold for simplified tax regime, eliminated the threshold for VAT registration, and introduced VAT for services of foreign companies and e-commerce tax. Timely adoption of the key legal revisions aligned with international good practices will be important for the implementation of the comprehensive modernization of tax administration business processes supported by the IDA-financed Tax Administration and Statistical System Modernization Project.
63. **In the Asia region, three countries (Malaysia, Vietnam, and Bhutan) have adopted WB's reform recommendations which will contribute to enhance domestic revenue mobilization.** In Malaysia, informed by a policy note on reform options to raise personal income tax revenue produced by the project team (based on the Malaysia Personal Income Tax Policy Microsimulation Model), the government announced the abolition of the tax exemption on foreign-sourced income beginning on January 1, 2022. The government subsequently agreed to exempt taxation on foreign-sourced income from January 1, 2022, to December 31, 2026, for resident taxpayers to ensure the smooth implementation of the tax initiative. In Vietnam, the Prime Minister approved, the tax system reform strategy through 2030, with a focus on building a modern and effective taxation regime. In Bhutan, the Tax Incentive Reform project team submitted detailed feedback on their tax incentive regime and suggested reforms. Four key recommendations were incorporated into the new Fiscal Incentive Act 2021: i. Replacing tax holidays / tax rebate with capex allowance of 100 percent to approved projects in specific sectors that are more adversely affected by COVID than others; ii. Targeting incentives to small and micro enterprises that are one of the priority sectors and high employment generation industry; iii. Targeting incentives to creating employment by incentivizing employment of new and additional employee who is retained; and iv. Indirect taxes which created a bigger impact on profitability of businesses are continued till GST is introduced.
64. **In Africa region, Ethiopia and Nigeria have also implemented tax reforms aiming at improving DRM.** In Ethiopia, the project team's recommendations resulting from the comprehensive review of tariff book were adopted and incorporated in the revised tariff book introduced in July 2021, effective as of August 11, 2021. In Nigeria, the project worked with the Technical Services Department in the Federal Ministry of Finance to help them – (a) introduce excise duty on non-alcoholic beverages; (b) introduce excise on telecom services to cover both post and prepaid airtime and data; (c) increase excise on alcohol and tobacco products.

65. **In the LAC region, as a result of the project team’s technical assistance, Peru has made progress towards strengthening international tax policies and on environmental taxation area.** IN the international taxation area, rules to determine the fair market value of unlisted Peruvian shares in direct transfers were amendment and will enter into effect as from 1 January 2023. The legislative decree incorporates new methodologies for determining the FMV of non-listed Peruvian shares for direct transfer purposes. Given that the application of different valuation methods could have an impact on related-party transactions, the team’s advice ensure that these new methodologies do not affect transfer pricing regulations on the transfer of securities by related parties, thus maintaining the current methodologies that follow the OECD Transfer Pricing guidelines such as comparability analysis, arm’s length principle, residual use of “other methods”, among others. Also, the 2021 OECD IF peer review of the Action 13 minimum standard concluded that Peru has fully implemented the BEPS Action 13 (CbC reporting) minimum standard and meets all the terms of reference. As a result of BEPS Action 13 (Transfer Pricing Documentation and Country-by-Country Reporting), tax administrations around the world are receiving information on large foreign-headed MNE Groups such as the global allocation of their income, taxes, and other indicators of the location of economic activity. This unprecedented information on MNE Groups’ operations across the world has boosted tax authorities’ risk assessment capabilities, fostering tax transparency. On the environmental taxation area, on January 25th, 2022, the Government of Peru enacted Supreme Decree N° 003-2022-MINAM declaring the climate emergency to be of national interest. As part of this decree, the Ministry of Economy should evaluate, in coordination with the Ministry of Environment, the determination of the price of carbon and, based on this, identify the actions required for its progressive application in Peru. Carbon pricing instruments are an economically effective and efficient policy measure to address climate change mitigation. During the last years Peru has put into place an array of energy- and climate-related policies, however, until this SD was approved, any of the current policies explicitly considered carbon pricing as a mitigation measure. In addition, the results of the TA, in conjunction with the application of other WB tools, can be used as inputs when reviewing the evaluation on carbon pricing instruments, currently being prepared by MEF.
66. **GTP project teams have also proposed 136 recommendations to improve procedures, practices, or standards, from which 96 has been adopted by client governments in 21 countries as of FY22-end.** In FY22 alone, client governments have adopted 29⁹ reform recommendations (procedures, practices, or standards) in 10 countries¹⁰. For further details see **Table 6**.
67. **In FY22, with the support of the International Tax Program, three countries in the Africa region enhanced their TP risk management and tax officials TP capacity to assess audit cases.** In Ghana, the team provided support on practical, technical, or operational issues related to two anonymized audit cases to 35 GRA officials. As part of this support - that initiated in FY21-, the tax administration reported additional revenue assessed, US\$ 24 million assessed and US\$7.5 million collected for 2019-2022. In Rwanda, the team provided technical assistance to anonymized four audit cases. On average 30 officials from RRA participated in the meetings. The tax administration reported additional revenue assessed as part of this support (which initiated in FY21), US\$ 15.5 million assessed for 2018-2022. In Uganda, the team provided support on practical, technical, or operational issues related to ongoing

9 In FY22, the International Tax Program achieved 23 outputs under the indicator “Number of recommendations to improve procedures/practices/standards adopted”. Since the achieved outputs exceeded the targeted outputs for the period and to avoid any distortions in assessing the progress toward expected targets in FY22 and the Program’s inception to date targets, the GTP Secretariat is counting 12 outputs at the aggregated level. The TA to assess audit cases in Ghana, Rwanda, and Uganda is being counted as one output per country.

10 Ghana, Rwanda, Uganda, Nigeria, Niger, Ecuador, Panama, Colombia, Kosovo, and Kyrgyz Republic.

URA tax audit cases involving transfer pricing and international tax issues in various industries in various meetings (cement, retail, logistics, banking, and coffee industry). A total of 13 officials from the international tax unit of the URA participated in these meetings. The tax at stake was estimated to be US\$10-15 million per case, 8 cases reviewed in total during this period. In June 2022, the URA provided a summary of revenue results from the unit since the 2018 income year, showing that over the last three years, the unit has assessed revenues of approx. US\$ 160 million. These assessments were progressed with support from the World Bank-ATAF team.

68. **Also, in FY22, under the support of the International Tax Program, three countries in the LAC region improved their information security management for effective implementation of Tax Transparency International Standards.** In Ecuador, recommendations on ISM were adopted and successfully passed the confidentiality assessment, getting the final approval by January 2022. Also, as part of the beneficial ownership legal framework reform in Ecuador, it was established that the BO registry must be compiled and maintained by the Tax Administration as well as the criteria for verification of BO info/registry. In Panama, the team also provided technical advice on the effective implementation of beneficial ownership to ensure compliance with Global Forum and FATF standards and the recommendations on verification of BO registry and supervision of resident agents were adopted. In Colombia, as part of the beneficial ownership legal framework reform, BO registry under DIAN was implemented as well as its verification and due diligence obligations to report BOs.
69. **In Peru, the project team, has contributed to improving the expertise of SUNAT's operational staff, as well as the implementation of international standards to enhance TP audits.** The technical support of the team has been relevant to improve the expertise of SUNAT's operational staff, as well as to put on the table the best international practices to avoid the transfer of benefits, and to enhance their current regulatory framework. Previous missions and virtual meetings from the team have allowed SUNAT to remain at the forefront of international tax issues and enhance TP control risk management tools. This support in strengthening national legislation and administrative implementation of international standards has enhanced the transfer pricing audits of multinational companies, contributing to audit adjustments of more than USD \$ 120 million in 2018 and USD \$ 226 million in 2019 (will reported in forthcoming Tax & Development case study).
70. **In Kosovo, with the support of the project team, TAK, and the Kosovo Business Registration Agency (KBRA) are implementing three key recommendations on online links to improve data sharing as well as enhancements to IT solutions.** These improvements will help facilitate information on taxpayer status through the KBRA website, enabling the TAK to update information for business taxpayers through KBRA website and establishing internet links with the State Address Register to enable use and validation of address information in business, taxpayer, and other registers.
71. **In Kyrgyz Republic, the STS has adopted the Concept for Provision of Taxpayer Services and Taxpayer Education for the period of 2022-2026.** The Concept outlines the vision, mission, goals, and objectives of the STS in taxpayer services and communication with taxpayers. The Concept will facilitate STS transformation from a control-based organization to a client-oriented and taxpayer friendly agency. Also, in achieving effective public and individual communication with taxpayers using an optimal mix of channels. The Bank team has been working with the STS to determine what select services could be redesigned to become e-services and what taxpayer communication and education activities could be prioritized in the short term with support of this TA project. Also, the team provided advisory support in analyzing and redesigning the business process to transform existing paper-based submission of the notice for revocation of a submitted application for the import of goods and payment of

indirect taxes into an e-service. The business process has been implemented with continuously more e-services becoming available to taxpayers (25 services in 2022 as compared to less than 20 in 2020).

72. **In Nigeria, property tax records are currently being updated in over 30 states, contributing to increasing completeness of the tax roll information and administrative efficiency.** The Property Tax project team is collaborating with the State Fiscal Transparency, Accountability, and Sustainability (SFTAS) project in supporting fiscal reforms across all 36 states. By the end of FY22, 50 percent of urban property records have been updated.

Table 5. GTP Reforms (Laws or Regulations) Endorsed Under Window 2

Aggregated Logical Framework - Global Tax Program										
WINDOW 2: Country level activities										
Standard Indicators	Projects	Project target FY22	Project results FY22	Results details FY21	Cumulated targets FY22	Cumulated results FY22	Inception to date targets	Inception to date results	Total targets	Total results
OUTCOMES B.1	2.04 International Tax Program	10	14	<p>Ecuador (5): Passing the confidentiality assessment allowed them to have its CbC MCAA activated, - BO legislation (part of the tax reform (Organic Law of Economic Development and Fiscal Sustainability, Official Gazette (Suplemento), No. 587 on November 29, 2021) (BO definition, and sanctions) as well as in the regulations (Bo definition) (Official Register (Segundo Suplemento), No. 608 on December 30, 2021- BO definition)- Passing the assessment allowed them to have its relevant reciprocal exchange relationships under the CRS-MCAA (1)</p> <p>Panama (4): Sanctions on failing to provide accurate BO info (Law 254/21 and Executive Decree No 13, May 25); Obligation to update BO Info (Law 254/21 and Executive Decree N.13, May 25); Obligation to maintain accounting records in Pan and corresponding sanctions (Law 254/21)</p> <p>Colombia (3): BO definition and legal persons definition, scope of rules, sanctions (Resolution 164 of December 27, 2021)</p> <p>Cambodia (1): New Tax Treaty Model adopted</p> <p>Thailand (1): MLI signed on Feb 9, 2022</p>						
	2.05 Tax Reform in Uzbekistan	1	0							
	2.07 Property Taxes	1	1	The Government of Punjab (India) changed the property valuation methodology from a flat rate method in practice to a capital valuation method based on government rates for the valuation of land (for stamp duty purposes) and the cost of construction of buildings.						
	2.13 Tajikistan	1	0	The endorsement of the Tax Code was claimed in FY20. In FY22, the code was ratified by the lower chamber of parliament on November 5, 2021, passed by the parliament on December 17, 2021, and signed by the president on December 23, 2021.	36	39	79	96	140	96
	2.14 NRA Tax Evasion	1	0	As of June 2022, the project has met and exceeded the inception to date targets.						
	2.15 Nigeria Tax and Customs	1	10	1&4). Fed. Government introduced excise duty on non-alcoholic beverages, broadened excise on telecom services to cover both post and prepaid airtime and data, and increased excise on alcohol and tobacco products [MoF Circular F17417/VI/286, Annex IV]; 5). Amendment to CIT Act (Section 30) empowered FIRS to assess a non-resident company to income tax on profits earned from providing digital services to Nigerian customers [FA 2021 Item 8]; 6). Customs, Excise Tariffs, etc. (Consolidation) Act Section 21 introduced excise duty on non-alcoholic, carbonated and sweetened beverages at N10/litre [FA 2021 Item 17]; 7). Section 89A of the Stamp Duties Act clarified the powers of the Minister of Finance with respect to the administration of the Stamp Duties Levy [FA 2021 Item 27]; 8&9). Amendment to VAT Act Section 10 reduced ambiguities and restricted VAT obligations (requirement to register) to mostly digital non-resident companies that make taxable supplies to Nigeria [FA 2021 Item 30]; 10). Regulations on excise duty on electronic money transfer levy adopted [regulations on telecom services and non-alcoholic beverages awaiting consent of Min. of Justice].						
	2.16 Kosovo Tax Registration	1	1	1).The authorities, informed by the project, are currently working on drafting the actual legal amendments to change relevant tax laws (business registration laws and other relevant laws, regulations and internal procedures) to improve the quality of tax registration.						

Aggregated Logical Framework - Global Tax Program										
WINDOW 2: Country level activities										
Standard Indicators	Projects	Project target FY22	Project results FY22	Results details FY21	Cumulated targets FY22	Cumulated results FY22	Inception to date targets	Inception to date results	Total targets	Total results
OUTCOMES	B.1	Number of reform recommendations (laws/regulations) endorsed		Bhutan (4): With the request of the Government of Bhutan, the team submitted detailed feedback on their tax incentive regime and suggested reforms. Four key recommendations were incorporated into the new Fiscal Incentive Act 2021: i. Replacing tax holidays / tax rebate with capex allowance of 100% to approved projects in specific sectors that are more adversely affected by COVID than others; ii. Targeting incentives to small and micro enterprises that are one of the priority sectors and high employment generation industry; iii. Targeting incentives to creating employment by incentivizing employment of new and additional employee who is retained; and iv. Indirect taxes which created a bigger impact on profitability of businesses are continued till GST is introduced.						
			2.17 Tax incentives	10	4					
			2.19 CAR	1	0					
			2.20 Malaysia Tax Policy Reform	0	1					
			2.22 PNG Tax Reform Assistance	0	0					
			2.34 Tax Reform in Azerbaijan	0	2					
			2.35 Vietnam Tax Reform	0	0	36	39	79	96	140
			2.37 Peru International Tax	1	2					
			2.38 Peru Domestic Tax	1	1					
			2.36 State Tax Service Kyrgyz Republic	1	1					
			2.42 Sierra Leone & Liberia Tax	6	0					
			2.43 Senegal MTRS Tax and Customs	0	0					
			2.44 CHAD	0	0					
			2.45 Ethiopia Tax Policy	0	2					

Table 6. GTP Reforms (Procedures, Practices or Standards) Adopted Under Window 2

Aggregated Logical Framework - Global Tax Program										
WINDOW 2: Country level activities										
Standard Indicators	Projects	Project target FY22	Project results FY22	Results details FY21	Cumulated targets FY22	Cumulated results FY22	Inception to date targets	Inception to date results	Total targets	Total results
OUTCOMES B.2 Number of recommendations to improve procedures/practices/standards adopted	2.04 International Tax Program	3	23	Enhanced TP risk management: Ghana (2), Rwanda (4), and Uganda (8) received technical support to assess audit cases. Improved information security management: Ecuador (3) : 1) recommendations on ISM adopted and confidentiality assessment passed (AEOL from Sept 2021); 2) creation of a BO registry at SRI and criteria for verification of BO. Panama (3) : 1) development of centralized BO registry, 2) verification of BO registry (Executive Decree N.13, May 25 and Executive Decree N.15, May 30); 3) recommendations of supervision of resident agents adopted. Colombia (3) : Creation of BO registry at DIAN, 2) verification of BO, and 3) due diligence obligations Note: The 23 outputs achieved by the International Tax Program will be counted as 12 outputs at the Program level to avoid any distortions in assessing the progress toward expected targets in FY22 and inception to date targets. For aggregation purposes the TA provided to assess audit cases in Ghana, Rwanda and Uganda will be counted as one output per country.						
	2.05 Tax Reform in Uzbekistan	1	0							
	2.07 Property Taxes	2	2	Nigeria (2) : Thirty-six states in Nigeria have improved the completeness of their property tax records and property surveys through technical assistance and capacity-building activities provided under this project.						
	2.9 SOEs in Tanzania	0	0							
	2.10 Somalia Customs Support	1	0							
	2.11 Niger Customs Advisory and TA	4	1	The work on performance contracts is continuing to make progress. A signing ceremony for the second set of performance contracts involving the Minister of Finance and Niger Customs was held on November 2, 2021	29	31	50	98	86	98
	2.12 Afghanistan Customs	0	0							
	2.13 Tajikistan	0	0							
	2.14 NRA Tax Evasion	1	0							
	2.15 Nigeria Tax & Customs	0	7	1. Launch of Customs Fast Track 2.0 2. Operationalization of Customs-FIRS MOU on data exchange 3. Deployment of FIRS IT system (TaxPro Max) 4 & 5. FIRS approved introduction of VAT invoice lottery scheme and VAT taxpayer advisory visits. 6 & 7. NCS created M&E unit and instituted KPIs.						
	2.16 Kosovo Tax Registration	4	3	Based on the advice provided and piloting of IT solutions, the project is supporting the implementation of three recommendations on i) reviving the taxpayer status information links on the KBRA's website; ii) enabling the TAK to update information for business taxpayers through the internet links with the KBRA website; and iii) establishing internet links with the State Address Register to enable use and validation of address information in business, taxpayer and other registers.						
	2.19 CAR	1	0							
	2.22 PNG Tax Reform Assistance	0	0							
	2.34 Tax Reform in Azerbaijan	3	0							

Aggregated Logical Framework - Global Tax Program										
WINDOW 2: Country level activities										
Standard Indicators	Projects	Project target FY22	Project results FY22	Results details FY21	Cumulated targets FY22	Cumulated results FY22	Inception to date targets	Inception to date results	Total targets	Total results
OUTCOMES B.2 Number of recommendations to improve procedures/practices/standards adopted	2.36 STS Kyrgyz Republic	5	4	1 & 2. The STS has adopted the Concept for Provision of Taxpayer Services and Taxpayer Education for the period of 2022-2026. 3. Redesign of the business process to enable electronic submission of revocation notice of a submitted application for the import of goods and payment of indirect taxes. The business process has been implemented with continuously more e-services becoming available to taxpayers (25 services in 2022 as compared to less than 20 in 2020). 4. STS adopted a strategy for taxpayer communication, outreach and services which included almost all recommendations developed by the Tax Reform TA project team. Some of recommendations have been already implemented in practice (i.e. use of social media by STS to communicate updates on tax regulations and requirements etc.).						
	2.37 Peru International Tax	0	1	The technical support of the team has been relevant to improve the expertise of SUNAT's operational staff, as well as to put on the table the best international practices to avoid the transfer of benefits, and to enhance their current regulatory framework. Previous missions and virtual meetings from the team have allowed SUNAT to remain at the forefront of international tax issues and enhance our TP control risk management tools	29	31	50	98	86	98
	2.42 Sierra Leone & Liberia Tax	4	0							
	2.43 Senegal MTRS Tax and Customs	0	1	Risk Management: The team completed the fraud detection algorithm for firms which is currently being used in all tax centers to select 50% of the audit cases (Outcome 3.1). In a bid to improve outcomes of the risk profiling tool, the team is executing the follow-on work to digitize all the audit outcomes and evaluate the impact of the algorithm.						
	2.44 CHAD	0	0							

73. **At the Output level, since Program inception, GTP activities have proposed tax reform recommendations in 45 countries, and in FY22 alone in 23 countries** (for more details see Table 7). For example, the Tax Incentives Reform project team have made significant progress in supporting six countries during FY22. Technical assistance and capacity building on estimating tax expenditures was provided to tax officials from Albania, Pakistan, Bhutan, Cambodia, Egypt and Sri Lanka and recommendations to reform tax incentives were delivered in four countries. These recommendations have been delivered to the ministry of finance and are likely to be implemented as the technical assistance was based on their requests. For example, in Saint Lucia, team delivered several recommendations on reforms of tax incentives covering the Personal Income Tax, Corporate Income Tax and Value Added Tax, which is contributing to the policy dialogue in the preparation of a lending operation. The Government of Sri Lanka also received technical support with broader tax policy reform largely covering tax incentives reform. The short-term measures proposed cover the three major taxes, PIT, CIT, and VAT and are based on a review of the tax system as well as feedback from the Sri Lanka Ministry of Finance (MOF) and the Inland Revenue Department (IRD) of Sri Lanka. Bhutan also received support, and recommendations were incorporated into the new Fiscal Incentive Act 2021.
74. **In PNG, the project team also made progress in the tax incentives area by delivering reform recommendations that were incorporated in the draft Income Tax Act.** Upon the completion of the Revenue chapter of the PNG Public Finance Review in 2021, the project team has provided recommendations for the rationalization of tax incentives to the Department of Treasury for their consideration in the Income Tax Rewrite. The recommendations from WB have been incorporated in the draft Act, which is still work-in-progress.

75. **In Zambia, Ghana and Central African Republic, the governments received support on property taxation and reform recommendations were delivered.** In Zambia and Ghana, the project team completed the diagnostic assessment on property tax policy issues and administrative challenges, delivered recommendations, and disseminated the findings through workshops. In the Central African Republic, the project team assessed the opportunities and challenges of enhancing the effectiveness of property taxation. The report prepared has been the basis for discussions with the Government and the Bank's technical inputs to the National Public Financial Management Strategy. Notably, the report has informed the Bank's engagement in the area of decentralization and the recently activated engagement on Urbanization Assessment and upcoming Urbanization IPF, as well as the Local Governance and Community Resilience IPF Concept Note.
76. **Several reform recommendations on international taxation were delivered to governments across 13 countries during this period.** For example, the project team working on Senegal, as part of the work plan to support international tax capacity development and policy review, reviewed the 2018 Transfer Pricing Regulations to strengthen the law and align it with the ongoing changes on international tax, accompanying the support with a capacity building event to 50 tax officials on transfer pricing. Also, recommendations were made for the tax administration (DGID) to consider setting up a specialized international taxation Unit. In Peru, the project team reviewed rules for the determination of the market value of shares that are not listed on any stock exchange and provided advice on methods based on the OECD transfer pricing standards and the introduction of the discounted cash flow method for transactions between related parties subject to the transfer pricing regime, and between unrelated parties to ensure these new rules follow the TP principles. Advice on international taxation was also provided under the International Tax Program to 11 countries from Africa and LAC regions. The technical assistance in African countries mainly focused on transfer pricing regulations and other international tax issues such as income tax. In LAC, countries were advice on beneficial ownership legal framework and consistency with exchange of information on request standard.
77. **Likewise, since the Program's inception, 23 countries have benefited from WB's recommendations to improve tax and customs administration procedures, practices, or standards.** In FY22 alone, the project teams delivered recommendations to 14 countries. The recommendations aimed at enhancing audit cases assessment and risk assessment framework, monitoring performance, redesigning business processes to support the transition to e-services and improve compliance, and proposing strategies in HR, taxpayer registration, and redeployment of customs officers. For example, in Niger a geospatial study - focused on analysis of cross-border flows - for the adoption of a redeployment strategy of agents was prepared based on GIS data on trade routes and smuggling. A restitution ceremony of the geospatial study was held in November 2021 with the Minister of Finance. Once the strategy and action plan are adopted, the project team will support the operationalization of the recommendations. For more details on the recommendations proposed see **Table 8**.

