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Tax Inspectors Without Borders

ANNUAL REPORT

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Executive Summary

This report looks back at the achievements made by the Tax Inspectors Without Borders (TIWB) initiative from January 2019 to June 2020. The report is published against the backdrop of a new and unprecedented global health and economic crisis with profound implications for every aspect of people's lives and economies. Importantly, the impact of this crisis on developing countries' ability to mobilise resources domestically is already becoming clear.

A sharp decline in global and domestic trade is leading to a commensurate drop in revenues from taxes on goods and services. Developing countries, with typically higher reliance on corporate income taxes, are likely to be severely affected. In particular, Small Island Developing States and other economies that rely heavily on tourism and hospitality are likely to be amongst the most affected, and may suffer from the economic consequences of the pandemic for years to come. Multinational Enterprises (MNEs) in many sectors, but particularly those that are highly digitalised, will likely be better placed to cope, and some may prosper, while small and medium enterprises are more likely to struggle. The TIWB initiative, therefore, remains as relevant as ever, helping to ensure that developing countries collect all the taxes due from MNEs.

2019/20 was a period of growth for TIWB. **As of 30 June 2020, additional tax revenues raised by developing countries in connection with TIWB programmes amounted to USD 537 million, and overall tax assessments in excess of USD 1.84 billion.** TIWB programmes provide a significant return on investment and represent excellent value for money. On average, USD 70 in additional tax revenues have been recovered by Host Administrations for every dollar spent on TIWB operating costs between 2012 and 30 June 2020.

TIWB programmes grew strongly in 2019/20 as a result of geographic expansion, a widening of the scope of assistance available, and requests for additional programmes from satisfied host tax administrations. **As of June 2020, the initiative spanned 44 jurisdictions with 40 completed programmes, 39 programmes underway and 19 programmes in the pipeline.** In 2019, 23 new programmes were launched and the first half of 2020 witnessed the commencement of 7 programmes.

As the initiative has matured, opportunities for South-South co-operation were encouraged in 2019/20, with Chile and Morocco joining India, Kenya, Mexico, Nigeria and South Africa as TIWB Partner Administrations committed to deploying their tax officials as experts on TIWB programmes.

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The Organisation for Economic Co-operation and Development (OECD) and the United Nations Development Programme (UNDP) recently completed a stocktake of the TIWB initiative, which confirmed that it remains in high demand as a specialised, practical tool to help tax administrations in developing countries to build capacity to audit MNEs. Further, following recent explorations, the TIWB model has also been found to be viable in the area of criminal investigations, which will help in the global fight against Illicit Financial Flows (IFFs). With this background, the initiative continues to expand in scale and scope, with the launch of additional pilot programmes on effective use of automatic exchange of information (AEOI) and to support tax treaty negotiation and administration.

Developments in 2019 have prepared the ground well for the challenges the COVID-19 pandemic will raise for TIWB in 2020 and beyond. Work is advanced to ensure remote operations can maintain momentum and meet demand whilst guaranteeing taxpayer confidentiality.

Report Structure

Chapter 1 describes TIWB in the fast-moving tax and development landscape. Chapter 2 provides details on TIWB activities, trends and achievements and information on results attained. Chapter 3 highlights lessons learned and sets out recommendations from the recent stocktake of the initiative. Chapter 4 provides an overview of key international outreach activities and communications, and Chapter 5 highlights significant governance and organisational developments. Finally, Chapter 6 sets out the work plan for 2020.

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Acronyms

AEOI	Automatic Exchange of Information
ATAF	African Tax Administration Forum
ATI	Addis Tax Initiative
BEPS	Base Erosion and Profit Shifting
CFA	Committee on Fiscal Affairs
CIAT	*Centro Interamericano de Administraciones Tributarias* (Inter-American Centre of Tax Administrations)
CO	United Nations Development Programme Country Office
CREDAF	*Cercle de Réflexion et d'Echange des Dirigeants des Administrations fiscales*
DAC	Development Assistance Committee
EOI	Exchange of Information
ETA	Egyptian Tax Administration
FTA	Forum on Tax Administration
G20	Group of Twenty
GPN	Global Policy Network
HMRC	Her Majesty's Revenue and Customs (United Kingdom)
IFFs	Illicit Financial Flows
IRC	Internal Revenue Commission (Papua New Guinea)
KSP_{TA}	Knowledge Sharing Platform for Tax Administrations
LAC	Latin America and the Caribbean
M&E	Monitoring and Evaluation
MNEs	Multinational Enterprises
OECD	Organisation for Economic Development and Co-operation
PITAA	Pacific Islands Tax Administrators Association
PNG	Papua New Guinea
SDGs	Sustainable Development Goals
TIWB	Tax Inspectors Without Borders
TIWB-CI	TIWB tax crime investigation programmes
TPU	Transfer pricing unit
UN	United Nations
UNDP	United Nations Development Programme
URA	Uganda Revenue Authority
WBG	World Bank Group

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Glossary

Host Administration – The department or institution in a developing country or jurisdiction requesting TIWB audit assistance, responsible for assessment and collection of taxes and hosting the TIWB Expert.

Partner Administration – The department or institution in a country or jurisdiction providing a tax audit expert to a TIWB programme.

Roster Experts – Accredited audit experts, including both serving and former officers of national tax administrations, pre-qualified and listed by UNDP as available to implement TIWB programmes.

South-South co-operation – Refers to the technical co-operation among developing countries with low- and middle-income status, mainly in Africa, Asia and the Pacific, Latin America and the Caribbean.

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Chapter 1

TIWB in Context

Tax Inspectors Without Borders, a joint initiative of the OECD and UNDP, is a unique approach to capacity building that embeds expert tax auditors in developing country tax administrations to provide practical, hands-on assistance on actual tax audits and related international tax issues.

The initiative helps to build skills and confidence to support developing countries in an effort to promote and enforce tax compliance. Box 1.1 below provides a high-level overview of the initiative.

Strong demand for TIWB assistance from Host Administrations is indicative of the fact that addressing compliance and the tax gap in relation to MNEs is a high priority for developing countries, and with tolerance for international tax avoidance and evasion at an all-time low, is likely to remain so for the foreseeable future. Together with robust support from donors and Partner Administrations, it is therefore expected that TIWB programmes will continue to expand across the globe beyond 2020.

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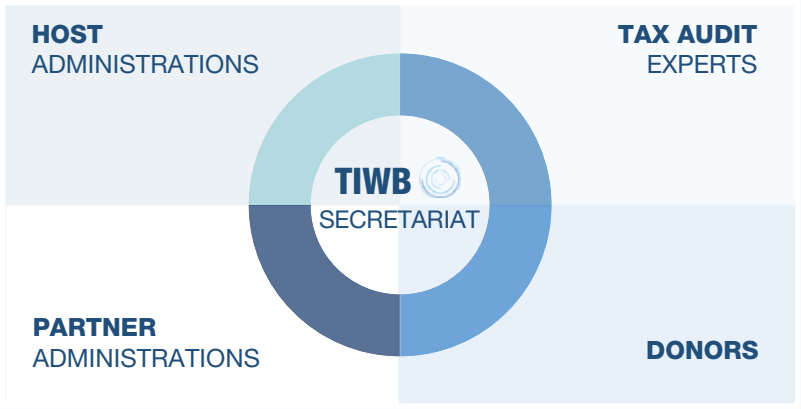
Box 1.1. TIWB at a glance

TIWB programmes rely on the close collaboration of complementary actors that each contribute to the ultimate goal of building audit capacity in developing country tax administrations. Host Administrations request and engage foreign experts to assist on live tax audits; experts bring with them years of experience and expertise in the audit of large businesses. Partner Administrations lend their expertise and direct assistance to support the programmes, while donors ensure that the initiative has the necessary funding. Finally, the TIWB Secretariat co-ordinates the initiative's programmes and activities.



Each TIWB programme is bespoke – its structure and expected outcomes depend on the circumstances and priorities of each Host Administration. The programme cycle anticipates a series of one- to two-week onsite visits to assess, plan and execute the programme. A typical TIWB programme includes four to six of these in-country visits where the TIWB Expert (and in some cases the TIWB Secretariat) works with Host Administration officials to define the scope and objectives of the programme, select cases to audit, conduct research and analysis, interview the taxpayer(s) and ultimately issue a tax assessment. The final onsite visit also includes debriefing senior management about the programme and an evaluation against agreed short-, medium- and long-term indicators. Most TIWB programmes last approximately 12-24 months.

The initiative has continued to build strong links with other ongoing technical assistance and capacity building efforts. These include the OECD Capacity Building Programme for tax crime investigators, which helps countries detect and investigate financial crimes, and recover the proceeds of those crimes, by developing the skills of tax crime investigators. TIWB is also co-operating with the OECD's Global Forum on Transparency and Exchange of Information for Tax Purposes in its efforts supporting access to, and effective use of, financial account information. Significantly, **the TIWB Governing Board has approved an expansion of the initiative into new areas of tax assistance: tax crime investigation, effective use of AEOI data, joint audits, tax treaty negotiation and administration, and natural resources and environmental tax issues.**

Five new criminal investigation pilot programmes commenced during 2019: in Armenia, Colombia, Kenya, Pakistan and Uganda. The expansion into effective use of AEOI data was launched in November 2019. An outline of key milestones in the development of TIWB can be seen at Figure 1.1 on pages 12-13.

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Developing countries report that TIWB programmes support their efforts to implement international tax standards as well as their participation in the standard setting process in the Inclusive Framework on Base Erosion and Profit Shifting. TIWB helps transfer skills to developing country tax auditors through on-the-job experience to ensure that domestic tax laws are being applied appropriately and that governments are collecting the tax revenue they are owed. The initiative also continues to play a positive role in shaping the tax certainty and tax morale agendas by encouraging and supporting the consistent implementation of international tax norms and through building more competent, confident and pro-active tax administrations. The direct involvement of experienced tax auditors means that TIWB programmes can help in building trust and mutual understanding between Host Administrations and MNEs, as well as in improving processes and relationships to encourage and facilitate compliance.

TIWB helps transfer skills to developing country tax auditors through on-the-job experience to ensure that domestic tax laws are being applied appropriately and that governments are collecting the tax revenue they are owed.

Partnerships with regional and international actors, including the African Tax Administration Forum (ATAF), the Inter-American Center of Tax Administrations (CIAT), *Cercle de Réflexion et d'Échange des Dirigeants des Administrations Fiscales* (CREDAF) and the Forum on Tax Administration (FTA), have been critical in promoting South-South co-operation and ensuring that TIWB programmes complement wider capacity building efforts. Specifically, these organisations have facilitated opportunities and discussion between developing country tax administrations, strengthening South-South dialogue and encouraging future collaboration (see Box 1.2).

Box 1.2. TIWB Engagement with CREDAF

For almost 40 years, CREDAF has been promoting multilateral co-operation through pooling experiences and exchanging best practices amongst its members. It therefore actively supports TIWB, which pursues the same objectives.

The General Assembly of CREDAF in Yaoundé in 2019 included a discussion of various TIWB programmes and a presentation of results. This, together with exchanges between tax audit managers at a CREDAF seminar in Antananarivo, Madagascar, resulted in the identification of a number of issue areas where there is particular demand for expertise, as well as member countries which may be able to provide French-speaking experts to meet this demand.

The TIWB programmes that will emerge thanks to this work are therefore fully aligned with CREDAF's strategy to develop mutual support between its members. CREDAF members will also make it possible to reinforce the advantages of South-South co-operation, which constitutes an essential factor in strengthening the capacities of tax administrations by sharing successful initiatives and solutions adapted to local contexts.

