


















# Contribution to the World Bank Global Tax Program (GTP)

<p><b>Key results:</b>  <u>Direct outcome:</u></p> <ul style="list-style-type: none"> <li>i) Increase in average tax-to-GDP ratio in beneficiary countries;</li> <li>ii) Reduce average tax gaps (where this is a metric);</li> <li>iii) Increasing number of countries with higher tax-to-GDP ratios</li> </ul> <p><b>Justification for support:</b>  This intervention aims at strengthening resource mobilisation in developing economies – a prerequisite for building sustainable societies. The contribution is support to SDG 17 as outlined in the Strategy for Development Cooperation and Humanitarian Action.</p> <p>The objective is to increase domestic revenue for development, incl. in fragile situations with focus on Africa. Means for reaching the objective include work on medium-term revenue strategies, tax havens, illegal capital flows, international economic crime, terrorist financing, and corruption.</p> <p><b>Major risks and challenges:</b>  -Increasing revenue mobilization is a long-term agenda and there are risks involved:  (i) Other development priorities (at country level) might outrank revenue mobilization efforts, including changes in the political environment, domestic political shifts or other changes with great impact (for example climate deterioration and/or pressing environmental challenges);  (ii) Potential impacts of tax reform on vested interests might block progress (probably be the single largest risk factor)  (iii) Slower and weaker than expected reform on the international scene in the fight against tax avoidance and evasion.</p>	<b>File No.</b>	2018 - 31461						
	<b>Country</b>	The World Bank						
	<b>Responsible Unit</b>	VBE						
	<b>Sector</b>	15155						
	<b>Partner</b>	The World Bank						
		<i>DKK mill.</i>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>Tot.</b>
	<b>Commitment</b>	15						15
	<b>Projected ann. disb.</b>	15						
	<b>Duration</b>	2018-2022						
	<b>Previous grants</b>	0						
	<b>Finance Act code</b>	06.32.08.70						
	<b>Head of unit</b>	Ole Thonke						
	<b>Desk officer</b>	Sigurd Schmidt						
	<b>Financial officer</b>	Hans-Henrik Christensen						
<b>Relevant SDGs</b> <i>[Maximum 5 – highlight with grey]</i>								
 No Poverty	 No Hunger	 Good Health, Wellbeing	 Quality Education	 Gender Equality	 Clean Water, Sanitation			
 Affordable Clean Energy	 Decent Jobs, Econ. Growth	 Industry, Innovation, Infrastructure	 Reduced Inequalities	 Sustainable Cities, Communities	 Responsible Consumption & Production			
 Climate Action	 Life below Water	 Life on Land	 Peace & Justice, strong Inst.	 Partnerships for Goals				

**Strategic objectives:**  
-Taxation is integral to strengthening the function of the state. By encouraging dialogue between states and citizens, the taxation process becomes essential to more effective and accountable states. Besides strengthening state building (effectiveness, accountability), taxation supports tackling social, demographic and other challenges, such as corruption. Evidence moreover points to strong correlation between corruption and low tax revenue.

**Justification for choice of partner:**  
The decision to choose the World Bank as a partner was taken to strengthen efforts in the area of resource mobilisation and to link this effort to the IDA-loan programmes, PFM, service and financing for development. The WB is close to Global Agenda of Tax and Development, and the Danish contribution will secure influence through membership in the Steering Committee of the Global Tax Program.

**Summary:**  
The contribution is a follow up to the resolution of the Minister for Development Cooperation on January 15, 2018. The contribution is vital to the Financing for Development and the Addis Ababa outcome. Danish support to the GTF through the World Bank aims to strengthen domestic resource mobilisation in developing countries - a prerequisite for building viable societies. The contribution is a support to SDG 17 as it is presented in the Danish Strategy for Development Cooperation and Humanitarian Action. The Danish contribution to the GTP budget below is unmarked: 15 million DKK or approximately 2,4 million USD.

<b>Budget: The World Bank GTP Activity Based</b>	
<b>Budget 2019-2022 (mio. USD)</b>	
<b>Global level activities</b>	6,850
<b>Country level engagement</b>	43,750
Actionable research and data, knowledge and learning	8,650
Programme implementation and supervision	3,480
<b>Total</b>	<b>62,730</b>



# **Project Document**

## **Contribution to World Bank Global Tax Program (GTP)**

### **1. Introduction**

The Global Tax Program Trust Fund (GTP) is a response by the World Bank and partners to the international commitments of the Addis Ababa Action Agenda in domestic revenue mobilization, as well as a commitment to the UN 2030 Sustainable Development Goals. Support to the GTP is in line with the Danish strategy for development cooperation and humanitarian action, which prioritises SDG 17 and supports developing countries mobilisation of tax and revenue.

The funding of the World Bank GTP is moreover in accordance with the framework for a strengthened engagement in the tax and development agenda approved by the Danish Minister of Development Cooperation on 15 January 2018. The support to the WB takes place in parallel to a Danish support to the IMF Revenue Mobilisation Trust Fund, with whom the Danish Tax authorities have engaged in a MoU regarding exchange of tax experts. The objective is to strengthen the tax systems of developing countries by facilitating design and implementation of medium term tax reform plans that are integrated in a whole of government approached and backed by strong political will and capacity. The reference document for this Project Document is the World Bank Group GTP Program Document (GTP/2018/(03) of June 2018.

The GTP will likely become the largest trust fund in Domestic Resource Mobilization. The World Bank is part of an effort by the main actors in tax and development that also encompasses the UN, the OECD and the IMF. These organisations have come together in the Platform for Collaboration on Tax (PCT) under the leadership of the World Bank.

### **2. Summary of issues to be addressed and institutional context**

Tax is a central part of the social contract between the state and its citizens, and therefore a vital element in the Bank's effort to eradicate poverty and promote shared prosperity. To ensure that the bottom 40 pct. in target countries is treated rightfully in a tax regime, tax structure matters, as does the allocation of the government revenues collected through taxes.

Several analysis by the World Bank conclude that tax revenue in Africa has not increased significantly during the last 10 years (as a percentage of BNI).

In addition, the donors' effort has been of an ad hoc character and not sufficiently coupled with the ongoing overall reform processes. Nor has the initial efforts been supported by the necessary political will to change taxation practices.

The development objective of the proposed GTP is to strengthen tax systems of developing countries by facilitating design and implementation of evidence-based tax systems. Ultimately, these inputs will lead to changes in the developing economies that produce improvements in revenues. Intermediate objectives include greater participation of developing countries in the advance of global tax systems, a better

understanding of the requirements to improve the performance of country-based tax institutions and a strengthening the application of research for improved performance.

Due to its strong presence in developing countries and its multiple instruments for supporting reform (analytical, technical assistance, investment lending, Program for Results and budget support), the World Bank is first in line to help achieve the quality improvement that are needed to produce results from Global Domestic Revenue Mobilization.

Only the Bank has the required capacity to implementing a broad package of activities tailored to specific policy and capacity development requirements on the ground, as well as to assist recipient countries addressing key aspects of international tax issues. The Bank has the core components that are required and can draw on a substantial degree of synergies. Moreover, to align with the Bank's support for strengthening the tax systems in IDA countries, the GTP mirrors Bank support within the IDA 18 policy commitments. Thus, tax is vital to the Bank's role - as it can connect tax reforms to a wider range of developments in the public sector, including in service delivery.

Thus, the World Bank is in a good position to help improving the quality of tax reform programs and strengthen their implementation. Moreover, with the launch of the implementation of the 75 billion USD IDA 18 program (FY2018-2020), the funding of Domestic Revenue Mobilization activities will receive a strong boost, which will enable comparable funding undertakings (as committed by the bilateral donor partners as part of the Addis Tax Initiative (ATI)). Up to now, the Bank has supported 19 IDA eligible countries increasing their tax-to-GDP ratios, against an IDA target of 25 by end-2020.