Table 7. GTP Reforms (Laws or Regulations) Proposed Under Window 2

Aggregated Logical Framework - Global Tax Program											
WINDOW 2: Country level activities											
Standard Indicators	Projects	Project target FY22	Project results FY22	Results details FY21	Cumulated targets FY22	Cumulated results FY22	Inception to date targets	Inception to date results	Total targets	Total results	
OUTPUTS B.1.1 Number of reform recommendations (laws/regulations) proposed	2.04 International Tax Program	14	37	TP component: Eswatini (2), Uganda (6), Maldives (1), Seychelles (2) EoIR and AEoI component: Cabo Verde (1), Colombia (3), Ecuador (5), Guatemala (1), Panama (4) International Tax Issues: Eswatini (1), Jamaica (11)							
	2.05 Tax Reform in Uzbekistan	0	0								
	2.07 Property Taxes	1	1	Zambia : A diagnostic report was prepared and delivered in 2021 and was shared with different government departments and agencies in April 2022. Feedback on the key recommendations endorsed and adopted are expected to be submitted to the Bank by July 31, 2022.							
	2.13 Tajikistan	0	0								
	2.15 Nigeria Tax and Customs	5	6	1. Draft regulations on excise duty 2. Draft regulations on newly excisable products 3&4. Reform recommendations to existing regulations: telecom services and electronic money transfer levy. 5&6. Proposed excise duty rates on alcohol, cigarettes and sugar-sweetened beverages, environmental surcharge.							
	2.16 Kosovo Tax Registration	0	0								
	2.17 Tax incentives	20	13	Sri Lanka (3): the team supported the government with broader tax policy reform largely covering tax incentives reform. Measures proposed cover the three major taxes, PIT, CIT and VAT). Saint Lucia (3): The team delivered several recommendations on reforms of tax incentives covering the Personal Income Tax, Corporate Income Tax and Value Added Tax. Bhutan (4): the team submitted detailed feedback on their tax incentive regime and suggested reforms. Four key recommendations were incorporated into the new Fiscal Incentive Act 2021. Egypt (3): The project team has supported the Government of Egypt to estimate their tax expenditures under the Corporate Income Tax with the added benefit of allowing analysis of broader tax policy issues.							
	2.19 CAR	2	1	The Task Team carried out an assessment of the opportunities and challenges of enhancing the effectiveness of property taxation in RCA, including reform recommendations.	59	69	176	224	220	224	
	2.20 Malaysia Tax Policy Reform	3	3	The team delivered a policy note to MOF in August 2021 outlining Malaysia's reform options to raise personal income tax revenue, informed by the recently developed Malaysia Personal Income Tax Policy Microsimulation Model. The note focused on the scope, tax rates and the relief system of the current personal income tax framework in Malaysia, and provided reform recommendations.							
	2.22 PNG Tax Reform Assistance	0	1	Upon the completion of the Revenue chapter of the PNG Public Finance Review in 2021, the project team has provided recommendations for the rationalization of tax incentives to the DoT for their consideration in the Income Tax Rewrite.							
	2.25 Tax Reform in Azerbaijan	0	0								
	2.26 Vietnam Tax Reform	0	0								
	2.28 Peru International Tax	0	1	The team reviewed rules for the determination of the market value of shares that are not listed on any stock exchange, and provided advice on methods based on the OECD transfer pricing standards and the introduction of the discounted cash flow method for transactions between related parties subject to the transfer pricing regime (and by the Peruvian law also to no or low-tax jurisdictions), and between unrelated parties to prevent these new rules follow the TP principles during March 2022							
	2.29 Peru Domestic Tax	1	3	The TA on the diagnostic of the Peruvian tax system in relation to GHG emissions was finalized in September 2021 with a presentation of the key findings to MEF, and the deliverable of two reports: i) analysis of the legal and regulatory framework (3rd deliverable), and ii) recommendations for alternative tax, fiscal incentives, and subsidy schemes aligned with the decarbonization agenda and impact assessment (4th deliverable).							

Aggregated Logical Framework - Global Tax Program											
WINDOW 2: Country level activities											
	Standard Indicators	Projects	Project target FY22	Project results FY22	Results details FY21	Cumulated targets FY22	Cumulated results FY22	Inception to date targets	Inception to date results	Total targets	Total results
OUTPUTS	B.1.1	2.31 Sierra Leone & Liberia Tax	1	0							
		2.32 Senegal MTRS Tax and Customs	4	2	1. The project team supported Senegal with reviewing the 2018 Transfer Pricing Regulations (drafted with WB support) to strengthen the law and align it with the ongoing changes on international tax. 2. Recommendations were made for the tax administration (DGID) to consider setting up a specialized international taxation Unit	59	69	176	224	220	224
		2.33 CHAD	2	0							
		2.34 Ethiopia Tax Policy	6	1	A study on effective rates of protection is completed using the Social Accounting Matrix developed by the Ministry of Planning and Development and the new tariff regime introduced in July 2021.						

Table 8. GTP Reforms (Procedures, Practices or Standards) Proposed Under Window 2

Aggregated Logical Framework - Global Tax Program											
WINDOW 2: Country level activities											
	Standard Indicators	Projects	Project target FY22	Project results FY22	Results details FY21	Cumulated targets FY22	Cumulated results FY22	Inception to date targets	Inception to date results	Total targets	Total results
OUTPUTS	B.2.1	2.04 International Tax Program	5	34	Support with audit case studies: Eswatini (7), Ghana (2), Lesotho (4), Rwanda (5), Uganda (7) TP comparability analysis: Fiji (1) BO registry: Panama (3), Ecuador (2), Colombia (3) Note: The 34 outputs achieved by the International Tax Program will be counted as 14 outputs at the Program level to avoid any distortions in assessing the progress toward expected targets in FY22 and inception to date targets. For aggregation purposes the TA provided to assess audit cases in Eswatini, Ghana, Lesotho, Rwanda and Uganda will be counted as one output per country.						
		2.05 Tax Reform in Uzbekistan	1	0							
		2.11 Niger Customs Advisory and TA	3	2	1. A geospatial study for the adoption of a redeployment strategy of agents was prepared based on GIS data on trade routes and smuggling. 2. HR Strategy pending approval.						
		2.13 Tajikistan	2	0							
		2.15 Nigeria Tax & Customs	3	2	1. Proposed creation of Monitoring and Evaluation (M&E) unit 2. Proposed establishment of key performance indicators (KPIs) in NCS						
		2.16 Kosovo Tax Registration	4	3	1. A guidance note on improving return-filing compliance and stop-filer management; 2. An awareness campaign (in the form of a digital competition among middle school students) to highlight the costs of informality to society; 3. Tax gap analysis conducted	28	30	96	136	120	136
		2.19 CAR	1	0							
		2.22 PNG Tax Reform Assistance	3	1	The team supported the Internal Revenue Commission (IRC) to develop a Taxpayer Registration Improvement Strategy						
		2.25 Tax Reform in Azerbaijan	2	0							
		2.27 STS Kyrgyz Republic	2	2	1.&2. The team provided advisory support in analyzing and redesigning business processes to transform existing paper-based submission of six notifications about import/ export by taxpayers and of the notice for revocation of a submitted application for the import of goods and payment of indirect taxes into e-services						
		2.31 Sierra Leone & Liberia Tax	0	0							
		2.32 Senegal MTRS Tax	2	0							
		2.33 CHAD	0	0							
		2.34 Ethiopia Tax Policy	0	0							

Health Taxes Workstream

78. **The health tax workstream has advanced since its inception and is on track to meet overall targets.** Work has been taken forward in collaboration with health, governance, poverty, and macroeconomic colleagues at the Bank and has leveraged diverse entry points in response to demand. The global knowledge agenda is also under development.
79. **Under Pillar 1, the project has made significant strides in developing its country work agenda, and is supporting or exploring work in 20+ countries.** Countries from five regions (Africa, EAP, ECA, LAC and SA) benefitted from advice or technical review to reform excise taxes on tobacco, alcohol, and sugar- sweetened beverages (SSBs) – including support to developing tools, models or forecasts¹¹-, direct support to development of WB’s core diagnostics such as PER and PFR¹², capacity development on health taxes¹³, support to policy and tax dialogue at the country level¹⁴, as well as implementation support to Track and Trace¹⁵.
80. **The Health Taxes project team is working collaboratively with WB teams and relevant partners in helping authorities with analytics and technical assistance in the area of excise tax reforms.** For example, in Cambodia, the project team is providing support to the government to review their excise tax policy in partnership with CPAT colleagues to focus on needed reforms to both health and environmental taxes. This work will contribute to high level DRM objectives in country. The project team coordinated their finding and approach with the WHO and the IMF colleagues working on the country in order to be aligned and assist the Cambodian authorities in best manner possible. Similarly, in Ghana, team exchanged data and findings with the IMF TA team and coordinated on initial findings and potential recommendations (ongoing engagement in FY23).
81. **Technical assistance and analytical work under this workstream is aimed at supporting tangible reform opportunities, rather than one off engagements.** For example, in Lao PDR the project team developed direct inputs to the Lao PDR’s Public Expenditure Review taxation chapter. The project team was then able to pivot those learnings into a two-step workshop for health and finance authorities which aims to support development of knowledge and skills around health taxes, including a policy brief highlighting scenarios and reform opportunities that will provide an entry point for broader TA. In Pakistan, the project team is working with the Federal Board of Revenue (FBR) to support implementing a new track and trace system, which is also an element of the Bank IPF.

Integrating Gender Equality into Tax Reform project

82. **During the reporting period, the Gender and Tax project has made important progress under the three pillars and developed its country work agenda with relevant inputs to the work in nine countries.** Support was provided to provincial authorities in Khyber Pakhtunkhwa (KP) and Punjab in Pakistan, just-in-time support to tax engagements and/or operationally relevant research with new data in Bangladesh, Cambodia, Lao PDR, Indonesia, Tajikistan, Somalia, Ethiopia and Chile.

11 In four countries Cambodia, North Macedonia, Kosovo, and Vietnam.

12 In two countries North Macedonia and Laos.

13 In one country, Laos.

14 In five countries Armenia, Chile, Nigeria, Pakistan and Russia.

15 In one country, Pakistan.

83. **One of the highlights of this period is the work implemented in Pakistan, which is already delivering key outputs.** The project team worked with two provinces of Pakistan - Khyber Pakhtunkhwa (KP) and Punjab – to examine gender differences in taxpayers’ needs and tax burdens, respectively, to design better tax reforms. In Punjab, the government has recently enacted a series of laws to increase women’s rights to inheritance and land ownership. A second WB study (in process) will help assess the gender implications of the Urban Immovable Property Tax by examining how the differences in property types owned by women and men affect their tax burdens and compliance. The study supports the objectives of the ongoing IBRD-funded Punjab Resource Improvement and Digital Effectiveness (PRIDE) Program. In Khyber Pakhtunkhwa (KP) Province of Pakistan, the team is supporting the government to bring three tax agencies under one roof as One-Stop Taxpayer Facilitation Centers (TFCs) and digitize tax services so that taxpayers can file and make payments online. As study is being conducted with the main objective of identifying the gender differences in taxpayers’ needs, experiences, and constraints in filing and payment. A total of 1150 taxpayers have been interviewed and currently the team is working on focus group discussions with selected female taxpayers and tax department staff. Based on the findings of the survey and focus group discussions, the study will make recommendations to address gender-specific needs. This study also contributes toward the objectives of the ongoing IDA-funded project, the Khyber Pakhtunkhwa Revenue Mobilization and Public Resource Management Program (KPRMP), which supports establishment of TFCs and digitization of services.

C. Window 3 - Actionable Research and Data, Knowledge & Learning

84. **GTP activities under Window 3 make up 6% of the total Program allocations to date.** By the end of FY22, two activities are under implementation – Innovations in Tax Compliance (ITC) and Revenue Academy projects- completed their delivery.
85. **During FY22, four knowledge assets were produced under Window 3.** The ITC project team published in February 2022 the book “[Innovations in Tax Compliance: Building Trust, Navigating Politics, and Tailoring Reform](#)”¹⁶. This book consolidates the previous six topical chapters on tax compliance developed under this project, also it included the final conceptual framework and the lessons learned. The book has already been downloaded more than 7,000 times. The project team also conducted a [Global Study on Distribution of Taxes and Transfers Impacts People’s Willingness to Pay Tax](#). The study provides estimates of taxpayers’ preferences over the distribution of tax and transfers, as well as tax compliance, for eight low and lower-middle income client countries. The team expects the results to provide input into upcoming operations that will have implications for the progressivity of tax systems. Last of all, the team completed the draft study Making Tax Work: A Framework for Enhancing Tax Transparency with GIFT on enhancing tax, transparency. Adding to the lists of KM products, the Ethiopia Gender and Taxation project team completed the research report “Tax compliance and enforcement in Ethiopia: Does the gender of the business owner matter?” which will be published soon.
86. **Project teams continued contributing to the exchange of information, sharing knowledge, and learning, and improving data collection for tax policy formulation through the development of new tools and modules.** The Revenue Academy project team completed its final key delivery, the [Tax CGE model](#). This model allows the assessment of the impact of specific tax policies on key macroeconomic variables such as growth, savings, employment, investment, etc. It allows the modelling of labor

16 This is not counted as an output in FY22 since the five topical chapters were claimed as outputs in previous fiscal year.

supply and savings decisions, incorporates realistic demographics, models government budget deficits and most importantly incorporates rich functions of the tax code. The Model can analyze the economy under closed economy and small open economy assumptions. The general equilibrium solution of the model will be determined in the steady state and for the entire transition path from the initial state to the steady state. The Tax-CGE Model is integrated with a Tax Microsimulation Model to enable such analysis. The model is expected to be used in two pilot countries namely India and Malaysia. The Ethiopia Gender and Taxation team, in a joint effort with the Central Statistics Agency, developed a tax and transfer module which was included in the Ethiopia Socioeconomic Survey 2021/2022 round. In addition, questions on the impact of COVID were also included.

Table 9. Key Aggregated Results Under Window 3

Aggregated Logical Framework - Global Tax Program										
WINDOW 3: Actionable research and data, knowledge and learning										
Standard Indicators	Projects	Project target FY22	Project results FY22	Results details FY21	Cumulated targets FY22	Cumulated results FY22	Inception to date targets	Inception to date results	Total targets	Total results
OUTPUTS	C.1 Number of KM documents prepared	3.1 Innovations in Tax Compliance	0	2	2	3	13	21	17	21
		3.2 Data & Research	0	0						
		3.4 Ethiopia Gender and Taxation	2	1						
	C.2 Number tools/modules/training materials developed	3.1 Innovations in Tax Compliance	0	0	1	2	7	7	7	7
		3.3 Revenue Academy	0	1						
		3.4 Ethiopia Gender and Taxation	1	1						
	C.3 Number of documents, reports, studies, notes prepared	3.4 Ethiopia Gender and Taxation	2	0	2	0	2	2	5	2

D. Window 4 - Program Management

GTP Communications and Knowledge Management

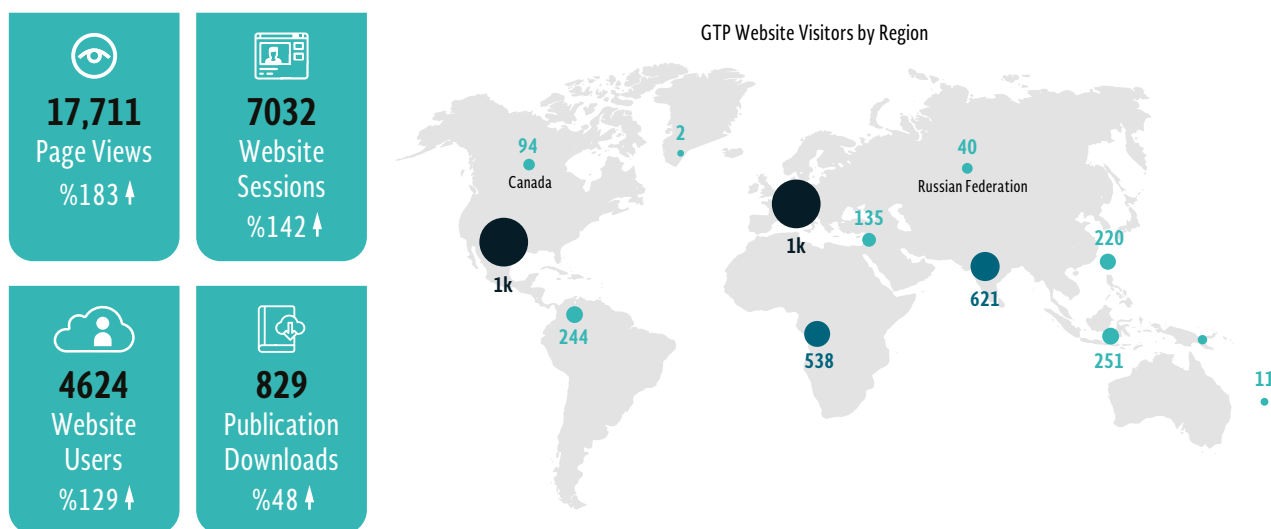
87. The GTP Secretariat oversees communications and knowledge management activities to increase the overall visibility of the umbrella trust fund. In FY22, the Secretariat has focused on revamping its communication infrastructure to deliver a results-oriented communications strategy in the coming months.

Website

88. The [GTP website](#) is the primary dissemination channel for the latest knowledge products and updates from World Bank project activities supported by GTP. The webpage provides a public platform for knowledge sharing and exchange for our audiences and stakeholders.

89. In FY22, the GTP Secretariat focused on revamping its website to provide more focused information and user-friendly interface. The website now **includes three new webpages for health taxes, gender equality and taxation, and environmental tax** workstreams. Additionally, the COVID-19 webpage was updated to reflect the latest developments from GTP support to World Bank projects in this area. All workstream webpages feature examples from country work and a list of World Bank resources, primarily funded by GTP, on the subject.
90. There is wide range of GTP-supported activities, while the Annual Progress Reports—which are made public upon approval of the SC— provide a wealth of information on all of these activities, the Reports are not the easiest to navigate for public who may be interested in a quick look at GTP’s support to a specific country, or a tax area (e.g tax policy, customs admin), or simply want to see support to a particular country grouping (e.g. FCS, IDA-eligible, regions). With this in mind, the GTP Secretariat launched an interactive activities dashboard in March 2022 on its website. **The GTP Activities Dashboard** provides users with information and data on the World Bank country work that GTP supports and gives an overview of ongoing activities. The downloadable tool on excel allows users to create custom charts, reports and geographical visualizations on a variety of information and data such as specific group of countries, country activities in a specific area of tax work, or project funding for any countries or project of interest.
91. The revised GTP webpage continues to be regularly updated to provide easy access to all knowledge products that have been financed by GTP since 2018: 75 publications as of October 2022.

Figure 8. GTP Website Reach and Influence



Newsletter

92. The Secretariat launched its quarterly newsletter, GTP News, in January 2022. The GTP newsletter provides the latest news from GTP-supported project activities including seminars, workshops, data and research releases, and media coverage. The newsletter is tailored to both internal and external audiences. The first and second editions of the GTP News shared the latest developments and knowledge products from the past 12 months. Readers can subscribe to the newsletter on [the GTP website homepage](#) and [the World Bank’s Newsletter Page](#). The number of newsletter subscribers has already increased threefold since its launch. The GTP Secretariat will continue to regularly disseminate its updated quarterly newsletters to its growing audience, development partners and other relevant stakeholders.

Publications

93. GTP supports a wide array of publications and global knowledge products including books, toolkits, presentations, blogs, online platforms and databases. In FY22, GTP support led to 34 publications. A full list of all publications and knowledge products can be found in Annex 10.
94. Among the publications this year, the new book “[Innovations in Tax Compliance: Building Trust, Navigating Politics, and Tailoring Reform](#)” influenced the global knowledge and standards on tax compliance with an innovative framework, which is also expected to expand to other analytical products within the World Bank operations. Another influential global product published during this reporting period, “[Digital VAT Toolkit for Asia-Pacific](#),” was developed in partnership with OECD and the Asian Development Bank. This toolkit will provide policymakers in the region with comprehensive and detailed guidance for the policy design, implementation and operation of a comprehensive VAT strategy targeted at digital trade. In addition, GTP supported the development of new databases – Marginal Effective Tax Rate and WBG Revenue Dashboard – both of which were launched in FY22. Both databases are expected to help policymakers make informed decisions on different aspects of tax policy.
95. Finally, the GTP Secretariat has taken a renewed focus on highlighting interesting developments and results from the ongoing or completed GTP-supported project activities, including the country work, through blogs and feature stories. In the last quarter of FY22, the Secretariat’s efforts led to additional five blogs which shared early results from ongoing project activities in Kosovo, Somalia and Niger as well as updates from health tax and gender equality and taxation workstreams. GTP will continue to spotlight early evidence and results from project activities around the world.

Events and Speaking Engagements

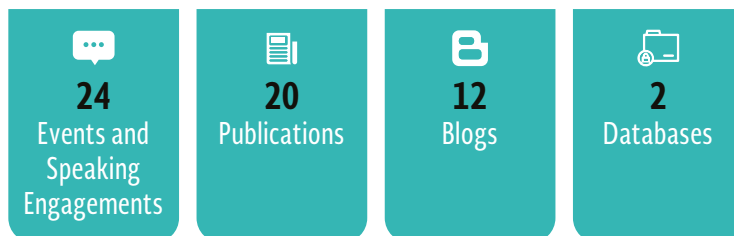
96. External events and speaking engagements are an effective way to reach out to target audiences and share global knowledge and products developed by GTP-supported projects with policymakers, practitioners and researchers. In FY22, GTP organized or supported 13 external events, and GTP-funded World Bank activities were presented in six speaking engagements. Event topics ranged from tax treaties to gender equality in tax policy to Somalia’s domestic resource mobilization experience. GTP contributions to two major tax conferences organized by the World Bank – WB/IMF Tax Conference during the Annual Meetings and World Bank Tax Conference – ensured the continuation of a global platform for a dialogue on taxation and tax-policy issues concerning developing countries. The full list of events and speaking engagements is available in Annex 9.

