

Technical Follow-up Meeting on Tax Expenditures

WORKSHOP REPORT

December 6-8, 2023

Dar es Salaam, Tanzania



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INTRODUCTION

Tax expenditures (TEs) have a significant impact on countries' ability to mobilise domestic revenue, fight climate change, and attain the Sustainable Development Goals (SDGs). If not monitored and assessed consistently, TEs may jeopardise the transparency of national budgets and lower the effectiveness of tax systems. The Addis Tax Initiative (ATI) acknowledges the relevance for its member countries. Commitment 3 of the [ATI Declaration 2025](#) states: "We will improve tax transparency by publishing TEs regularly to facilitate cost-benefit assessments, ultimately helping to reduce wasteful TEs, improving taxpayers' trust, and creating a more level playing field for all types of businesses. We will improve inter-agency cooperation on TEs and foster the coordination of granting tax concession activities."

The regional workshops build on this commitment and the [Global Tax Expenditures Database \(GTED\)](#), which was launched by the Council on Economic Policies (CEP) and the German Institute of Development and Sustainability (IDOS) in June 2021. With its global coverage, the GTED helps to shed light on the critical role of TEs in tax systems around the globe. As shown by the GTED, the number of jurisdictions reporting on TEs has been growing steadily over the years. However, the scope and quality of reports still vary significantly, as highlighted by the [Global Tax Expenditure Transparency Index \(GTETI\)](#) launched in October 2023. The index reveals that the 104 jurisdictions covered only achieve a median score of 49.3 out of a maximum of 100. The reason is that many TE reports do not disclose the policy objectives, legal basis, or targeted beneficiaries of individual TE provisions, or provide only aggregate revenue forgone data, most often by type of tax. The two databases are hosted by the [Tax Expenditure Lab](#), which is a hub for expertise, exchange, and peer learning on the topic of TEs.

The technical follow-up meeting in Dar es Salaam, Tanzania, was the second in a series of regional workshops organised by the ATI, CEP, and IDOS. The preceding workshop for East Africa took place in Nairobi, Kenya, on 18-19 October 2022. The technical meeting hosted around 50 representatives from ministries of finance, revenue authorities and parliaments from 9 East African countries.

While the workshop in Nairobi introduced the topics of TE estimation, reporting, and evaluation of TEs, the follow-up meeting provided more detailed insights including technical aspects and the application of tools and methods related to those issues. More specifically, the meeting aimed to:

Discuss core aspects of TE management, reporting, estimation, design of tax return forms and evaluation, such as data collection and processing, approaches to revenue forgone estimation, design of cost-benefit models, etc.

Give an overview of good practices and standards to evaluate the effectiveness and efficiency of TE provisions and assess existing evaluations against those practices and standards.

Map pathways to reform and discuss opportunities and challenges to further improve TE reporting and evaluation.

REGIONAL WORKSHOP: Technical Follow-up Meeting on Tax Expenditures - Report

Provide a platform for peer learning and exchange by tapping the knowledge and wealth of experiences of workshop participants.

Provide hands-on exercise sessions to deepen the understanding of the topics mentioned above.

The meeting consisted of ten sessions over the course of three days. The first session opened the stage for countries to share recent developments or specific challenges they have encountered since the previous workshop. The second one discussed data requirement for the estimation and evaluation of TEs. It was followed by two parallel sessions: one for officials from Ministries of Finance and parliaments about establishing a benchmark and another for participants from revenue authorities on the topic of redesigning tax return forms. The day ended with the first of two sessions on estimating revenue forgone. The second day began with two parallel sessions: the second session on estimating revenue forgone and a session dedicated to parliamentarians, which introduced the Pocket Guide on Tax Expenditures for Parliamentarians. TE reporting was discussed after these two sessions, followed by presentations and exercises on ex-ante assessment of TEs. The day was rounded off with the first session on ex-post evaluations, with a specific focus on evaluations in cases of low-quality data. The third and last day started with another parallel session: the second session on ex-post evaluation, this time discussing more advanced methodologies, and a session about TE evaluation with a specific focus on parliamentarians. The workshop ended with a session on governance and reform of TE policy.



SESSION 1 – TAX EXPENDITURE DEVELOPMENTS IN PARTNER COUNTRIES

Objective

The session provided an overview of recent developments in the participating countries since the previous workshop. Experiences regarding specific challenges encountered or solutions found were shared with the group.