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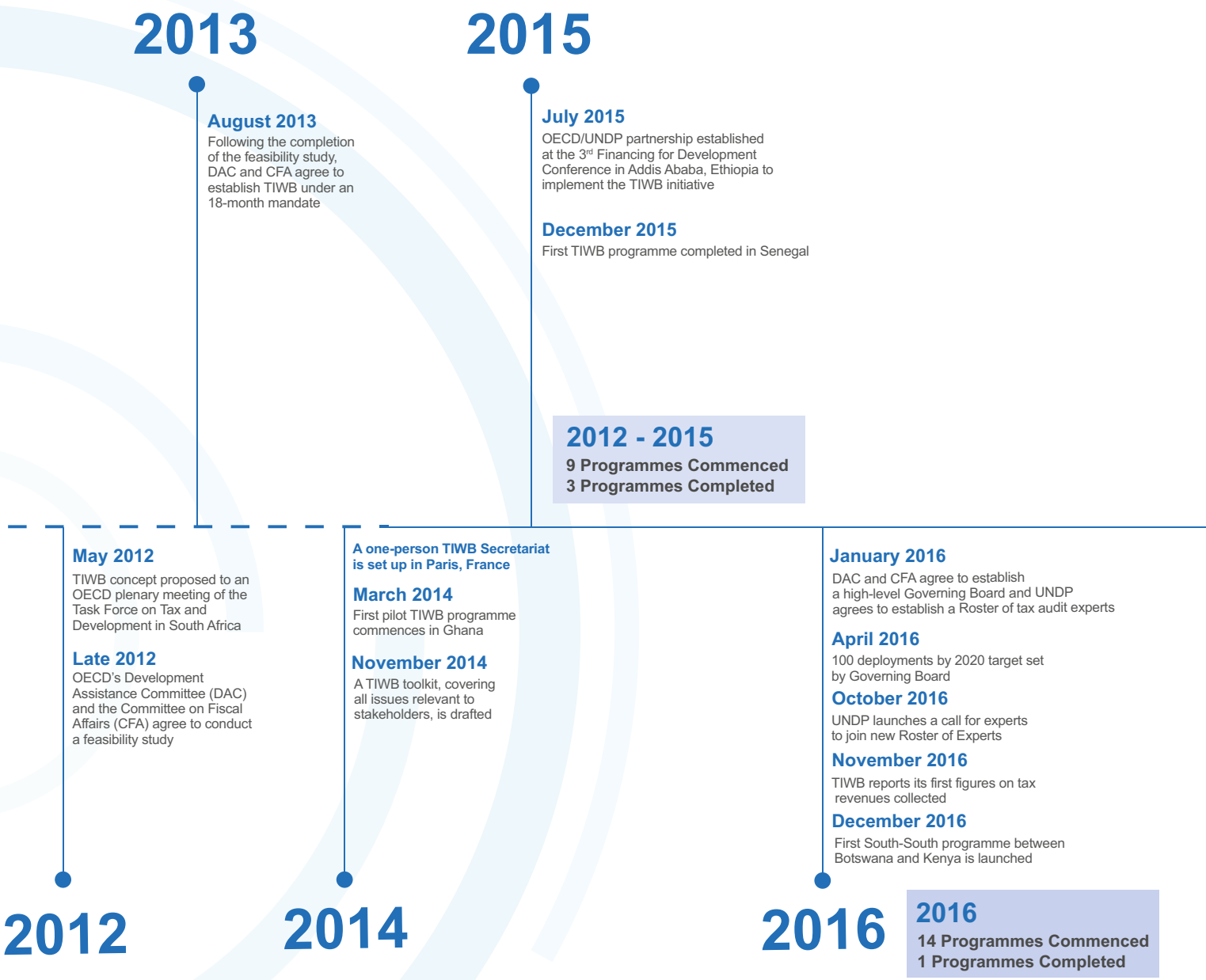
Figure 1.1. TIWB Development Milestones



Source: TIWB Secretariat

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2017

TIWB funds raised from voluntary contributions ("BEPS and Developing Countries Project" funding arrangement) and grant provided by the Government of Finland

July 2017
First TIWB Roster Expert is deployed to Uganda

November 2017
Inaugural Experts' Roundtable and Stakeholders' Workshop held in Paris, France

2017
10 Programmes Commenced
7 Programmes Completed

2018

February 2018
First pilot tax and crime programme commences in Namibia

May 2018
First South-South programme between Botswana and Kenya is completed

December 2018
50th TIWB Programme commences in Colombia

2018
16 Programmes Commenced
13 Programmes Completed

2019

February 2019
Second Experts' Roundtable and Stakeholders' Workshop held in Paris, France

April 2019
Governing Board agrees on the expansion of the Board, extension of the TIWB mandate and the commencement of pilot work in other areas of tax

November 2019
Expansion into the new area of effective use of AEOI launched during the Global Forum Plenary

2019
23 Programmes Commenced
14 Programmes Completed

2020

March 2020
TIWB missions shift to remote assistance in response to COVID-19 global pandemic

May 2020
Governing Board approves results and recommendations of the TIWB Stocktake

Up to 30 June 2020, USD 537M in increased tax revenues attributable to TIWB programmes and TIWB-style support

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Chapter 2
Activities, Trends and Results

This chapter sets out significant activities, trends, and results in terms of expanding the reach and impact of TIWB programmes, as well as improving monitoring and evaluation tools. Annex A provides a detailed breakdown of TIWB's targets and achievements against the 2018/19 objectives set by the Governing Board.

Growing Demand for TIWB Programmes

The reach of TIWB programmes continues to expand across all regions of the world as Host Administrations further their efforts to improve domestic resource mobilisation. During 2019, a total of 23 programmes were initiated, while a further 7 started in the first half of 2020. As depicted in Figure 2.1 below, programmes span Africa, Asia and the Pacific, Eastern Europe, and Latin America and the Caribbean (LAC). The year 2019/20 saw the number of programmes initiated in the Asia and the Pacific region double, albeit from a low base. Africa still accounts for more than half of total demand for programmes in 2019/20, reflecting well-established networks with regional partners and building on technical assistance and other capacity building work by ATAF, the European Commission, the OECD, and the World Bank Group (WBG).

TIWB experts conducted 91 missions in 2019, an increase of 15% on the previous year, while the first half of 2020 saw the delivery of 46 missions. A full list of TIWB programmes can be found at Annex B.

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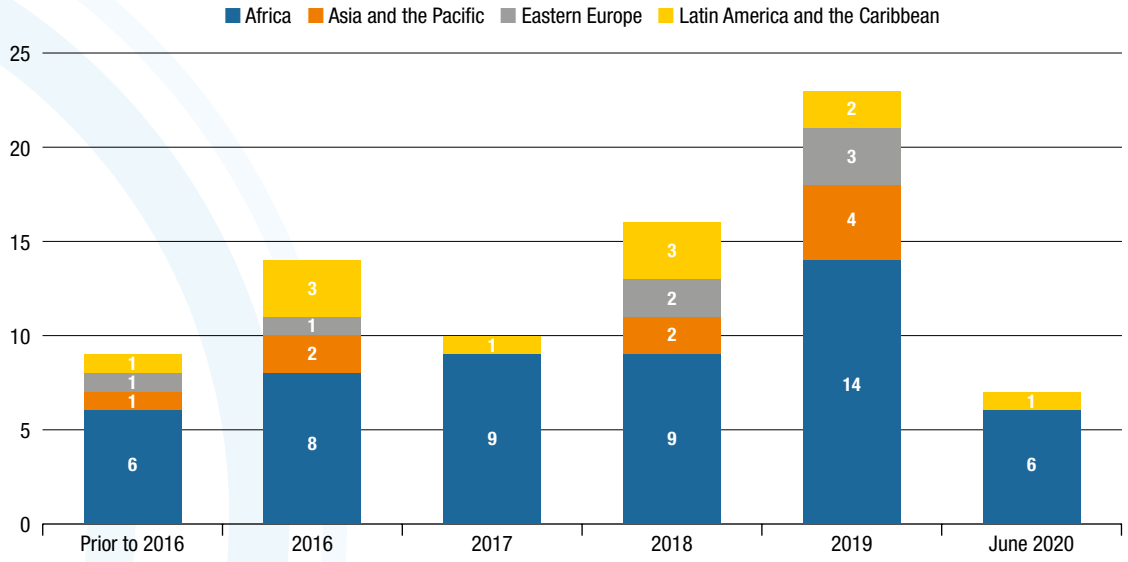
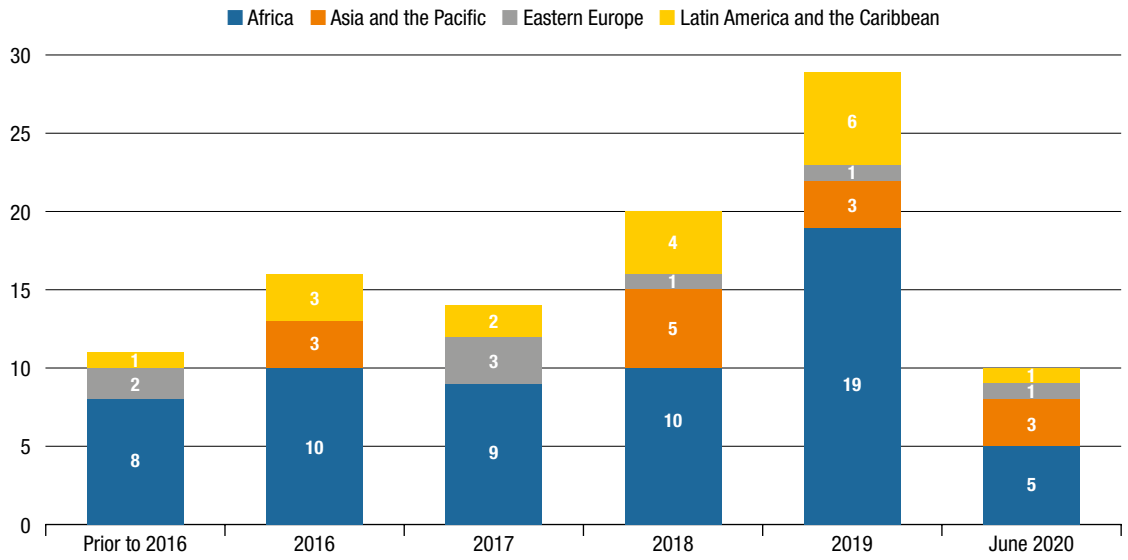
Figure 2.1. Regional Distribution of Programmes Commenced by Year



Source: TIWB Secretariat

Another marker of growth in the demand for TIWB programmes can be seen in the number of official assistance requests received by the Secretariat. **During the course of 2019, 29 new assistance requests were received** while an additional 10 were received in the first half of 2020 (see Figure 2.2). Out of these 39 requests, 20 resulted in programmes being initiated during this reporting period. Closer collaboration between TIWB and CIAT resulted in a 50% increase in requests from Host Administrations in the LAC region in 2019. As with the number of programmes initiated, requests from Africa continue to dominate the overall numbers and point to sustained future growth, with over half of requests being repeat requests, a strong reflection of Host Administrations' satisfaction.

Figure 2.2. Regional Distribution of Assistance Requests Received by Year



Source: TIWB Secretariat

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As of end June 2020, TIWB had 40 completed, 39 current and 19 upcoming programmes in 44 different tax jurisdictions. Figure 2.3 below presents the cumulative status of TIWB programmes as at 30 June 2020 and Figure 2.4 indicates the geographic spread of those programmes.

Figure 2.3. TIWB Programmes by Status as at 30 June 2020

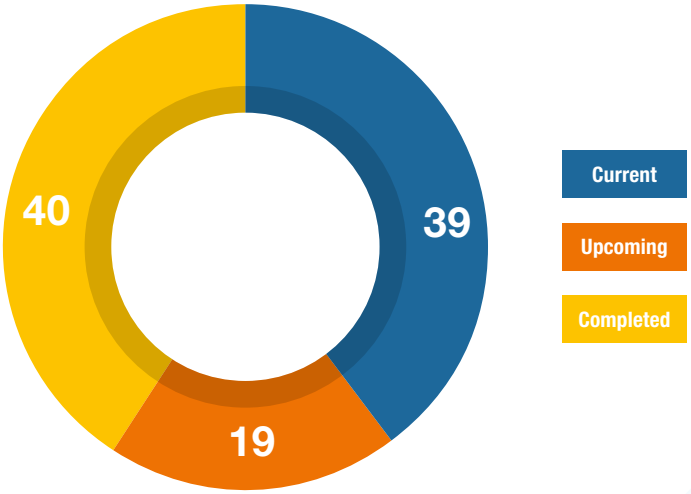
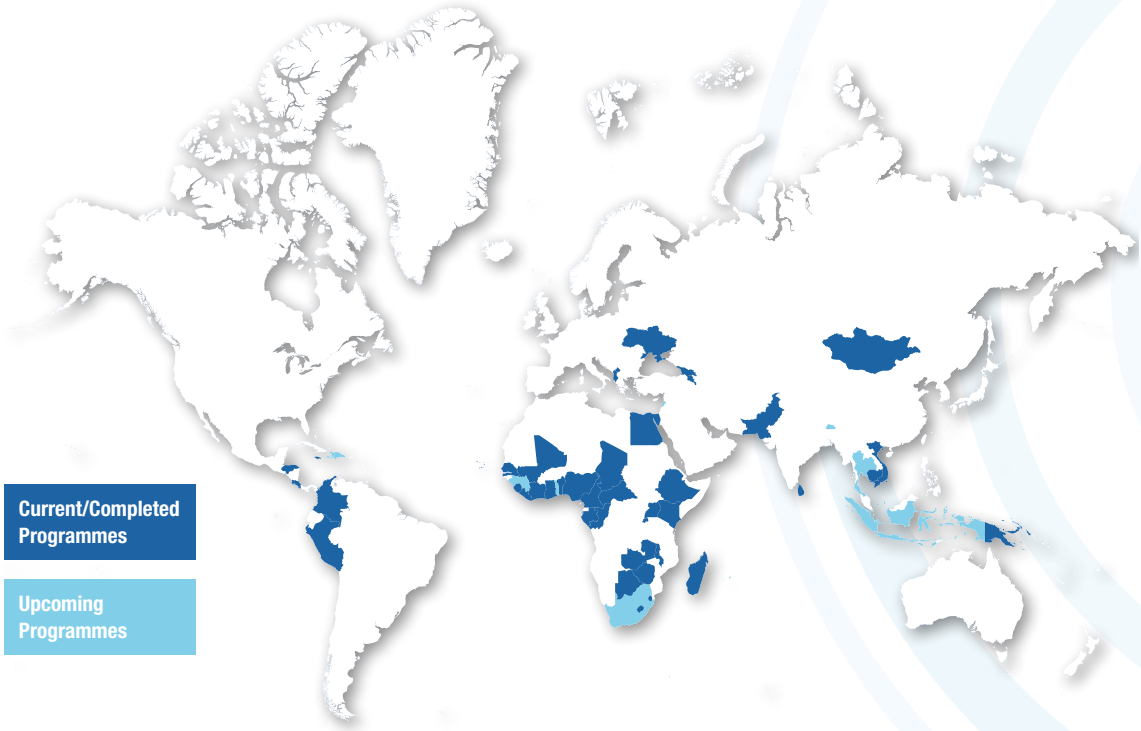


Figure 2.4. Geographic Spread of TIWB Programmes



Note: 30 June 2020

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Impact of COVID-19 Crisis

The impact of the Covid-19 crisis on developing countries' ability to mobilise resources domestically is already clear, with a sharp decline in global and domestic trade which is leading to a commensurate drop in revenues from taxes on goods and services. The TIWB initiative therefore remains as relevant as ever, helping to ensure that developing countries collect all the taxes due from MNEs.