### **3. Strategic considerations and justification**

Issues that are pertinent to solving the domestic revenue challenge include the following:

Taxation is integral to a strengthening of the functioning of the state. By encouraging dialogue between states and citizens, the taxation process becomes essential to more effective and accountable states. Reforms that begin in tax administration may spread to other parts of the public sector. At the same time, Domestic Revenue Mobilization improvements need to balance revenue-raising objectives with considerations of equity, fairness and the promotion of a growth-oriented, private sector-enabling environment.

*To note in this context is also evidence suggesting that with a tax-to-GDP ratio below around 15 % it is difficult to secure lasting growth.* Tax-GDP ratios in Low Income Countries (LICs), representing about 36% of IDA countries, are about 13.6%. Tax to GDP ratios in middle-income countries (MICs) are somewhat higher (about 19%), while in high-income countries (HICs) the tax to GDP ratio can be as high as 20%-30%. A large share (70%) of fragile, conflict, and violence-affected situations do not meet the threshold for ensuring a viable tax-level. Thus, the current Domestic Revenue Mobilization levels remain obviously insufficient.

Corruption functions like a regressive tax. Evidence shows that corruption indicators are strongly associated with low revenue. Estimates of non-compliance - and tax evasion - are scarce, but for instance, VAT gaps is estimated at 50–60% in Indonesia and Mozambique, compared to 13% in the United Kingdom.

A combination of weak revenue administrations, low taxpayer morale and poor governance in the LICs contribute to lower levels of Domestic Revenue Mobilization. Countries with natural resource wealth, small islands, landlocked countries and those in post-conflict face distinct revenue challenges.

In a globalized world, international tax evasion and avoidance, as well as financial crime and erosion of tax revenue bases, undermine fairness and the integrity of tax systems. Illicit financial activities as tax evasion and other types of capital flight, abusive transfer mispricing and money laundering have profound impacts on mobilizing efforts of countries own domestic tax resources. A holistic solution would require international regulations and tax cooperation among governments.

Focus in the Danish development strategy includes combating tax havens and illegal capital flows, international economic crime, terrorist financing and anti-corruption policies. Denmark considers the partner countries' efforts to support tax systems a follow-up to the SDGs concerning strong institutions and good governance.

Over the years, the World Bank has been the leading international donor of capacity building in the tax domain. Besides giving targeted TA, the Bank has extensive experiences from training of recipient countries, which justifies an expanded set of activities. Supporting the Bank's activities within tax therefore also means supporting synergies with IDA 18 and potentially IDA 19 as well as service delivery reforms in the LICs.

In partner countries, projects often lacked full-fledged approaches, ownerships and commitments at the highest political level. Using the global tax platform, Domestic Resource Mobilization becomes incorporated the OECD/G20 Base Erosion and Profit Shifting Project (BEPS) and the IMF Revenue Mobilisation Trust Fund, which Denmark supports. Coordination with leading multilateral and bilateral donors is expected to result in combined efforts. Another closely related strategic consideration is the resolve to enter into partnerships with civil society organisations that are active in the field. Denmark's aim is to work as catalyser within the steering committees of the GTP to ensure added value in the form of civil society contributions to political processes in the beneficiary countries.

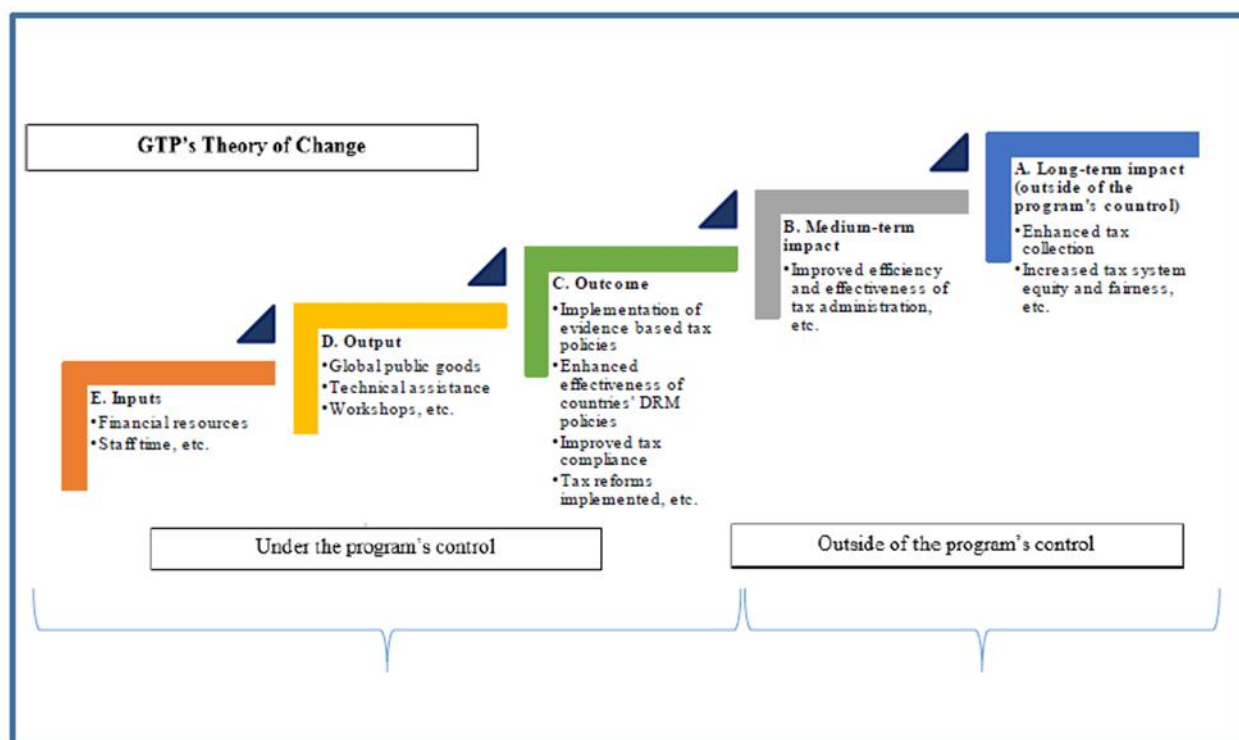
#### **4. Theory of change and key assumptions**

The World Bank assesses that - in addition to generating greater resources for public investment and spending - reform of tax policy and administration enhances the overall governance. Expanding a country's resource mobilisation is likely to be politically feasible only when associated with an improved rule-of-law, accountability and transparency standards. Cooperation with increased tax collection requires the citizens' confidence in public expenditure.

Accordingly, increased tax collection capacity can improve the fairness of the tax system in eliminating exceptions or special treatment for those who are able to exploit the inadequacies of the systems. Looking to the future, an increased resource mobilisation effort will face several challenges, from the structural features of the economy and the institutional distribution of power to more specific tax policy and administrative issues. Tax reforms need to be measured, not only based on the overall quantity of tax collection, but also on the quality of tax composition. It will also require sustained political will from governments and broad support from the private sector and the wider public.

The international donor community has cemented findings that hitherto donors' contributions are inadequate to accomplish the aspirations of the developing countries.

## ANNEX V. GTP's Theory of Change



Source> The World Bank

The GTP's Theory of Change has five phases altogether (see above). According to this assessment, the long-term impact (enhanced tax collection) is outside of the GTP control. The medium-term impact (efficiency and effectiveness of tax administration) is outside as well. What the Bank terms as under the program's control are input in the form of financial resources, staff time, outcomes (evidence-based tax policies, effectiveness of countries mobilization policies etc.) and output in the form of global public goods.