Background

By providing a platform for representatives from different countries to share their experiences, challenges, and success stories, a comprehensive understanding of diverse perspectives and unique contextual nuances is provided. This fosters enriched learning, knowledge-sharing, and the identification of common challenges. It also allows participants to draw insights from real-world scenarios on the topic of TEs and promotes a practical and applied understanding of the workshop's subject matter.

Speakers

Antsa H. S. Rakotoarisoa (Madagascar), Isaac Arinaitwe (Uganda), and Arnold Chimfwembe (Zambia) shared their experiences, with Christian von Haldenwang (IDOS) as moderator.

Main Takeaways from Session 1

Antsa H. S. Rakotoarisoa from the Ministry of Economy and Finance in Madagascar shared developments in TE reporting and the estimation of revenue forgone since the last workshop in 2022. All of Madagascar's TE reports are now publicly available on the ministry's website, marking an important step towards increased transparency and accountability. Another step forward is the increased coverage of Madagascar's most recent TE report. Previously, the government had only estimated the revenue forgone from (national) income and consumption taxes. The newest report also includes local taxes, such as property taxes.

Isaac Arinaitwe from the Ministry of Finance, Planning and Economic Development in Uganda presented context information and shared recent developments in TE reporting in the country. Uganda has a legal obligation to report on TEs, as stated in the Public Finance Management Act, which also specifies the format reports should take. Having started TE reporting only in 2021, the format of the report is not yet fully finalised. With support from the World Bank on benchmarking, from TaxDev advisors on producing annual TE reports, and from the International Monetary Fund (IMF) on estimating VAT measures,

the country has made progress on several fronts. However, one of the remaining challenges and emerging priorities of the government is the rationalization of existing TEs through ex-post evaluations.

According to Arnold Chimfwembe from the Zambia Revenue Authority (ZRA), the ZRA has been reporting on TEs from customs duties, but an overarching framework for TE reporting and cost-benefit analysis of granted TEs is still missing. The government plans to establish such a framework. However, data availability and limited institutional capacity are key challenges in this regard. Tax compliance is additionally affected by the complexity of the tax regime, with negative repercussions on monitoring and reporting.

Presentations

The presentations of Session 1 can be found [here](#).

SESSION 2 – DATA REQUIREMENTS FOR TAX EXPENDITURE ESTIMATION AND EVALUATION

Objective

The session provided insights into different types of data needed for tax expenditure analysis, potential data sources, common data sharing and governance procedures.

Background

The estimation and evaluation of TEs is a data-heavy exercise. While corporate tax returns are a key source of information for TE analysis, other data sources such as customs declarations, VAT declarations, supply use tables, legislative information, and other statistical information are also necessary. Access to good quality data is key for the understanding of several aspects of TEs in use, such as their impact on the national budget as well as the costs, benefits and externalities generated by individual provisions.

Speakers

Nino Mikeladze (MoF Georgia) held the first presentation, followed by Frankie Mbuyamba from the African Tax Administration Forum (ATAF). The session was moderated by Douglas Kigabo Bitonda from the United Nations Economic Commission for Africa (UNECA).

Main Takeaways from Session 2

Nino Mikeladze's presentation focused on data requirements for TE estimation. She discussed what needs to be in place before the data-collecting process can be initiated, such as establishing a benchmark and decisions on non-structural TEs, before moving to potential data sources and data requirements for estimating TEs by type of tax. Discussions on what can be done once the data is collected and the identification of challenges countries tend to face throughout the entire process followed.

Frankie Mbuyamba talked about the nature of tax incentives from Corporate Income Taxes (CITs) in Africa. Many African countries use CIT-related TEs to attract Foreign Direct Investments (FDIs), although regional studies shed doubt on the efficiency of this policy tool. In fact, success in using tax incentives to spur rapid development appears to be the exception rather than the rule. Preliminary results from an ongoing ATAF study on the fiscal impact of TEs in 33 African countries show that data availability is by far the largest challenge faced by most countries while the prevailing policy objective of existing TEs is to attract investments and promote economic growth.

Presentations

The presentations of Session 2 can be found [here](#).

