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Deutsches Institut für
Entwicklungspolitik



German Development
Institute

CEP council on
economic policies

Tax Expenditures and DRM

9th International Workshop on Domestic Revenue Mobilisation

09 - 11 November 2021 (13:00h - 16:00h CET)
Online Workshop

9th International Workshop on Domestic Revenue Mobilisation:
“Tax Expenditures and DRM”
Online, 9-11 November 2021

Tax expenditures (TEs) are tax benefits that governments use worldwide to pursue various policy goals such as attracting investment, boosting innovation and fighting poverty. TEs are costly, as they lower government revenue and the tax liability of the beneficiary. The global average of tax revenues forgone over the period 1990-2020 is 3.8 per cent of GDP, or 24.2 per cent of tax revenue¹. Moreover, TEs are often ineffective in reaching their stated goals, and can be even damaging with regard to equality or sustainability. Yet, the lack of transparency in this area is striking: only 100 out of 218 jurisdictions have reported on TEs at least once since 1990. The quality, regularity and scope of such reports are highly heterogeneous and, in many cases, lag significantly behind minimum standards.

In June 2021, the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) and the Council on Economic Policies (CEP) have launched the Global Tax Expenditures Database (GTED). The GTED (www.GTED.net) is the first database providing timely and consistent information on TEs on a global scale. It is based on official information published by national governments world-wide from 1990 onwards.

The [Addis Tax Initiative](#) (ATI) acknowledges the relevance this topic holds for member countries and the international community in general. TEs have a significant impact on countries' ability to foster domestic revenue mobilisation (DRM) and, ultimately, attain the Sustainable Development Goals (SDGs). They often endanger the transparency of national budgets and policies if not monitored closely and assessed consistently. In light of its mission to promote development cooperation to-wards achieving the SDGs, the ATI agreed to apply coherent and coordinated policies that foster DRM. The Commitment 3 of the [ATI Declaration 2025](#) states: “We will improve tax transparency by publishing tax expenditures regularly to facilitate cost-benefit assessments, ultimately helping to reduce wasteful tax expenditures, improving taxpayers' trust, and creating a more level playing field for all types of businesses. We will improve inter-agency cooperation on tax expenditures and foster the coordination of granting tax concession activities.”

Against this background, this joint DIE-ATI-CEP workshop brings together scholars, government officials, representatives from international organizations and other experts to discuss ongoing research and initiatives and assess the policy implications of tax expenditures.

¹ von Haldenwang, C., Redonda, A., & Aliu, F. (2021). Shedding Light on Worldwide Tax Expenditures. [GTED Flagship Report 2021](#).

Agenda

Tuesday 09 November

- 13:00– 14:00 **Welcome**
Christian von Haldenwang (DIE)
Hira Nazir (Co-Coordinator of ATI Consultative Group 3)
- Introduction to the workshop**
Christian von Haldenwang (DIE)
- Opening address**
Sanjeev Gupta (Center for Global Development)
- 14:15 – 16:00 **Panel 1: Tax expenditures and development**
 Chair: *Anca-Maria Szigeti (Co-Coordinator of ATI Consultative Group 3)*
- Tax expenditures and development – preliminary findings from the GTED
Christian von Haldenwang / Sabine Laudage (both DIE) / Agustín Redonda / Flurim Aliu (both CEP)
- Trends and Patterns of Tax Expenditures on Union Taxes in India
Sacchidananda Mukherjee (National Institute of Public Finance and Policy, India)
- Practical challenges and lessons learnt from TE reporting in Rwanda & Uganda
Hazel Granger / Kyle McNabb / Harshil Parekh (all ODI) / Solomon Rukundo (Uganda Revenue Authority)
- Discussant: *Jakob Schwab (DIE)*

Wednesday 10 November

- 13:00 – 13:05 **Welcome to the day**
Agustín Redonda (CEP)
- 13:05 – 14:35 **Panel 2: Challenges to tax expenditure reform: Country-level experiences**
 Chair: *Wapinu A. Ndule (WATAF)*
- Ethiopia: Main barriers for the estimation and reporting of tax expenditures
Habtmu Alamayo Farada (Ministry of Finance, Ethiopia)
- Madagascar: De l'évaluation aux enjeux des dépenses fiscales
Tantely Ravelomanana (Ministère de l'Economie et des Finances, Madagascar)
- North Macedonia: tax expenditure report
Jordan Simonov / Zoran Gligorov (Ministry of Finance, North Macedonia)
- Sierra Leone: Multi-stakeholders' oversight on tax incentives
Nuru Deen (Oxfam Sierra Leone)
- Discussant 1: *Agustín Redonda (CEP)*
- Discussant 2: *Luisa Dressler (OECD)*

- 14:45 – 16:00 **Panel 3: Challenges to tax expenditure reform: Regional perspectives**
 Chair: *Stefanie Rauscher (International Tax Compact)*
- ADB support on tax expenditure reform
Yuji Miyaki (Asian Development Bank, Philippines)
- Coordination, evidence and accountability: Reforming the governance of tax expenditures in Latin America
Paolo di Renzio (International Budget Partnership, Brazil)
- Global tax reform and tax expenditures: A prospective analysis
Seydou Coulibaly (African Development Bank, Côte d'Ivoire)
- Discussant: *Amina Ebrahim (UNU-WIDER)*

Thursday 11 November

- 13:00 – 13:05 **Welcome to the day**
Taís Chartouni Rodrigues (International Tax Compact)
- 13:05 – 14:45 **Panel 4: Tax competition and international tax reform**
 Chair: *Alistair Lobo (Foreign, Commonwealth and Development Office, UK)*
- The international tax reform agenda and its implications on the future of tax incentives
Suranjali Tandon (National Institute of Public Finance and Policy, India)
- The worst form of tax incentives: CIT exemptions
Grégoire Rota-Graziosi / Alou Adesse Dama / Fayçal Sawadogo (U. Clermont Auvergne, CERDI, France)
- Growth effects of tax-incentivized FDI
Sabine Laudage / Jakob Schwab (DIE, Germany)
- Tax expenditures in West Africa: the need for a regional evaluation
Jean-François Brun / Gérard Chambas / Jules Tapsoba (U. Clermont Auvergne, CERDI, France)
- Discussant 1: *Kyle McNabb (ODI)*
- Discussant 2: *Ashima Neb (Platform for Collaboration on Tax)*
- 14:50 – 15:50 **Roundtable: Approaches to tax expenditure reform**
 Moderator:
Nana Ama Sarfo (Tax Notes International)
- Participants
Liselott Kana (UN Committee of Experts on International Cooperation in Tax Matters)
Santiago Díaz de Sarralde (Inter-American Center of Tax Administrations)
Steve Rozner (USAID)
Juvy Danofrata (Director, Department of Finance, Philippines)
Agustín Redonda (CEP / GTED)
- 15:50 – 16:00 **Closing remarks**
Sebastiaan Wijsman (Co-Coordinator of ATI Consultative Group 3)
Christian von Haldenwang (DIE)