The GTP Includes four distinct but interrelated areas of focus:

- **Window 1: Global Tax Activities and Global Public Goods.** The international tax issues relate to tax incentives for corporations, taxation of the financial sector, and cross-border issues such as natural resource taxation and green taxation to promote environmental sustainability and address climate change. The work on Global Public Goods includes the development of diagnostic tools as well as engagement and support to global efforts to improve DRM in developing countries. This includes the Tax Policy Assessment Framework (TPAF), under development in collaboration with the IMF, and the DIAMOND framework for identifying drivers and solutions of performance weaknesses in revenue administrations.

- **Window 2: Country Level Activities.** The window supports countries improve revenue collection, e.g., through medium-term revenue strategies (such as the MTRS) through the piloting of country focused diagnostic work based on TPAF, TADAT, and DIAMOND. Based on regional consultations and ongoing programs, the World Bank has identified a menu of activities, which can be included as needed in a MTRS. The MTRS is still in the pilot stage, and the extent to which activities under Window 2 will be MTRS driven will depend on the speed at which countries adopt this new approach for identifying, managing and resourcing revenue reforms.

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

• **Window 4: Program Implementation and Supervision.** The window supports the management of the Multi-Donor Trust Fund (MDTF, Window 4A) and temporarily, the Secretariat for the Platform for Collaboration on Tax (PCT), which aims to improve collaboration among the IMF, OECD, UN and the World Bank on revenue policy and administration at the global and country level). The Domestic Revenue Mobilization Unit under the Global Governance Practice will manage implementation of the GTP. Support to the PCT includes coordination of activities among partners, outreach, coordination and knowledge exchange with relevant stakeholders in developing countries.

To ensure holistic and coordinated inputs to GTP countries' national policy processes the IMF participates in the Platform for Collaboration on Tax under the leadership of the Bank. The OECD Base Erosion and Profit shifting program, the UN policy dialogue are also part of the existing coordination effort.

## 5. Project Objective and summary of results frame

The Development Objective of the GTP is to strengthen tax systems of developing countries by facilitating the design and implementation of evidence-based tax systems. Ultimately, these inputs will lead to changes in developing countries that produce improvements in revenue. Intermediate objectives include greater participation of developing countries in the development of global tax systems, improved understanding of the requirements to improve the performance of country based tax institutions and strengthening the application of research and knowledge development for improved performance of tax institutions. This involves proposing improvements to the international tax system as well as country-specific activities that support countries in their efforts to strengthen and enhance the effectiveness of their DRM-related policies, legislation, institutions and informed tax decisions, as well as to improve their tax compliance and performance within the context of the ATI and beyond.

For Danida's reporting purposes, three WB and IDA indicators will document progress:

- Number of countries where Bank tax assessments have informed DRM or tax related policies, legislation, and formation of institutions, including through MTRSs;
- Number of countries that raise tax-to-GDP ratios above 15% (IDA 18 policy commitment);
- Number of countries that have improved tax to GDP ratios from the baseline and previous reporting.

The responsible Danish MFA department (VBE) will base future support on progress attained in the implementation of the engagement – as described in the pertinent program documents.

## 6. Inputs/budget

The Program was initiated at the first meeting of the Steering Committee on September 28, 2017 and it is now coming on steam following a start-up phase. The activities have focused on 1) continuation of work under the previous arrangements (incl. International Tax Transparency), 2) the First Global Conference of the Platform for Collaboration on Tax on Taxation and the Sustainable Development Goals (SDGs), 3) development of activity proposals and 4) overall program management.

Over the period October 2017 – June 2018, donor funding received under the GTP reached 8.1 million USD for the Fiscal Year (FY) 2019, of which 3 million USD have been spent.

The donor group so far include Australia, Japan, Norway, Switzerland and the UK. Other donors have committed contributions, resulting in commitments of about 26 million USD (FY2018-2022).

The Bank estimates a GTP Work Plan for FY2019 with a budget of 15.7 million USD. For the period FY2019-22, the Work Plan will amount to 59,3 million USD.

#### **GTP Budget for 2019-2022 (million USD).**

Ongoing Activities	2,250
Activities under consultation	20,090
Activities under discussion	36,960
Total GTP	59,300

The GTP budget is based on the composition of the GTP i four windows and it shows the following:

#### **GTP Activity Based Budget 2019-2022 (million USD).**

Global Level Activities (Int. Tax and Devt. of Global Public Goods)	6,850
Country Level Engagement	43,750
Actionable Research and Data, Knowledge and Learning	8,650
Programme Implementation and Supervision	3,480

Denmark will contribute a grant of DKK 15.000.000 during 2018. This instalment of 15.000.000 DKK will be transferred to the trust fund following receipt of a written request from the Bank. The Bank will submit to Denmark annual statement of accounts, annual financial reports and progress reports covering 2018-2022.

### **7. Institutional and Management arrangement**

Work under the Global Tax Program is guided by the Steering Committee as key oversight body of the GTP. The purpose of the Committee is to provide strategic guidance and monitor progress on the activities. The Steering Committee is responsible for governance, including approval of the objectives, targets and scope of activities presented in the GTP Program Document as revised to reflect changed circumstances. Moreover, it will

- Ensure the predictable and sustainable financing arrangements of the Annual Work Plan.
- Approve the Annual Work Plan and budgets for the unearmarked portion of the GTP MDTF.
- Provide guidance on the achievement of the goals under the GTP, including advice on setting priorities in response to new and emerging needs.
- Monitor the Program’s results framework as well as the semi-annual progress reports.
- Strengthen the coordination among donor DRM programs and pursue where possible joint approaches based on common tools and frameworks.



The IMF will be able to participate as an observer. The Danish MFA / Department for Growth and Employment will represent Denmark.

Moreover, the World Bank will establish an Advisory Board for discussion of coordination of capacity development activities etc. In the Advisory Board will be the Steering Committee and representatives from the Platform for Collaboration on Tax (i.e. IMF, OECD and the UN).

## **8. Financial Management, planning and reporting**

Partner contributions will be deposited into the single account for the World Bank Global Tax Program Multi Donor Trust Fund. The basis for the financial arrangements will be the Administration Agreement between the MFA of Denmark, the IBRD and the IDA concerning the Global Tax Program Multi-Donor Trust Fund (TF072864). The World Bank will deposit partner contributions into its GTP Multi-Donor Trust Fund (in accordance with the terms of the administration agreement, incl. standard provisions of the agreement and provisions on “governance”). The fund will be accounted for in total. Goods and services financed under the activities will be procured in accordance with the World Bank guidelines and procedures.

The operations and transactions conducted through the GTP trust fund account will be subject to annual external audits. The audit reports will be shared with donors, together with financial statements, annual progress reports by December 31 and reporting on budget execution. Within six months after all commitments and liabilities under the Trust Fund have been satisfied and the trust fund has been closed, the final financial information relating to receipts, disbursements and fund balance in the Holding Currency with respect to the Contributions shall be made available to the donors.

Donors may review or evaluate activities financed by the Trust Fund at any time up to closure of the fund. The MFA of Denmark reserves the right to carry out a review or evaluation subsequently.

In the case that Denmark decides to withdraw from the GTP, the Danish pro rata of any balances remaining in the account, net of any amount of continuing liabilities and commitments at the time of effectiveness of the withdrawal, shall be retransferred to Denmark. The full text of financial management of provisions are described in Annex 7 (the Administration Agreement p. 7).