Additional material

Beer, S., Benedek, D., Erard, B., & Loeprick, J. (2022). How to Evaluate Tax Expenditures. IMF How-to Note. International Monetary Fund, Washington, DC. <https://www.imf.org/en/Publications/Fiscal-Affairs-Department-How-To-Notes/Issues/2022/11/How-to-Evaluate-Tax-Expenditures-525166>

Heady, C., & Mansour, M. (2019). Tax expenditure reporting and its use in fiscal management. A guide for developing economies. How to Notes 19/01. Washington, DC: IMF. <https://www.imf.org/en/Publications/Fiscal-Affairs-Department-How-To-Notes/Issues/2019/03/27/Tax-Expenditure-Reporting-and-Its-Use-in-Fiscal-Management-A-Guide-for-Developing-Economies-46676>

SESSION 3A – ESTABLISHING A BENCHMARK

Objective

The session provided insights into how benchmarks are defined at a national level and what initiatives can be taken regionally. The target audience was Ministry of Finance officials and parliamentarians.

Background

TEs are defined as deviations from a “benchmark tax system”, which should be based on the principles of sound tax policy design, such as fairness, efficiency, transparency, and simplicity. The benchmark definition should be as narrow as possible and aim to avoid exceptions from the general rule. Yet, in some cases, benchmark definitions can be controversial. In Germany, for instance, reduced VAT rates on foodstuff etc. are excluded from TE reporting and evaluation since they are considered part of the benchmark tax system. Some countries, such as Canada and the UK, differentiate between “structural” and “non-structural” TEs. The former are deviations from the benchmark that are considered an integral component of the system, such as a basic allowance for the taxation of personal income.

Speakers

Kyle McNabb (TaxDev) was the first presenter and later in charge of the practical exercise. Muhammed Adem (Ethiopia) held the second presentation followed by Happyson Nkya (Tanzania). Guy Goldman (ATI) moderated the session.

Main Takeaways from Session 3A

Kyle McNabb opened this session with a presentation on the definition of TEs and the benchmark tax system. The definition of the benchmark tax system determines the scope of provisions to be costed. While countries differ in their definition, several similarities can be identified. Provisions that are part of international or regional agreements, provisions that exist to ensure administrative efficacy, and provisions related to the taxation of foreign aid are often included in the benchmark and not costed, while most other types of provisions are generally considered TEs and costed. The practical exercise reinforced these points by asking participants to discuss whether certain provisions are part of the benchmark or should be considered a TE, and why. The main messages of the presentation were to show the benefits of having a narrow definition of the benchmark, which implies that more provisions can be costed, and a higher level of transparency achieved.

Happyson Nkya provided insights of Tanzania’s experiences with the benchmarking of VAT, direct taxes and customs duties. Issues raised in the presentation included the treatment of double tax agreements as well as simplified tax regimes for small businesses. In both cases, the respective regimes applied in

Tanzania are considered part of the income tax benchmark system. Another challenge identified in the presentation consists in defining VAT-taxable, zero-rated and exempt goods and services.

Muhammed Adem presented the case of Ethiopia, where TE reporting is mainly focused on trade-related taxes. He discussed the cases of customs duties, where the benchmark is defined based on the legal approach; and excise taxes, where rates are applied at rates varying from 5 to 500 percent. He also mentioned the case of VAT, where the statutory tax rate is 15% and there exist a number of exemptions that are classified as TEs. Muhammed mentioned that Ethiopia currently estimates VAT-related TEs on imported goods only but is already working to broaden the scope of the analysis and include domestic VAT as well.

Presentations

The presentations and exercise materials of Session 3A can be found [here](#).

Additional material

- Congressional Budget Office** (2021). How Specifications of the Reference Tax System Affect CBO's Estimates of Tax Expenditures. <https://www.cbo.gov/system/files/2021-12/57543-Tax-Expenditure.pdf>
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- Kassim, L., & Mansour, M.** (2018). Tax expenditures reporting in developing countries: An evaluation [Les rapports sur les dépenses fiscales des pays en développement : une évaluation]. *Revue d'économie du développement*, 26(2), 113-167. https://www.cairn-int.info/article-E_EDD_322_0113--tax-expenditures-reporting-in.htm
- Oosterhuis, F., Ding, H., Franckx, L., & Razzini, P.** (2014). Enhancing comparability of data on estimated budgetary support and tax expenditures for fossil fuels, Directorate General for the Environment of the European Commission, European Commission. https://ec.europa.eu/environment/enveco/taxation/pdf/201412ffs_final_report.pdf
- Sladoje, M.** (2017). How Do We Measure Tax Expenditures? The Zambian Example. https://open-docs.ids.ac.uk/opensdocs/bitstream/handle/123456789/13380/ICTD_WP68.pdf
- Swift, Z. L.** (2006). Managing the effects of tax expenditures on national budgets (Vol. 3927). World Bank. <https://doi.org/10.1596/1813-9450-3927>

SESSION 3B – REDESIGNING TAX RETURN FORMS TO BETTER CAPTURE TE DATA

Objective

The session provided insight into what data should be captured in tax return forms, how it should be captured and stored, and how governments designed such forms. The session was targeted towards revenue authority officials.