In operational terms, the crisis has prevented onsite TIWB missions since March 2020, but **intensive efforts to facilitate remote assistance have sustained the majority of current operations** and guidance on supporting the secure transmission of confidential information has been provided systematically. Host Administrations, Partner Administrations and experts have been proactive in engaging in remote support and have initiated remote missions through video conferencing and other secure tools. Experience to date suggests that in many cases, remote support can provide highly flexible expert inputs for ongoing programmes, but is insufficient for initiating new programmes where face-to-face contact and discussion are essential.

Partner Engagement

The substantial growth in both the number and scope of programmes has been possible due to active participation from Partner Administrations to meet expanding demand. The initiative counts 18 Partner Administrations (see Figure 2.5), which include 7 tax administrations currently involved in South-South co-operation and several more having expressed interest in deploying their serving tax officials on TIWB programmes going forward. The FTA, bringing together Commissioners from 53 advanced and emerging tax administrations across the globe, remains instrumental in mobilising new TIWB partners.

Figure 2.5. TIWB Partner Administrations

Partner Administrations are the greatest source of TIWB experts, followed by OECD experts working on capacity building programmes and the experts from the UNDP-managed TIWB Roster. Figure 2.6 below gives a breakdown of expert sources for the 79 current and completed TIWB programmes.

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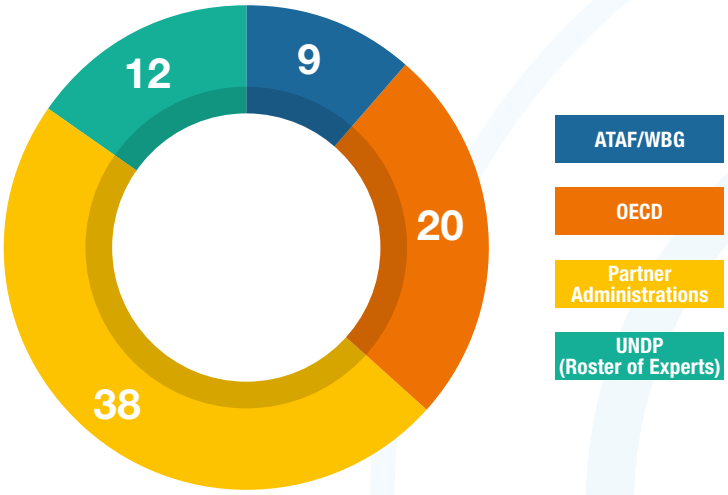
Figure 2.6. Expert Sources for Current and Completed TIWB Programmes



UNDP Roster of Experts

The UNDP-managed Roster of tax audit experts includes specialists from Australia, Canada, Ghana, India, Kenya, Nigeria, Peru, South Africa and the United States. In 2019, UNDP embarked on the recruitment of French and Spanish-speaking experts to cater for specific language demands from upcoming TIWB programmes. To support the expanded scope of the TIWB initiative, the expert Roster will be relaunched in the second half of 2020 to invite more candidates qualified in additional categories of tax expertise, as well as having diverse language skills. At the same time, UNDP is making efforts to automate the Roster to make it easier for tax experts to be connected with the TIWB Secretariat and allow for faster and more accurate matching between the skillsets of experts and qualification requests from Host Administrations.

South-South Co-operation

In 2019, TIWB met its targeted expansion goal of five new South-South programmes launched, followed by a further three programmes in the first six months of 2020. Table 2.1 below sets out a list of South-South TIWB programmes to date.

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Table 2.1. South-South TIWB Programmes

	Host Administration	Partner Administration
1	Botswana	Kenya
2	**Botswana**	**Industry Expert from South Africa**
3	**Cameroon**	**Morocco**
4	Colombia	Mexico
5	Eswatini	India
6	**Eswatini**	**Former tax official from South Africa**
7	**Ghana**	**South Africa**
8	**Honduras**	**Roster expert from Venezuela**
9	**Kenya**	**India**
10	Liberia	Nigeria
11	**Sierra Leone**	**India**
12	**Uganda**	**India**
13	Uganda	Roster expert from South Africa
14	Zambia	South Africa
15	**Zimbabwe**	**South Africa**

Note: Programmes launched in 2020 in bold.

In 2020, **the OECD and UNDP are making concerted efforts to encourage countries, including those in the Global South, to become Partner Administrations for TIWB programmes.** This is being done through effective messaging demonstrating the benefits for all parties involved in TIWB programmes, and in particular, the opportunities available to enhance the skills of experts deployed through the programme. **Mentoring and triangular co-operation opportunities are being actively promoted to encourage more developing countries to provide tax experts who can learn alongside more experienced experts.** This is with a view to building skills, experience and confidence, and in turn develop fully independent experts who can be deployed on TIWB programmes. TIWB will meet the costs of deploying mentees in such cases. Box 2.1 sets out some of the advantages to all participants involved in South-South co-operation.

Box 2.1. Leveraging South-South Co-operation

South-South co-operation enables countries and jurisdictions that have comparable historic, economic, geographic and/or social contexts to work together towards achieving sustainable development. In the context of TIWB, such co-operation can enhance knowledge and skills transfers, thanks to mutual understanding of the challenges and experiences of a developing country tax administration. Experts from the Partner Administration are able to provide well-adapted and experience-based technical assistance and practical recommendations while transferring expertise.

Such arrangements can empower not only the Host Administration, but also the Partner Administration expert by providing a peer-to-peer approach to capacity building and a broader range of experience leading to greater self-confidence. Kenya and Nigeria, both TIWB Partner Administrations, have previously received technical assistance as Host Administrations. Since 2012, the Kenya Revenue Authority has been the recipient of a TIWB "lite" programme (assistance on anonymised cases) and with this experience

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provided tax audit expertise to Botswana from 2017 to 2018 under TIWB's first South-South co-operation programme. Additionally, the Federal Inland Revenue Service of Nigeria, which hosted its first TIWB programme beginning in 2016, started sharing its tax audit expertise with Liberia under a TIWB programme in 2017.

Moreover, a South African expert from the TIWB Roster, who was mentored by an official from Her Majesty's Revenue and Customs (HMRC) during a TIWB "lite" programme in Uganda, later led the full TIWB programme in Uganda from 2017 to 2019. The expert helped the Uganda Revenue Authority (URA) progress nine audit cases, guiding URA officials through all audit stages from risk assessment and case selection to tax assessment and collection.

Following the TIWB expert's recommendations, URA's top management is currently reviewing the international tax unit's remuneration structure to support staff retention. This demonstrates a more sustained, organisational-level impact through this programme. URA has commended TIWB's learning-by-doing approach, which not only facilitated the transfer of knowledge and experience, but also increased overall confidence levels of tax officials.

Challenges in Meeting Demand

Language

As the TIWB initiative expands globally, **requests from jurisdictions for more diverse working languages are on the rise**. For some of these working languages (e.g. Arabic, Mongolian, Portuguese, Ukrainian), fluent tax audit experts are in short supply. The Secretariat is currently addressing this challenge by involving a second expert (not necessarily a tax audit expert) who has the required language capacity and knows the local cultural context to assist; as well as by contracting qualified interpreters and translators. This strategy has been implemented successfully in Egypt, Mongolia and Ukraine.

Need for Relevant Sectoral Audit Experts

Increasing demand from Host Administrations for sector-specific programmes has created challenges in matching appropriately experienced experts to programme requests. Demand is particularly strong for experts in the extractives, manufacturing, telecommunications, financial and tourism sectors (see Box 2.2).

Box 2.2. Developing Countries' Challenges of Taxation in the Telecommunications Sector

The rapid evolution of the telecommunications sector in Africa has led to significant growth in investments, revenue and subscriber numbers. The telecoms sector is made up of companies providing telephony, internet and, increasingly, a wide array of related financial services.

By the end of 2018, mobile phone penetration in Sub-Saharan Africa is reported to have reached 456 million unique mobile subscribers; a penetration rate of 44%. This is expected to reach 600 million or 50% of the population by 2025.[1] Researchers have confirmed a link between mobile penetration and economic growth in developing countries with the impact reportedly twice as high as that in developed countries.[2]

1 www.gsma.com/r/mobileeconomy/sub-saharan-africa/.
2 The Impact of Telecoms in Economic Growth in Developing Countries, Leonard Waverman, Meloria Meschi and Melvyn Fuss, Vodafone Policy Paper Series, No. 2, March 2005.

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According to McKinsey,[3] the Middle Eastern and African telecoms sector "boasts penetration growth and profitability far above global averages, contributing nearly 20 percent of the industry's global economic-profit pool and supporting a mobile-broadband subscriber base of well over one billion." Despite the growth in telecoms sector revenue and business volume, there is little in the public realm concerning the tax risks from this sector for developing countries. Emerging evidence points to the fact that tax administrations in Africa and elsewhere are grappling with how to deal with potential profit shifting through transfer mispricing, artificial avoidance of permanent establishment status and use of base eroding payments, such as interest expenses and management fees. Some countries also report challenges in correctly auditing telecoms revenues to ensure correct declarations from all key revenue streams. Understanding the risks and closing the tax gap in the telecoms sector will be essential to stemming base erosion and profit shifting and ensuring adequate resources to fund low-income countries' development agendas.

In 2019, ten Host Administrations requested TIWB programmes for assistance in the telecommunications sector. Audit assistance in this sector is being provided to five tax administrations in Africa.[4]

Need for More Partner Administrations

The Secretariat will need support from Partner Administrations to implement the number of upcoming programmes. The current 18 partners have been very engaged, but with ongoing growth in requests, commitments from more jurisdictions will be required.

Revenue Gains and Value for Money

The TIWB initiative continues to yield significant and immediate impact. **TIWB audit assistance, including anonymised casework conducted during ATAF/OECD/WBG workshops since 2012, has led to increased tax revenues collected of more than USD 537 million as of 30 June 2020, and further tax assessments worth USD 1.84 billion.** As more TIWB programmes are completed, these amounts are expected to continue growing strongly. It is important to note that given time lags in finalising cases and reporting, some audit results from the reporting period are not yet included in these figures.

At a regional level, revenue increases from Africa continue to be prominent with a large TIWB footprint in that region (see Figure 2.7 below).

In addition to tax revenues collected, information on the total tax assessed on audit cases supported by TIWB programmes is now being gathered. By measuring the conversion rate of assessed revenues to collected revenues, this new metric will, in the future, help evaluate the quality of audits conducted.

TIWB programmes provide a significant return on investment and represent excellent value for money. On average, USD 70 in additional tax revenues[5] have been recovered by Host Administrations for every dollar spent on TIWB operating costs between 2012 and 30 June 2020. The decrease from the previously reported average of over USD 100 in additional tax recovered for every dollar spent is mainly due to an increase in programme costs resulting from a significant rise in the number of programmes and a substantial time-lag between the commencement of programmes and the assessment and collection of tax assessed from taxpayers. In particular, domestic objection and appeal processes can be lengthy.

3 www.mckinsey.com/industries/technology-media-and-telecommunications/our-insights/winning-the-rush-for-data-services-in-the-middle-east-and-africa.

4 Also see Annex C for details of the telecom side event held during the Seventh Pan African Conference on Illicit Financial Flows and Taxation in Nairobi, Kenya in October 2019.