Knowledge Management

97. GTP Secretariat continued its internal outreach within the World Bank through knowledge management activities. During FY22, the Secretariat organized or supported five internal knowledge sharing events. Among those events was a seminar series on gender equality and tax reform, which provided WB staff members with an opportunity to learn from the WB country work supported by GTP Gender Equality and Taxation Workstream, and exchange knowledge and information with experts from other international organizations. Close to 100 staff members participated in the seminar series. These seminars increased awareness for gender equality issues in fiscal policy and urgent data need among gender specialists and practitioners within WB and encouraged further collaboration across global practices. In addition to internal knowledge sharing events, the GTP Secretariat continued its internal outreach by contributing to three internal newsletters, reaching more than 1000 WB staff monthly. Finally, throughout the FY22, the Secretariat provided messaging and input for internal and external

communications products to inform the staff and internal stakeholders in a consistent way. The full list of internal knowledge sharing events can be found in Annex 9 and the full list of knowledge products can be found in Annex 10.

Figure 9. GTP-supported Knowledge Products



Annexes:

Annex 1. Financial Information

Table 10. GTP Umbrella Development Partners Contributions, as of June 30, 2022 (in US\$)

MDTF - DRM	Commitments in USD	Paid in USD	Unpaid in USD
Australia-Department of Foreign Affairs and Trade	7.070.555,00	7.070.555,00	
Denmark - Royal Ministry of Foreign Affairs	5.253.317,17	5.253.317,17	
France - Ministry of Economy and Finance	4.452.800,00	4.452.800,00	
Japan - Ministry of Finance	5.000.000,00	5.000.000,00	
Luxembourg - Ministry of Finance	2.412.158,19	2.412.158,19	
Netherlands - Minister for Foreign Trade & Dev Cooperation	3.000.000,00	3.000.000,00	
Norwegian Agency for Development Cooperation (NORAD)	15.637.243,48	15.637.243,48	-
Swiss State Secretariat for Economic Affairs (SECO)	4.376.626,50	4.376.626,50	
United Kingdom - FCDO ¹	10.994.656,50	5.515.576,50	5.479.080,00
Sub Total	58.197.356,84	52.718.276,84	5.479.080,00

¹ Additional US\$727,080 was received in July 2022.

MDTF - Thematic Contributions	Commitments in USD	Paid in USD	Unpaid in USD
Health Taxes - Bloomberg Family Foundations	4.000.000,00	1.813.000,00	2.187.000,00
Health Taxes - Norwegian Agency for Development Cooperation (NORAD)	3.123.216,89	1.123.216,89	2.000.000,00
Gender - United Kingdom FCDO ¹	1.787.273,43	944.515,00	842.758,43
Sub Total	8.910.490,32	3.880.731,89	5.029.758,43

¹ Unpaid contribution of US\$842,758.43 is received in July 2022.

Fiscal Pillar	Commitments in USD	Paid in USD	Unpaid in USD
France - Ministry of Economy and Finance	1.773.650,00	1.773.650,00	
Norwegian Agency for Development Cooperation (NORAD)	2.307.697,97	2.307.697,97	
Swiss State Secretariat for Economic Affairs (SECO)	658.255,62	658.255,62	
United Kingdom - FCDO	820.740,00	820.740,00	
Sub Total	5.560.343,59	5.560.343,59	

SDTF	Commitments in USD	Paid in USD	Unpaid in USD
Swiss State Secretariat for Economic Affairs (SECO)	7.907.086,53	7.907.086,53	
Netherlands - Minister for Foreign Trade & Dev Cooperation	7.000.000,00	4.900.000,00	2.100.000,00
Sub Total	14.907.086,53	12.807.086,53	2.100.000,00

TOTAL	87.575.277,28	74.966.438,85	12.608.838,43
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Table 11. Total Donor Commitments to the GTP Umbrella (in US\$)

Development Partner	Total Commitments in USD	% of Total
Norwegian Agency for Development Cooperation (NORAD)	21.068.158,34	24,1%
United Kingdom - FCDO	13.602.669,93	15,5%
Swiss State Secretariat for Economic Affairs (SECO)	12.941.968,65	14,8%
Netherlands - Minister for Foreign Trade & Dev Cooperation	10.000.000,00	11,4%
Australia-Department of Foreign Affairs and Trade	7.070.555,00	8,1%
France - Ministry of Economy and Finance	6.226.450,00	7,1%
Denmark - Royal Ministry of Foreign Affairs	5.253.317,17	6,0%
Japan - Ministry of Finance	5.000.000,00	5,7%
Luxembourg - Ministry of Finance	2.412.158,19	2,8%
Bloomberg Philanthropies	4.000.000,00	4,6%
Total	87.575.277,28	100,0%

Annex 2. GTP Workplan

Table 12. Updated GTP Workplan as of June 30, 2022

The following table provides updated information on the GTP DRM Pillar portfolio, including implementation status, allocated total budget, and funding source. Budgets allocated to projects supporting countries in Fragile and Conflict-Affected Situations (FCS) are highlighted in orange.

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	●	293	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/ TF0B8796	A. Cebreiro	●	1,225	0	0
1.4 Digital VAT Guidelines	P172968	TF0B1578	D. Alvarez	●	680	0	0
1.5 Tax Incentives Reform	P174543	TF0B3098	S. James	●	450	0	0
1.6 Carbon Pricing Assessment Tool	P170301	TF0B3624	D. Heine	●	625	0	0
1.7 Environmental Tax Reforms	P176296	TF0B5006	I. Dorband	●	198	0	0
1.8 Executive Program in Tax and Digital Transformation	P175478	Pending	A. Agerskov	●	500	0	0
1.9 OGE-DRM Progressivity & Extractives in IDA	P177907	TF0B9110	C. Habib / M. Kajubi	●	300	0	0
Sub-Total					5,150	-	-
Window 2: Country Level Activities							
2.01 TPAF Implementation	P163971	closed	S. James	●	0	0	0
2.02 TADAT Implementation	P169803	TF0A9157/ TF0B9467	D. Alvarez	●	687	0	0
2.03 MTRS Pilots	P166493	TF0A7739	D. Alvarez	●	412	0	0
2.04 International Tax Program	P170177	TF0A6516/ TF0A9396	A. Cebreiro/C. Vargas	●	8300	0	0
2.05 Tax Reform in Uzbekistan	P168210	TF0A8528	R. Junquera	●	3,200	0	0
2.06 Innovations in Tax Compliance	P161196	TF0B0124	S. Davenport	●	448	0	0
2.07 Property Taxes	P169109	TF0A8995/ TF0B3634	R. Awasthi	●	1,970	0	0
2.08 EAC Tax Evasion	P170712	TF0B2235	Y. Quiros	●	1,526	0	0
2.09 SOEs in Tanzania	P164792	TF0A9561	G. Raballand	●	149	0	0
2.10 Somalia Customs	P172650	TF0B1416	S. Shah	●	2,000	0	0
2.11 Niger Customs	P172636	TF0B1548	M. Babatounde	●	1,800	0	0
2.12 Afghanistan Customs	P173604	TF0B2347	J. Gutierrez	●	510	0	0
2.13 Tajikistan Tax Policy & Adm	P173237	TF0B2202	R. Junquera	●	2,500	0	0
2.14 NRA Tax Evasion	P173289	TF0B1941	Y. Quiros / A. Cebreiro	●	2,000	0	0
2.15 Nigeria Tax and Customs	P173409	TF0B2031	R. Awasthi	●	2,849	0	0
2.16 Kosovo Tax Registration	P173730	TF0B2447	J. Fallov	●	950	0	0
2.17 Tax Incentives Reform	P174543	TF0B3076	S. James	●	950	0	0
2.18 Carbon Pricing Assessment Tool	P170301	TF0B3623	D. Heine	●	570	0	0
2.19 Central African Republic	P172625	TF0B4785	M. Caballero / H. Andrianasy	●	546	0	0
2.20 Malaysia Tax Policy Reform	P175386	TF0B4216	Y. Keat Chong	●	500	0	0

in USD '000	Project ID	Child TF	TTL	Status	Total MDTF Budget	Total SECO Budget	Total NTH Budget
2.21 Myanmar Tax Reform Assistance	closed	closed	V. Nguyen	●	0	0	0
2.22 PNG Tax Reform Assistance	P174416	TF0B5254	V. Nguyen	●	940	0	0
2.23 Environmental Tax Reforms	P176296	TF0B5007	I. Dorband	●	250	0	0
2.24 EAP Tax Evasion	P177021	TF0B6055	Y. Quiros/ A. Cebreiro	●	1.160	0	0
2.25 Cambodia Tax Reform Assistance Project	P168407	TF0B8646	V. Nguyen	●	600	0	0
2.26 BARMM Tax Reform TA - Philippines	P178367	TF0B9505	F. Seiderer / V. Nguyen	●	600	0	0
2.27 Tax policy and Revenue Administration Capacity Development in Cameroon	P179082	TF0B8543	H. Fortin / A. Coulibaly / A. Diallo	●	1.000	0	0
2.28 Enhancing Equitable Fiscal Policy in Benin and CIV	P177988	TF0B8985	E. Malasquez	●	250	0	0
2.29 Caribbean: Strengthened Tax Policy for Climate Resilient Growth	P179113	TF0B8579	C. MacWilliam / R. Li / R. Longmore	●	140	0	0
2.30 Support revenue mobilization in Central America with focus on environmental taxation	P179152	TF0B8738	R. Barroso / B. Cunha	●	212	0	0
2.31 Tax and Customs Administration Modernization in Armenia	P174607	TF0B8470	A. Vatsyan	●	780	0	0
2.32 EFT Strategies to Improve Tax Compliance	P179063	TF0B8591	S. Davenport	●	550	0	0
2.33 Tax Policy Analysis to Build Capacity and Improve Equity	P179055	TF0B8589	S. Davenport/ P. Bachas	●	187	0	0
2.34 Strengthening Guinea Bissau's Tax and Customs Administrations	Pending	Pending	TBD	●	750	0	0
SDTF SECO							
2.34 Tax Reform in Azerbaijan	P166912	TF0A7239	R. Junquera	●	0	2100	0
2.35 Vietnam Tax Reform	P166917/ P176734	TF0A6919/ TF0B7709	V. Nguyen	●	0	1075	0
2.36 State Tax Service Kyrgyz Republic	P167921	TF0A8081	O. Balabushko	●	0	2000	0
2.37 Peru International Tax	P160517	TF0A7238	C. Vargas	●	0	600	0
2.38 Peru Tax Domestic	P160517	TF0B5334	C. Vargas	●	0	557	0
2.39 Ghana Tax Expenditure and Climate Smart Systems	P176445	TF0B9206	M. Kajubi/ F. Saleem	●	0	285	0
2.40 Increasing tax policy analytical capacity in the Tunisia	P178283	TF0B9580	M. Cali / A.Thomas	●	0	350	0
SDTF NTH							
2.41 WAEMU countries TADAT	P169803	TF0B0758	S. Diop	●	0	0	231
2.42 Sierra Leone and Liberia	P171983/ P165000	TF0B1142/ TF0B8347	R. Awasthi	●	0	0	427
2.43 Senegal MTRS Tax and Customs	P173565	TF0B2186/ TF0B4997	M. Kajubi/ P.Bachas	●	0	0	966
2.44 Chad Tax and Customs	P174411	TF0B3122	S.Egoue	●	0	0	1.352
2.45 Ethiopia Tax Policy	P174549	TF0B3115	T. Minh Le	●	0	0	1.960
2.46 Sierra Leone MTRS and Liberia Tax Expenditures	P177994	TF0B9349	A. Kruse / S. Seth	●	0	0	340
2.47 Digitizing The Libyan Taxation System	Pending	Pending	A. Agerskov	●	0	0	250
Sub-Total					39.288	6.966	5.526
Window 3: Actionable Research, K&L							
3.1 Innovations in Tax Compliance	P161196	TF0A9175	S. Davenport	●	615	0	0
3.2 Data & Research on DRM	P169704	TF0A9017	A.Custers	●	586	0	0
3.3 Revenue Academy	P166150	TF0B0365	S.James	●	396	0	0
3.4 Ethiopia Gender and Taxation	P174551	TF0B3082	A. Ambel	●	1.290	0	0
3.5 Tax Policy for a Green Recovery in LAC	Pending	Pending	E. Vostroknutova/C. Rodriguez	●	510	0	0

in USD '000	Project ID	Child TF	TTL	Status	Total MDTF Budget	Total SECO Budget	Total NTH Budget
3.6 Caribbean: Strengthened Tax Policy for Climate Resilient Growth	P179113	TF0B8579	C. MacWilliam / R. Li / R. Longmore	●	70	0	0
3.7 EFT Strategies to Improve Tax Compliance	P179063	TF0B8592	S. Davenport	●	150	0	0
3.8 Tax Policy Analysis to Build Capacity and Improve Equity	P179055	TF0B8590	S. Davenport / P. Bachas	●	363	0	0
Sub-Total					3.979	-	-
Window 4: Program Management							
4.1 GTP Secretariat	P160093	TF0A5744	C. Ozer	●	3587	0	0
	SECO	TF0B0565			0	477	0
	NL	TF0B0516			0	0	425
	B.Dev MDTF	TF0B0277			68	0	0
	B.Dev NL	TF0B0515			0	0	29
	Ind. Eval	TF0B7551/ TF0B7604/ TF0B7605			312	44	44
Sub-Total					3.967	521	498
TOTAL in '000					52.383	7.487	6.024
NA: Not Applicable; FCVs in orange ● In implementation ● Pipeline ● Closed							

Table 13. GTP Detailed Workplan as of June 30, 2022 and FY23 Budget

The following table provides updated information on the GTP DRM Pillar portfolio, including expenditures from FY18 to FY22, budget execution rate for the reporting period, and projected fiscal year budgets. Projects that have closed or are still in the pipeline are not applicable (NA) for calculating budget execution rates.

in USD '000	Project ID	Child TF	TTL	Status	FY18 Expen- ses	FY19 Expen- ses	FY20 Expen- ses	FY21 Expen- ses	FY22 Budget					FY23	FY24
									MDTF	SECO	NL	Expen- ses	Burn Rate	Budget	Budget
Window 1: Global Tax Activities															
Assessment Frameworks															
1.1 TPAF Development	P163971	TF0A9217	S. James	🔴	0	206	87	0	0	0	0	0	NA	0	0
1.2 DIAMOND	P166147	TF0A8322	R. Junquera	🟡	0	310	394	32	55	0	0	45	81%	55	44
Knowledge Base on Intl Tax Issues															
1.3 Toolkits & Research on Intl Tax	P169976	TF0A9455/ TF0B8796	A. Cebreiro	🟡	0	148	199	80	248	0	0	214	86%	334	250
1.4 Digital VAT Guidelines	P172968	TF0B1578	D. Alvarez	🟡	0	0	26	389	185	0	0	180	97%	85	0
1.5 Tax Incentives Reform	P174543	TF0B3098	S.James	🟡	0	0	0	233	117	0	0	77	65%	140	0
1.6 Carbon Pricing Assessment Tool	P170301	TF0B3624	D. Heine	🟡	0	0	0	143	352	0	0	314	89%	168	0
1.7 Environmental Tax Reforms	P176296	TF0B5006	I. Dorband	🟡	0	0	0	116	84	0	0	82	98%	0	0
1.8 Executive Program in Tax and Digital Transformation	P175478	Pending	A. Agerskov	🟡	0	0	0	0	0	0	0	0	NA	325	175
1.9 OGE-DRM Progressivity & Extractives in IDA	P177907	TF0B9110	C. Habib / M. Kajubi	🟡	0	0	0	0	0	0	0	0	NA	200	100
Sub-Total					-	664	706	993	1.041	-	-	911	87%	1.307	569
Window 2: Country Level Activities															
2.01 TPAF Implementation	P163971	closed	S. James	🔴	0	0	0	0	0	0	0	0	NA	0	0
2.02 TADAT Implementation	P169803	TF0A9157/ TF0B9467	D. Alvarez	🟡	0	31	253	75	121	0	0	193	159%	135	0
2.03 MTRS Pilots	P166493	TF0A7739	D. Alvarez	🔴	48	79	142	93	66	0	0	50	76%	0	0
2.04 International Tax Program	P170177	TF0A6516/ TF0A9396	A. Cebreiro/C. Vargas	🟡	1242	1314	1232	685	1450	0	0	723	50%	1555	1550
2.05 Tax Reform in Uzbekistan	P168210	TF0A8528	R. Junquera	🟡	0	751	481	685	520	0	0	330	63%	612	340

in USD '000	Project ID	Child TF	TTL	Status	FY18 Expenses	FY19 Expenses	FY20 Expenses	FY21 Expenses	FY22 Budget					FY23		FY24
									MDTF	SECO	NL	Expenses	Burn Rate	Budget	Budget	
2.06 Innovations in Tax Compliance	P161196	TF0B0124	S. Davenport	●	0	50	27	117	256	0	0	254	99%	0	0	
2.07 Property Taxes	P169109	TF0A8995/ TF0B3634	R. Awasthi	●	0	73	321	214	700	0	0	266	38%	1095	0	
2.08 EAC Tax Evasion	P170712	TF0B2235	Y. Quiros	●	0	0	167	323	640	0	0	377	59%	400	259	
2.09 SOEs in Tanzania	P164792	TF0A9561	G. Raballand	●	0	34	115	0	0	0	0	0	NA	0	0	
2.10 Somalia Customs	P172650	TF0B1416	S. Shah	●	0	0	279	339	666	0	0	374	56%	1008	0	
2.11 Niger Customs	P172636	TF0B1548	M. Babatounde	●	0	0	6	492	700	0	0	360	51%	400	542	
2.12 Afghanistan Customs	P173604	TF0B2347	J. Gutierrez	●	0	0	329	126	55	0	0	55	100%	0	0	
2.13 Tajikistan Tax Policy & Adm	P173237	TF0B2202	R. Junquera	●	0	0	223	682	665	0	0	212	32%	840	543	
2.14 NRA Tax Evasion	P173289	TF0B1941	Y. Quiros / A. Cebreiro	●	0	0	68	238	450	0	0	249	55%	723	723	
2.15 Nigeria Tax and Customs	P173409	TF0B2031	R. Awasthi	●	0	0	238	649	1000	0	0	655	66%	655	652	
2.16 Kosovo Tax Registration	P173730	TF0B2447	J. Fallov	●	0	0	24	314	202	0	0	222	110%	174	216	
2.17 Tax Incentives Reform	P174543	TF0B3076	S. James	●	0	0	0	71	431	0	0	270	63%	609	0	
2.18 Carbon Pricing Assessment Tool	P170301	TF0B3623	D. Heine	●	0	0	0	3	221	0	0	273	124%	294	0	
2.19 Central African Republic	P172625	TF0B4785	M. Caballero / H. Andrianasy	●	0	0	0	61	850	0	0	192	23%	293	0	
2.20 Malaysia Tax Policy Reform	P175386	TF0B4216	Y. Keat Chong	●	0	0	0	128	250	0	0	165	66%	207	0	
2.21 Myanmar Tax Reform Assistance	closed	closed	V. Nguyen	●	0	0	0	0	0	0	0	0	NA	0	0	
2.22 PNG Tax Reform Assistance	P174416	TF0B5254	V. Nguyen	●	0	0	0	50	250	0	0	204	82%	300	386	
2.23 Environmental Tax Reforms	P176296	TF0B5007	I. Dorband	●	0	0	0	0	100	0	0	120	120%	130	0	
2.24 EAP Tax Evasion	P177021	TF0B6055	Y. Quiros / A. Cebreiro	●	0	0	0	0	0	0	0	10	NA	600	550	
2.25 Cambodia Tax Reform Assistance Project	P168407	TF0B8646	V. Nguyen	●	0	0	0	0	0	0	0	23	NA	300	277	
2.26 BARM Tax Reform TA - Philippines	P178367	TF0B9505	F. Seiderer / V. Nguyen	●	0	0	0	0	0	0	0	0	NA	300	300	
2.27 Tax policy and Revenue Administration Capacity Development in Cameroon	P179082	TF0B8543	H. Fortin / A. Coulibaly / A. Diallo	●	0	0	0	0	0	0	0	0	NA	500	500	
2.28 Enhancing Equitable Fiscal Policy in Benin and CIV	P177988	TF0B8985	E. Malasquez	●	0	0	0	0	0	0	0	0	NA	200	50	
2.29 Caribbean: Strengthened Tax Policy for Climate Resilient Growth	P179113	TF0B8579	C. MacWilliam / R. Li / R. Longmore	●	0	0	0	0	0	0	0	0	NA	80	60	
2.30 Support revenue mobilization in Central America with focus on environmental taxation	P179152	TF0B8738	R. Barroso / B. Cunha	●	0	0	0	0	0	0	0	0	NA	175	37	
2.31 Tax and Customs Administration Modernization in Armenia	P174607	TF0B8470	A. Vatyan	●	0	0	0	0	0	0	0	0	NA	390	390	
2.32 EFT Strategies to Improve Tax Compliance	P179063	TF0B8591	S. Davenport	●	0	0	0	0	0	0	0	6	NA	300	244	
2.33 Tax Policy Analysis to Build Capacity and Improve Equity	P179055	TF0B8589	S. Davenport/ P. Bachas	●	0	0	0	0	5	0	0	5	100%	103	79	
2.34 Strengthening Guinea Bissau's Tax and Customs Administrations	Pending	Pending	TBD	●	0	0	0	0	0	0	0	0	NA	375	375	
SDTF SECO																
2.34 Tax Reform in Azerbaijan	P166912	TF0A7239	R. Junquera	●	22	246	244	269	0	525	0	223	42%	700	396	
2.35 Vietnam Tax Reform	P166917/ P176734	TF0A6919/ TF0B7709	V. Nguyen	●	7	85	270	137	0	416	0	144	35%	255	177	
2.36 State Tax Service Kyrgyz Republic	P167921	TF0A8081	O. Balabushko	●	0	122	319	282	0	500	0	187	37%	500	590	