## **9. Risk Management**

The GTP supports governments in their efforts to improve the risk-based audit system and control methods. Ministries of taxes are generally interested in making its risk-based system more efficient in detecting tax evasion and in improving the quality and sustainability of its audit adjustments, including risk criteria.

The risk management operations should have a clear strategic aim, such as to move tax compliance to a higher and more sustainable level. The key objective of the GTP TA would thus be to develop a comprehensive Compliance Risk Management Strategy. This would involve greater focus on sector risks using project-based approaches to compliance. The risks associated with the GTP are at both program and project level.

Political interference in the assistance of the tax reform programs at country level, driven by potential impacts on vested interest, will likely be the single most damaging factor for this work. Mitigation strategies will need to be developed.

Specific risks for the GTP to deal with are the following:

- Tax authorities in partner countries receiving assistance may have insufficient capacity or technical skills to implement recommendations;
- Difficulties in engaging sufficiently experienced expertise in a very competitive market
- Lack of coordination between the key agencies working on DRM (IMF, OECD, and the UN) may have a significant negative impact.

**ANNEXES:**

- 1. Notits til Udviklingsministeren af 12. januar 2018**
- 2. Program Document**
- 3. Governance Arrangements of the Global Tax Program**
- 4. Results Framework (World Bank M&E Framework for GTP)**
- 5. Preliminary Budget**
- 6. Administration Agreement with the World Bank GTP**
- 7. Menu of GTP Activities (“Log Frame”)**
- 8. Signed Quality Assurance Checklist**

**ANNEX Planned M&E Framework for GTP<sup>22</sup>**

<b>Development Objective (DO) indicators for impact:</b>	
<b>Strengthen tax systems of developing countries by facilitating the design and implementation of evidence-based tax policies</b>	
<b>DO level indicators</b>	<ul style="list-style-type: none"> <li>• Number of countries where Bank tax assessments have informed DRM or tax related policies, legislation, and formation of institutions, including through MTRSs</li> <li>• Number of countries that raise tax to GDP ratios above 15 % (IDA 18 RMS indicator)</li> <li>• Number of countries that have improved the tax to GDP ratios from the baseline and previous reporting</li> </ul>
<b>Outcome Indicators at the Window Level</b>	
<b>Window 1</b>	<ul style="list-style-type: none"> <li>• Number of Bank tax assessments that feed into Strategic Country Diagnostics and Country Program Frameworks</li> <li>• Number of operations (including DPFs) with tax components (as measured by thematic code) added to pipeline</li> </ul>
<b>Window 2</b>	<ul style="list-style-type: none"> <li>• Number of countries will MTRS under implementation</li> <li>• Number of country level IDA18 indicators achieved</li> <li>• Number of countries with improved PEFA tax or TADAT ratings</li> <li>• Number of countries with an increase in the number of registered taxpayers (IDA 18 RMS indicator)</li> </ul>
<b>Window 3</b>	<ul style="list-style-type: none"> <li>• Number of Bank operations with i) research components embedded and ii) evidence reflected in design</li> <li>• Improved access to knowledge and research for practitioners and clients (through online site visits, downloads, and citations)</li> <li>• Number of cases where formal requests for World Bank support on tax are filed</li> </ul>
<b>Window 4</b>	<ul style="list-style-type: none"> <li>• Management of the program and its activities proceeds sucesfully</li> <li>• Effective reflection on impact evaluations and lessons learned incorporated in the design of GTP activities</li> </ul>

<sup>22</sup> M&E Framework will be finalized and presented to the GTP Steering Committee for endorsement during the inaugural meeting.

**ANNEX Preliminary Budget for the GTP**

**A. Activity Based Budget**

Activities		Unit Cost	Number of Countries/Events	Total Costs
<b>WINDOW 1 – Global level activities (International Tax and development of Global Public Goods)</b>				
<b>ACTIVITY 1.1</b>				
Development and piloting of Tax Policy Assessment Framework - TPAF (jointly with IMF).		\$3,000,000	1	\$3,000,000
<b>ACTIVITY 1.2</b>				
Implementing Tax Administration Diagnostic Assessment Tool (TADAT) in developing countries (jointly with TADAT partners).		\$200,000	10	\$2,000,000
<b>ACTIVITY 1.3</b>				
Strengthen the involvement of developing countries in the global discussion on DRM and support to global advocacy on international tax issues (with IMF, OECD and UN).		\$50,000	3 EVENTS PA, OVER 5 YEARS	\$750,000
<b>ACTIVITY 1.4</b>				
Development of toolkits that provide guidance on international tax issues (with the IMF, OECD, and UN).		\$100,000	5	\$500,000
<b>ACTIVITY 1.5</b>				
Improve the knowledge base on international tax issues to target priority issues for countries and to provide global public goods		\$100,000	6	\$600,000
<b>WINDOW 2 – COUNTRY LEVEL ENGAGEMENT</b>				
<b>ACTIVITY 2.1</b>				
Pilots implementation of TPAF Tax policy assessments (jointly with IMF)		\$125,000 (ONE COUNTRY)	10	\$1,250,000
<b>ACTIVITY 2.2</b>				
Commitment to pilot 20 countries (10 by the IMF and 10 by the WBG)				
<b>ACTIVITY 2.3</b>				
Additional diagnostics and capacity building for tax policy development		\$150,000	15	\$2,250,000

Activities	Unit Cost	Number of Countries/Events	Total Costs
Tax simplification reform for MSMEs	\$500,000 (COMPREHENSIVE APPROACH IN ONE COUNTRY)	10	\$5,000,000
<b>ACTIVITY 2.4</b> Tax incentives analysis and rationalization	\$225,000 (COMPREHENSIVE APPROACH IN ONE COUNTRY)	10	\$2,250,000
<b>ACTIVITY 2.5</b> Preparing comprehensive MTRS pilots (incl. base erosion and application of international tax) and roll-out in all ATI partner countries.	\$500,000 from diagnostic to implementation, 10 countries a year. Partial projects around \$200,000, 10 per year	30	\$21,000,000
<b>ACTIVITY 2.6</b> Improving tax transparency to strengthen tax administrations and to identify tax avoidance and tax evasion	Tax transparency work: \$100,000 per country intervention, up to 10 per year. Risk assessment \$200,000 for complete intervention, up to five per year	15	\$4,500,000
<b>ACTIVITY 2.7</b> Preparation of VAT reform projects (policy and administration)	\$150,000	10	\$1,500,000
<b>ACTIVITY 2.8</b> Sector-related tax issues	\$150,000 (ONE INSTRUMENT)	10	\$1,500,000
<b>ACTIVITY 2.9</b> Tax policy and administration to encourage green technology	\$200,000 (COMPREHENSIVE PROGRAM FOR ONE COUNTRY)	10	\$2,000,000
<b>ACTIVITY 2.10</b> Tax policy and administration strategy for post-conflict countries	\$500,000 (COMPREHENSIVE)	5	\$2,500,000

Activities	Unit Cost PROGRAM FOR ONE COUNTRY)	Number of Countries/Events	Total Costs
<b>WINDOW 3 – ACTIONABLE RESEARCH &amp; DATA, KNOWLEDGE AND LEARNING</b>			
<b>ACTIVITY 3.1</b>			
Experimental Tax Research (Impact Evaluations)	\$250,000 (ONE COMPLETE PROJECT CYCLE IMPACT EVALUATION)	10	\$2,500,000
<b>ACTIVITY 3.2</b>			
Tax Administrative Data and Data Analytics	\$175,000	10	\$1,750,000
<b>ACTIVITY 3.3</b>			
Annual Tax Research Reports and dissemination	\$300,000	4	\$1,200,000
<b>ACTIVITY 3.4</b>			
Global Actionable Research Sharing Platform	\$500,000 for annual fractional research forum and DRM knowledge repository	4	\$2,000,000
<b>ACTIVITY 3.5</b>			
Global Knowledge-sharing Platform and Peer Learning	\$200,000 (PER YEAR FOR EACH CoP)	6	\$1,200,000
<b>WINDOW 4 – PROGRAM IMPLEMENTATION AND SUPERVISION</b>			
Establish a small management and coordination team	\$3,480,000	1	\$3,480,000
<b>TOTAL</b>			<b>\$62,730,000</b>