5 Based on estimates by the TIWB Secretariat.

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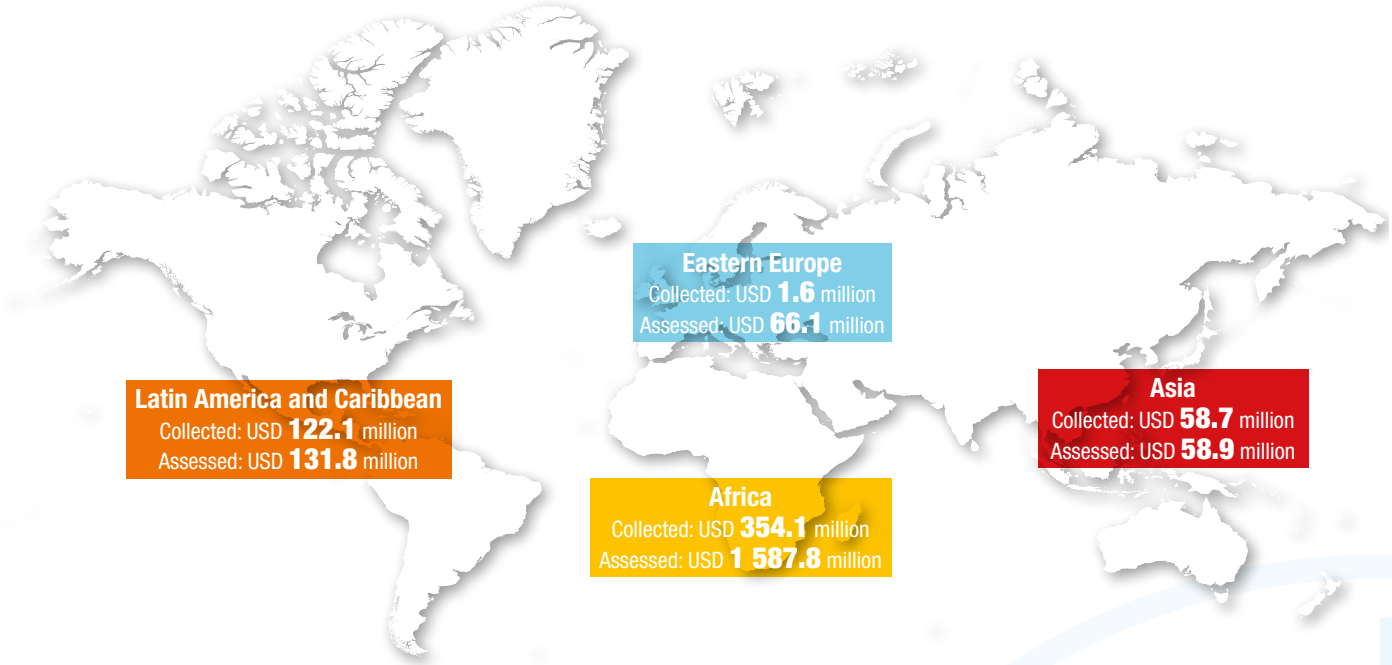
Figure 2.7. Cumulative Regionally Reported Revenue Increases from TIWB Assistance



Source: TIWB Secretariat
Note: 2012 to 30 June 2020

Broader Impacts Beyond Tax Assessments

Monitoring and evaluation tools for measuring impact are being progressively improved. Initial recommendations made in the recent stocktake are also being implemented (see Chapter 3) to improve effectiveness and increase standardisation of processes. Figure 2.8 identifies the tools used by the TIWB Secretariat to measure the quantitative and qualitative outcomes beyond revenue gains.

Figure 2.8. TIWB Impact Measurement Tools

Quantitative Outcomes	Qualitative Outcomes
• Increased tax assessed/collected amounts • Increased number of cases audited and finalised	• Improvements in skills and competencies • Improved tools, procedures and processes • Organisational changes that incentivise quality and consistent auditing • Shifts in taxpayer behaviour and increased voluntary compliance

Source: TIWB Secretariat

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Tax administrations supported by TIWB and other related assistance providers (e.g. ATAF) are reporting a range of outcomes beyond increased tax revenues collected. These outcomes include:

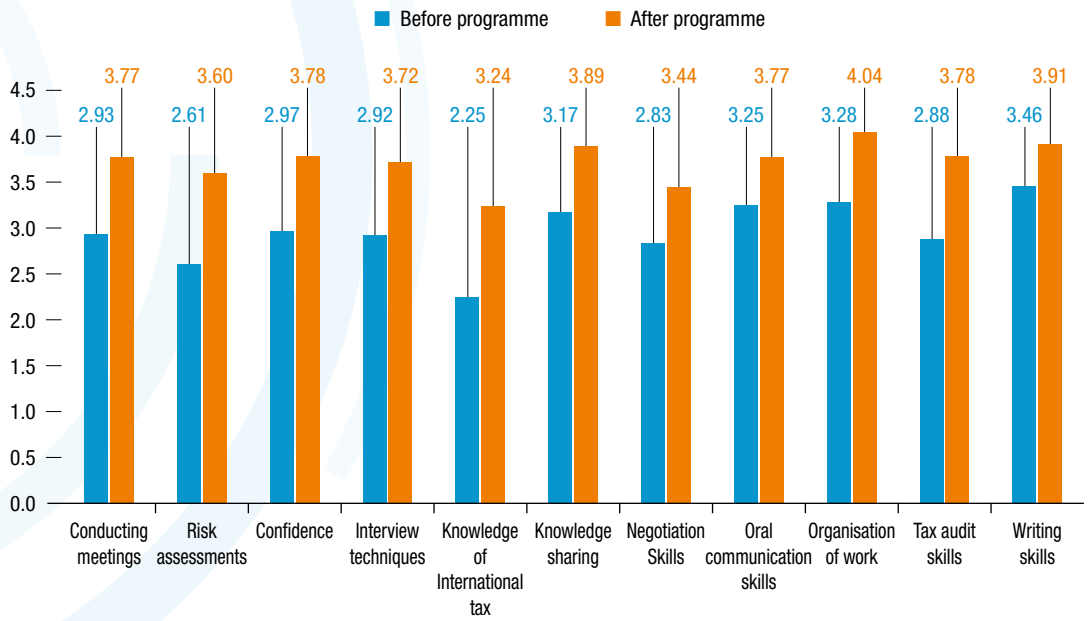
- skills development to conduct higher quality audits;
- improved tools, procedures and processes;
- organisational improvements; and
- improved overall taxpayer compliance.

These reported outcomes have been gleaned from experts' mission reports, tax-auditor self-assessment forms, TIWB progress reviews and programme evaluation forms.

Enhancing Skills of Participating Staff

Overall, many Host Administrations having completed TIWB programmes report improvements in skills and competencies of participating staff. **Feedback from Host Administrations indicate that auditors' self-confidence in conducting international tax audits is growing.** This generally aligns with the self-evaluations completed by 52 tax auditors at the beginning and end of TIWB programmes. In these self-evaluations, local tax auditors assessed their competences on a scale of 1 (poor) to 5 (excellent) in 11 categories prior to and following programme implementation. An analysis of the results showed an average perceived increase of 33% across all competences, with the highest increases seen in knowledge of international tax (+56%) and conducting risk assessments (+52%). See Figure 2.9 below.

Figure 2.9. Increased Perceived Competence of TIWB-trained Auditors



Source: TIWB Secretariat

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Improved Processes

As an integral aspect of TIWB long-term capacity building objectives, TIWB experts provide support and advice on audit-related methodologies, processes and procedures of Host Administrations. The experience and external perspectives experts provide can help identify and implement suitable process improvements and disseminate best practices.

The experience of working on live audit cases, with the support of a TIWB expert, can lead to the development of new or improved procedures and tools, such as transfer pricing audit manuals, and risk assessment tools; as well as guidance materials and practice notes on the interpretation of domestic tax laws, such as those relating to transfer pricing documentation (see Box 2.3). Such guides and processes have helped improve consistency, increase tax certainty and procedural transparency, and support knowledge management within Host Administrations.

Box 2.3. Egyptian Tax Authority: Improved Risk Assessment

The first TIWB programme in Egypt focussed on building a strong foundation to commence transfer pricing audit (e.g. risk assessment, development of audit strategy, analysis and methodology) at the Egyptian Tax Authority (ETA), as the ETA did not have prior transfer pricing experience. The ETA's transfer pricing team made significant progress in terms of familiarity with transfer pricing methodologies, documentation, and audit strategy during its first TIWB programme, which spanned from 2017 to 2019. This work led to the development of a transfer pricing manual with the TIWB experts' support. The manual covers processes for drafting transfer pricing reports and case selection through standardised risk assessment, as well as providing guidance on the conduct of transfer pricing analyses in audit cases. These improvements have contributed to greater systematisation and consistency, while improving auditors' abilities to successfully conduct transfer pricing audits.

Applying the new processes, ETA auditors then undertook a risk assessment exercise to select 24 audit cases with the support of TIWB experts.

Organisational Improvements

The need for specialised transfer pricing teams has been well recognised by various tax administrations around the world, due to the significant presence of MNEs operating globally and the complexity and risk posed by intragroup transactions on the integrity of the tax system.

Experience has shown that in many countries, a dedicated team of transfer pricing specialists and the establishment of a specialised transfer pricing unit (TPU) encourages knowledge transfer, consistency in the application of the law and improved transfer pricing practices. TPUs create a single "line of sight" accountability for transfer pricing audit outcomes and the management of transfer pricing risks. An example of organisational changes and the establishment of a dedicated TPU in Papua New Guinea (PNG) is set out in Box 2.4 below.

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Box 2.4. Papua New Guinea: Organisational Improvements in 2019

In recent years, PNG has made significant efforts in implementing the BEPS Package and other international taxation measures. Much of this effort has focused on enhancing PNG's ability to tackling transfer pricing abuse.

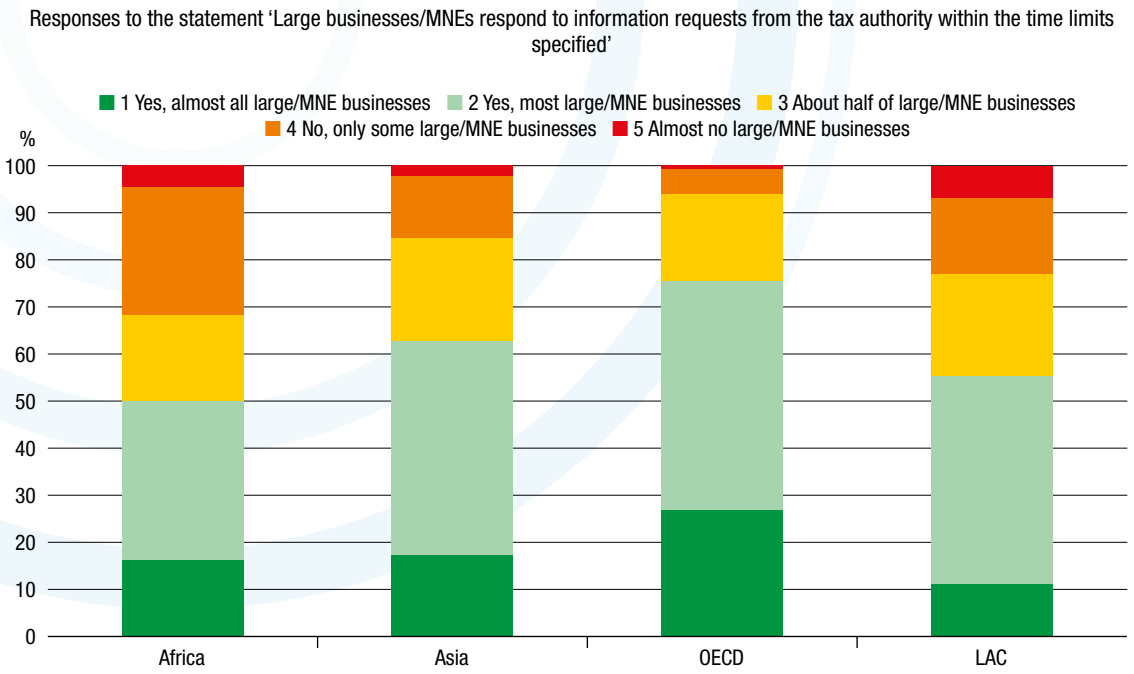
During a 2019 TIWB mission to Port Moresby, TIWB experts worked with PNG's Internal Revenue Commission (IRC) and recommended the creation of a dedicated TPU, details of its functions and roles, composition and how it would interact with other divisions of the IRC. The IRC considers a specialised transfer pricing team and a dedicated organisational structure as an essential part of their response to MNEs undermining the integrity of the tax system using transfer pricing-based BEPS structures.

The establishment of the TPU in PNG is fundamental and is linked to the ongoing TIWB programme focussed on the forestry sector and the new BEPS Mining Programme supported by the OECD and the Intergovernmental Forum on Mining, Minerals and Sustainable Development as transfer pricing is a central focus of both programmes.

Taxpayer Compliance

The Secretariat has anecdotal evidence from some countries that **taxpayer compliance has improved following TIWB programmes**, with MNEs becoming more responsive to information requests from the tax administration. Efforts are now underway to identify such impacts more systematically. Whilst the most accurate methods to track compliance would involve surveys of company perceptions and detailed tracking of interactions with the revenue authority, such an approach would have a very high burden of collection. An alternative approach has begun, based on surveying the perceptions of tax officials.