in USD '000	Project ID	Child TF	TTL	Status	FY18 Expen- ses	FY19 Expen- ses	FY20 Expen- ses	FY21 Expen- ses	FY22 Budget					FY23		FY24
									MDTF	SECO	NL	Expen- ses	Burn Rate	Budget	Budget	
2.37 Peru International Tax	P160517	TF0A7238	C. Vargas	●	21	146	21	101	0	60	0	46	76%	180	85	
2.38 Peru Tax Domestic	P160517	TF0B5334	C. Vargas	●	0	0	0	20	0	140	0	97	69%	260	180	
2.39 Ghana Tax Expenditure and Climate Smart Systems	P176445	TF0B9206	M. Kajubi/ F. Saleem	●	0	0	0	0	0	0	0	0	NA	200	85	
2.40 Increasing tax policy analytical capacity in the Tunisia	P178283	TF0B9580	M. Cali / A.Thomas	●	0	0	0	0	0	0	0	0	NA	250	100	
SDTF NTH																
2.41 WAEMU countries TADAT	P169803	TF0B0758	S. Diop	●	0	0	162	36	0	0	33	33	100%	0	0	
2.42 Sierra Leone and Liberia	P171983/ P165000	TF0B1142/ TF0B8347	R. Awasthi	●	0	0	106	213	0	0	56	56	100%	52	0	
2.43 Senegal MTRS Tax and Customs	P173565	TF0B2186/ TF0B4997	M. Kajubi/ P.Bachas	●	0	0	150	166	0	0	335	253	75%	397	0	
2.44 Chad Tax and Customs	P174411	TF0B3122	S.Egoue	●	0	0	0	261	0	0	139	91	66%	500	500	
2.45 Ethiopia Tax Policy	P174549	TF0B3115	T. Minh Le	●	0	0	0	320	0	0	710	498	70%	571	571	
2.46 Sierra Leone MTRS and Liberia Tax Expenditures	P177994	TF0B9349	A. Kruse / S. Seth	●	0	0	0	0	0	0	0	0	0%	240	100	
2.47 Digitizing The Libyan Taxation System	Pending	Pending	A. Agerskov	●	0	0	0	0	0	0	0	0	NA	95	155	
Sub-Total					1.339	2.931	5.177	7.151	9.598	1.641	1.273	7.218	58%	16.953	11.012	
Window 3: Actionable Research, K&L																
3.1 Innovations in Tax Compliance	P161196	TF0A9175	S. Davenport	●	0	143	226	171	75	0	0	75	100%	0	0	
3.2 Data & Research on DRM	P169704	TF0A9017	A.Custers	●	0	90	339	155	0	0	0	2	NA	0	0	
3.3 Revenue Academy	P166150	TF0B0365	S.James	●	0	0	209	103	88	0	0	84	95%	0	0	
3.4 Ethiopia Gender and Taxation	P174551	TF0B3082	A. Ambel	●	0	0	0	229	430	0	0	163	38%	300	598	
3.5 Tax Policy for a Green Recovery in LAC	Pending	Pending	E. Vostroknutova/C. Rodriguez	●	0	0	0	0	0	0	0	0	NA	260	250	
3.6 Caribbean: Strengthened Tax Policy for Climate Resilient Growth	P179113	TF0B8579	C. MacWilliam / R. Li / R. Longmore	●	0	0	0	0	0	0	0	0	NA	70	0	
3.7 EFT Strategies to Improve Tax Compliance	P179063	TF0B8592	S. Davenport	●	0	0	0	0	0	0	0	0	NA	50	100	
3.8 Tax Policy Analysis to Build Capacity and Improve Equity	P179055	TF0B8590	S. Davenport / P. Bachas	●	0	0	0	0	5	0	0	5	96%	180	178	
Sub-Total					-	233	774	658	598	-	-	328	55%	860	1.126	
Window 4: Program Management																
4.1 GTP Secretariat	P160093	TF0A5744	C. Ozer	●	457	457	484	435	594	0	0	545	92%	580	580	
	SECO	TF0B0565			0	0	92	79	0	106	0	47	44%	100	100	
	NL	TF0B0516			0	0	58	101	0	0	80	114	143%	80	72	
	B.Dev MTDf	TF0B0277			0	51	17	0	0	0	0	61	NA	0	0	
	B.Dev NL	TF0B0515			0	0	29	0	0	0	0	0	NA	0	0	
	Ind. Eval	TF0B7551/ TF0B7604/ TF0B7605										100		300	0	
Sub-Total					457	508	680	615	594	106	80	867	111%	1.060	752	
TOTAL in '000					1.796	4.336	7.337	9.417	11.831	1.747	1.353	9.323	62%	20.180	13.459	

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

Annex 3. GTP DRM Portfolio

Table 14. New activities approved under the DRM Pillar

#	Window	TF	Name of Activity	Development Objective	Budget (In US\$ 000')	Region
1	W1	MDTF	1.8 Executive Program in Tax and Digital Transformation	The purpose of this activity is to develop a capacity for training tax administrations in leading digital transformation processes. The target audience is individuals who are central to the strategic and managerial transformation of the taxation system, including members of oversight boards, heads of business units in tax administrations, and senior policy advisors in Ministries of Finance. The objective is to equip the audience with the practical skills needed to lead digital transformation initiatives, notably developing digital transformation roadmaps, managing IT projects, strengthening data governance, leveraging digital technologies for business simplification and taxpayer service, and understanding what it takes to safeguard taxpayer data and rights.	500	World
2	W1	MDTF	1.9 OGE-DRM Progressivity & Extractives in IDA	The objective is (1) to advise on how to enhance the contribution of natural resources to domestic revenue mobilization in IDA countries with focus on resource rich countries that generate below the 15 percent revenue to GDP threshold; and (2) on enhancing the progressivity of the tax system to enhance domestic revenue mobilization and promote inclusive growth. For (1), this will be done through quantifying Government revenue potential and related revenue gaps as a partial explanation for the low revenue effort in resource rich IDA countries in Sub-Saharan Africa. The efficiency is measured in the two dimensions of gap in value and gap in time, i.e, less than expected and later than expected. If significant gaps are identified, this could call for development of best practice policies to mitigate the problem.	300	World
3	W2	MDTF	2.25 Cambodia Tax Reform Assistance Project	The program aims to inform Cambodia's tax system reform by providing technical input and recommendations into the formulation of the third phase Revenue Mobilization Strategy (RMS 2024-2028) and enhance the institutional capacity of the Ministry of Economy and Finance to conduct analysis underpinning the tax policy and administration reform recommendations.	600	EAP
4	W2	MDTF	2.26 BARMM Tax Reform TA - Philippines	The project aims to inform and enhance capacities for implementing tax policy and tax administration reforms in the new Bangsamoro Autonomous Region in Muslim Mindanao (BARMM).	600	EAP
5	W2	MDTF	2.27 Tax policy and Revenue Administration Capacity Development in Cameroon	The PDO of the proposed project is to support Cameroon's finance and revenue authorities' efforts to expand the tax base by strengthening their capacity in the areas of tax policy analysis and formulation, and control of compliance through data-driven risk management techniques.	1,000	AFR
6	W2	MDTF	2.28 Enhancing Equitable Fiscal Policy in Benin and CIV	The Project Development Objective (PDO) is to provide timely and policy relevant diagnostic in Benin and Cote d'Ivoire on (i) the current redistributive effect of their tax-transfer systems; (ii) the distributional effects of fiscal reforms scenarios to increase domestic resource mobilization through the identification of likely net payers into and beneficiaries.	250	AFR
7	W2	MDTF	2.29 Caribbean: Strengthened Tax Policy for Climate Resilient Growth	The overall objective of this GTP project is to support participating Caribbean countries in the design and implementation of tax policies and tax administration practices that effectively contribute to climate-resilient and inclusive growth through the creation of appropriate tax incentive frameworks and the creation of fiscal space for climate-resilient public investment. This objective will be addressed through the activities and sub-activities identified further below.	140	LAC
8	W2	MDTF	2.30 Support revenue mobilization in Central America with focus on environmental taxation	The development objective of this project is to generate the diagnostics needed for tax policy and administration reforms in CADR that can be supported by The World Bank, or development partners, or be taken up independently by the governments. In El Salvador and Costa Rica, an additional development objective is to create a roadmap for the implementation of Environmental Tax Reforms (ETR) with a special focus on carbon tax, which will be done in two phases with the funding for the second phase being sought later.	212	LAC

#	Window	TF	Name of Activity	Development Objective	Budget (In US\$ 000')	Region
9	W2	MDTF	2.31 Tax and Customs Administration Modernization in Armenia	The Project Development Objective (PDO) is to enhance the efficiency and effectiveness of tax and customs administration throughout upgrading the existing services, internal business processes, digitalization, behavioral changes in voluntary tax compliance and data quality improvement in the framework of tax and customs administrations.	780	ECA
10	W2	MDTF	2.32 EFT Strategies to Improve Tax Compliance	The primary Project Development Objective (PDO) of this proposal is to support three revenue administrations to design and implement procedures to evaluate their own tax compliance strategies and policies. This will be accomplished through a series of activities, including: (i) Working with tax authorities to identify and implement candidate strategies, policies or reforms for improving tax compliance, as determined through the Innovation in Tax Compliance's Enforcement-Facilitation-Trust framework. (ii) Introducing experimental methods into tax administration, specifically by working with tax authorities to test different strategies for improving the efficiency, transparency and sustainability of tax administration functions. (iii) Generate new evidence on the effectiveness of innovative approaches to tax administration and tax policy on perceptions of enforcement, tax morale and tax compliance.	550	World
11	W2	MDTF	2.33 Tax Policy Analysis to Build Capacity and Improve Equity	The Project Development Objective (PDO) is twofold: (i) Develop institutional capacity to conduct tax policy analysis, so that the tax authorities are better able to generate insights from the vast amount of administrative data they collect. (ii) Conduct tax policy analysis based on administrative micro tax data to measure the progressivity of tax systems at the top of the distribution, and the extent to which capital income and high earners pay their fair share. We will assist tax authorities in linking their Personal Income Tax and Corporate Income Tax bases, by using and improving shareholder registries. This will provide a comprehensive view of income, helping to identify cases of under-reporting and to suggest policy options for how high earners can equitably contribute to the DRM objectives of these countries.	187	World
12	W2	MDTF	2.34 Strengthening Guinea Bissau's Tax and Customs Administrations	The project aims to support the Government of Guinea Bissau in strengthening its tax and customs administrations.	750	AFR
13	W2	SECO	2.39 Ghana Tax Expenditure and Climate Smart Systems	The Project Development Objective (PDO) is to support the Government of Ghana's (GoG) ability to generate more revenues by implementing sound tax expenditure governance processes and climate smart tax systems.	285	AFR
14	W2	SECO	2.40 Increasing tax policy analytical capacity in the Tunisia	The objective is to strengthen the capacity of the Ministry of Finance to formulate tax policy by: (i) developing a range of policy analysis tools tailored to the Tunisian context; (ii) developing the capacity of the newly established Tax Policy Unit (TPU) in using these tools to analyze the impacts of potential and past tax reforms, starting with the impact of three immediate tax reform priorities; and (iii) updating the tools as new data becomes available.	350	MENA
15	W2	NTH	2.46 Sierra Leone MTRS and Liberia Tax Expenditures	The primary development objective of this proposed project is twofold: (i) to strengthen tax policy and administrative reforms in Sierra Leone through support to the formulation and implementation of a Medium-Term Revenue Strategy (MTRS) aimed at increasing revenue mobilization; and (ii) to strengthen Liberia governance of tax expenditures.	340	AFR
16	W2	NTH	2.47 Digitizing the Libyan Taxation System	The purpose of this proposed project is to provide support to the Ministry of Finance of Libya to begin its digital transformation journey for its revenue system. The aim is to assist the Ministry of Finance develop a high-level roadmap for digital transformation of the revenue system that creates a more robust infrastructure with a high degree of transparency. Such a system can over time help provide a foundation for improving the social contract between citizens and state, diversify revenue streams, and reduce administrative discretion in the application of the tax code. The project is designed around two components: (1) a series of mini remote workshops to help the Ministry of Finance shape a vision for its revenue system; and (2) the elaboration of a high-level roadmap for digitization of the Libyan revenue system, which aims to build some common ground around a set of digital transformation priorities (e.g., which tax handles and systems to focus on first).	250	MENA

#	Window	TF	Name of Activity	Development Objective	Budget (In US\$ 000')	Region
17	W3	MDTF	3.5 Tax Policy for a Green Recovery in LAC	The objective of this project is to inform Latin American governments on potential win-win fiscal policy reforms that could maximize benefits to economic growth, reduce inequality, improve public finances, and promote green development; and to provide quantitative basis for developing optimal policy packages for specific countries. The project aims to provide the evidence needed to support LAC governments with reforming tax structures by: (i) analyzing current tax policy and the structure of revenue across countries in LAC and identifying areas for improvement, (ii) assessing the macroeconomic, distributional, and environmental impacts of tax reform options, (iii) assess the extent to which the tax burden should be shifted from labor to emissions and (iv) understand how taxes/financing linked to forest conservation could be incorporated in the federal and fiscal architecture of Brazil, with lessons learned for other countries.	510	LAC
18	W3	MDTF	3.6 Caribbean: Strengthened Tax Policy for Climate Resilient Growth	The overall objective of this GTP project is to support participating Caribbean countries in the design and implementation of tax policies and tax administration practices that effectively contribute to climate-resilient and inclusive growth through the creation of appropriate tax incentive frameworks and the creation of fiscal space for climate-resilient public investment. This objective will be addressed through the activities and sub-activities identified further below.	70	LAC
19	W3	MDTF	3.7 EFT Strategies to Improve Tax Compliance	The primary Project Development Objective (PDO) of this proposal is to support three revenue administrations to design and implement procedures to evaluate their own tax compliance strategies and policies. This will be accomplished through a series of activities, including: (i) Working with tax authorities to identify and implement candidate strategies, policies or reforms for improving tax compliance, as determined through the Innovation in Tax Compliance's Enforcement-Facilitation-Trust framework. (ii) Introducing experimental methods into tax administration, specifically by working with tax authorities to test different strategies for improving the efficiency, transparency and sustainability of tax administration functions. (iii) Generate new evidence on the effectiveness of innovative approaches to tax administration and tax policy on perceptions of enforcement, tax morale and tax compliance.	150	World
20	W3	MDTF	3.8 Tax Policy Analysis to Build Capacity and Improve Equity	The Project Development Objective (PDO) is twofold: (i) Develop institutional capacity to conduct tax policy analysis, so that the tax authorities are better able to generate insights from the vast amount of administrative data they collect. (ii) Conduct tax policy analysis based on administrative micro tax data to measure the progressivity of tax systems at the top of the distribution, and the extent to which capital income and high earners pay their fair share. We will assist tax authorities in linking their Personal Income Tax and Corporate Income Tax bases, by using and improving shareholder registries. This will provide a comprehensive view of income, helping to identify cases of underreporting and to suggest policy options for how high earners can equitably contribute to the DRM objectives of these countries.	363	World

Annex 4. WB informed loans by GTP-funded activities

Country	WB informed loan	Financing Instrument	Status of WB informed loan	Amount of loan	FY of reporting	GTP activity	Support funded by the GTP
Uzbekistan	Tax Administration Reform Project in Uzbekistan (P173001)	IPF	Active	US\$ 60M	FY21	Tax Reform in Uzbekistan	The team supported the preparation of the IPF in FY21 and now revisited the project's activities to support the government in implementing its recently approved tax code and the \$60M IPF.
Tajikistan	Tax Reform Operation (P171892)	PforR	Active	US\$ 50M	FY21	Tax Reform in Tajikistan and Innovations in Tax Compliance	The project is supporting and complementing – as well as benefiting – the US\$ 50m PforR. The ratification of the new and modern tax code, building capacity, and enhancing the IT infrastructure, have paved the way for the concessional lending operation.
Kyrgyz Republic	Tax Administration and Statistical System Modernization Project (P163711)	IPF	Active	US\$ 35M	FY21	State Tax Service Kyrgyz Republic Reform Project	Since the ASA project's inception, the WB project team has ensured complementarity of the GTP funded technical assistance and the concessional lending operation, by generating knowledge that will feed into its implementation. During this reporting period, one of the project's major outcomes, consisting in the approval the new Tax Code on December 22, 2021, is directly contributing to the US\$ 35M IPF.
Senegal	Senegal Equitable and Resilient Recovery in Senegal DPF (P172723)	DPF	Active	US\$ 300M	FY22	Senegal MTRS and Customs	The findings from analytical and advisory work have been used as inputs to the Development Policy Operations (DPO) dialogue. The team expects some prior actions and or triggers supported by the MTRS will be include in the policy matrix.
Central African Republic	Public Sector Governance Project (PSDG) (P174620)	IPF	Active	US\$ 30M	FY22	Central African Republic Technical Assistance	The design of the PSDG project was informed by work already carried out through the GTP-funded Central African Republic Tax and Customs Technical Assistance project and is accompanying its implementation.
Chad	Digitalization of Revenue Administrations and Covid-19 Response Project (P164529)	IPF	Active	US\$ 35M	FY22	Chad Tax and Customs	Outcomes from the GTP funded project, once finalized, will inform WB's interventions in DRM in Chad.
Niger	Public Sector Capacity and Performance for Service Delivery Project (PCDS) (P145261)	IPF	Closed	US\$ 40M	FY22	Niger Customs	The project team, closely exchanged with the PCDS project which is complementary to the GTP funded project. While, the Niger Customs GTP-funded project focuses on the revenue side (Customs), the PCDS focused on the tax and public expenditure side. The Niger Customs project also served as a general background to inform the Niger DPOs and Public Expenditure Review (PER).

Country	WB informed loan	Financing Instrument	Status of WB informed loan	Amount of loan	FY of reporting	GTP activity	Support funded by the GTP
Panama	Panama Pandemic Response and Growth Recovery Development Policy Operation 2 (P175930)	DPF	Active	US\$ 250M	FY22	International Tax Program	The project provided support with comments to draft legislation and regulations. Also, the project team led the policy dialogue and capacity building on the subject of Beneficial Ownership.
	Panama Pandemic Response and Growth Recovery Development Policy Operation (P174107)	DPF	Closed	US\$ 300M	FY21	NRA Tax Evasion	The GTP-funded project helped identify the institutional, operational, and legislative gaps. The project also contributed to the preparation of the FATF risk-assessment report.
Ecuador	Ecuador Green and Resilient Recovery (EGARR) DPF (P176983)	DPF	Active	US\$ 700M	FY22	International Tax Program	The project team contributed to the policy dialogue of the DPF-1. In FY22, the project contributed to the DPF-2 by providing advice on the beneficial ownership legal framework, resulting in the adoption of most of the team's recommendations in laws/regulations issued.
	Ecuador Second Green and Resilient Recovery DPF (EGARR DPF-2) (P178636)	DPF	Pipeline (CN reviewed)	US\$ 500M	-	International Tax Program	
Costa Rica	Fiscal Management Improvement Project (P172352)	IPF	Active	US\$156.64M	FY20	TADAT Implementation	In FY20, the government of Costa Rica requested the WB to conduct a Tax and Customs Modernization Project, which was designed based on the TADAT assessment conducted with financial support from the GTP.
Benin	Benin Second Fiscal Management and Structural Transformation (P172749)	DPF	Closed	US\$ 100M	FY21	International Tax Program	TA to enhance the transfer pricing tax framework (transfer pricing instruction was published on May 28, 2021), informed the DRM component of the WB loan.
Peru	Peru Sustainable and Inclusive Growth DPF-DDO (P178591)	DPF	Pipeline (CN approved in June 2022)	US\$ 750 M	-	Peru Technical Assistance on International Tax and Peru Tax Domestic	\$Inputs on Prior actions for the US\$750m DPF-DDO focused on green taxation. The DPL-DDO (P178591) was approved this FY and focuses on strengthening institutions to mitigate the social and economic impact of the COVID-19 pandemic and reinforcing structural foundations for an inclusive and climate-smart economic recovery.
Nigeria	Accelerating Resource Mobilization Reforms (ARMOR) (P177308)	PforR	Pipeline (CN reviewed)	US\$ 750 M	-	Nigeria Tax and Customs Reform	The policy dialogue on DRM issues sustained through the GTP funded project is having a positive impact. As a result of the productive engagement it was decided in FY22 to start preparation for a \$750 million Program for Results (Accelerating Resource Mobilization Reforms (ARMOR)).
Total cumulative volume of approved loans (US\$ millions) informed by GTP funded activities					US\$ 4,057M		

Note:

Investment Project Financing (IPF): IPF provides IBRD loan IDA credit/grant as well as IBRD and IDA guarantee financing in support of clients for activities that create the physical or social infrastructure necessary to reduce poverty and create sustainable development. IPF focuses on long-term (5-10 years) finance of goods works services and other types of expenditures.