B. Annual Budget

	FY2018	FY2019	FY2020	FY2021	FY2022	Total
<b>Window 1</b>						
Staff	\$239,750	\$359,625	\$599,375	\$599,375	\$599,375	\$2,397,500
Consultants	\$171,250	\$256,875	\$428,125	\$428,125	\$428,125	\$1,712,500
Travel	\$102,750	\$154,125	\$256,875	\$256,875	\$256,875	\$1,027,500
Workshops / training	\$116,450	\$174,675	\$291,125	\$291,125	\$291,125	\$1,164,500
IT solutions	\$20,550	\$30,825	\$51,375	\$51,375	\$51,375	\$205,500
Publications	\$34,250	\$51,375	\$85,625	\$85,625	\$85,625	\$342,500
<b>Window 2</b>						
Staff	\$1,531,250	\$2,296,875	\$3,828,125	\$3,828,125	\$3,828,125	\$15,312,500
Consultants	\$1,093,750	\$1,640,625	\$2,734,375	\$2,734,375	\$2,734,375	\$10,937,500
Travel	\$656,250	\$984,375	\$1,640,625	\$1,640,625	\$1,640,625	\$6,562,500
Workshops / training	\$743,750	\$1,115,625	\$1,859,375	\$1,859,375	\$1,859,375	\$7,437,500
IT solutions	\$131,250	\$196,875	\$328,125	\$328,125	\$328,125	\$1,312,500
Publications	\$218,750	\$328,125	\$546,875	\$546,875	\$546,875	\$2,187,500
<b>Window 3</b>						
Staff	\$302,750	\$454,125	\$756,875	\$756,875	\$756,875	\$3,027,500
Consultants	\$216,250	\$324,375	\$540,625	\$540,625	\$540,625	\$2,162,500
Travel	\$129,750	\$194,625	\$324,375	\$324,375	\$324,375	\$1,297,500
Workshops / training	\$147,050	\$220,575	\$367,625	\$367,625	\$367,625	\$1,470,500
IT solutions	\$25,950	\$38,925	\$64,875	\$64,875	\$64,875	\$259,500
Publications	\$43,250	\$64,875	\$108,125	\$108,125	\$108,125	\$432,500
<b>Window 4</b>						
<b>4.1 Management, Knowledge and Learning</b>						
Staff	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$1,000,000
Consultants	\$180,000	\$150,000	\$150,000	\$150,000	\$150,000	\$780,000
<b>\$3,480,000</b>						

Travel	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$750,000
Workshops / events / training	\$150,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000	\$950,000
Total Window 4	\$8,755,000	\$11,007,500	\$15,512,500	\$15,512,500	\$15,512,500	\$15,512,500	\$15,512,500	\$62,730,000
<b>Total</b>								<b>\$3,480,000</b>

\* See separate budget for PCT Secretariat





Menu of GTP Activities

Activities	Description	Outputs	Outcomes	Impact
<b>WINDOW 1 – GLOBAL LEVEL ACTIVITIES (INTERNATIONAL TAX AND DEVELOPMENT OF GLOBAL PUBLIC GOODS)</b>				
<b>ACTIVITY 1.1</b>				
Development and implementation of Tax Policy Assessment Framework - TPAF (jointly with IMF).	This framework will assess the performance of tax policy in developing countries in a systematic and standardized manner, allowing comparison of areas of performance across countries and the impact of reform efforts over time, leading to the formulation of reform options and recommendations for relevant country authorities.	Improvements in tax policy of developing countries that enhance equity and fairness, and promote private sector development (in combination with Activity 3).	A standardized framework will make assessments of tax policy strengths and weaknesses more efficient, enhance legitimacy for country governments, citizens, and other stakeholders, and facilitates cross-country comparison and learning.	Work on designing the framework is ongoing in the WB and IMF. The framework is planned to be ready for piloting and public consultation by end-December 2016.
<b>ACTIVITY 1.2</b>				
Expanding the scope and application of the Tax Administration Diagnostic Assessment Tool (TADAT) in developing countries (jointly with TADAT partners).	Develop additional diagnostic modules for TADAT and expand the application of TADAT by providing feedback based on country level assessments and country feedback.	Strengthening of tax administrations in developing countries by providing systematic performance assessments (in combination with Activity 3).	The TADAT assessments will provide the basis for further analysis into the causes of and solutions for tax administration underperformance and will be a key entry point for engagement with countries receiving capacity building support from the WBG and other development partners. In a number of cases, implementation of international tax related party tools to combat base erosion, increase revenues from these transactions, build capacity, implement transparent set of "rules" to	Country level policy makers and tax administrations able to identify priorities for strengthening tax institutions.

Activities	Description	Outputs	Outcomes	Impact
<p><b>ACTIVITY 1.3</b>  <b>Strengthen the involvement of developing countries in the global discussion on DRM and support global advocacy on international tax issues (with IMF, OECD and UN).</b></p>	<p>To support global events and the use of events such as the IMF-WBG Annual and Spring Meetings to bring perspectives of developing countries to the forefront and showcase the results of reforms.                      To address key issues in international taxation that have an impact on the DRM in developing countries. These issues include:</p> <ul style="list-style-type: none"> <li>• International/related party sources of base erosion, expansion of exchange of information networks and inclusion of (A)EOI in audit and taxpayer service function;</li> <li>• Identification and developing K&amp;L about harmful tax practices;</li> <li>• Policy advice on tax treaty applications;</li> <li>• Enhancing Exchange of Information (EOI) networks through bilateral and multilateral tax information exchange agreements, including automated exchange of information and tax treaties; and</li> <li>• Strengthen the use of EOI in risk profiling and audit</li> </ul>	<p>Reflection of the interests and needs of developing countries in standards and guidelines promoted by the G20; increased understanding in developing countries of opportunities and risks from the global arrangements for DRM; and mobilization of civil society and other partners to advocate for the interests of developing countries.</p> <p>Produce a diagnostic tool of international tax instruments and procedures and guidance on international tax issues (including the toolkits mandated by the G20).                      Based on these tools and guidance, WB country teams will assist the authorities develop and implement plans at the country level, including on legislative and procedural reforms and capacity building in the BEPS and non-BEPS areas, including:</p> <ul style="list-style-type: none"> <li>• Transfer pricing (risk detection, procedures, capacity building; toolkits and Knowledge sharing &amp; Learning materials);</li> <li>• Thin capitalization procedures and implementation;</li> <li>• Advanced pricing agreement development and implementation;</li> <li>• Safe Harbor Program expanded; and</li> <li>• Permanent establishment of rules and applications for EOI.</li> </ul>	<p>Improved design and implementation of WB and other donor agencies' DRM support programs, providing more targeted support which ultimately affects revenue generation.</p>	<p>Better design of Tax Policy assessment and implementation frameworks involving both domestic and international taxes.                      New approaches on international tax and exchange of information would be integrated into WBG operational lending programs as well as comprehensive DRM-related interventions at the country level, as needed.</p>