Figure 2.10. Tax Officials' Perceptions on Large Business/MNE Behaviour



Note: Based on 1240 responses from 139 jurisdictions, aggregated by region
Source: OECD Survey of Tax Officials Perceptions 2019/20

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This approach builds on recent tax morale work undertaken by the OECD, under which a global survey of tax officials' perceptions of behaviour of MNEs/large businesses was conducted over several months in late 2019 to early 2020. This survey included questions on perceptions of behaviour in a range of areas, including those where anecdotal evidence suggests TIWB may have an impact, such as responsiveness to requests; how open and honest businesses are with the tax authorities; and willingness to co-operate with the tax authorities. Figure 2.10 above shows regionally aggregated results on perceptions of timeliness of response to requests, which highlight significant scope for improvement, especially in Africa and Latin America, where TIWB is very active.

In some countries, where sufficient data from the global survey is available, this information can be used as a baseline for current TIWB programmes. Elsewhere, baseline studies can be conducted at the beginning of a TIWB programme, with progress tracked through repeat surveys at the end of the programme and, ideally, at fixed points thereafter.

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Chapter 3

Lessons Learned and Recent Expansion

This chapter incorporates the recently concluded TIWB stocktake report, as well as information on the expansion of the initiative into new areas of international tax.

TIWB Stocktake

In May 2019, senior management of the OECD and UNDP came together to take stock of progress of the TIWB initiative since 2015, identify what works effectively and where gaps still exist, and agree on an action plan of next steps.

Both partners acknowledged that 2019 marked an important inflection point for TIWB since its launch at the Third International Conference on Financing for Development in Addis Ababa in July 2015. The partners thus agreed on the need to address and systematise the *ad hoc* processes in the delivery of TIWB programme implementation, which was appropriate for the experimental development stage, but less suited to a more ambitious scale.

Therefore, in October 2019, a stocktake of the TIWB initiative was launched to help the OECD and UNDP distil an understanding of the initiative as a product, clarify policy aspects, professionalise and define how TIWB does business, and advise on how to prepare for the next phase of TIWB's expansion.

The TIWB Governing Board approved the report setting out the stocktake results on 5 May 2020.

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Methodology

The methodology used for the stocktake covered both qualitative and quantitative assessments consisting of surveys and face-to-face interviews with key stakeholders, including Host Administrations, Partner Administrations, donors, experts and UNDP Country Offices (COs); desk reviews of internal processes, procedures; and existing instruments for monitoring and evaluation.

Policy Dimensions: Progress Against Original Design Objectives

The stocktake found that the objective of building tax audit capacity in developing countries through a "learning by-doing" approach has been partially achieved, with Host Administration officials who have participated in TIWB programmes indicating that the process itself does indeed build capacity.

The stocktake recommended a stronger impact measurement approach to test the extent to which capacity has been built through TIWB assistance.

Important progress has been made on increasing tax revenues through TIWB programmes. Although the quantum of revenues is modest in the context of the overall financing needs of developing countries, this is an important metric for many stakeholders, including TIWB's donors (who increasingly require value for money metrics). Though it is likely to remain a niche instrument, TIWB shows great potential to generate far more revenues for developing countries if properly harnessed.

On the core feature of taxpayer confidentiality, **TIWB has established essential tools and protocols to ensure that measures in place for protecting the confidentiality of taxpayer information are adequate**. In particular, confidentiality clauses in TIWB programme Terms of Reference agreements are standard and TIWB experts are commonly required to sign Oaths of Secrecy. However, leakage of sensitive taxpayer data is a real risk for the TIWB initiative in the context of sharing confidential information through email and other online platforms. This risk must be carefully assessed and managed, particularly as programmes generally involve remote data sharing between Host Administrations and experts.

TIWB's stated feature of delivering assistance through short-term, periodic deployments of experts, has been sustained. The average programme runs for 20 months. However, the initiative must better exploit opportunities for remote assistance through the deployment of secure remote working tools in order to promote continuity between onsite visits. This necessity has become particularly acute with the imposition of travel and other restrictions implemented as a result of the COVID-19 crisis (see Box 3.1 below).

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Box 3.1. Key Stocktake Recommendations and Progress: Policy Dimensions

(i) Clear measures of assistance effectiveness are essential for TIWB's success. TIWB should develop a strong Monitoring and Evaluation (M&E) system to test if capacity has been built through the process and to measure other impacts beyond revenues.

— An M&E Manual (i.e. scorecard, impact indicators) is under development and will be implemented by the end of 2020.

(ii) To mitigate against the risk of confidential taxpayer data leakage and to promote more active remote assistance between in-country missions, a secure data-sharing tool should be introduced.

(iii) TIWB should more systematically quality-assure programme delivery on the ground. OECD/UNDP staff can be used as agents to make periodic assessments to ensure that the TIWB experts deliver high-quality assistance and prevent the risk of substitution of foreign experts for Host Administration audit staff.

(iv) TIWB should offer training or access to current training platforms (e.g. eLearning) to TIWB experts - particularly retired experts - before deploying them to implement a programme.

Demand for TIWB Programmes

Looking ahead, there is significant ongoing potential demand for TIWB programmes across the globe. To date, the primary demand has come from low-income and lower-middle-income countries, usually BEPS Inclusive Framework members. In addition, repeat requests from Host Administrations having already participated in TIWB programmes has been a strong driver of demand. To illustrate, as of 1 January 2020, 12 developing countries that had already received TIWB assistance were at various stages of requesting further programmes. However, approximately 40 countries listed by the Development Assistance Committee (DAC) and categorised as lower middle income or least developed do not currently participate in TIWB programmes (see Box 3.2 below).

Box 3.2. Key Stocktake Recommendations and Progress: Demand

(v) De facto entry criteria should be formalised (published) to make the eligibility process transparent and rule-based.

— Eligibility criteria have been developed as follows: the request

a. is for experts to work on real, current audit cases;
b. has an international taxation dimension;
c. is for periodic on-site assistance and with no substitution;
d. originated from a country on the list of DAC recipients; and
e. affirms that there are no legal restrictions for audits to be conducted by or with the participation of a foreign expert.

(vi) The TIWB Secretariat should establish strong post-programme follow-up. The principle of ensuring Host Administrations address basic recommendations from previous deployments should be systematically observed.

(vii) TIWB should introduce a clear exit strategy to ensure sustainability of benefits and to build ownership by Host Administrations following completion of TIWB programmes.

(viii) Based on qualitative impact evaluation results (within two years), the Secretariat should introduce a policy requiring continued commitment from Host Administrations, e.g. Host Administrations could be required to cover a proportion of programme costs after deployment of an agreed number of programmes in each country.

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Other demand side issues include the following:

- The current policy of the TIWB initiative is to respond positively to most countries and jurisdictions that request assistance. Although the Secretariat has *ad hoc* criteria for testing the eligibility of a request, the process will be formalised and made more transparent.
- There is a need to gauge commitment of Host Administrations to ensure sustainability of TIWB programmes as a basis for continued TIWB support and to define a clear exit strategy.

Constrained Supply of TIWB Experts

The supply of qualified experts for TIWB programmes is constrained. **The current sources of experts - a network of experts from 18 Partner Administrations, the UNDP-managed Roster of 52 experts, and 9 experts from the OECD's Centre for Tax Policy and Administration - are insufficient to meet future demand.** There is a particular shortage of qualified Spanish, French, and Portuguese speaking experts. Although there are systemic market constraints, including an overall scarcity of transfer pricing experts available for development work, some actions are possible. These include relaunching the UNDP Roster pool (which currently includes approximately 40 non-active experts) and a more proactive approach to engaging potential Partner Administrations.

Other supply side issues include:

- The current overall processes for sourcing, selecting, quality assuring and contracting experts could be strengthened. In particular, a strategic approach is needed in selecting high-quality serving officials. Clearer vetting procedures are needed, including ensuring that experts have the correct orientation to build capacities in challenging institutional settings, not just delivering technical content.
- There is demand from Host Administrations for industry experts to complement work on audits under TIWB programmes. Seven such experts have been deployed to date. Host Administrations consider the knowledge brought by industry experts on general business processes and supply chain issues to be essential to inform audits. Potential conflict of interest risks associated with industry experts (e.g. failure to disclose conflicts of interest by an industry expert, who might have worked for a company or has direct links to the industry which is the subject of the tax audit) require close management.
- South-South co-operation can maximise the benefits of assistance through greater common understanding. In addition, Host Administrations report ease of assimilation of knowledge when programmes are implemented by an expert with similar language skills and culture to the local officials.

Programme Management: Business Processes and Financing

The TIWB programmes are currently managed by the Secretariat using a complex Excel workbook. **A more automated and comprehensive project management system would greatly improve the efficiency and effectiveness of all TIWB operations** (see Box 3.3 below).

UNDP has sufficient funds allocated for TIWB operations via grants from Norway and Finland. The OECD ensures sustainability of financing of the TIWB Secretariat and activities/operations under the 'BEPS and Developing Countries Project' fund within the OECD.

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Box 3.3. Key Stocktake Recommendation and Progress: Programme Management

(ix) To deliver TIWB programmes effectively and improve monitoring and evaluation processes, specialised project management tools should be put in place.

— MS dynamics and UNICC's Non-Profit Accelerator (electronic programme management tools) will be introduced in 2020.

Governance: Oversight and Partnerships

The initiative's external governance mechanism is efficient, appropriate and proportionate. In 2019, the Governing Board Co-Chairs identified the need to expand the Governing Board, maintaining gender and regional balance. The new members joined the Board in early 2020.

The OECD and UNDP partnership is based on an appropriate division of labour with separate internal governance and funding arrangements. A jointly funded and fully integrated single Secretariat in one location is not required at this point (see Box 3.4 below).

Box 3.4. Key Stocktake Recommendation: Governance

(x) Maximise potential of the UNDP CO network by making better linkages between TIWB and other programmes at the CO level, as well as to the broader agenda of financing the Sustainable Development Goals (SDGs).

Conclusion of the 2019/20 TIWB Stocktake

The stocktake concluded that TIWB is an extremely well-positioned initiative operating in a complex international landscape. Its unique features have guided its implementation well so far. However, the TIWB stocktake has demonstrated that, partly due to rapid expansion, some important aspects of a guiding policy framework could be strengthened.

As the initiative had initially been operating in a largely experimental phase, acceptance of assistance requests, selection of TIWB experts, measuring of qualitative impact, communications with the key stakeholders have in many cases been *ad hoc*. Moreover, significant effort thus far has been devoted to reaching the objective of 100 deployments by end of 2020. As a result, the systems, procedures and tools used have not always kept pace with implementation imperatives.

To summarise, in operational terms, TIWB will:

- effectively address the current demand and focus on the quality of programme delivery;
- engage more Partner Administrations and re-launch the UNDP Roster expert pool;
- introduce a secure data-sharing tool to mitigate risks regarding leakage of confidential taxpayer data;
- mitigate conflict of interest and other risks using appropriate systems and procedures discussed above;
- develop a strong monitoring and evaluation system;
- actively innovate with remote assistance for programme deployments; and
- enhance the business operations of TIWB.

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The evidence-based policies, tools and systems outlined above will be implemented in the course of 2020, to gear up for expanded operations beginning in 2021, depending on the outcomes of the pilot programmes and impact of the COVID-19 crisis. The next Annual Report will review progress with implementation.

Progress on Expansion into New Areas

The stocktake also concluded that TIWB should expand into new areas, such as tax crime investigations, effective use of AEOI, joint audits, tax treaty negotiation and administration, and natural resources and environmental tax issues. Progress on developing new areas is reported below.

Tax Crime Investigation Pilot Programmes

In 2019, the TIWB Secretariat developed a concept for tax crime investigations (TIWB-CI). This recognised that both the development of investigative skills and building institutional capacity are important prerequisites, before real TIWB criminal investigations can begin.

With this important background in mind, a self-assessment diagnostic tool, the 'Tax Crime Investigation Maturity Model' (Maturity Model) developed by the OECD, is being used for assessing the current level of capacity in a jurisdiction when commencing a TIWB-CI programme. By incorporating an assessment of the wider institutional and organisational setting, the Maturity Model provides a solid framework to ensure support is appropriately tailored to meet the particular needs of Host Administrations (see Box 3.5).

Box 3.5. Tax Crime Investigation Maturity Model

A maturity model is a self-assessment tool to help an organisation understand its current level of capability in a particular functional or strategic area. It sets out different levels of maturity, with attributes for each level, across multiple dimensions.

The Maturity Model used under TIWB programmes draws on the OECD's Task Force on Tax Crimes and Other Crimes' "Fighting Tax Crime: The Ten Global Principles"[6] as its building blocks. When implemented in a holistic manner, these ten principles lay the foundation for an effective tax crime investigation regime. This Maturity Model has identified the processes that have led to effective outcomes in various jurisdictions. These are used as the objective criteria for determining the level of maturity in a jurisdiction: Emerging, Progressing, Established, or Aspirational.