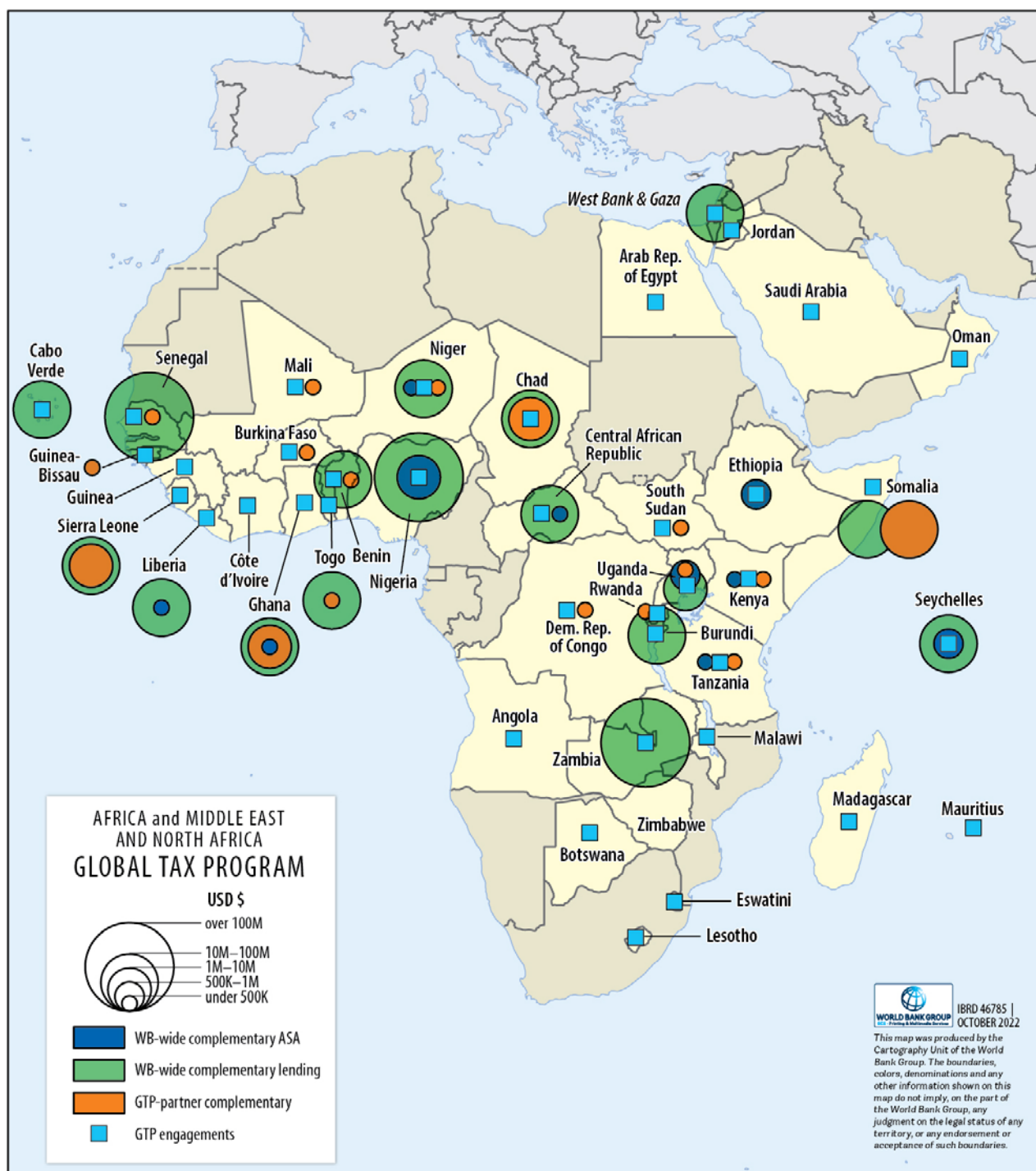
Development Policy Financing (DPF): DPF provides direct budget support to governments for policy and institutional reforms aimed at achieving a set of specific development results. These operations provide rapid financial assistance to allow countries to deal with actual or anticipated development financing requirements.

Program-for-Results (PforR): PforR links disbursement of funds directly to the delivery of defined results helping countries improve the design and implementation of their own development programs and achieve lasting results by strengthening institutions and building capacity.

Annex 5. Internal and external collaboration and partnerships

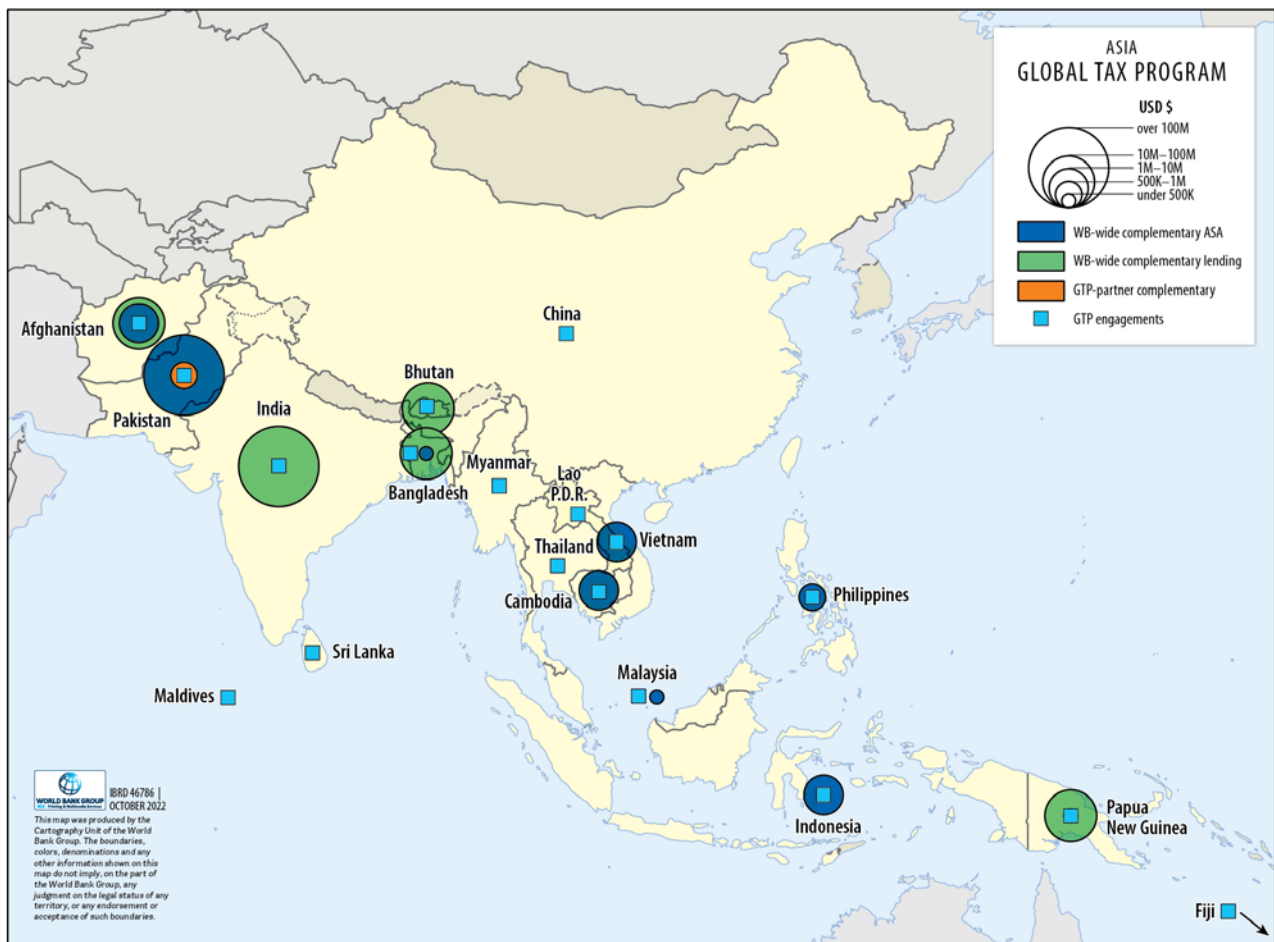
The complementarity Projects in Africa, Asia, ECA and LAC regions

Africa (AFR)



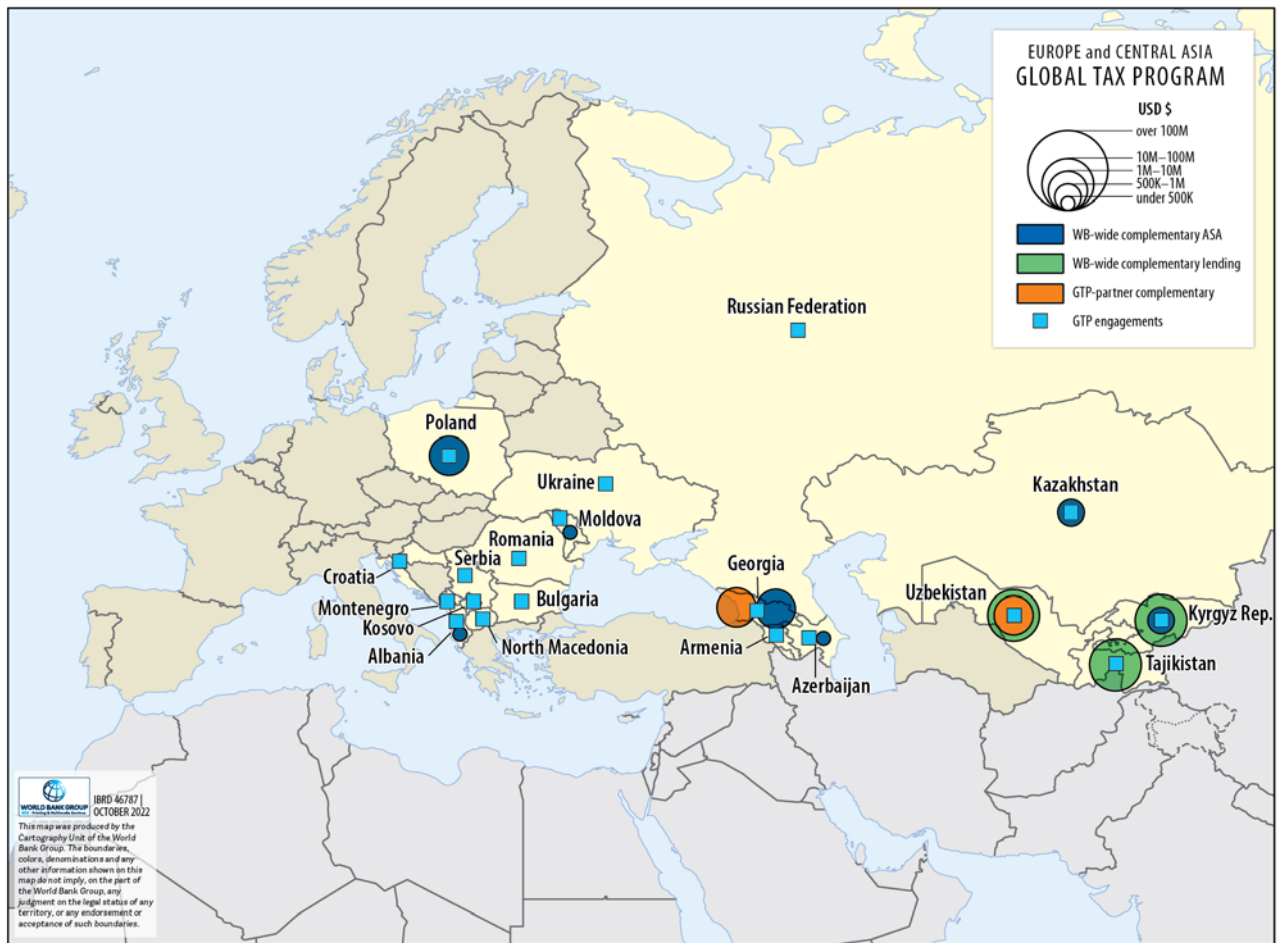
Map 4. The Complementary Projects in the Africa Region

Asia



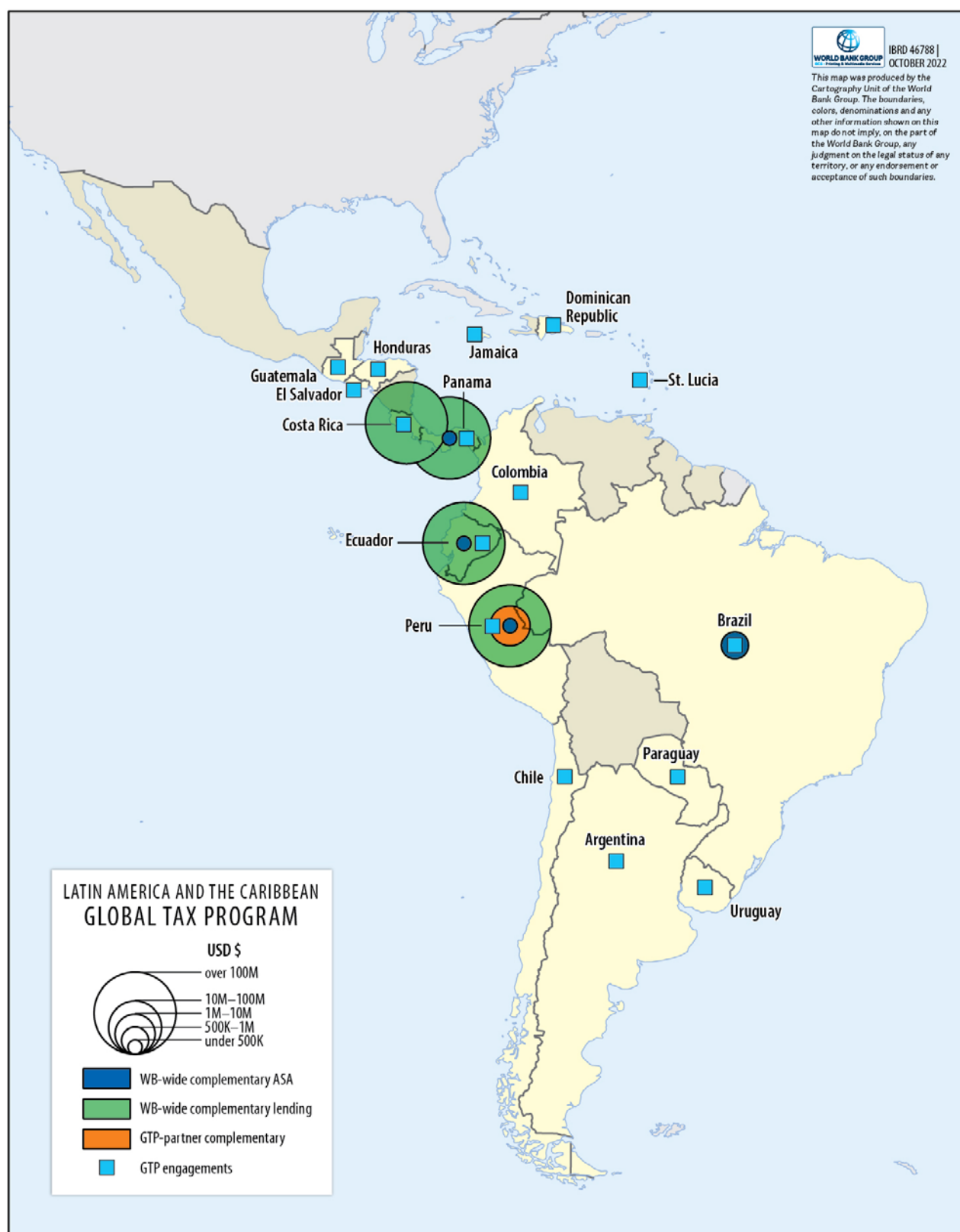
Map 5. The Complementary Projects in the Asia Region

Europe and Central Asia (ECA)



Map 6. The Complementary Projects in the ECA Region

Latin America and the Caribbean (LAC)



Map 7. The Complementary Projects in the LAC Region

Annex 6. Performance dimensions

Dimension	Scope of the Assessment	Ratings	Questions
1. Output achievement	Achievement of expected results (inception to date). Rating is assigned for the dimension not for individual indicators. % of indicators that achieved their inception to date target.	70 - 100%: 4 50 - 70%: 3 30 - 50%: 2 0 - 30%: 1	<ul style="list-style-type: none"> Were the inception to date results, as defined in the results framework, achieved or are likely to be achieved? Have expected results been postponed for 12 months or more? Were the inputs/activities necessary to achieve the planned outputs completed on time?
2. Outcome achievement	Achievement of expected results (inception to date). Rating is assigned for the dimension not for individual indicators. % of indicators that achieved their inception to date target.	70 - 100%: 4 50 - 70%: 3 30 - 50%: 2 0 - 30%: 1	<ul style="list-style-type: none"> Were the inception to date results, as defined in the results framework, achieved or are likely to be achieved? Have expected results been postponed for more 12 months or more? Were the outputs necessary to achieve the planned outcomes completed on time?
3. Budget	Burn rates – Deviations from Plan	0 to +/-20% : 4 +/-20.1% to +/-40% : 3 +/-40.1% to +/-50% : 2 +/-50.1% and up : 1	<ul style="list-style-type: none"> Are there significant deviations from the planned FY21 budget? What were the deviations in previous periods? Overall burn rate to date vs time elapsed since project approval.
4. Efficiency	Efficiency: expenses/results (inception to date burn rate/ % of results achieved from total results expected)	0-100%: 4 100%-125%: 3 126-150%: 2 150%-up: 1	<ul style="list-style-type: none"> To what extent were fixed costs (e.g. staff) charged to the grant while the project was delayed? Consistency between expenditures and activities carried out. Assess operational efficiency.

Annex 7. Timeline extension and budget increase approved during FY22

Project Name	Region	Timeline extension	Budget increase	Delays in achieving planned results	Original End Date	New End date	Status
Window 1							
Toolkits & Research on International	WORLD	24-month	US\$ 650K	No	June 2022	June 2024	Approved in February SC Meeting
Window 2							
International Tax Program	WORLD	12-month	US\$ 1.5M	No	June 2023	June 2024	Approved in February SC Meeting
Kosovo Tax Registration	ECA	18-month	US\$ 350K	No	December 2022	March 2024	Approved through CfP process
Sierra Leone and Liberia	AFR	12-month	No	Yes	December 2021	December 2022	Approved in February SC Meeting
Peru International Tax	LAC	18-month	No	No	December 2022	June 2024	Approved in February SC Meeting
Peru Tax Domestic	LAC	12-month	No	No	June 2023	June 2024	Approved in February SC Meeting

Annex 8. GTP Aggregated Logical Framework

Aggregated Logical Framework - Global Tax Program											
WINDOW 1: Global tax activities and global public goods											
Standard Indicators	Projects	Project target FY22	Project results FY22	Results details FY22	Cumulated targets FY22	Cumulated results FY22	Inception to date targets	Inception to date results	Total targets	Total results	
A.1 Number of new modules/tools/databases developed	1.1 TPAF Development										
	1.2 TAX DIAMOND	0	0								
	1.3 Toolkits & Research on Intl	0	1	1. An additional module of the Transfer Pricing E-Learning tool on TP comparables has been developed jointly with the OECD.							
	1.4 Digital VAT Guidelines	0	1	1. The second of the VAT Digital Toolkit series "VAT Digital Toolkit for Asia-Pacific Region" report was completed and jointly launched by the OECD, the ADB, and the WB in January 2022.	2	5	21	25	23	31	
	1.5 Tax Incentives Reform	2	1	1. A high-level database of tax incentives for about 150 countries has been prepared							
	1.6 Carbon Pricing Assessment Tool	0	2								
	1.7 Environmental Tax Reform	0	0								
A.2 Number of documents, reports, studies, notes, guidelines, training materials prepared	1.3 Toolkits & Research on Intl	3	4	1. A Policy note on TP reform published 2. Report on Digital Service Taxes was published 3. Detailed material (in English and Spanish) on the rules for the proposed minimum tax on MNEs (Pillar 2) 4. Policy brief on the implications of the Pandora Papers on the work that the WBthe Bank does on illicit financial flows (including on tax avoidance/evasion and tax transparency) was published							
	1.5 Tax Incentives Reform	3	1	1. The project supported the strategy on how to help countries implement the global minimum tax that is under discussion under the inclusive framework. A detailed guidance note was prepared on the subject.	9	9	24	19	28	19	
	1.6 Carbon Pricing Assessment Tool	1	1								
	1.7 Environmental Tax Reform	2	3	1. The Role of Environmental Tax Reform in Responding to the COVID-19 Crisis (Working Paper) 2. The COVID-19 Crisis and the Road to Recovery: Green or Brown (Working Paper) 3. Political Challenges of Introducing Environmental Tax Reforms in Developing Countries (Report)							
A.3 Number of workshops/policy dialogues/consultations / Global advocacy activities conducted	1.3 Toolkits & Research on Intl	1	5	1. A seminar on the Transfer pricing E-learning course was held on July 13, 2021, targeting the Asia and Pacific region. 2. The New Landscape for Taxing Multinationals event to cover Insights on International Taxation. 3. Event on Policy Options and Roadmap for a Global Minimum Tax on MNEs. 4. The team participated in a PCT "Ask-An- the Eexpert" seminar on the PCT Tax Treaty Toolkit on June 15. 5. Presentation "Unpacking the Pillar 2 rules" on April 25 to a select ed group of Spanish speaking countries	10	10	20	18	27	18	
	1.4 Digital VAT Guidelines	0	1	1. Consultation workshop organized by partner institutions from October 28-29 with participation from regional tax authorities and experts to gather views and insights on both the structure and the content of the first draft of the APAC Toolkit.							
	1.5 Tax incentives Reform	4	0								
	1.7 Environmental Tax Reform	5	4	1. Three papers produced under this project were discussed in a seminar on 'Securing a Sustainable Recovery' chaired by the Vice President of EFI, Indermit Gill on November 16 2021							

Aggregated Logical Framework - Global Tax Program												
WINDOW 2: Country level activities												
Standard Indicators	Projects	Project target FY22	Project results FY22	Results details FY21	Cumulated targets FY22	Cumulated results FY22	Inception to date targets	Inception to date results	Total targets	Total results		
OUTCOMES	B.1	Number of reform recommendations (laws/regulations) endorsed	2.04 International Tax Program	10	14	36	39	79	96	140	96	
			Ecuador (5): Passing the confidentiality assessment allowed them to have its CbC MCAA activated, - BO legislation (part of the tax reform (Organic Law of Economic Development and Fiscal Sustainability, Official Gazzette (Suplemento), No. 587 on November 29, 2021) (BO definition, and sanctions) as well as in the regulations (Bo definition) (Official Register (Segundo Suplemento), No. 608 on December 30, 2021- BO definition)- Passing the assessment allowed them to have its relevant reciprocal exchange relationships under the CRS-MCAA (1)									
			Panama (4): Sanctions on failing to provide accurate BO info (Law 254/21 and Executive Decree No 13, May 25); Obligation to update BO Info (Law 254/21 and Executive Decree N.13, May 25); Obligation to maintain accounting records in Pan and corresponding sanctions (Law 254/21)									
			Colombia (3): BO definition and legal persons definition, scope of rules, sanctions (Resolution 164 of December 27, 2021)									
			Cambodia (1): New Tax Treaty Model adopted									
			Thailand (1): MLI signed on Feb 9, 2022									
			2.05 Tax Reform in Uzbekistan	1	0							
			2.07 Property Taxes	1	1	The Government of Punjab (India) changed the property valuation methodology from a flat rate method in practice to a capital valuation method based on government rates for the valuation of land (for stamp duty purposes) and the cost of construction of buildings.						
			2.13 Tajikistan	1	0	The endorsement of the Tax Code was claimed in FY20. In FY22, the code was ratified by the lower chamber of parliament on November 5, 2021, passed by the parliament on December 17, 2021, and signed by the president on December 23, 2021.						
			2.14 NRA Tax Evasion	1	0	As of June 2022, the project has met and exedeed the inception to date targets.						
2.15 Nigeria Tax and Customs	1	10	1&4). Fed. Government introduced excise duty on non-alcoholic beverages, broadened excise on telecom services to cover both post and prepaid airtime and data, and increased excise on alcohol and tobacco products [MoF Circular F17417/VI/286, Annex IV]; 5). Amendment to CIT Act (Section 30) empowered FIRS to assess a non-resident company to income tax on profits earned from providing digital services to Nigerian customers [FA 2021 Item 8]; 6). Customs, Excise Tariffs, etc. (Consolidation) Act Section 21 introduced excise duty on non-alcoholic, carbonated and sweetened beverages at N10/litre [FA 2021 Item 17]; 7). Section 89A of the Stamp Duties Act clarified the powers of the Minister of Finance with respect to the administration of the Stamp Duties Levy [FA 2021 Item 27]; 8&9). Amendment to VAT Act Section 10 reduced ambiguities and restricted VAT obligations (requirement to register) to mostly digital non-resident companies that make taxable supplies to Nigeria [FA 2021 Item 30]; 10). Regulations on excise duty on electronic money transfer levy adopted [re-gulations on telecom services and non-alcoholic beverages awaiting consent of Min. of Justice].									
2.16 Kosovo Tax Registration	1	1	1).The authorities, informed by the project, are currently working on drafting the actual legal amendments to change relevant tax laws (business registration laws and other relevant laws, regulations and internal procedures) to improve the quality of tax registration.									
2.17 Tax incentives	10	4	Bhutan (4): With the request of the Government of Bhutan, the team submitted detailed feedback on their tax incentive regime and suggested reforms. Four key recommendations were incorporated into the new Fiscal Incentive Act 2021: i. Replacing tax holidays / tax rebate with capex allowance of 100% to approved projects in specific sectors that are more adversely affected by COVID than others; ii. Targeting incentives to small and micro enterprises that are one of the priority sectors and high employment generation industry; iii. Targeting incentives to creating employment by incentivizing employment of new and additional employee who is retained; and iv. Indirect taxes which created a bigger impact on profitability of businesses are continued till GST is introduced.									
2.19 CAR	1	0										