Activities	Description	Outputs	Outcomes	Impact
<b>ACTIVITY 1.4</b> Development of toolkits that provide guidance on international tax issues (with the IMF, OECD, and UN).	The Development Working Group of the G20 has requested international organizations to prepare eight toolkits for the implementation of BEPS in developing countries.	Eight toolkits to support implementation of BEPS action items in developing countries.	Tax authorities in countries with toolkits will have capability to apply international tax practices.	Countries join in the implementation of new DRM instruments and processes leading to higher revenues and lower base erosion.
<b>ACTIVITY 1.5</b> Improve the knowledge base on international tax issues to target priority issues for countries and to provide global public goods	<ul style="list-style-type: none"> <li>Implement a research agenda and provide support for knowledge sharing and reform efforts (e.g., analysis of specific topics such as comparable and documentation, risk assessment that include menus of good practice and analytics)</li> <li>Conduct topic and regional specific dialogues on specific issues and regional shared issues (e.g., transfer mispricing, treaty issues, harmful tax competition, aggressive tax planning).</li> </ul>	Documents, toolkits, notes that support implementation. Consultations: targeted interventions that meet priority needs of clients.	Shared learning and enhanced global knowledge and increased ability of countries to benchmark themselves against regional and global comparators.	Improved DRM through peer pressure.
<b>WINDOW 2 – COUNTRY LEVEL ENGAGEMENT</b>				
<b>ALL ACTIVITIES LISTED UNDER WINDOW 2 CAN BE INCLUDED IN THE NTRS FOR A COUNTRY, SUBJECT TO COUNTRY PRIORITIES</b>				
<b>ACTIVITY 2.1</b> Pilots implementation of TPAF Tax policy assessments	Assisting developing countries to improve evidence-based tax policy to help them meet their development goals by balancing trade-offs (including enhancing	<ul style="list-style-type: none"> <li>TPAF data gathering and preliminary assessment.</li> <li>Report on recommendations on ways to increase DRM in accordance with their development goals.</li> </ul>	<ul style="list-style-type: none"> <li>Improved Government reform proposals presented to Parliament (based on better quality analysis)</li> </ul>	<ul style="list-style-type: none"> <li>Increased tax revenues.</li> <li>Improved equity of the tax system.</li> </ul>

Activities	Description	Outputs	Outcomes	Impact
<p>(jointly with IMF) Commitment to pilot 20 countries (10 by the IMF and 10 by the WBG)</p>	<p>collections, increasing tax system equity and fairness, and promoting private sector development).</p>		<ul style="list-style-type: none"> <li>Enacted laws and regulations based on evidence-based tax policy decisions.</li> </ul>	<ul style="list-style-type: none"> <li>Contributed to sustainable and inclusive growth.</li> </ul>
<b>ACTIVITY 2.2</b>				
<p>Additional diagnostics and capacity building for tax policy development and application</p>	<p>Based on results of TPAF assessment, provide policy advice and capacity building to strengthen capacity to formulate and implement tax policies. Undertake additional diagnostics, such as Political Economy Analysis and Stakeholder Consultations, to assess acceptance and application of tax policy recommendations based on TPAF and TADAT.</p>	<ul style="list-style-type: none"> <li>Capacity building events based on analysis of tax policy application assessment.</li> <li>Improved country models/tools to assess tax policy changes.</li> </ul>	<p>Tax authorities in countries will be able to formulate appropriate and country specific tax policies which receive broad support from stakeholders.</p>	<p>Tax collection improved.</p>
<b>ACTIVITY 2.3</b>				
<p>Tax simplification reform for MSMEs</p>	<p>Supporting Tax Agencies and Ministries of Finance to reduce the uncertainty and complexity of doing business to foster formality and business growth and promote voluntary compliance.</p>	<ul style="list-style-type: none"> <li>Consultations with the private sector.</li> <li>Policy and administration proposals on tax simplification reform for MSMEs.</li> <li>Communication strategies and taxpayer education campaigns to encourage the informal sector to join the economic mainstream, and also help improve the relationship between the private sector and the tax agencies.</li> </ul>	<ul style="list-style-type: none"> <li>Laws/regulations/policies that improve the tax regime for MSMEs enacted or adopted.</li> <li>Business tax processes streamlined and simplified.</li> <li>Communications and education campaigns implemented.</li> </ul>	<ul style="list-style-type: none"> <li>Improved tax-related investment climate.</li> <li>Contributed to increasing firms' competitiveness.</li> <li>Improved tax culture and contributed to state building.</li> <li>Contributed to foster inclusive and sustainable economic growth.</li> </ul>

Activities	Description	Outputs	Outcomes	Impact
<p><b>ACTIVITY 2.4</b>  <b>Tax incentives analysis and rationalization</b></p>	<p>Supporting governments to improve the design, transparency and administration of tax incentives to improve the efficiency and equity of the tax system, help broaden the tax base and reduce corruption (if regional component: reduce harmful tax competition).</p>	<ul style="list-style-type: none"> <li>• Inventory of tax incentives (public).</li> <li>• Capacity building to develop in-house skills to undertake cost-benefit analysis of tax incentives.</li> <li>• Capacity building to analyze distortions on investment decisions.</li> <li>• Tax Policy and Administration proposals to improve the tax incentives framework (based on best practices).</li> </ul>	<ul style="list-style-type: none"> <li>• Country endorsing action plans to reform tax incentives structure or guidelines to comply with best practices regarding their design, transparency and management.</li> <li>• Tax expenditures from incentives calculated and reported in annual budgets.</li> <li>• Improved Government reform proposals on tax incentives presented to Parliament (based on better quality analysis).</li> <li>• Recommendations for rationalization of tax incentives (evidence-based) endorsed and adopted.</li> </ul>	<ul style="list-style-type: none"> <li>• Enhanced efficiency of tax regimes (lower administrative and compliance costs)</li> <li>• Increased tax revenues (medium long term).</li> </ul>
			<ul style="list-style-type: none"> <li>• Country endorsing action plans to reform tax incentives structure or guidelines to comply with best practices regarding their design, transparency and management.</li> <li>• Tax expenditures from incentives calculated and reported in annual budgets.</li> <li>• Improved Government reform proposals on tax incentives presented to Parliament (based on better quality analysis).</li> <li>• Recommendations for rationalization of tax incentives (evidence-based) endorsed and adopted.</li> </ul>	<ul style="list-style-type: none"> <li>• Enhanced efficiency of tax incentives regime - targeted tax incentives.</li> <li>• Improved transparency on the granting and management of tax incentives (reduced corruption and lobbying).</li> <li>• (Potential) Increased revenues derived from base broadening and targeted incentives.</li> <li>• Improved equity of the tax system.</li> <li>• Reduced tax competition (if regional component).</li> </ul>

Activities	Description	Outputs	Outcomes	Impact
<p><b>ACTIVITY 2.5</b> Addressing base erosion and DRM limitations caused by the current international tax architecture</p>	<ul style="list-style-type: none"> <li>Diagnose the sources of international tax risks and vulnerabilities (e.g., transfer mispricing, abuse of tax treaties, aggressive tax planning structures).</li> <li>Formulate a policy response to address these issues through the implementation of instruments, policies, and procedures (e.g., transfer pricing frameworks, interest deduction guidelines, prevention of treaty abuse and consistency with domestic legislation), including country and region-based solutions.</li> <li>Implementation of administration of instruments (e.g., introduction of new audit techniques, risk assessment tools, new accounting standards (common reporting standard, county-by-country reporting)).</li> </ul>	<p>Fully specified legislative frameworks, procedures, and guidance in place, capacity building.</p>	<p>Determination of aggressive tax avoidance and tax evasion.</p>	<p>Revenue generation from ability to identify and audit cases of tax avoidance.</p>
<p><b>ACTIVITY 2.6</b> Improving tax transparency to strengthen tax administrations and to identify</p>	<ul style="list-style-type: none"> <li>Support countries in meeting global standards for tax transparency and exchange of information (e.g., identifying beneficial ownership sources, implementation of exchange of</li> </ul>	<p>Implementation of risk systems which allow for identification of potential tax evasion and avoidance.</p>	<p>Countries become tax compliant to international standards (including the WBG OFC policy).</p>	<p>Revenue recovery through identification of tax avoidance/tax evasion.</p>