The Maturity Model provides jurisdictions with the ability to self-assess their current levels of maturity and identify existing gaps and capacity building requirements. It also serves as an impact measurement tool for assessing the outcomes of capacity building initiatives undertaken in a jurisdiction.

Based on the Maturity Model's self-assessment outcomes, an Action Plan with recommendations for capacity building is prepared for the host jurisdictions by the OECD. This Action Plan is then implemented with support from a Partner Administration and other international agencies, where relevant.

6 www.oecd.org/tax/crime/fighting-tax-crime-the-ten-global-principles.htm.

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Scoping missions, along with self-assessments using the Maturity Model, have been completed in five jurisdictions (Armenia, Colombia, Kenya, Pakistan, Uganda) which commenced pilot programmes in 2019. Action Plans have been finalised for Armenia and Colombia, and are in progress for the other three countries.

Armenia signed a memorandum of understanding with Italy in 2019 to work on its TIWB-CI programme implementation. Partner Administrations for the remaining four jurisdictions have also been identified and terms of reference for the programmes are being finalised. Actual results from investigation case work will be reported in the coming year.

Figure 3.1. TIWB-CI Uganda

Note: URA Commissioner General, Commissioner (Investigation), Indian Expert, TIWB-CI coordinator and other officers
Source: TIWB Secretariat

TIWB Pilot Project on Effective Use of AEOI

In November 2019, TIWB launched a new pilot project on effective use of AEOI data. The project, which will be co-ordinated with the Global Forum, was unveiled during the Global Forum's 10th anniversary meeting in Paris and will complement existing technical assistance offerings. Pilot programmes will be launched in 2020/21.

The new pilot programmes will incorporate hands-on support on the use of AEOI data, including data analytics, risk assessments, compliance interventions, awareness campaigns, notifications to taxpayers, audit policy and practice, and generating tax assessments.

TIWB Support for Joint Audits

The Secretariat is actively seeking opportunities for pilot programmes focused on extending support to lower capacity jurisdictions to undertake joint audits. Joint audits have become an important part of the international tax landscape, reflecting the need for tax administrations around the world to co-operate ever more closely with each other to ensure compliance, tackle base erosion and profit shifting, and minimise costly and time-consuming taxpayer disputes.

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The FTA Joint Audit Report[7], published in March 2019, recommends co-ordinated actions by tax administrations, including the formation of joint audit teams. Under the TIWB pilot programmes, experienced joint audit experts will share practical experience in conducting joint audits, including answering questions relating to international tax structures and exchange of information with the other tax administrations.

TIWB Support for Tax Treaty Negotiation and Administration

This new area of TIWB pilot programmes aims to support developing countries in treaty policy formulation and treaty negotiation. These programmes could also assist with the formulation of a country model or an opening text for negotiations, as well as providing support to administer and monitor compliance with treaty provisions.

7 www.oecd.org/ctp/joint-audit-2019-enhancing-tax-co-operation-and-improving-tax-certainty-17bfa30d-en.htm.

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Chapter 4

International Outreach and Communications

International Outreach

Throughout the reporting period, the TIWB Secretariat continued to promote the TIWB initiative by participating in international meetings. **The Secretariat extensively engaged with stakeholders at various conferences and side events**, including the Inclusive Framework plenary meetings held in Paris in January 2019, May 2019 and January 2020, as well as the Global Forum plenary meeting held in November 2019. These efforts were also supported by the engagement of Governing Board members and high-level representatives from both the OECD and UNDP.

The Secretariat has benefited from significant positive feedback from stakeholders.[8]

Information on specific events can be found in Annex C.

Strategic Communications

The TIWB website (www.tiwb.org) continues to be a primary channel through which news and information about the initiative is disseminated. E-Newsletters[9] with updates on programmes, country experiences and insights, are published twice yearly.

In 2019, an additional section was added to the website highlighting new multimedia content.[10] This includes two animated videos: "How it Works" and "TIWB: Expert Assistance". It also showcases the second TIWB Senegal programme implemented in partnership with France, as

8 Video testimonials are available at www.tiwb.org.
9 www.tiwb.org/resources/newsletters/.
10 www.tiwb.org/resources/media/.

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well as Tax Administration Jamaica's TIWB experience. New videos providing testimonials by Host Administrations, Partner Administrations and regional organisations are also available.[11]

The Secretariat regularly reports to important global institutions that monitor progress on key development initiatives, including the G20 Finance Ministers, the Inter-Agency Task Force on Financing for Development,[12] the Addis Tax Initiative Monitoring Report,[13] the Platform for Collaboration on Tax,[14] and the Global Partnership for Effective Development Co-operation.[15]

The initiative also contributes to the OECD/G20 Inclusive Framework on BEPS Progress Report,[16] as well as the OECD's Tax Co-operation for Development Report,[17] both of which are issued annually.

11 www.tiwb.org/get-involved/.
12 www.developmentfinance.un.org/report.
13 www.addistaxinitiative.net/ati-monitoring-reports.
14 See, for example: www.tax-platform.org/countries-map.
15 www.effectivecooperation.org/.
16 www.oecd.org/tax/beps/oecd-g20-inclusive-framework-on-beps-progress-report-july-2019-july-2020.htm.
17 www.oecd.org/tax/tax-global/tax-co-operation-for-development-progress-report.htm.

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Chapter 5
Governance, Organisational Developments and Financing

New Governing Board Members

In April 2019, the Governing Board approved an extension of the current Board members' mandate for an additional three years and proposed the creation of new Board seats. Four new members were invited to join the Board in 2020, reflecting stakeholder interests, as well as geographic diversity and gender balance. The new Board members are:

- **H.E. Ville Skinnari**, *Minister for Development Co-operation and Foreign Trade, Finland*. Finland was UNDP's original TIWB donor. The Minister joins the Board to firm up representation of donor partners and consolidate Finland's engagement in the initiative.
- **Mary Baine**, *Director of Tax Programmes, ATAF*. Mary Baine is a former Commissioner General of Rwanda. ATAF is a key collaborator for TIWB programmes in Africa.
- **Dr. Ekniti Nitithanprapas**, *Director General, Revenue Department of Thailand*. Dr. Nitithanprapas is well respected in Asia and brings a wealth of business management experience and links to a strong network of tax administrators in the Asia region, having worked as Director General in Thailand since 2018.
- **Nora Lustig**, *Professor of Latin American Economics and Director of the Commitment to Equity Institute (CEQ) at Tulane University*. Professor Lustig, an Argentinian national, is a distinguished academic with impressive credentials on economic development, inequality and social policies with an emphasis on Latin America. She has strong links to the Brookings Institution, the Center for Global Development and the Inter-American Dialogue.

A full list of current Governing Board members can be found at Annex D.

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UNDP: Restructuring and Augmenting of Capacity for TIWB

As part of its Strategic Plan for 2018-2021, UNDP established a Global Policy Network (GPN) in January 2019. The GPN will leverage knowledge and expertise within UNDP in a coherent manner and with integrated ways of working. It will operate through interconnected nodes that represent staff and teams. **As part of the GPN, TIWB is being managed under the Finance Sector Hub in UNDP's Bureau for Policy and Programme Support.**

With the demand for the initiative continuing to grow, the TIWB project at UNDP has been extended for a period of two additional years to 31 December 2021.

Operational support

On the operational side, apart from the existing teams at the TIWB Secretariat located at the OECD in Paris and UNDP headquarters in New York, resource persons are also being recruited to UNDP regional hubs in Pretoria (South Africa), Bangkok (Thailand) and Amman (Jordan) to co-ordinate the work of TIWB at the regional level.

New UNDP Country Office engagement strategy

It has been recognised that UNDP regional hubs and COs can play an important role in supporting the implementation of TIWB programmes, as well as in fostering long term systemic changes in host countries. COs can provide country context and map out concurrent support programmes to avoid duplication of technical assistance provided by different development partners. COs can also assist in post-programme follow-ups and help evaluate the impact of a TIWB programme against long-term indicators, such as Host Administration capacity and improvements in tax morale/tax compliance.

During the last year, recognising the importance of TIWB and domestic resource mobilisation initiatives, CO representatives suggested a need for systematic guidance and additional resources at the country level. This would enable COs to maximise their impact on TIWB programmes and provide the necessary resources to identify complementary domestic resource mobilisation initiatives in-country.

Accordingly, **a new CO engagement strategy is being developed by UNDP headquarters to better situate TIWB among other initiatives at the country level in order to achieve the SDG agenda.** This CO engagement strategy will aim to increase TIWB's developmental impact and foster systemic reforms.

Funding

In 2019, a total of USD 2 058 102 was spent on implementing TIWB activities (USD 1 611 598 by OECD and USD 446 504 by UNDP). Expenditures for 2020 will be available in early 2021.

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Chapter 6

2020 Objectives and Work Plan

Despite the challenges posed by the COVID-19 pandemic, **TIWB has ambitious objectives in 2020 and beyond to promote more effective international co-operation,** with the ultimate aim of enhancing domestic resource mobilisation for developing countries and encouraging a more predictable investment climate for taxpayers.

A key output over the period 2016-2020[18] was to reach 100 programmes. To this end, by December 2020, TIWB aims to launch additional programmes in co-operation with regional and international organisations. Given the travel restrictions imposed as a result of the pandemic, many TIWB operations will be delivered remotely. Investments are being made to ensure that confidential taxpayer information is shared securely between TIWB partners.

The TIWB Secretariat plans to undertake the following activities in the coming year:

1. Maintain existing TIWB programmes and commence new programmes to meet the goal of 100 completed or ongoing programmes by the end of 2020.
2. Implement five tax crime investigation and two effective use of AEOI pilot programmes, and develop concepts for the other emerging tax areas under TIWB.
3. Develop new relationships with at least five new Partner Administrations willing to deploy tax audit experts for TIWB programmes, with a particular focus on tax administrations from the Global South.
4. Increase South-South co-operation in order to reach 15 South-South programmes by December 2020.

18 A full list of the objectives of the TIWB initiative from 2016 is included at Annex E.

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5. Encourage stronger support from regional/international organisations in delivery of TIWB programmes, including through facilitating at least two regional and/or sector-based capacity building workshops.
6. Expand the TIWB offering in the LAC and Asia and the Pacific regions by 50% with the support of regional and international bodies.
7. Expand the UNDP Roster of experts to include at least ten new Spanish-speaking and at least ten new French-speaking experts.
8. Disseminate two newsletters in three languages (English, French, Spanish) and increase subscriber numbers.
9. Publish the TIWB Annual Report in three languages (English, French, Spanish).
10. Launch three new mentoring programmes with a particular focus on women, with a view to expand the participation of female experts from developing countries.
11. Maintain active engagement by at least 20 experts on the TIWB Experts Community of Practice using the Knowledge Sharing Platform (KSP_{TA}) to facilitate the exchange of experiences.
12. Convene the TIWB Governing Board and organise update meetings with the TIWB Technical Advisory Group.
13. Organise a virtual Experts' Roundtable event and Stakeholders' Forum
14. Implement recommendations emanating from the stocktake exercise, including expansion into new tax areas.

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Annex A
Progress against 2019 Objectives

Table A.1. Progress against 2019 Objectives

Objective	Status
1. Maintain existing TIWB programmes, sourcing and commencing new programmes towards the goal of prorate 85 completed or ongoing programmes by 2019, per the Objectives 2016-2019, in co-operation with regional and international organisations, including establishing at least five new South-South programmes.	Achieved 72 completed and ongoing programmes and launched six new South- South programmes including Cameroon-Morocco, Ghana-South Africa, Honduras – Expert from Venezuela, Kenya-India, Uganda-India, Zimbabwe-South Africa
2. Develop relationships with five new Partner Administrations willing to provide tax audit experts for TIWB programmes, with a particular focus on tax administrations from the Global South.	Integrated two new Partner Administrations: Canada and Morocco.
3. Strengthen existing collaborations with regional/international organisations in support of TIWB programmes with a view to expand geographical reach of TIWB in Latin America and the Caribbean, as well as Asia and the Pacific regions.	Key relationships strengthened. See Chapter 4 on International Outreach and Communications and Annex C.
4. Organise a workshop for experts who have undertaken TIWB audit work to share and incorporate lessons learned into the development of the initiative.	A TIWB Experts' Roundtable and Stakeholders' Workshop was held on 18 February 2019 in Paris, France.
5. Monitor and assess results and outcomes from the ongoing TIWB programmes based on short-, medium- and long-term programme impact indicators.	Results and improved monitoring are reported on in Chapter 2. Baseline indicators of long-term success to be measured in 2-3 years' time.

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Table A.1. Progress against 2019 Objectives *(Cont.)*

Objective	Status
6. Support implementation of at least four tax crime investigation pilot programmes, as well as other emerging TIWB areas under consideration. A feasibility note will be produced on new TIWB opportunities in the field of taxation.	Five new pilot programmes launched in Armenia, Colombia, Kenya, Pakistan and Uganda.
7. Publish and disseminate two newsletters incorporating case studies of TIWB programmes.	The Secretariat published and disseminated one newsletter in 2019.
8. Undertake a stocktaking exercise of TIWB operations.	Completed stocktake exercise reported in Chapter 3 of this report.
9. Organise two side events at major international fora to promote TIWB and the sharing of expertise among South-South countries.	Multiple events organised. See Chapter 4 on International Outreach and Communications.