Aggregated Logical Framework - Global Tax Program											
WINDOW 2: Country level activities											
Standard Indicators	Projects	Project target FY22	Project results FY22	Results details FY21	Cumulated targets FY22	Cumulated results FY22	Inception to date targets	Inception to date results	Total targets	Total results	
OUTCOMES	B.1	Number of reform recommendations (laws/regulations) endorsed	2.20 Malaysia Tax Policy Reform	0	1	36	39	79	96	140	96
			2.22 PNG Tax Reform Assistance	0	0						
			2.34 Tax Reform in Azerbaijan	0	2						
			2.35 Vietnam Tax Reform	0	0						
			2.37 Peru International Tax	1	2						
			2.38 Peru Domestic Tax	1	1						
			2.36 State Tax Service Kyrgyz Republic	1	1						
			2.42 Sierra Leone & Liberia Tax	6	0						
			2.43 Senegal MTRS Tax and Customs	0	0						
			2.44 CHAD	0	0						
OUTCOMES	B.2	Number of recommendations to improve procedures/practices/standards adopted	2.45 Ethiopia Tax Policy	0	2	29	31	50	98	86	98
			2.04 International Tax Program	3	23						
			2.05 Tax Reform in Uzbekistan	1	0						
			2.07 Property Taxes	2	2						
			2.9 SOEs in Tanzania	0	0						

Aggregated Logical Framework - Global Tax Program												
WINDOW 2: Country level activities												
Standard Indicators		Projects	Project target FY22	Project results FY22	Results details FY21	Cumulated targets FY22	Cumulated results FY22	Inception to date targets	Inception to date results	Total targets	Total results	
OUTCOMES	B.2	Number of recommendations to improve procedures/practices/standards adopted	2.10 Somalia Customs Support	1	0							
			2.11 Niger Customs Advisory and TA	4	1	The work on performance contracts is continuing to make progress. A signing ceremony for the second set of performance contracts involving the Minister of Finance and Niger Customs was held on November 2, 2021						
			2.12 Afghanistan Customs	0	0							
			2.13 Tajikistan	0	0							
			2.14 NRA Tax Evasion	1	0							
			2.15 Nigeria Tax & Customs	0	7	1. Launch of Customs Fast Track 2.0 2. Operationalization of Customs-FIRS MOU on data exchange 3. Deployment of FIRS IT system (TaxPro Max) 4&5. FIRS approved introduction of VAT invoice lottery scheme and VAT taxpayer advisory visits. 6&7. NCS created M&E unit and instituted KPIs.						
			2.16 Kosovo Tax Registration	4	3	Based on the advice provided and piloting of IT solutions, the project is supporting the implementation of three recommendations on i) reviving the taxpayer status information links on the KBRA's website; ii) enabling the TAK to update information for business taxpayers through the internet links with the KBRA website; and iii) establishing internet links with the State Address Register to enable use and validation of address information in business, taxpayer and other registers.						
			2.19 CAR	1	0							
			2.22 PNG Tax Reform Assistance	0	0							
			2.34 Tax Reform in Azerbaijan	3	0		29	31	50	98	86	98
			2.36 STS Kyrgyz Republic	5	4	1&2. The STS has adopted the Concept for Provision of Taxpayer Services and Taxpayer Education for the period of 2022-2026. 3. Redesign of the business process to enable electronic submission of revocation notice of a submitted application for the import of goods and payment of indirect taxes. The business process has been implemented with continuously more e-services becoming available to taxpayers (25 services in 2022 as compared to less than 20 in 2020). 4. STS adopted a strategy for taxpayer communication, outreach and services which included almost all recommendations developed by the Tax Reform TA project team. Some of recommendations have been already implemented in practice (i.e. use of social media by STS to communicate updates on tax regulations and requirements etc.).						
			2.37 Peru International Tax	0	1	The technical support of the team has been relevant to improve the expertise of SUNAT's operational staff, as well as to put on the table the best international practices to avoid the transfer of benefits, and to enhance their current regulatory framework. Previous missions and virtual meetings from the team have allowed SUNAT to remain at the forefront of international tax issues and enhance our TP control risk management tools						
			2.42 Sierra Leone & Liberia Tax	4	0							
			2.43 Senegal MTRS Tax and Customs	0	1	Risk Management: The team completed the fraud detection algorithm for firms which is currently being used in all tax centers to select 50% of the audit cases (Outcome 3.1). In a bid to improve outcomes of the risk profiling tool, the team is executing the follow-on work to digitize all the audit outcomes and evaluate the impact of the algorithm.						
			2.44 CHAD	0	0							
OUTPUTS	B.1.1	Number of reform recommendations (laws/regulations) proposed	2.04 International Tax Program	14	37	TP component: Eswatini (2), Uganda (6), Maldives : (1), Seychelles (2) EoIR and AEoI component: Cabo Verde (1), Colombia (3), Ecuador (5), Guatemala (1), Panama (4) International Tax Issues: Eswatini (1), Jamaica (11)						
			2.05 Tax Reform in Uzbekistan	0	0		59	69	176	224	220	224
			2.07 Property Taxes	1	1	Zambia : A diagnostic report was prepared and delivered in 2021 and was shared with different government departments and agencies in April 2022. Feedback on the key recommendations endorsed and adopted are expected to be submitted to the Bank by July 31, 2022.						

Aggregated Logical Framework - Global Tax Program											
WINDOW 2: Country level activities											
Standard Indicators	Projects	Project target FY22	Project results FY22	Results details FY21	Cumulated targets FY22	Cumulated results FY22	Inception to date targets	Inception to date results	Total targets	Total results	
OUTPUTS	B.1.1 Number of reform recommendations (laws/regulations) proposed	2.13 Tajikistan	0	0							
		2.15 Nigeria Tax and Customs	5	6	1. Draft regulations on excise duty 2. Draft regulations on newly excisable products 3&4. Reform recommendations to existing regulations: telecom services and electronic money transfer levy. 5&6. Proposed excise duty rates on alcohol, cigarettes and sugar-sweetened beverages, environmental surcharge.						
		2.16 Kosovo Tax Registration	0	0							
		2.17 Tax incentives	20	13	Sri Lanka (3): the team supported the government with broader tax policy reform largely covering tax incentives reform. Measures proposed cover the three major taxes, PIT, CIT and VAT). Saint Lucia (3): The team delivered several recommendations on reforms of tax incentives covering the Personal Income Tax, Corporate Income Tax and Value Added Tax. Bhutan (4): the team submitted detailed feedback on their tax incentive regime and suggested reforms. Four key recommendations were incorporated into the new Fiscal Incentive Act 2021. Egypt (3): The project team has supported the Government of Egypt to estimate their tax expenditures under the Corporate Income Tax with the added benefit of allowing analysis of broader tax policy issues.						
		2.19 CAR	2	1	The Task Team carried out an assessment of the opportunities and challenges of enhancing the effectiveness of property taxation in RCA, including reform recommendations.						
		2.20 Malaysia Tax Policy Reform	3	3	The team delivered a policy note to MOF in August 2021 outlining Malaysia's reform options to raise personal income tax revenue, informed by the recently developed Malaysia Personal Income Tax Policy Microsimulation Model. The note focused on the scope, tax rates and the relief system of the current personal income tax framework in Malaysia, and provided reform recommendations.						
		2.22 PNG Tax Reform Assistance	0	1	Upon the completion of the Revenue chapter of the PNG Public Finance Review in 2021, the project team has provided recommendations for the rationalization of tax incentives to the DoT for their consideration in the Income Tax Rewrite.	59	69	176	224	220	224
		2.25 Tax Reform in Azerbaijan	0	0							
		2.26 Vietnam Tax Reform	0	0							
		2.28 Peru Internation Tax	0	1	The team reviewed rules for the determination of the market value of shares that are not listed on any stock exchange, and provided advice on methods based on the OECD transfer pricing standards and the introduction of the discounted cash flow method for transactions between related parties subject to the transfer pricing regime (and by the Peruvian law also to no or low-tax jurisdictions), and between unrelated parties to prevent these new rules follow the TP principles during March 2022						
		2.29 Peru Domestic Tax	1	3	The TA on the diagnostic of the Peruvian tax system in relation to GHG emissions was finalized in September 2021 with a presentation of the key findings to MEF, and the deliverable of two reports: i) analysis of the legal and regulatory framework (3rd deliverable), and ii) recommendations for alternative tax, fiscal incentives, and subsidy schemes aligned with the decarbonization agenda and impact assessment (4th deliverable).						
		2.31 Sierra Leone & Liberia Tax	1	0							
		2.32 Senegal MTRS Tax and Customs	4	2	1. The project team supported Senegal with reviewing the 2018 Transfer Pricing Regulations (drafted with WB support) to strengthen the law and align it with the ongoing changes on international tax. 2. Recommendations were made for the tax administration (DGID) to consider setting up a specialized international taxation Unit						
		2.33 CHAD	2	0							
		2.34 Ethiopia Tax Policy	6	1	A study on effective rates of protection is completed using the Social Accounting Matrix developed by the Ministry of Planning and Development and the new tariff regime introduced in July 2021.						

Aggregated Logical Framework - Global Tax Program											
WINDOW 2: Country level activities											
Standard Indicators	Projects	Project target FY22	Project results FY22	Results details FY21	Cumulated targets FY22	Cumulated results FY22	Inception to date targets	Inception to date results	Total targets	Total results	
OUTPUTS	B.2.1 Number of recommendations to improve procedures/practices/standards proposed	2.04 International Tax Program	5	34	Support with audit case studies: Eswatini (7), Ghana (2), Lesotho (4), Rwanda (5), Uganda (7) TP comparability analysis: Fiji (1) BO registry: Panama (3), Ecuador (2), Colombia (3) Note: The 34 outputs achieved by the International Tax Program will be counted as 14 outputs at the Program level to avoid any distortions in assessing the progress toward expected targets in FY22 and inception to date targets. For aggregation purposes the TA provided to assess audit cases in Eswatini, Ghana, Lesotho, Rwanda and Uganda will be counted as one output per country.						
		2.05 Tax Reform in Uzbekistan	1	0							
		2.09 SOEs in Tanzania	0	0							
		2.10 Somalia Customs Support	0	0							
		2.11 Niger Customs Advisory and TA	3	2	1. A geospatial study for the adoption of a redeployment strategy of agents was prepared based on GIS data on trade routes and smuggling. 2. HR Strategy pending approval.						
		2.12 Afghanistan Customs	0	0							
		2.13 Tajikistan	2	0							
		2.15 Nigeria Tax & Customs	3	2	1. Proposed creation of Monitoring and Evaluation (M&E) unit 2. Proposed establishment of key performance indicators (KPIs) in NCS	28	30	96	136	120	136
		2.16 Kosovo Tax Registration	4	3	1. A guidance note on improving return-filing compliance and stop-filer management; 2. An awareness campaign (in the form of a digital competition among middle school students) to highlight the costs of informality to society; 3. Tax gap analysis conducted						
		2.19 CAR	1	0							
		2.22 PNG Tax Reform Assistance	3	1	The team supported the Internal Revenue Commission (IRC) to develop a Taxpayer Registration Improvement Strategy						
		2.25 Tax Reform in Azerbaijan	2	0							
		2.27 STS Kyrgyz Republic	2	2	1.&2. The team provided advisory support in analyzing and redesigning business processes to transform existing paper-based submission of six notifications about import/export by taxpayers and of the notice for revocation of a submitted application for the import of goods and payment of indirect taxes into e-services						
		2.31 Sierra Leone & Liberia Tax	0	0							
		2.32 Senegal MTRS Tax	2	0							
		2.33 CHAD	0	0							
		2.34 Ethiopia Tax Policy	0	0							
OUTPUTS	B.3.1 Number of capacity building events conducted	2.04 International Tax Program	8	19	Eswatini (2), Ghana (2), Lesotho (3), Rwanda (2), Uganda (1), Argentina (2), Uruguay (1), Panama (2), Saint Lucia (1) and 2 regional capacity building co-organized by ADB, OECD, PITAA, ATO, NZ IRD and WB						
		2.05 Tax Reform in Uzbekistan	1	7	1.Data Science - Business Intelligence Training, 2.Advanced Electronic Certificate of Value Workshop, 3.Data Science: Big Data - workshop, 4.Operators Mapping methodology development seminar, 5.KPI Solution for SCC, and two international conferences						
		2.06 Innovation in Tax Compliance	0	0		86	81	121	116	265	195
		2.07 Property Taxes	0	0							
		2.08 EAC Tax Evasion	1	5	From November 11-December 9, 2021, the project team conducted five -of the eight planned - series of weekly two-hour workshops with the aim of building capacity to understand the susceptibilities for tax crimes, fraud, and corruption in the road construction sector and to develop capacity for investigating tax crimes for government officials from Kenya and Uganda						

Aggregated Logical Framework - Global Tax Program											
WINDOW 2: Country level activities											
Standard Indicators	Projects	Project target FY22	Project results FY22	Results details FY21	Cumulated targets FY22	Cumulated results FY22	Inception to date targets	Inception to date results	Total targets	Total results	
OUTPUTS	B.3.1 Number of capacity building events conducted	2.10 Somalia Customs Support	2	2	Two trainings to complete the Data Analytics and Modelling training program for Somalia and Somaliland						
		2.11 Niger Customs Advisory and TA	1	0							
		2.12 Afghanistan Customs	0	0							
		2.13 Tajikistan	6	6	At the Ministry of Finance's request, TA provided six virtual Microsimulation Training on the revenue forecast methodologies used to evaluate the impact of the Tax Code reform.						
		2.14 NRA Tax Evasion	0	0							
		2.15 Nigeria Tax and Customs	4	4	1. One training event took place in July 2021. A total of 60 officials were trained in MS Excel 2. Presentation to Customs staff on Enhancement of Excise Administration (May 2022) 3&4. Workshops on VAT advisory visits (1) and invoice lottery scheme (1). 60 officers attended in-person and virtually.						
		2.16 Kosovo Tax Registration	4	3	1. A workshop presenting preliminary results of the tax gap analysis and providing training on the key methodologies for the main tax types, 2. A three-day workshop for a TAK working group to enhance the so-called non-filer module, 3. A three-day workshop for tax and business registration officials on online links						
		2.17 Tax incentives	25	6	Capacity building on Tax Expenditure estimate was delivered to Albania, Bhutan, Egypt, Cambodia, Saint Lucia and Sri Lanka						
		2.18 Carbon Pricing	5	3	Workshops on Environmental taxation and CPAT were held for the Finance Ministries of Indonesia, Morocco and Rwanda						
		2.19 CAR	7	0							
		2.20 Malaysia Tax Policy Reform	1	1	A four-day virtual training with MOF and Royal Malaysian Customs Department on the GST Tax Gap Model as part of the GST Gap Analysis TA has been delivered during May 11- 19, 2022	86	81	121	116	265	195
		2.22 PNG Tax Reform Assistance	2	10	1. A workshop on Taxpayer Registration Improvement was organized on 21 December 2022 with the IRC's core team working on the taxpayer registration improvement project. 2-10. A series of virtual training on revenue forecasting and tax policy analysis was organized for a group of IRC and DoT staff. A total of nine (9) training sessions of three hours duration each were held between 24 February – 21 April, 2022						
		2.23 Environmental Tax Reform	5	6	1. Seminar to disseminate the findings from the papers produced. 2-4. Three internal events (MTI Learning week, IO Workshop, and presented to the Jobs Group on green jobs results of the MRIO, 5&6. at two external practitioners' trainings from ICAP and the OECD.						
		2.25 Tax Reform in Azerbaijan	1	0							
		2.26 Vietnam Tax Reform	1	0							
		2.27 STS Kyrgyz Republic	2	0							
		2.28 Peru International Tax	0	0							
		2.29 Peru Domestic Tax	2	3	The team supported Peer-to-peer knowledge sharing on SME taxation between Mexican Ministry of Finance, Colombian Tax and Customs National Authority (DIAN) and SII (Chile) with the Peruvian Ministry of Economy and Finance (MEF), and the Tax Administration (SUNAT) during December 2021						
		2.30 WAEMU countries TADAT	0	0							
		2.31 Sierra Leone & Liberia Tax	2	2	The team delivered a transfer pricing online course and a virtual workshop in Liberia on transfer pricing						
		2.32 Senegal MTRS Tax	4	3	Fifty staff were trained on the basics of transfer pricing discussing the principles of transfer pricing including the arm's length principle, comparability, functional analysis, transfer pricing methods, etc.						
		2.33 CHAD	0	0							
		2.34 Ethiopia Tax Policy	2	1	A Training on Tax Policy Analysis, Revenue Forecasting, Tax Assignment, and Property Taxation was organized from March 16-20, 2022, for experts drawn from Ministry of Finance and Ministry of Urban and Infrastructure Development.	86	81	121	116	265	195

Aggregated Logical Framework - Global Tax Program											
WINDOW 3: Actionable research and data, knowledge and learning											
OUTPUTS	Standard Indicators	Projects	Project target FY22	Project results FY22	Results details FY21	Cumulated targets FY22	Cumulated results FY22	Inception to date targets	Inception to date results	Total targets	Total results
	C.1 Number of KM documents prepared	3.1 Innovations in Tax Compliance	0	2	1. Global Study on Distribution of Taxes and Transfers Impacts Peoples's Willingness to Pay Tax. 2. The manuscript for "Innovations in Tax Compliance: Building Trust, Navigating Politics, and Tailoring Reform" was published in February 2022. (Counted before as 5 deep dives on ITC). 3. The draft study (Making Tax Work: A Framework for Enhancing Tax Transparency) with GIFT on enhancing tax, transparency was prepared and completed.	2	3	13	21	17	21
		3.2 Data & Research	0	0							
		3.4 Ethiopia Gender and Taxation	2	1	1. The "Tax compliance and enforcement in Ethiopia: Does the gender of the business owner matter?" has been completed						
	C.2 Number tools/modules/training materials developed	3.1 Innovations in Tax Compliance	0	0							
		3.3 Revenue Academy	0	1	1. The process of customizing the Tax-CGE Model in an open-source format is completed	1	2	7	7	7	7
		3.4 Ethiopia Gender and Taxation	1	1	1. Tax and transfer module developed and included in the Ethiopia Socioeconomic Survey 2021/2022 round.						
	C.3 Number of documents, reports, studies, notes prepared	3.4 Ethiopia Gender and Taxation	2	0	Targets were met earlier in FY21	2	0	2	2	5	2

Annex 9. GTP Supported-Events and Outreach Activities in FY22

Events and Stakeholder Engagements:

External Events

3rd World Bank Tax Conference: New Tax Instruments (September 30, 2021). Co-organized with the TaxDev Centre, brought together leading researchers and policymakers to discuss recent research on new tax instruments, including, taxes on the digital economy, and health taxes aimed at curbing unhealthful consumption, e.g., of carbonated drinks, and environmental taxes. (Record and documents are available here).



Access the papers, abstracts and presentations

WB/IMF Tax Conference - Taxation of the Wealthy in Developing Countries (October 19, 2021). The WB/IMF Tax Conference is a semi-annual series of events on international tax issues held during the Annual and Spring Meetings. The conference discussed the challenges in better taxation of income and wealth, the experience of governments in developing countries and the practical issues they face in designing as well as implementing tax policies to reduce income and wealth inequality. The WB contributions to this conference were supported by GTP.



Access the papers, abstracts and presentations

Tax Administration Diagnostic Assessment Tool (TADAT): Assessment for Reform, Reflections and Lessons Learned from the World Bank Experience (November 10, 2021). A webinar on the World Bank's experience in using TADAT to assess tax administrations' performance and inform operational work at the country level. This event shared reflections, lessons learned, and main takeaways from TADAT, a global initiative to support tax administration reform, and the World Bank's active sponsorship of this tool. The event registered 98 participants.



Access the presentation



Access the webinar recording

Innovations in Tax Compliance Seminar Series: Global Tax Transparency and Offshore Evasion and Avoidance (November 16, 2021). Evidence has been presented in this seminar on the particular challenges faced by developing countries and discusses whether recent improvements in global financial transparency, for instance through the automatic cross-border exchange of bank information, will mitigate these challenges. The event registered 58 participants.

Securing a Sustainable Recovery Seminar (November 16, 2021). Three papers produced under the Environmental Tax Reform project were presented. The papers show that green investment spending can help lower pollution, boost resilience, and avoid lock-in effects that make it excessively costly for countries to switch to more efficient or cleaner development patterns in the long term. And shifting the tax burden from labor to carbon emissions can be the best option to mobilize revenues during fiscal consolidation while reducing distortions and environmental externalities.



Access the papers in the event page



Access the event recording

The Tax Treaties Explorer: New Data for Better Negotiation (December 1, 2021). This event, jointly hosted by the GTP and International Center for Tax and Development (ICTD), introduced the Tax Treaties Explorer, and demonstrated how it can be used by practitioners and researchers.