Activities	Description	Outputs	Outcomes	Impact
<p><b>tax avoidance and tax evasion.</b></p>	<p>information procedures, strengthening tax treaties).</p> <ul style="list-style-type: none"> <li>Support countries in building risk assessment systems to identify sources of risky transactions which could be vehicles for tax avoidance, tax evasion, and illicit flows).</li> </ul>			
<p><b>ACTIVITY 2.7</b></p>				
<p><b>VAT reform (policy and administration)</b></p>	<p>Supporting governments to improve the design and administration of VAT to improve its efficiency but considering equity considerations as well as the administration capacity of the tax authority and the associated high compliance costs for small businesses.</p>	<ul style="list-style-type: none"> <li>Proposal on an improved VAT design.</li> <li>Proposal on improved VAT related processes and procedures, including VAT refunds.</li> </ul>	<p>Country endorsing and implementing reform proposals.</p>	<ul style="list-style-type: none"> <li>Increased revenues.</li> <li>Increased efficiency of the tax administration.</li> <li>Improved investment climate for businesses.</li> <li>Contributed to foster sustainable and inclusive growth.</li> </ul>
<p><b>ACTIVITY 2.8</b></p>				
<p><b>Sector-related tax issues</b></p>	<p>Supporting governments in the design and implementation of sector specific instruments including managing the taxation of natural resources, sin taxes (e.g., tobacco and sugar) etc.</p>	<p>Proposal on the improvement of the design or introduction of an instrument / mix of instruments based on best practices.</p>	<p>Country endorsing and implementing reform proposals.</p>	<ul style="list-style-type: none"> <li>Increased revenues.</li> <li>Positive impact on health in the medium and long term.</li> <li>Positive impact on government expenditure (medium and long term).</li> </ul>



Activities	Description	Outputs	Outcomes	Impact
<b>ACTIVITY 2.9</b> Tax policy and administration to encourage green technology	Supporting governments to design and implement policy instruments to lead to a carbon neutral policy. (e.g., design of tax and non-tax incentives, design and implementation of carbon tax).	<ul style="list-style-type: none"> <li>Assessment of instruments currently in place.</li> <li>Recommendations on the pros and cons of the possible improvements and alternative mechanisms according to the country characteristics.</li> </ul>	<ul style="list-style-type: none"> <li>Country endorsing recommendations on action plan to implement new or improved green policy instruments.</li> <li>Green taxes to help correct market failures and reduce consumption of polluting goods and services implemented.</li> <li>Rationalize subsidies to industries producing polluting technology.</li> </ul>	<ul style="list-style-type: none"> <li>Positive impact on growth (productivity).</li> <li>Increased investment in and consumption of renewable energy.</li> <li>Increased investments in and consumption of energy efficiency products.</li> <li>Decreased CO2 emissions.</li> </ul>
<b>ACTIVITY 2.10</b> Tax policy and administration strategy for post-conflict countries	Supporting countries to design and implement simple tax structures in weak fiscal environments that allow mobilizing domestic resources without constraining growth.	<ul style="list-style-type: none"> <li>Proposal on quick short-term revenue sources to meet government's daily need.</li> <li>Proposal on a medium and long-term tax strategy and an action plan for the transition.</li> <li>Proposal on an effective organization of the tax authority.</li> <li>Capacity building of the tax administration.</li> <li>Communications and education strategy campaigns.</li> </ul>	<ul style="list-style-type: none"> <li>Country endorsing and implementing recommendations.</li> <li>Training the trainers program implemented.</li> <li>Communications and education strategies implemented.</li> </ul>	<ul style="list-style-type: none"> <li>Increased revenues.</li> <li>Increased efficiency of the tax administration.</li> <li>Improved tax culture and contributed to state-building.</li> </ul>
<b>WINDOW 3 - ACTIONABLE RESEARCH &amp; DATA, KNOWLEDGE AND LEARNING</b>				
<b>ACTIVITY 3.1</b> Experimental Tax Research (Impact Evaluations)	The experimental literature on DRM in low and middle-income settings is relatively thin, primarily due to the lack of access to institutions necessary to perform such studies.	<ul style="list-style-type: none"> <li>Baseline reports rigorously capturing the "status-quo" before intervention introduction.</li> <li>IE midline and end line report(s) exploring the causal impact of tax interventions on outcomes of interest.</li> </ul>	<ul style="list-style-type: none"> <li>Increased utilization of data by counterparts to inform evidence-based project optimization (scale-up, scale-down, continuation, cancellation).</li> </ul>	<ul style="list-style-type: none"> <li>Improved project performance on key outcomes of interest (tax revenues, tax compliance, etc.).</li> </ul>

Activities	Description	Outputs	Outcomes	Impact
	<ul style="list-style-type: none"> <li>The activity will involve working closely with client counterparts to support the design, execution, and analysis of rigorous Impact Evaluations embedded in country-level tax administration and policy reforms.</li> <li>This allows tax institutions to “experiment” with different interventions to find out which works best before moving to scale while producing a broader body of evidence on “what works” in DRM.</li> </ul>	<ul style="list-style-type: none"> <li>IE “policy brief(s)” capturing key experimental findings for policy-makers to harness in policy decisions; and</li> <li>Publish academic paper(s) rigorously identifying the causal mechanisms behind observed changes.</li> </ul>	<ul style="list-style-type: none"> <li>IE evidence informing peer learning between countries on specifics of design and impact.</li> <li>Improved data systems utilized and sustained from IE investment.</li> </ul>	<ul style="list-style-type: none"> <li>Producing global evidence of “what works” and “why” in tax reform.</li> </ul>
<b>ACTIVITY 3.2</b>				
<b>Tax</b>				
<b>Administrative Data and Data Analytics</b>	<ul style="list-style-type: none"> <li>National systems for the standardized collection of revenue data vary widely in de facto functionality and access. Additionally, the nature of the data of interest—records of tax collection and compliance (and more importantly, their associated shortfalls)—result in measurement problems that often call into question the validity of the data collected.</li> <li>A handful of partner organizations have begun to tackle national-level, cross-country data concerns by establishing new government tax and revenue datasets. There remains, however, significant unexplored</li> </ul>	<ul style="list-style-type: none"> <li>Country-level administrative micro-datasets able to be leveraged for sophisticated empirical analysis.</li> <li>Development of global frameworks / standards for secure access to confidential revenue data.</li> <li>Policy briefs and academic papers producing policy-relevant evidence for counterparts for topics including (i) rate thresholds and levels, (ii) TAV demand &amp; supply, (iii) Corporate Income Tax design &amp; elasticity, (iv) administrative compliance, (v) tax compliance.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthened national systems allowing for country-led generation and utilization of administrative revenue data.</li> <li>Bolstered evidence-based policy making utilizing evidence generated from data.</li> <li>Increased high-frequency analysis allowing policymakers to make better real-time management decisions such as (i) increased efficiency in their selection of taxpayers for audit or (ii) better calibration of incentives</li> </ul>	<ul style="list-style-type: none"> <li>Increased impact of domestic policy reforms on resource mobilization and compliance.</li> <li>Optimized design of tax policy and administration instruments.</li> </ul>