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Annex B

TIWB Programmes

Table B.1. Current TIWB Programmes

Host Administration Country or Juris-diction	Host Administration	Programme No.	Expert(s)	Commenced in	Missions till June 2020	Total weeks in country
Armenia (1)	State Revenue Committee	F2018-0020	Serving tax official	2019	2	1
Benin (1)	*Direction générale des impôts*	F2017-0010	Serving tax official	2019	1	1
Botswana (5)	Botswana Unified Revenue Service	F2017-0014	Former tax official	2017	7	7
Burkina Faso	*Direction Générale des Impôts*	F2018-0015	Roster expert	2018	2	2
Cabo Verde	*Direção das Contribuições e Impostos*	F2019-0002	Roster Expert	2020	1	1
Central African Republic	*Direction générale des impôts et des domaines*	F2019-0009	Serving tax official	2020	1	1
Chad	*Direction Générale des Impôts*	F2018-0010	Serving tax official	2019	4	4
Colombia (2)	*Dirección de Impuestos y Aduanas Nacionales de Colombia*	F2018-0001	Serving tax official	2018	4	4
Colombia (3)	*Dirección de Impuestos y Aduanas Nacionales de Colombia*	F2018-0002	Former tax official	2018	1	0.5
Egypt (2)	Egyptian Tax Authority	F2019-0003	Roster Expert	2019	3	3
Egypt (3)	Egyptian Tax Authority	F2019-0004	Serving tax official	2020	3	2
Eswatini (1)	Eswatini Revenue Authority	F2017-0004	Serving tax official	2018	2	2
Eswatini (2)	Eswatini Revenue Authority	F2018-0027	Former tax official	2020	1	1
Gabon (1)	*Direction Générale des Impôts du Gabon*	F2018-0013	Roster Expert	2019	1	1
Ghana (2)	Ghana Revenue Authority	F2019-0005	Serving tax official	2019	1	1

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Table B.1. Current TIWB Programmes *(Cont.)*

Host Administration Country or Juris-diction	Host Administration	Programme No.	Expert(s)	Commenced in	Missions till June 2020	Total weeks in country
Ghana (3)	Ghana Revenue Authority	F2019-0006	Serving tax official	2019	1	1
Honduras (1)	*Servicio de Administración de Rentas*	F2019-0007	Roster Expert	2020	1	1
Jamaica (3)	Tax Administration Jamaica	IE2019-02	Industry Expert	2019	1	1
Liberia (2)	Liberia Revenue Authority	F2017-0009	Serving tax officials	2017	3	3
Madagascar	*Ministère de l'Économie et des Finances*	F2019-0016	Serving tax official	2019	2	1
Mali	*Direction générale des impôts*	F2019-0011	Serving tax official	2020	3	1
Mongolia	General Department of Taxation	F2019-0001	Former tax official	2019	6	2
Nigeria (2)	Federal Inland Revenue Service Nigeria	F2017-0011	Roster expert	2018	3	3
Nigeria (3)	Federal Inland Revenue Service Nigeria	F2020-0012	Former tax official	2019	2	0
Papua New Guinea (1)	Papua New Guinea Internal Revenue Commission	F2018-0014	Serving tax official	2019	3	2
Papua New Guinea (2)	Federal Board of Revenue	F2018-0016	Serving tax officials	2018	4	4
Papua New Guinea (2)	Papua New Guinea Internal Revenue Commission	IE2018-02	Industry expert	2019	2	1
Sierra Leone	National Revenue Authority	F2018-0023	Serving tax official	2020	1	1
Uganda (4)	Uganda Revenue Authority	F2019-0025	Former tax official	2019	3	2
Ukraine	State Fiscal Service of Ukraine	F2017-0012	Roster expert and language technical expert	2019	2	2
Zambia (3)	Zambia Revenue Authority	F2018-0009	Serving tax official	2018	3	3.5
Zambia (4)	Zambia Revenue Authority	F2019-0008	Former tax official	2019	7	6
Zimbabwe (2)	Zimbabwe Revenue Authority	F2017-0001	Serving tax official	2019	3	3

Note: Numbers in parentheses indicate a unique identifier for countries/jurisdictions where multiple TIWB programmes are in place.

Source: TIWB Secretariat

Table B.2. Current Anonymised TIWB Programmes

Host Administration Country	Host Administration	Programme No.	Expert	Commenced in	Missions till December 2019	Total weeks in country
Kenya (1)	Kenya Revenue Authority	L2012-0002	Former tax official	2012	14	13
Sri Lanka (1)	Inland Revenue Department	L2016-0005	Former tax official	2016	5	4

Note: Numbers in parentheses indicate a unique identifier for countries/jurisdictions where multiple TIWB programmes are in place.

Source: TIWB Secretariat

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Table B.3. Current TIWB Tax Crime Investigation Pilot Programmes

Host Administration Country	Host Administration	Programme No.	Expert	Commenced in	Missions till December 2019	Total weeks in country
Armenia (2)	State Revenue Committee	TC2019-0002	Serving tax officials	2019	1	0.5
Colombia (5)	*Dirección de Impuestos y Aduanas Nacionales*	TC2019-0001	Former tax official	2019	1	1
Kenya (2)	Kenya Revenue Authority	TC2019-0004	Former tax official	2019	1	0.5
Pakistan (2)	Federal Board of Revenue	TC2018-0002	Serving tax official	2019	1	1
Uganda (3)	Uganda Revenue Authority	TC2019-0003	Serving tax official	2019	1	0.5

Note: Assistance was provided to the team at the OECD Africa Academy in Nairobi, Kenya during the first mission. Additionally, numbers in parentheses indicate a unique identifier for countries/jurisdictions where multiple TIWB programmes are in place.

Source: TIWB Secretariat

Table B.4. Upcoming TIWB Programmes

Host Administration Country	Host Administration	Programme No.	Expert	To commence in
Bhutan	Department of Revenue and Customs	F2019-0022	Serving tax official	2020
Cambodia (2)	General Department of Taxation	F2019-0024	TBD	2020
Colombia	*Dirección de Impuestos y Aduanas Nacionales*	F2020-0008	Serving tax official	2020
Dominican Republic	*Dirección General de Impuestos Internos*	F2018-0017	TBD	2021
Georgia (3)	Georgia Revenue Service	F2020-0005	TBD	2021
Guinea (1)	*Direction Nationale des Impôts*	F2019-0018	Serving tax official	2020
Guinea (2)	*Direction Nationale des Impôts*	F2019-0019	TBD	2020
Haiti	*Direction Genérale Des Impots De Haiti*	F2019-0013	Serving tax official	2020
Jamaica (4)	Tax Administration Jamaica	F2019-0017	TBD	2020
Kazakhstan	State Revenue Committee	F2020-0009	Former tax official	2020
Lebanon	Ministry of Finance of the Republic of Lebanon	F2020-0006	TBD	2021
Maldives	Maldives Inland Revenue Authority	F2020-0002	TBD	2021
Mauritius	Mauritius Revenue Authority	F2019-0023	TBD	2021
Senegal (3)	*Direction Générale des Impôts et des Domaines*	F2019-0010	Serving tax official	2020
Seychelles	Seychelles Revenue Commission	F2019-2020	Serving tax official	2020
South Africa	South African Revenue Servie	F2020-0007	Serving tax official	2020
Thailand	The Revenue Department of Thailand	F2019-0012	Serving tax official	2020
Togo	*Office togolais des Recettes*	F2019-0014	Serving tax official	2020
Zambia	Zambia Revenue Authority	F2020-0003	TBD	2021

Note: Numbers in parentheses indicate a unique identifier for countries/jurisdictions where multiple TIWB programmes are in place.

Source: TIWB Secretariat

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Table B.5. Completed TIWB Programmes

Host Administration Country	Host Administration	Programme No.	Expert	Term	Missions completed	Total weeks in country
Albania	Albanian Tax Directorate	F2015-0001	Serving tax officials	2015	1	52
Botswana (1)	Botswana Unified Revenue Service	L2015-0003	Former tax official	2015 – 2017	4	4
Botswana (2)	Botswana Unified Revenue Service	F2016-0006	Serving tax officials	2016 – 2018	5	5
Botswana (3)	Botswana Unified Revenue Service	IE2017-01	Industry expert	2017	1	0.5
Cambodia (1)	General Department of Taxation	L2016-0003	Former tax official	2016	1	1
Cameroon (1)	*Direction Générale des Impôts*	F2017-0002	Serving tax officials	2017 – 2019	7	6
Cameroon (2)	*Direction Générale des Impôts*	F2018-0012	Serving tax official	2019	6	6
Colombia (1)	*Dirección de Impuestos y Aduanas Nacionales*	L2012-0001	Former tax official	2012 – 2014	9	8
Congo (Republic of)	*Direction Générale des Impôts et des Domaines*	F2016-0012	Serving tax official	2017	5	4.5
Costa Rica (1)	*Dirección General de Tributación*	F2016-0005	Serving tax officials	2016 – 2017	5	4
Costa Rica (2)	*Dirección General de Tributación*	F2018-0011	Serving tax officials	2018	2	2
Côte d'Ivoire	*Direction Générale des Impôts*	F2017-0005	Serving tax official	2018	6	6
Egypt (1)	Egyptian Tax Authority	F2016-0011	Serving tax official and Egyptian tax expert	2017	7	7
Ethiopia (1)	Ethiopian Revenues and Customs Authority	F2016-0016	Serving tax officials	2015	9	10
Ethiopia (2)	Ethiopian Revenues and Customs Authority	IE2018-01	Industry expert	2018	1	0.5
Georgia (1)	Georgia Revenue Service	F2016-0008	Roster expert	2016 – 2017	3	3
Georgia (2)	Georgia Revenue Service	F2017-0013	Roster expert	2018	4	4
Ghana (1)	Ghana Revenue Authority	F2014-0001	Serving tax officials	2013 – 2018	9	8.5
Jamaica (1)	Tax Administration Jamaica	F2016-0004	Former tax official	2016	4	5
Jamaica (2)	Tax Administration Jamaica	F2016-0013	Serving tax official	2017	7	13.5
Kenya (3)	Kenya Revenue Authority	IE2019-01	Industry Expert	2019	1	1
Kosovo	Tax Administration of Kosovo	F2017-0008	Roster expert	2018	6	6
Lesotho	Lesotho Revenue Authority	F2015-0003	Serving tax officials	2015 – 2019	11	12
Liberia (1)	Liberia Revenue Authority	F2016-0002	Roster expert	2016 – 2018	10	10.5
Liberia (3)	Liberia Revenue Authority	IE2016-01	Former tax official	2016 – 2018	7	7.5
Malawi	Malawi Revenue Authority	L2016-0002	Serving tax officials	2016 – 2017	5	5
Maldives (1)	Maldives Inland Revenue Authority	F2018-0004	Serving tax official	2018	6	5
Nigeria (1)	Federal Inland Revenue Service	F2016-0003	Roster expert	2016 – 2018	6	7
Nigeria (3)	Federal Inland Revenue Service	L2018-0001	Former tax official	2018	2	2
Pakistan (1)	Federal Board of Revenue	F2018-0016	Serving tax officials	2018	4	4

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Host Administration Country	Host Administration	Programme No.	Expert	Term	Missions completed	Total weeks in country
Peru (1)	*Superintendencia nacional de administración tributaria*	L2017-0001	Former tax official	2016	2	1.5
Rwanda	Rwanda Revenue Authority	F2016-0014	Serving tax officials	2017	2	2.5
Senegal (1)	*Direction Générale des Impôts et des Domaines*	F2015-0002	Serving tax officials	2014 – 2015	6	5
Senegal (2)	*Direction Générale des Impôts et des Domaines*	F2016-0007	Serving tax officials	2017 – 2018	5	5
Uganda (1)	Uganda Revenue Authority	F2016-0010	Roster expert and former tax official	2017	10	19
Uganda (2)	Uganda Revenue Authority	L2016-0001	Former tax official	2016	4	4
Viet Nam (1)	General Department of Taxation, Ministry of Finance	L2016-0006	Former tax official	2015	4	3
Zambia (1)	Zambia Revenue Authority	L2015-0001	Former tax official	2016	3	2
Zambia (2)	Zambia Revenue Authority	F2018-0009	Serving tax official	2018	7	7
Zimbabwe (1)	Zimbabwe Revenue Authority	L2015-0002	Former tax official	2016	4	3

Note: Numbers in parentheses indicate a unique identifier for countries/jurisdictions where multiple TIWB programmes are in place.

Source: TIWB Secretariat

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Annex C
TIWB Participation in 2019 International Events

Addis Tax Initiative side event at the UN's Financing for Development Forum, *April 2019*

This side event provided an opportunity for the TIWB Secretariat to give an update on the initiative, including the latest trends concerning domestic action and international support. The event also sought synergies between the various Financing for Development initiatives.