[Access the presentations and event's blog](#)



[Access the event recording](#)

Innovations in Tax Compliance Seminar Series: COVID-19, Tax Compliance, and Public Support for Tax Policy in Rwanda (December 13, 2021). Results from new research in Rwanda have been presented in this meeting, drawing upon unique survey data to understand how taxpayer perceptions of the equity of the tax system as well as their attitudes towards compliance have shifted since the advent of the COVID-19 crisis. The event registered 25 participants.



[Access the event recording](#)

Innovations in Tax Compliance Book Launch: Building Trust, Navigating Politics, and Tailoring Reform (February 17, 2022). Launch of the new book “Innovations in Tax Compliance: Building Trust, Navigating Politics, and Tailoring Reform”. The event explored into the integrated reform framework developed in the book, which highlights the centrality of expanding reform strategies to place greater emphasis on the construction of trust, navigate political resistance to reform and tailor reform to unique national circumstances. This was followed by discussion of lessons learned from pilot programs that have applied the framework to guide ongoing reform programs.



[Download the publication](#)



[Access the event recording](#)

Somalia Domestic Revenue Mobilization Experience: Challenges and Achievements Amidst Fragility and COVID-19 (April 25, 2022). The Federal Government of Somalia has shown a strong commitment to domestic revenue mobilization (DRM) reforms. In a webinar organized by the World Bank's Global Tax Program on March 25, 2022, Mr. Jafar Ahmad, Director General Revenue, Ministry of Finance, the Federal Government of Somalia shared his country's experience pursuing the revenue targets and DRM reforms with support from the World Bank amidst the COVID-19 pandemic in a fragile and conflict-affected environment.



[Access the event recording](#)

The 4th Virtual Tax Seminar: New Technologies - The Opportunities and Challenges of Artificial and Blockchain for Tax Administrations (May 19, 2022). The World Bank, the Global Tax Policy Center of the Vienna University of Economics and Business, and EY held the 4th Virtual Tax Seminar: New Technologies - The Opportunities and Challenges of Artificial Intelligence and Blockchain for Tax Administrations on May 19, 2022. The session, participated by over 200 attendees from 17 countries, focused on the potential of AI and blockchain for fiscal authorities and taxpayers. The WB contributions to the seminar were supported by GTP.

Training workshop on Commitment to Equity (CEQ) Assessment and Fiscal Incidence Analysis (27-29 June 2022). The training workshop was held in Addis Ababa, Ethiopia, with the support of the Global Tax Program's Gender Equality and Tax Reform Workstream. The three-day workshop focused on the construction of CEQ Income concepts; the estimation of fiscal equity impact indicators and their interpretation; CEQ extensions for gender equality, children, and simulating policy reform; and Ethiopia-specific examples of CEQ Assessments and extensions as well as other fiscal incidence applications. The workshop was attended

by experts from the following institutions: the Ministry of Finance, the Ministry of Planning and Development, the Ministry of Revenues, the Ethiopian Statistics Service, the Ethiopian Economics Association, Policy Studies Institute, Tax Dev – IFS, and World Bank.



Access the workshop materials and presentations

Wealth, Income, Carbon Inequality (June 16, 2022). This event advanced the thinking about the rising concentration of wealth, income, carbon, and the role of progressive taxation. Today, the richest 10% in the world owns 76% of global household wealth, while the bottom half owns barely 2%. Furthermore, the richest 10% of emitters are responsible for close to 50% of all emissions, while the bottom 50% produce 12% of the total. The challenges of the 21st century are not feasible without significant redistribution of income and wealth inequalities and targeting wealthy polluters. In this talk, the guest speaker, economist and professor Lucas Chancel presented the World Inequality Report 2022, which serves as a framework for learning about all different pieces in the inequality puzzle and discussed about the redistribution tools to design fairer development pathways. The event was supported by the Global Tax Program.



Access the presentations



Access the event recording

The Launch of the World Bank Revenue Dashboard (May 26, 2022). The World Bank Revenue Dashboard was launched with a webinar on May 26, 2022. This tool, supported by GTP, provides a high-level and quick assessment of a country's tax system, and also the possibility to benchmark a country's tax system performance against others.



Access the Revenue Dashboard



Access the event recording

Stakeholder Engagements

2021 ADB Asia and the Pacific Virtual Gender Forum | The Power to Transform: Gender Equality in Asia and the Pacific (November 22-24, 2021). This first ever Asian Development Bank (ADB) Gender Forum provided a virtual space to share and promote best practice on gender mainstreaming and inspire innovation for gender equality among ADB staff, developing member countries, government executing and implementing agencies, development partners, the private sector, academia, civil society and women's organizations. Dr. Caren Grown, Senior Technical Adviser on Gender Equality and Taxation, Macroeconomics, Trade and Investment Global Practice, World Bank, gave a presentation on the GTP-supported World Bank work on gender equality and tax policy and discussed how to make tax and public finance more gender equitable.



Access the GTP supported presentation

International Carbon Action Partnership (ICAP) Seminar: Understanding and Mitigating Distributional Effects of Emissions Trading (January 19, 2022). This seminar organized by ICAP explored the distributional effects of emissions trading schemes (ETS) on different societal groups, and how they can be mitigated through the use of auction revenues and ETS design. The World Bank activities supported by the GTP Environmental Tax Workstream were presented in this event.



Access event's page and presentations

Regional Southeastern Europe (SEE) Partner Think-Tanks Meeting on Tobacco Tax Policies to Reduce the Tobacco Use in SEE (May 10-11, 2022). GTP Health Tax team participated in the Regional Southeastern Europe (SEE) Partner Think-Tanks Meeting on “Tobacco tax policies to reduce the tobacco use in SEE” in Podgorica, Montenegro on May 10-11, 2022. Organized by the University of Illinois Chicago’s Tobacconomics Unit based at the Institute for Health Research and Policy, and the Institute for Socio-economic Analysis, this regional knowledge-sharing meeting brought together partners and practitioners working on tobacco tax policies.

2022 Global Gender Summit of the Multilateral Development Banks Working Group on Gender: Session on Gender and Fiscal Policy (May 17, 2022). The Global Gender Summit is a biennial event organized by the Multilateral Development Banks Working Group on Gender (MDB WGG). The Gender and Fiscal Policy Session held at the Summit offered an open forum to share successes, challenges, and obstacles that policymakers and MDB/IMF staff face when designing fiscal policies to help support female labor force participation and broader gender equality goals. The World Bank presented the GTP-supported work on gender and tax in the session, which also featured speakers from ADB, IADB and IMF.



Access the Gender and Fiscal Policy session presentation



Access the Gender and Fiscal Policy session recording

The 6th Annual Health Financing Forum: The Side Event on Health Taxes (June 14-16, 2022). The World Bank (WB) activities supported by GTP’s Health Tax Workstream were presented at the Side Event on Health Taxes at the 6th Annual Health Financing Forum on June 14-16, 2022. The session highlighted the importance of excise taxes on tobacco, alcohol, and sugar sweetened beverages as an option to simultaneously expand governments’ fiscal space while improving health outcomes.



Access event’s page and presentations

OECD Expert Workshop on Environmental Policies: Social and Economic Outcomes (June 23-24, 2022). This two-day workshop discussed the current state of empirical evidence surrounding the consequences of environmental policies on the environment, the economy and social outcomes. The workshop convened a range of internationally recognized experts to discuss the impacts of environmental policies on innovation and firm productivity, employment, and social outcomes. On the second day of the workshop, World Bank activities supported by the GTP Environmental Tax Workstream were presented.



Access event’s page and presentations

Internal Knowledge Sharing Events

Are Taxes Gendered? The Interaction of Tax Policy with Gender Equality (March 3, 2022). This internal seminar, organized by the GTP, discussed a new paper by IMF, “Gendered Taxes: The Interaction of Tax Policy with Gender Equality”, which gives an overview of the relation between tax policy and gender equality, covering topics that have been extensively studied and those have received comparatively little academic attention. This seminar was also part of the #AccelerateEquality initiative at the World Bank.

Tax Policy and Gender Equity: A Stocktake of Country Approaches (April 14, 2022). This seminar featured a presentation by the OECD based on two papers: “Tax Policy and Gender Equity: A Stocktake of Country Approaches” and “Taxation of Part-Time Work in the OECD.” Following the presentation, WB practitioners and researchers from countries that were surveyed in OECD research had an interactive con-

versation and knowledge sharing on the WB country work in Argentina, Brazil, Costa Rica, Kenya, Mexico, Peru, South Africa, Tunisia, and Uruguay.

Effective Tax Rates – Firm Level Analysis (May 23, 2022). This internal event discussed how firms can face very different effective tax rates due to differences in firm characteristics (such as capital structure, distribution of investment in depreciable assets) as well as tax treatment (tax rates, tax depreciation rates, tax incentives). Among additional topics discussed at the event were recent developments in estimating ETRs at the firm level for countries in Africa and India, and ETRs estimated for Multi-National Enterprises (using ORBIS database) with global presence. Speakers shared evidence and lessons from their research and provided insights that may be useful for WB practitioners and researchers in other contexts.

Developing A Gender Sensitive Approach for Tax Reforms: Insights from Innovations in Tax Compliance and Pakistan (June 8, 2022). This seminar discussed ongoing work in progress from two projects supported by the Global Tax Program. Delving into the surveys for The Innovations in Tax Compliance (ITC) Project, the project team presented sex-disaggregated analysis of trust, willingness to pay and perceptions of tax reform in different countries. Complementing this analysis was a presentation of a new study in Pakistan which seeks to understand male and female perceptions of local level taxes in the Khyber Pakhtunkhwa (KP) Province.

Incorporating Gender Equality into Local Tax Reforms: Examples from Ethiopia and India (May 9, 2022). This seminar shared with other WB practitioners and experts knowledge and early results from two project activities in Ethiopia and India, both supported by the GTP Gender Equality and Taxation Workstream.

Annex 10. GTP Global Knowledge Products in FY22

Blogs and Feature Stories

4. Investments in human capital require bold financing actions for a resilient recovery. <https://blogs.worldbank.org/voices/investments-human-capital-require-bold-financing-actions-resilient-recovery>
5. Green or brown: The COVID-19 crisis and the road to recovery. <https://blogs.worldbank.org/developmenttalk/green-or-brown-covid-19-crisis-and-road-recovery>
6. Why tax administrations are embracing digital transformation. Marcello Estevão <https://blogs.worldbank.org/voices/why-tax-administrations-are-embracing-digital-transformation>
7. To raise more tax revenue, first build up taxpayers' trust. <https://blogs.worldbank.org/voices/raise-more-tax-revenue-first-build-taxpayers-trust>
8. Sealing the tax gap in Poland: A holistic approach to tax compliance. <https://blogs.worldbank.org/europeandcentralasia/sealing-tax-gap-poland-holistic-approach-tax-compliance>
9. When the debt crises hit, don't simply blame the pandemic. <https://blogs.worldbank.org/voices/when-debt-crises-hit-dont-simply-blame-pandemic>
10. A new approach to customs reform in Niger: Positive results based on data science and innovative technologies. <https://blogs.worldbank.org/governance/new-approach-customs-reform-niger-positive-results-based-data-science-and-innovative>
11. Gender differences in taxation: Why do they matter? <https://blogs.worldbank.org/developmenttalk/gender-differences-taxation-why-do-they-matter>
12. Customs reforms help Somalia increase tax revenue despite COVID-19 and fragility. https://blogs.worldbank.org/governance/customs-reforms-help-somalia-increase-tax-revenue-despite-covid-19-and-fragility?CID=WBW_AL_BlogNotification_EN_EXT
13. Smarter taxation can help boost government revenue and health outcomes. <https://blogs.worldbank.org/voices/smarter-taxation-can-help-boost-government-revenue-and-health-outcomes>
14. Carbon taxes, complementary policies, and the labor market. <https://www.brookings.edu/blog/future-development/2022/07/29/carbon-taxes-complementary-policies-and-the-labor-market/>
15. Digitalization and Data-Sharing Are Helping Kosovo Boost Tax Compliance and Reduce Informality. <https://www.worldbank.org/en/news/feature/2022/05/23/digitalization-and-data-sharing-are-helping-kosovo-boost-tax-compliance-and-reduce-informality>

Publications:

1. A Gendered Fiscal Incidence Analysis for Ethiopia: Evidence from Individual-Level Data. <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099455107262215691/idu0d077d06b03a97049080ae2b0107c93e09591>

2. Understanding The Global Minimum Effective Tax on Multinationals -Pillar 2: General Principles, Overview and Scope <https://thedocs.worldbank.org/en/doc/e95e21b019d5aaf94d37af-f0ad9203c9-0350032022/understanding-the-global-minimum-effective-tax-on-mnes-pillar-2>
3. Green Fiscal Reforms: Part Two of Strengthening Inclusion and Facilitating the Green Transition. https://openknowledge.worldbank.org/handle/10986/37308?deliveryName=FCP_2_DM150763
4. VAT Digital Toolkit for Asia-Pacific <https://thedocs.worldbank.org/en/doc/144a29d1783e9a44ecf5d-2b95e4fe4d7-0350072022/original/vat-digital-toolkit-for-asia-pacific.pdf>
5. Digital Services Tax: Country Practice and Technical Challenges. <https://openknowledge.worldbank.org/handle/10986/36840>
6. Opening Pandora's Box : What the Latest Leaks Mean for the World Bank's Mission. <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/696301636630729426/opening-pandoras-box-what-the-latest-leaks-mean-for-the-world-banks-mission>
7. The COVID-19 Crisis and the Road to Recovery: Green or Brown. <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/652851637126067927/the-covid-19-crisis-and-the-road-to-recovery-green-or-brown>
8. The Role of Environmental Tax Reform in Responding to the COVID-19 Crisis: <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/976651637125708871/the-role-of-environmental-tax-reform-in-responding-to-the-covid-19-crisis>
9. Political Challenges of Introducing Environmental Tax Reforms in Developing Countries (English) https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099045007292226423/p176296068392e0cd09b5d05444ca7255d8?deliveryName=FCP_34_DM150763
10. Policy Note on Transfer Pricing Reform. <https://thedocs.worldbank.org/en/doc/f379384861b-1f92e90418785c8c1a35c-0090072021/original/POLICY-NOTE-ON-TRANSFER-PRICING-REFORM-final.pdf>
11. Relatório de Avaliação de Desempenho. Estado do Rio Grande do Sul, Brasil. Janeiro de 2022. https://www.tadat.org/assets/files/RIO_GRANDE_DO_SUL_PAR_Portuguese.pdf
12. How Does the Progressivity of Taxes and Government Transfers Impact People's Willingness to Pay Tax? Experimental Evidence across Developing Countries. <https://documents1.worldbank.org/curated/en/099819509072218680/pdf/IDU0aaee5bc5034b5041d80901c0e9d06c8ad905.pdf>
13. Regime-dependent environmental tax multipliers: evidence from 75 countries. <https://www.tandfonline.com/doi/abs/10.1080/21606544.2022.2089238>
14. Fiscal policies for a sustainable recovery and a green transformation. <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/499301633704126369/fiscal-policies-for-a-sustainable-recovery-and-a-green-transformation>
15. The Covid-19 crisis and the road to recovery: green or brown?. <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/652851637126067927/the-covid-19-crisis-and-the-road-to-recovery-green-or-brown>

16. Health Taxes: Policy and Practice; Chapter by Ozer and Sparkes (Forthcoming). <https://www.worldscientific.com/worldscibooks/10.1142/q0365#t=aboutBook>
17. WBG Revenue Academy on Github (Online Platform). <https://github.com/Revenue-Academy>
18. Gender and Tax Incidence of Rural Land Use Fee and Agricultural Income Tax in Ethiopia. <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/121581624568792085/gender-and-tax-incidence-of-rural-land-use-fee-and-agricultural-income-tax-in-ethiopia>
19. New Manual on Exchange of Information for Tax Purposes. <https://www.oecd.org/tax/transparency/documents/EOI-manual.pdf>
20. Innovations in Tax Compliance: Building Trust, Navigating Politics, and Tailoring Reform. <https://openknowledge.worldbank.org/handle/10986/36946>

Databases:

1. World Bank Global Marginal Effective Tax Rate (METR) Database Report: <https://thedocs.worldbank.org/en/doc/6d1b393e35619d865ebc0713f69e442b-0350032022/global-METR-database-report>
Database: <https://github.com/Revenue-Academy/METR>
2. WBG Tax Revenue Dashboard. <https://www.worldbank.org/en/topic/taxes-and-government-revenue/brief/tax-revenue-dashboard>

Annex 11. GTP Fiscal Policy Pillar

Highlights

The fiscal pillar was instituted to support clients' responses to COVID-19. In FY20, a temporal fiscal pillar was added to the Global Tax Program with the objective of: (i) mitigating the social and economic impact of the COVID-19 pandemic by providing advice to governments on effective, efficient, and balanced fiscal policy responses; and (ii) facilitating accountability including through the monitoring of and reporting on resource use for the COVID-19 response.

The pillar is supporting a full range of fiscal policy responses including fiscal consolidation strategies, management of contingency funds, assessment of contingent liabilities, and improvements in expenditure efficiency as well as important cross-cutting themes such as poverty reduction, improved income equality, transparency, and accountability.

The Fiscal Pillar is supporting 41 projects. The projects are implemented in 33 different countries and include two regional projects (i.e., in the CEMAC region and in South America). Activities are implemented in 16 IBRD, 13 IDA/FCV, and four blend countries – the majority in the AFR and EAP regions. A total of \$4.9 million has been allocated to projects, with the remaining balance set-aside for program management, evaluation, and knowledge and dissemination (see figure to the right). One project in Liberia project was dropped due to changing government priorities.

The majority of projects are progressing well with an overall burn rate of 62%. As of June 30, 2022, 14 projects have completed their activities and majority of the remaining projects are on schedule to close by June 30, 2023. The projects in Colombia, El Salvador, Indonesia, and Uzbekistan have experienced implementation delays due to the governments' reassessment of policy priorities. The dialogue with the government under these projects has led to an adjustment to project activities, and the task teams are working to complete these projects by June 2023. Even where countries have recovered from COVID-19, the TA is providing useful support to governments in managing medium-to-long terms structural reforms aimed at reducing debt levels and addressing the distributional and economic implications of the fiscal measures adopted in the COVID-19 context.

The secretariat is closely following up with the task teams and CMUs to ensure delivery of projects and release of any unutilized funds to other projects requiring topping-up. The Fiscal Pillar Window will draw to a close at end-FY23.

I. Financial Overview (US\$)

I. Contributions	
France	1,773,650.00
Norway	2,307,697.97
Switzerland	658,255.62
United Kingdom	820,740.00
Total	5,560,343.59

II. Allocations

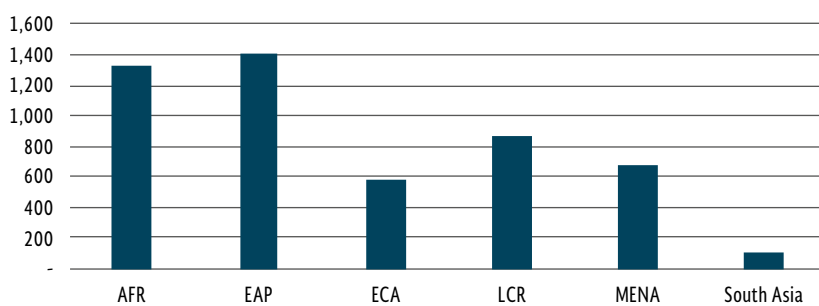
Allocated to Projects	4,938,670.00
Program Management	335,000.00
Topping Up / Evaluation	286,673.59
Total	5,560,343.59

III. Disbursements

Project Disbursement and Commitments	3,078,038.56
Program Management	300,708.23
Total	3,378,746.79

Burn Rate (project allocation and disbursements) 62%

II. Regional Allocations (US\$ '000s)



Fiscal Pillar projects support clients directly and leverage lending and other operational work. The World Bank's lending operations and policy advice are only as good as the technical work underpinning them. Projects under the Fiscal Pillar are supporting large lending operations by identifying challenges that

require governments' urgent attention or by providing options for addressing them. While all projects under the Pillar have provided tangible support to clients, most results are still awaiting the completion of the projects. The following illustrates how Advisory Services and Analytics under the Pillar so far have impacted the Bank's operational work and supported client-driven reforms:

- **Client impact.** In some projects, Task Teams were able through existing engagements to directly help strengthen government policies, regulations, and procedures, e.g., in such areas as fiscal rules and procurement legislation (Dominica), property taxation (India/Kerala), streamlining of taxes and licenses (DRC) and improvement of access to capital (North Macedonia).
- **Lending.** Fiscal Pillar projects have important synergies with Development Policy Financing (DPF) Operations across more than a dozen countries, notably Albania, Angola, various CEMAC countries, Dominica, El Salvador, Fiji, Grenada, Guatemala, Indonesia, Kazakhstan, Morocco, Rwanda, Uzbekistan, and Zambia. These synergies involve Pillar projects providing the technical underpinnings of DPFs or assisting in the implementation of prior actions.
- **Core diagnostics.** Fiscal Pillar projects also support the operationalization of existing PERs as well as drafting or otherwise informing these reviews in 13 countries: Argentina, Armenia, Cambodia, Dominican Republic, Ecuador, Fiji, Lao, Malaysia, Peru, Rwanda, Solomon Island, Thailand, and Uganda.

PHASE I COVID Fiscal Impact Assessment

Initial crisis response efforts are focused on determining the impact of the crisis on the poor and other vulnerable groups, fiscal risks, revenue, and growth. In this phase, Bank staff are helping provide critical information to inform government decision making through various surveys and modelling in order to assess the fiscal and distributional impacts of the crisis.

Household Surveys

High-frequency surveys, often conducted through telephone, are used to gather information on households' income, their ability to access government support programs, needs for support, etc. The surveys are particularly important in the many client countries with large informal sectors. The results are distilled in presentations for Ministries of Finance and Planning, Prime Minister's Office, and other relevant government bodies; communicated to the public through Facebook, the Bank's website, and so forth; and with detailed data often transferred to government officials for further analysis and modelling. Some of the key findings emanating from these surveys are listed in the spotlight box on the right.

The Fiscal Pillar is supporting household surveys in Cambodia, Lao, Malaysia, and Timor-Leste. These four projects are well-advanced with the data gathering phase largely completed – except for Timor-Leste, which is conducting a second and final round of data collection.