Activities	Description	Outputs	Outcomes	Impact
	<p>opportunities to further unlock more micro-level data to inform the design of more equitable, transparent, and effective tax systems for ATI-member states.</p> <ul style="list-style-type: none"> <li>The activity will, therefore, focus on the systematic generation of micro-level administrative and survey data from client revenue systems to inform evidence-based tax policy design in client countries.</li> </ul>		<p>and oversight for tax collectors.</p>	
<b>ACTIVITY 3.3</b>				
<p><b>Annual Tax Research Flagship Report</b></p>	<p>Annual Tax Research Flagship Report to inform a global audience comprising development practitioners, policymakers, researchers, advocates, and citizens in general with the latest and most accurate estimates on trends in DRM and create actionable research which will help improve results and inform future WBG's operations.</p>	<ul style="list-style-type: none"> <li>Review and mapping of existing evidence and gaps.</li> <li>Three to five Background Papers prepared and presented in preparation of report.</li> <li>Annual Published Flagship Report.</li> <li>Flagship dissemination series and events.</li> </ul>	<ul style="list-style-type: none"> <li>Identification of frontier DRM topic of focus for next 2-4 years.</li> <li>Coalition of leading stakeholders on DRM topic of focus including donors, private sector firms, and civil society.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthened and altered global conversation on DRM issue of focus.</li> <li>Improved World Bank DRM projects through operationalization of key findings.</li> </ul>
<b>ACTIVITY 3.4</b>				
<p><b>Global Actionable Research Sharing Platform</b></p>	<p>Create a partnership of research and academic institutions and think tanks active in DRM and convene a forum for exchanges between producers of actionable research and development agencies that support DRM activities.</p>	<ul style="list-style-type: none"> <li>Actionable research exchange events.</li> <li>Creation of online knowledge repository.</li> </ul>	<p>Research on DRM feeds into and is used by development agencies to design and implement DRM related reform projects and programs.</p>	<p>Tax policy and tax administration reform programs supported by development agencies are more effective in producing real impact on the tax</p>

Activities	Description	Outputs	Outcomes	Impact
<b>ACTIVITY 3.5</b> <b>Global Knowledge-sharing Platform and Peer Learning</b>	<p>Ad-hoc initiatives replaced by more holistic approaches that are linked to broader governance and sustainable development programs to increase reliance on national DRM systems.</p> <p>Knowledge sharing, learning and networks including peer-to-peer collaboration is an integral element to further raise awareness, demonstrate impact, and share success stories and lessons learned.</p>	<ul style="list-style-type: none"> <li>• Knowledge-sharing and learning activities at global, regional and country level, as well as summary and synthesis of operational "good practices".</li> <li>• Develop and facilitate a Communities of Practice for DRM, in particular in Regions that currently do not have a regional Tax related organization (e.g., MENA).</li> <li>• Convening partners through high-level events and stakeholder workshops to document and share learning and evidence on data, tools and methodologies, and the implications of analysis for tax reform.</li> <li>• Establish partnerships between development agencies and regional tax organizations/ColPs, including ATAF, CIAT, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Improved access to cross-country datasets, analytical tools, methodological documents, and links to our partners' work on gathering and measuring data on DRM outcomes.</li> <li>• Enhanced capacity of peers and partners to undertake analysis of DRM processes and outcomes and to apply findings to tax reforms.</li> </ul>	<p>performance of countries.</p> <ul style="list-style-type: none"> <li>• Increased international DRM dialogue and knowledge sharing.</li> <li>• Greater involvement of developing countries in global tax debate.</li> </ul>
<b>WINDOW 4 – PROGRAM IMPLEMENTATION AND SUPERVISION</b>				
<b>ACTIVITY 4</b> <b>Establish a small management and coordination team</b>	<ul style="list-style-type: none"> <li>• Manage the activities under the Global Tax Program, ensure collection and reporting of results to WB management, donors and other stakeholders.</li> <li>• Provide inputs to global and regional DRM related events.</li> <li>• Manage WB support to achievement of global DRM programs such as ATI.</li> </ul>	<ul style="list-style-type: none"> <li>• Timely and high value reporting on the Global Tax Program.</li> <li>• World Bank actively engaged in global tax events and using its convening powers to promote the objectives of global tax programs.</li> </ul>	<p>GTP effectively implemented</p>	<p>Global resources available for DRM and ATI are used effectively.</p>

# Annex 8 - Quality Assurance checklist for appraisal of programmes and projects <sup>1</sup>

File number/F2 reference: 2018-31461

Program-me/ Project name: Contribution to World Bank Global Tax Program Trust Fund (BM-TF)

Programme/Project period: 2019 - 2022

Budget: DICK 15 million

## Presentation of quality assurance process:

Over the course of project preparation, a constructive dialogue with World Bank staff was a key aspect of quality assurance. Interactions and discussions with other donors (including at the field level) as well as perusal of documentation from previous trust funds with related objectives have provided confidence regarding the quality of the overall preparation process. The present assessment is based on a review of documents and discussions with Bank staff and other donors.

v/ The design of the programme/project has been appraised by someone independent who has not been involved in the development of the programme/project.

Comments: This contribution to the GTP was appraised by Theo Ib Inrsen, Chief Adviser, VBE, who has not been involved in the actual formulation of the proposal.

s/ The recommendations of the appraisal has been reflected upon in the final design of the programme/project.

Comments: Not relevant; but dialogue with world Bank staff and other donors has been constructive and open.

v' The programme/project complies with Danida policies and Aid Management Guidelines.

Comments: Yes

✓ The programme/project addresses relevant challenges and provides adequate responses.

Comments: Yes

v/ Issues related to HRBA/Gender, Green Growth and Environment have been addressed sufficiently.

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<sup>1</sup>This Quality Assurance Checklist should be used by the responsible MFA unit to document the quality assurance process of appropriations where TQS is not involved. The checklist does not replace an appraisal, but aims to help the responsible MFA unit ensure that key questions regarding the quality of the programme/project are asked and that the answers to these questions are properly documented and communicated to the approving authority.

Comments: Yes —gender equality and issues of importance to advancement and empowerment of women are included as areas of attention, as are areas related to sustainable growth.

✓ Comments from the Danida Programme Committee have been addressed (if applicable). Comments: Not applicable.

✓ The programme/project outcome(s) are found to be sustainable and is in line with the partner's development policies and strategies. Implementation modalities are well described and justified.

Comments: There is generally good correspondence between outcomes, objectives and policies, the approach is convincing.

✓ The results framework, indicators and monitoring framework of the programme/project provide an adequate basis for monitoring results and outcome.

Comments: A framework is part of the administrative set-up. Regular participation in steering committee meetings is important to assure that objectives and outcomes are being met and to influence orientation of the work program.

✓ The programme/project is found sound budget-wise.

Comments: Yes

✓ The programme/project is found realistic in its time-schedule.

Comments: Yes

s/ Other donors involved in the same programme/project have been consulted, and possible harmonised common procedures for funding and monitoring have been explored. Comments: Yes — there is a good dialogue and emerging approach to coordination between Nordic donors

✓ Key programme/project stakeholders have been identified, the choice of partner has been justified and criteria for selection have been documented. Comments: Yes

v/ The executing partner(s) is/are found to have the capacity to properly manage, implement and report on the funds for the programme/project and lines of management responsibility are clear. Comments: Yes

✓ Risks involved have been considered and risk management integrated in the programme/project document. Comments: Yes

✓ In conclusion, the programme/project can be recommended for approval: yes

Date and signature of desk officer:

18/9-18 

Date and signature of management: \_\_\_\_\_