UNDP's 5th Istanbul Development Dialogues: Finance in the 21st Century - Putting Money to Work for Sustainable Development, *May 2019*

Policy-makers, business leaders and a range of experts gathered at the 5th meeting of the Istanbul Development Dialogues to discuss the financial realities of achieving the SDGs. The session on *Incentivising Change: The Role of Public Finance Management*, explored the status of financing for development from different institutional and policy perspectives to improve the availability and effectiveness of development financing. A panel highlighted the need for improved (and strategic) co-ordination – nationally and internationally - to optimise development financing flows and to prioritise sustainable development. The panellists stressed the importance of country ownership and leadership in this process, which are core elements of the TIWB initiative.

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Addis Tax Initiative (ATI)/International Tax Compact Tax and Development Conference 2019: Towards a Roadmap for the ATI post-2020, *July 2019*

A member of the TIWB Secretariat participated in the ATI Tax & Development Conference as a panellist in a breakout session titled '*Effective partnerships for domestic revenue mobilisation - Horizontal partnerships: How to achieve mutual benefits through regional and international co-operation?*' Participants, drawn from regional tax organisations, policy makers and tax administrations, discussed how co-operation, not only between development partners and partner countries, but also across governments, with civil society and other regional and international institutions, can lead to a long-term improvement in national capacities to raise domestic revenues.

The session recognised the central role that regional tax organisations play in co-ordinating capacity building initiatives in developing countries, despite significant resource constraints. The participants also emphasised the need for international capacity building initiatives to "re-localise knowledge" and identify experts from the Global South to increase sustainability of domestic resource mobilisation programmes.

16th Annual Pacific Islands Tax Administrators Association (PITAA) Heads Meeting, *September 2019*

The TIWB initiative was presented at a meeting of the Heads of PITAA. It was very well received and generated a lot of interest. During the meeting, Koni Ravono, Head of the PITAA Secretariat, provided a strong endorsement of the programme, as did the Oceania Customs organisation. Papua New Guinea gave a testimonial about their ongoing TIWB experience and provided an overview of the process.

Delegates indicated demand for TIWB assistance for audits in the construction, fisheries, natural resources, tourism and telecommunications sectors. Australia and New Zealand have been actively engaged in supporting the region, including through TIWB.

UNGA Ministerial Panel, "Tax Inspectors Without Borders: Four years and half a billion dollars later…", *September 2019*

On the eve of the United Nations Secretary General's High-level dialogue on Financing for Development, Ángel Gurría, OECD Secretary-General, and Achim Steiner, UNDP Administrator, hosted this high-level ministerial discussion looking back on and celebrating TIWB's achievements. They also publicly launched TIWB's Annual Report 2018/19.

The event attracted the participation of a panel of ministers and senior government officials. Discussions centred on how TIWB programmes fill an important skills gap, help address abusive tax avoidance by MNEs, can intensify South-South co-operation, and mobilise domestic resources in support of the SDGs.

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Figure 6.1. Annual Report 2018/19 Launch in New York

Note: OECD Secretary-General and UNDP Administrator
Source: TIWB Secretariat

Seventh Pan-African Conference on Illicit Financial Flows and Taxation, *October 2019*

TIWB organised a side event on the emerging challenges and risks associated with mobilising revenues from the telecoms sector in October 2019, as part of the Seventh Pan-African Conference on Illicit Financial Flows and Taxation. The event highlighted some mitigation strategies that countries are adopting to deal with the challenges posed by the telecoms sector as a key enabler of the digitalising economy and identified measures to enhance the agency of telecoms players in the collection of tax relating to digital transactions. This event provided a detailed overview of the telecoms sector from an African perspective, covering billing systems, data and audit, challenges, risks, tax issues and solutions. Panellists from African tax administrations shared their experiences with audit cases on transfer pricing and with respect to VAT. A representative from the United Nations Economic Commission for Africa concluded the session with an economic perspective on the sector and its relation to IFFs.

Panellists highlighted weak domestic legislation, weak regulation of the sector, a lack of exchange of information networks, a lack of capacity to deal with available data and limited audit capacity as some of the issues facing tax administrations when auditing taxpayers in the telecoms sector. The TIWB Secretariat plans to hold a follow-up technical workshop to assist African tax administrations to strengthen their tax collection capacity by providing advice and guidance on developing and implementing tax compliance strategies and interventions in the telecoms sector in early 2021.

Global Forum on Transparency and Exchange of Information for Tax Purposes – 10th Anniversary Meeting, *November 2019*

The new TIWB pilot project for effective use of AEOI was launched at the Global Forum plenary meeting. A commitment to conduct a number of pilot programmes was announced.

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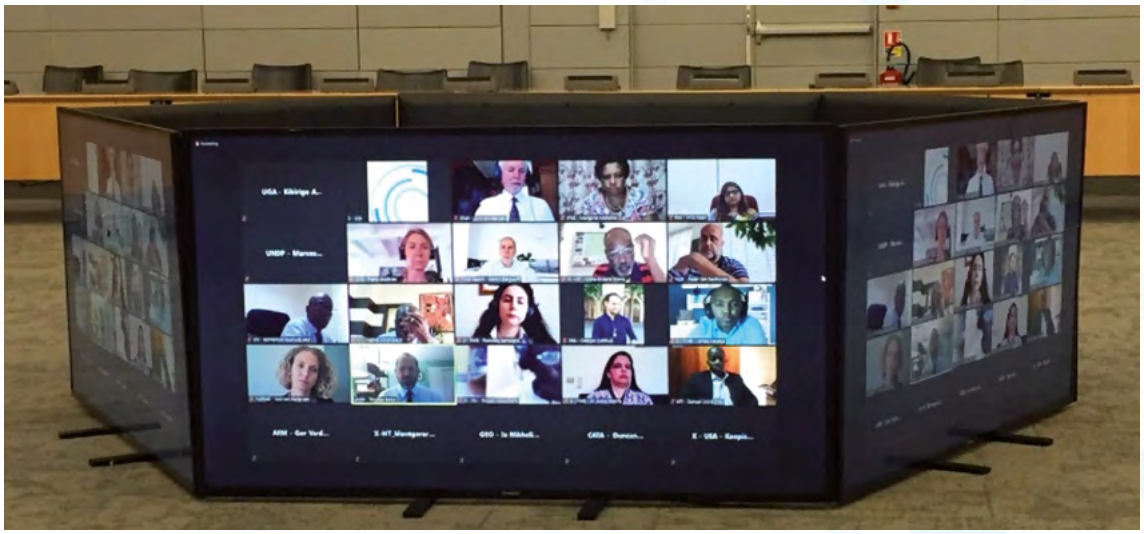
TIWB Experts Roundtable and Stakeholders Workshop, *June 2020*

Tax experts and other stakeholders from 68 countries and jurisdictions, as well as 9 international and regional tax organisations, met virtually 22-24 June 2020 for the third TIWB Experts' Roundtable and Stakeholders' Workshop. The meetings were hosted jointly by the OECD and UNDP.

Participants discussed lessons learned over the last five years of TIWB activities and the opportunities for expansion into new areas, taking into account the global context of the COVID-19 pandemic. Despite the travel constraints, the meetings reinforced the fact that TIWB is 'open for business', with progress being maintained towards the initiative's interim target of 100 deployments by end 2020.

Figure 6.2. TIWB Stakeholders Workshop - 24 June 2020



Note: Virtual meeting
Source: TIWB Secretariat

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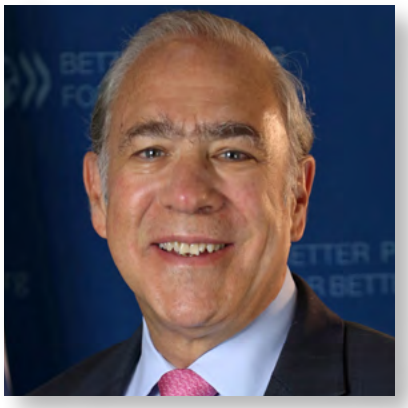
Annex D
TIWB Governing Board Members

Board Composition

In 2019, the TIWB Governing Board was composed of seven members. As per the stocktake recommendation, an expansion of the Board was agreed for 2020. An additional four members joined the Board, retaining gender and regional balance. The Board now comprises the following :

Ángel Gurría
(Secretary-General of the OECD, Co-Chair)



Achim Steiner
(Administrator of UNDP, Co-Chair)

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Mary Baine
(Director of Tax Programmes, ATAF)

John Christensen
(Chair of the Board of Tax Justice Network)

Sir Paul Collier
(Professor, Oxford University)

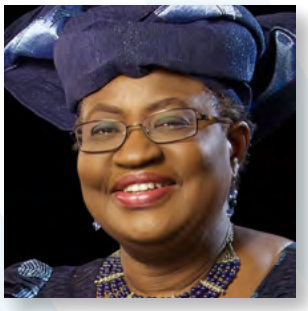
Bob Hamilton
(Commissioner of the Canada Revenue Agency)

Sigrid Kaag
(Minister for Foreign Trade and Development in the Netherlands)

Nora Lustig
(Professor of Latin American Economics and Director of the Commitment to Equity Institute (CEQ) at Tulane University)

Dr. Ekniti Nitithanprapas
(Director General,
Revenue Department of Thailand)

Ngozi Okonjo-Iweala
(former Finance Minister of Nigeria)



Ville Skinnari
(Minister for Development Co-operation and Foreign Trade, Finland)

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Annex E
2016-2019 Objectives

Table E.1. TIWB 2016-2019 Objectives

Objectives	Draft Indicators	Inputs/Activities
Impact: a) Enhanced domestic resource mobilisation for developing countries b) A more certain and predictable investment climate for taxpayers.	Post-programme surveys covering (on a case-by-case basis): a) e.g. proposed transfer pricing adjustments, imposed and agreed tax assessments; b) reduction in back log of disputed tax assessments as well as positive business surveys; and c) revenues are increased.	
Outcome: Developing countries have the capacity to audit taxpayers fairly and effectively.	Tax administrations and Ministries of Finance report that capacity is strengthened (e.g. through various tax administration Diagnostic Assessment Tool indicators).	
Output 1: TIWB facilitates the successful completion of 100 risk assessments/audits with developing countries in the period 2016-20.	Each programme will have dedicated short, medium and/or long-term indicators.	- Established a list of qualified tax audit experts available for TIWB deployments; - Created a list of interested host countries, based on UNDP's outreach to COs; - Updated TIWB website, TIWB Toolkit and promotion materials available; - Sufficient resources are available to finance deployments as well as the Secretariat/Board and CO involvement; and - Full range assistance to realise: 15 deployments in 2016 20 deployments in 2017 30 deployments in 2018 35 deployments in 2019

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Table E.1. TIWB 2016-2019 Objectives *(Cont.)*

Objectives	Draft Indicators	Inputs/Activities
Output 2: TIWB transfers skills and competencies on audit risk assessment, audit casework and finalisation of tax assessments to developing country tax officials.	Audit completion reports from experts, OECD/UNDP and tax administrations. Host Administrations report on concrete results of the deployments.	Expert deployments facilitate skills and competence transfer.
Output 3: TIWB prepares analytical work and develops knowledge to promote more effective international co-operation on audits.	Research and analytical papers on lessons learned from TIWB programmes and the wider implications of such initiatives for international policy discussions on tax co-operation.	TIWB programmes are well-documented and the results disseminated via reports and other mediums. Research and analytical work based on findings from deployment programmes are carried out and published.

Note: The 2019 deployments will be fully accounted for in 2020, the final year of the 100 deployments cycle.

Source: This framework is reproduced from the *Progress Report and 2016 Work Plan*, approved by the Governing Board on 16 April 2016.

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TIWB's Development Partners

European Union

Co-funded by the European Union

Finland

With support from Finland's development cooperation

Germany

Federal Ministry for Economic Cooperation and Development

Ireland

Irish Aid
Rialtas na hÉireann
Government of Ireland

Japan

財務省
Ministry of Finance, JAPAN

Luxembourg

LUXEMBOURG AID & DEVELOPMENT

THE GOVERNMENT OF THE GRAND-DUCHY OF LUXEMBOURG
Ministry of Finance

The Netherlands

Ministry of Foreign Affairs

Norway

Norad

Sweden

Sweden
Sverige

Switzerland

Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Confederation

Federal Department of Economic Affairs, Education and Research EAER
State Secretariat for Economic Affairs SECO

United Kingdom

UKaid
from the British people

Tax Inspectors Without Borders

ANNUAL REPORT 2020

This report from the Secretariat covers TIWB activity from January 2019 to June 2020.

Chapter 1 describes TIWB in the fast-moving tax and development landscape. Chapter 2 provides details on TIWB activities, trends and achievements, and information on results attained. Chapter 3 highlights lessons learned and sets out recommendations from the recent stocktake of the initiative. Chapter 4 provides an overview of key international outreach activities and communications, and Chapter 5 highlights significant governance and organisational developments. Finally, Chapter 6 sets out the work plan for 2020.

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