Cambodia	High-Frequency Phone Survey Monitoring of the COVID-19 Fiscal Policy Response	100,000	In progress On track
Lao PDR	Impact of COVID-19 on households and micro, small and medium enterprises (MSME)	100,000	In progress On track
Malaysia	Advice to the Government on the socioeconomic impact of the COVID-19 pandemic on households	150,000	In progress On track
Timor-Leste	High-Frequency (HiFy) Monitoring of the COVID-19 Fiscal Response	99,920	In progress On track

Cambodia High-Frequency Phone Survey

- The survey found that employment returned to pre-pandemic levels.
- Revenues of non-farm family businesses have stabilized.
- Most eligible IDPoor households have received COVID relief cash transfers.
- The proportion of households negatively affected by COVID-19 (about 30% experienced income loss in early 2022) remained higher than those covered by the cash relief program (around 20%).

The survey findings support the government's decision to further extend the cash transfer program for IDPoor households and to expand social assistance to non-IDPoor households facing livelihood difficulties.

IAO Program for Fiscal Policy Response

- Half of households still reported income losses due to the pandemic.
- Rising inflation was persistently the major concern, particularly in healthcare.
- Compressed household budgets forced people to borrow or use savings.
- Most households identified energy subsidies as the most important government support program.
- Citizens were satisfied with the government's containment measures but less so with assistance programs.
- The gap in vaccination rates between rural and urban areas, and between the top 60 and bottom, mostly resulted from the lack of access to vaccines rather than hesitancy.

A final workshop will be organized with government counterparts, Development Partners, and other stakeholders to follow-up on the survey findings.

SME Surveys and Related Support

The SME survey instrument is used to determine the impact of the COVID crisis on SMEs as well as to identify constraints such as access to capital; bureaucratic and regulatory impediments; and customs on critical goods that helps to combat the pandemic. SMEs have generally been considered a vulnerable group, reflecting their limited financial capacity to weather economic downturns. SMEs are also a major source of job creation, wealth creation, and poverty alleviation, especially in rural areas in developing countries, with formal SMEs contribute up to 40% of GDP in emerging economies (World Bank, 2022).

The two SME related projects in the DRC and North Macedonia are progressing well, with indications of strong government commitment to implementing recommendations regarding the reduction of “red tape” (DRC) and facilitation of access to finance (North Macedonia).

DRC	Positioning for recovery: Improving fiscal environment the SMEs in the DRC	100,000	In progress On track
North Macedonia	Strengthening fiscal policy responses in support of the private sector	150,000	In progress On track

DRC Improving the Fiscal Environment for Sme'S

- 73% of SMEs reported a significant reduction in revenues due to disruption of trade, logistics, and supply chains.
- 52% of SMEs reported that government harassment and corruption increased during the pandemic (67% increase for rural SMEs).
- Urban and rural firms are affected in different ways and there are sub-national disparities.
- Informal micro- and women-owned SMEs are particularly vulnerable.

The Government has agreed and committed resources to improving transparency by streamlining tax payments, digitizing permits and licenses, and implementing a new legal framework for commercial justice.

North Macedonia innovation and competitiveness

- The distributional impact analysis of the two investment funds projects GDP increases of around 1.2% and 2.7%-points above the baseline in 2050 while CO₂ emissions are set to decrease by about 5.3% and 6.6% for each fund.
- The Bank's advisory note identifies improved access to working capital, reduction in government arrears, and increased investment in renewable energy as key options for addressing increasing inflation and energy prices.

The World Bank is drafting a set of policy recommendations for improving SME's access to finance to be discussed with MoF in FY23/Q2 and is also supporting the MoF complete the Law on Alternative Investment Funds.

Microsimulation and Model Development

Microsimulation is used to assess the impact of policies and changing economic conditions on policy relevant objectives. Such simulations are *inter alia* used under the Commitment to Equity (CEQ) framework to assess the impact of the COVID crisis on the poor as well as the distributional impacts of existing fiscal policies. Economic modeling is an essential input to the policy formulation process. Thus, microsimulation activities generally include transfer of the models to government counterparts along with training.

The Bank's work on microsimulations often involve data gathering (if not available), data cleaning, model development, testing and feedback from clients, and documentation and training of government officials. Most microsimulations projects have been completed, with findings discussed with government officials or embedded and pursued through other Bank work, see box.

Armenia	Assessment of the distributional and poverty effects of government spending and fiscal policies to mitigate the social and economic consequences of the COVID-19 pandemic in Armenia.	80,000	Completed
Cambodia	Promoting greater equity in the design of fiscal policy responses to COVID-19	100,000	In progress On track
Fiji	Assessing distributional impacts of fiscal policies to mitigate the social/economic consequences of COVID	100,000	Completed
Indonesia	Fiscal microsimulation to support COVID-19 responses in Indonesia	100,000	Completed
Philippines	In Aid of the Bayanihan Spirit: Support to the Road to Recovery from the COVID-19 Pandemic	100,000	Completed

Armenia distributional effects of fiscal policies

- The fiscal system reduced poverty by up to 9%-points.
- All taxes, monetary transfers, and in-kind transfers are progressive.
- Fiscal interventions in 2020 reached around 30% of Armenians, but the benefits per household remain low in terms of their ability to offset the impoverishment effects of COVID.

The results are being leveraged to identify policy priorities in the upcoming Systematic Country Diagnostic 2023 as well as underpin the 2022 PER and other Bank work.

Cambodia Greater equity in fiscal policy responses

- The fiscal system and many of its elements reduce inequality.
- The taxation system is progressive, but only moderately so.
- All household groups pay more in tax than they receive in cash benefits.

Government officials have been trained in the policy application of the CEQ model and in running simulations in STATA and Excel. The results will feed into the upcoming PER, national DRM strategy, and Poverty Assessment.

Fiji distributional impact assessment of fiscal policies

- Net taxes increase only modestly from the fifth to the ninth decile – the top decile accounts for 63% of all taxes.
- A significant share of social assistance programs is allocated to wealthier households.
- Most benefits accrue from non-cash transfers (especially education).

The findings from the CEQ model will be taken up under the Pacific Poverty Programmatic ASA (Bank funded) by reflecting them in ongoing work on fiscal consolidation and sectoral support. The team will also launch CEQs in other Pacific countries (e.g., Kiribati and Tonga), which over time will allow for regional benchmarking.

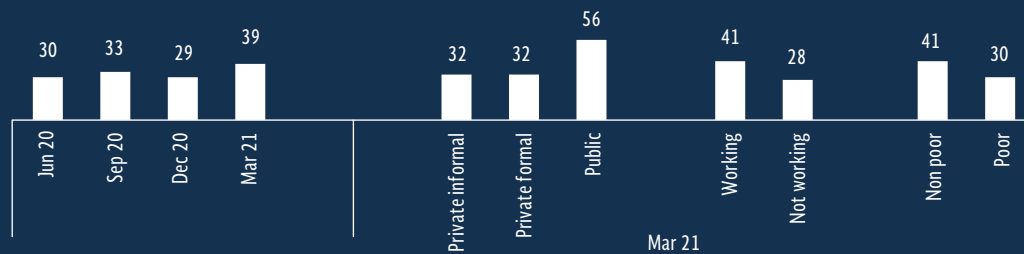
Fiscal Incidence Analyses

The fiscal incidence analyses under the Fiscal Pillar seek to assess the impact of the COVID crisis on different income groups as well as the effects of government taxation and social spending on poverty and inequality. This type of analysis often fills a gap in governments' understanding of the performance of their fiscal instruments, which may otherwise have remained unaddressed due to the large pressures on the Ministries of Finance to respond to the many aspects of the crisis. Most projects are in progress, with a couple somewhat delayed.

Colombia	Strengthening the dialogue on the distributional and economic implications of fiscal reforms	150,000	In progress Delay
Djibouti	The impact of fiscal policy to mitigate the impact of COVID-19 on poverty and inequality	95,000	In progress Delay
Grenada	Grenada CEQ	100,000	Completed
Iraq	Iraq distributional analysis of fiscal reform	100,000	In progress On track
Lebanon	Equip the Government to evaluate the distributional impact of its fiscal policy responses to COVID-19	143,750	In progress On track
Morocco	Support to analyze the distributional impact of reforms in response to COVID-19	130,000	In progress On track
Tunisia	Measuring the impact of fiscal policy to mitigate the effects of COVID-19 on poverty and inequality	100,000	In progress On track
West Bank-Gaza	Palestine Central Bureau of Statistics	100,000	In progress On track

Djibouti Impact of fiscal policies on poverty & inequality

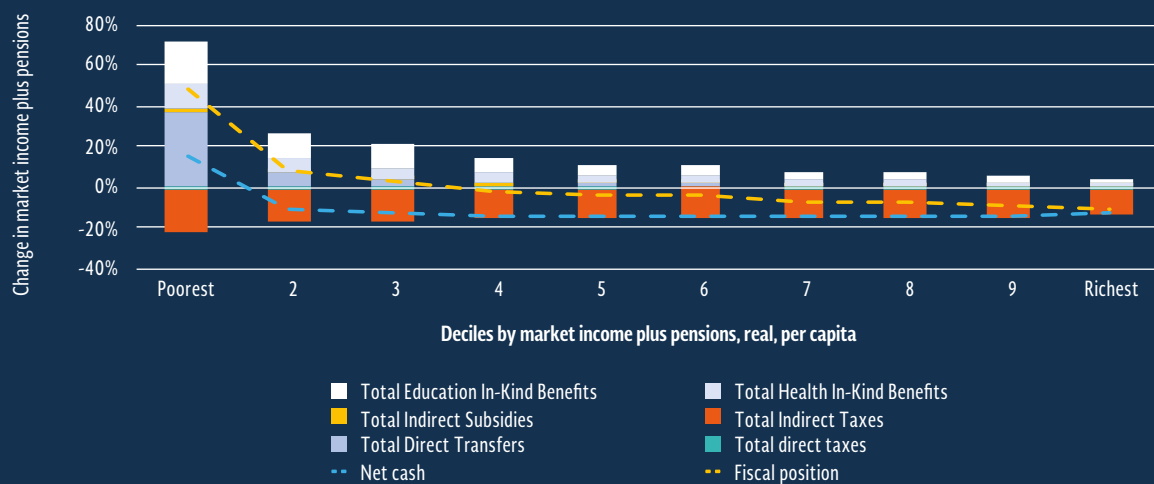
Percentage of households having enough resources for the next 30 days



The survey shows that most households do not have enough resources for the next 30 days. The team is awaiting further data to simulate the effects of fiscal spending on poverty and inequality.

West Bank Gaza Palestine central Bureau of Statistics

National: Net Cash Position



PHASE II COVID Fiscal Response

Fiscal Pillar activities under the second phase focus on assessing the impact of governments' proposed fiscal interventions and supporting the design of the interventions themselves. The interventions aim to assist governments manage their cash balance, prioritize spending and investments, and mobilize revenue and private sector financing.

Assessment of Fiscal Policies

Several of the projects under the Fiscal Pillar are assessing the distributional impact of the stimulus measures proposed by government clients, utilizing the same type of surveys and models highlighted under the previous phase. These projects are described on the previous pages.

Cash Management

In situations of fiscal stress, cash management can become critical, often requiring a multi-pronged approach. This may include the strengthening of forecasting, consolidation, and management of cash balances supported by the appropriate institutional arrangements (IMF, 2020). In Zambia, the Bank is supporting the government strengthen: the monitoring of revenue and expenditures; the connectivity between revenue collection and the IFMIS systems; the linkages between medium-term plans and budgets; and interagency coordination. This work is being followed-up with capacity building activities.

Zambia	Strengthening Expenditure Control, Cash Management and Transparency for effective COVID Response	100,000	In progress On track
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Contingency Funds

Contingency funds can – in addition to borrowing – play an important role in financing emergency expenditures. International experiences show that when appropriately structured and sufficiently large, they can help buffer the impact of shocks (Banco de Espana, 2020). In Dominica, the Bank has helped develop operational and management guidelines for the Vulnerability Risk and Resilience Fund, establishing investment parameters, goals, conditions for disbursement, capitalization targets, accountability mechanisms, etc. The Fund serves as a contingency in emergencies to avoid borrowing or the halting of public investments.

Dominica	Dominica: COVID Response and Strengthening Fiscal Resilience	100,000	Completed
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Public Investment Management

Public investments can promote longer-term growth (and shorter-term employment) as part of a fiscal stimulus plan. However, investments may be cut in countries during a crisis (World Bank, 2009), especially when there is little fiscal space and the access to borrowing is limited. In Zimbabwe, the Bank's focus has been on supporting the development of guidelines to improve the transparency surrounding emergency public investment decisions by helping address the conflicting role posed by agencies both approving spends and submitting proposals for funding and by establishing procedures and rules governing the decision-making process itself.

Zimbabwe	Developing and Operationalizing the Emergency PIM Guideline for Emergency Capital Spending	200,000	Completed
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Revenue Mobilization

The Fiscal Pillar's support for revenue responses encompasses the modeling of tax policy changes such as the elimination of certain VAT exemptions (Dominican Republic) and estimation of the revenue potential by modernizing valuation methods for property tax and stamp duties (India). On the tax administration side, activities count efforts to improve tax compliance and risk management (Guatemala) The space for increasing revenues is quite narrow in many developing countries, reflecting fears of inducing strong responses from citizens (including popular uprising) and adversely impacting economic growth.

Albania	Albania - Revenue Forecasting	100,000	Completed
Dominican Republic	Dominica COVID-19 Fiscal Policy TA	100,000	In progress On track
Guatemala	Guatemala - Strengthening Revenue Mobilization Capacity of Tax Authority	100,000	Completed
India	Sub-National Tax Reform – Mitigating Kerala's Revenue crisis due to COVID-19	100,000	In progress On track
Rwanda	RW COVID-19 Revenue Analytics	130,000	In progress On track
South America	TA to set fiscal policy targets and implement well-informed tax policies aimed at restoring fiscal buffers	210,000	In progress On track

India – Kerala sub-national tax reform

- The project's Fiscal Sustainability Analysis projected revenue, expenditure, and debt till 2025, highlighting the need for measures to reduce debt levels (currently 37% of GDP).
- A Policy Note on the Reform of Stamp Duties and Registration Fees, relevant to immovable property, recommended increases in the base rate and a shift from self-assessment to cost basis. The recommendations have been implemented by the government.

The work on immobile property is expected to be followed-up by a pilot in the state capital to be completed in FY23, with the aim of ascertaining the feasibility of moving towards market-based evaluation of properties.

Guatemala Strengthening DRM

- The Bank has submitted recommendations for a Unified Case Selection System to improve the matching of e-invoices with declared VAT returns to identify discrepancies.
- A pilot supported by the Bank identified some 8,000 taxpayers with inconsistencies, with a potential to increase tax collection by around 1.6% to 2.4%. In follow-up to actions by the Superintendency of Tax Administration, 32% of taxpayers have already filed corrections to their returns. An additional 30% are expected to do so in the remaining calendar year.

Contingent Liability Assessment

Contingent liabilities are formal or implied guarantees extended by the government to SOEs or to private sector operators. SOEs represent a large part of the global economy. In 2018, they were estimated to account for 20% of investment, 5% of employment, and up to 40% of domestic output worldwide (IFC, 2020). Under the Zimbabwe project, the Bank is drawing-up an inventory of SOE liabilities across various sectors to determine their overall size and composition. The inventory builds on information gathered by World Bank sector experts and line-ministries. The inventory is complemented by an assessment of fiscal risks stemming from inflation, helping form an overall, fiscal risk picture. In the Zimbabwe project, the Bank team will also produce templates for gathering information about liabilities and guidelines for managing them.

Zimbabwe	TA to manage more effectively scarce public resources to minimize the impact of COVID	100,000	Completed
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COVID-19 Expenditure Tracking

In the CEMAC region and the Philippines, Fiscal Pillar projects are supporting governments track COVID related spending. In the CEMAC region, there is a special emphasis on developing a process for tagging expenditures, recognizing that future shocks or other policy efforts may call for ad hoc expenditure tagging. This regional project also includes collaboration with national governments in order to leverage the tagged information, for example to facilitate and expedite audits conducted by Supreme Audit Institutions. In the

Philippines, the focus is on improving the expenditure tracking system based on the consolidation and analysis of expenditure data from a variety of sources.

CEMAC	Enhancing the Effectiveness of COVID 19 Spending and Public Investment in the CEMAC region	200,000	Completed
Philippines	Data analytics for budget expenditure on COVID 19	100,000	Completed

PHASE III COVID Recovery

Longer-term recovery and fiscal consolidation efforts may come to the fore in governments' emergency responses for two key reasons. First, the fiscal space is dramatically shrinking, and governments need to implement urgent measures to reduce the risks of debt distress or to avoid implementing more draconian measures later. Second, the crisis provides an opportunity for instituting fiscal reforms that would not otherwise be possible, typically for political economy reasons.

Fiscal Rules Framework

Fiscal rules are intended to set limits on government expenditures, establish revenue floors, or constrain public debts in an effort to promote fiscal discipline and credibility (World Bank, 2020). In Dominica, the Bank has supported authorities in drafting a Fiscal Responsibility Framework to facilitate adherence to stated targets for the primary balance and public debt levels.

Dominica	Dominica: COVID Response and Strengthening Fiscal Resilience	100,000	Completed
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Medium-Term Fiscal Frameworks

Medium-Term Fiscal Frameworks have become central to budgeting and fiscal planning in many finance ministries. For example, in Angola, the Bank is supporting the development of a Medium-Term Fiscal Framework, including fiscal sustainability analysis with modules simulating shocks to oil prices, risks to SOE finances, and impacts of climate change. All projects supporting fiscal frameworks are still in progress.

Angola	Angola Public Finance Review	150,000	In progress On track
Indonesia	Indonesia - designing a high-quality medium-term fiscal consolidation strategy	100,000	In progress Delay
Indonesia	Post COVID fiscal resilience assisted by SOE reform	100,000	In progress Delay
Uganda	Uganda Project to mitigate the fiscal impact of COVID19 on the adequacy and equity	150,000	In progress On track
Uzbekistan	Uzbekistan - Advisory and analytics for better design of government support measures to firms	150,000	In progress Delay

Civil Service and Payroll Reform

The public payroll generally represents a large share of government expenditures and thus becomes the subject to efforts to keep it under control and to increase productivity. In the recovery phase, wage bill management tends to focus on the monitoring of the public sector wage premium, curtailing of high pay and allowances, and performance management (World Bank, 2020). Wage bill reform is supported in the Pacific / Marshall Islands (completed) and El Salvador (recently commenced).

Pacific / Marshall Islands	COVID-19 Wage Bill Management in the Pacific	100,000	Completed
El Salvador	Strengthening the Fiscal Response to the COVID-19 Crisis	100,000	In progress Delay

Dominica Covid Response & Strengthening Fiscal Resilience

- Public debt to GDP increased from 86.5% pre-COVID to 100.9% post-COVID.
- The Bank's support for fiscal rules established a public debt anchor of 60% of GDP by 2035 along with transitional targets for the wage bill, current expenditures, and primary balance, along with oversight and compliance mechanisms.
- The support for fiscal rules was complemented by efforts to improve expenditure efficiency, notably reform of public procurement (new procurement legislation in 2021) and social protection (common beneficiary registry and payment reconciliation).

Private Capital Mobilization

Private capital mobilization is important to reach the Sustainable Development Goals, and even more so in the recovery phase. In North Macedonia, the reduction in the public funding for private sector innovation and incubation reopened discussions about the creation of two public-private investment funds. The Bank is supporting the government in conducting the pre-feasibility study, drawing-up the ToR for the private fund manager and the criteria for evaluating proposals from potential fund managers and preparing the legal statutes for the entities. The projects in North Macedonia and the DRC have both progressed well and are on track for completion this fiscal year.

DRC	Positioning for recovery: Improving fiscal environment the SMEs in the DRC	100,000	In progress On track
North Macedonia	Strengthening fiscal policy responses in support of the private sector	150,000	In progress On track

Public Expenditure Reviews

Public Expenditure and Reviews (PERs) analyze the quantity and quality of public spending over time against policy goals and performance indicators. The PER is a valuable instrument in addressing medium- and long-term fiscal issues emanating from or being accentuated by the COVID pandemic, e.g., fiscal sustainability requiring a reassessment of the overall size of the public sector, more rational resource allocation (e.g., towards investments and social spending), and measures to improve the quality of expenditure. The PER in Kazakhstan and Rwanda are well-underway, with the one in Thailand recently launched.

Kazakhstan	Fiscal Policy for Post Covid-19 Recovery of Kazakhstan	100,000	In progress On track
Rwanda	Rwanda - Public Expenditure Review	100,000	In progress On track
Thailand	World Bank Support to the Government of Thailand to promote an effective fiscal response to COVID-19 and ensure macro-fiscal sustainability	150,000	In progress On track

Rwanda Public Expenditure Review

- This is the first comprehensive PER in Rwanda.
- Some 90% of public investments are undertaken by the central government, making investments far more concentrated compared to peers.
- The review finds that efficiency of public investment is low.
- Several aspects of public investment management are of high quality, with further improvements in portfolio management being possible, notably in the process for reallocating funds from under- to high-performing projects.
- A more objective targeting system based on a Household Welfare Scorecard (HWS) could increase the share of poor covered under the current social programs from 46% to 73%.

Lessons Learned and the Way Forward

Distill and disseminate lessons and tools for emergency response. The Fiscal Pillar is supporting the development of reports, tools, and assessments that are of a “public good” nature and will benefit from being disseminated more broadly through a public website, and knowledge series. Window management has begun efforts to share lessons, e.g., through virtual events and support to sharing of experiences among task teams.

Fiscal Pillar evaluation. During the previous Steering Committee meeting, the Bank agreed to table a proposal for evaluation of the Fiscal Pillar. Considering that most of the projects will be completed only in FY23, the evaluation will be done in FY23/Q3 and Q4 at the earliest. The proposed scope of the evaluation are as follows:

- *Impact of funded activities.* Ascertain whether the funded activities remained relevant and, if needs and conditions on the ground changed, whether task teams were able to make the appropriate course corrections.
- *Strength of government ownership.* Determine the strength of the initial government anchoring of the activities; collaboration between the Bank and government throughout the process; ability of the Bank to respond to changes in government leadership and policy; and support within other Bank units that may have co-leadership on the topical area and thus play an important role in ensuring effective client engagement.
- *Donor coordination.* Take the pulse on the donor coordination and highlight good practices that can be adopted under the Umbrella Trust Fund for Fiscal Policy and Sustainable Growth, which will be the permanent vehicle for taking forward the fiscal agenda.
- *Key success factors.* Identify the key success factors as this can inform the Bank’s prioritization of fiscally related TA in the future.
- *Program design and management.* Determine the appropriateness of their key features, including bottom-up approach; relatively modest funding allocation for each project (breadth vs. depth); broad scope of activities supported; project proposal review process; and portfolio monitoring and management.