Background

Tax return forms are the most important source of data for TE estimation and evaluation. Yet, these forms are typically not designed with the objective of gathering data for TE analyses in mind. A poorly designed tax return form can prevent government from accessing key information on TEs. Improving the collection of TE data, thus, helps to improve TE administration, monitoring and evaluation. As highlighted in several workshop sessions, many countries face limitations when it comes to data availability and quality which in turn, limits the coverage of TE reporting and acts as a hinder for evaluating the impact of TEs in place.

Speakers

Flurim Aliu (CEP) and Edris Seid (TaxDev) were the two presenters on the topic and a country experience from Uganda was presented by Ronald Nyenje Makumbi. The session was moderated by Sofia Berg (CEP).

Main Takeaways from Session 3B

Flurim Aliu began the session with a presentation about designing tax return forms and its importance for estimating and evaluating TEs. The discussion evolved around the trade-off between simplicity and comprehensiveness, highlighting the benefits of comprehensive data collection for improved oversight and analysis while also exploring the benefits of simplicity in terms of minimizing the administrative costs for revenue authorities and compliance costs for taxpayers. The main takeaway was that the design of tax return forms should reflect the data requirements of sound TE evaluation and policy analysis.

Edris Seid followed with examples of business and employment income tax return forms from Ethiopia, presenting their content and gaps. For example, businesses are only required to file one aggregate tax return even if they are engaged in multiple different types of business activities. This aggregation can hide important information for TE estimation and evaluation. Edris also brought up the topic of digitalization of tax administrations by describing Ethiopia's process of moving to digital tax return forms.

Ronald Nyenje Makumbi from the Uganda Revenue Authority (URA) presented common challenges associated with tax return data and steps taken in Uganda to address them. One key challenge discussed was compliance by taxpayers. In some cases, recipients of TEs are not aware of their obligation to file tax returns, which can result in the underreporting of TE-relevant data. Another issue is the fact that the number or conditions of available TEs change frequently, while tax returns are not redesigned every year to reflect such changes. A third challenge concerns the policy goals of TEs and the issue with tax returns being designed without the consideration of such goals. Uganda has taken two major steps to address these challenges: 1) design business tax returns to capture TE data for analyses, and 2) establish collaboration across institutions, with the URA working together with the Tax Policy Unit of the MoF and the Uganda Investment Authority.

Presentations

The presentations of Session 3B can be found [here](#).

Additional material

OECD (Organisation for Economic Co-operation and Development) (2004). Compliance Risk Management: Managing and Improving Tax Compliance. Paris: OECD. <https://www.oecd.org/tax/administration/33818656.pdf>

Okello, A. (2014). Managing Income Tax Compliance through Self-Assessment. IMF Working Papers Volume 2014: Issue 041. Washington, DC: IMF. <https://doi.org/10.5089/9781475515237.001>

SARS (South African Revenue Service) (2023). Completing an ITR14: Form Example. SARS. https://www.sars.gov.za/wp-content/uploads/SARS_2022_LookFeel_ITR14_v2022.00.18-No-Red-works-Watermark.pdf

SESSION 4 – ESTIMATING REVENUE FORGONE I

Objective

The session was divided in two parts. The first part introduced approaches to revenue forgone estimation with a focus on direct taxes, while the second part provided practical exercises. The session was focused on Ministry of Finance and revenue authority officials.

Background

Almost all countries providing figures on the fiscal costs of TEs use the so-called “revenue forgone” approach, which estimates the amount by which taxpayers have their tax liabilities reduced because of a TE based on their actual current economic behaviour. This approach does not account for behavioural changes resulting from the removal of a TE provision. The exact methodology and the data required to estimate the revenue forgone from different TEs, however, depend on the tax base as well as the type of TE. For instance, revenue forgone from TEs on consumption taxes is often estimated based on national accounts (including customs) data and/or household expenditure data and can be computed by multiplying the pre-tax consumption value of a tax-preferred item with the size of the rate reduction, i.e., the difference between the standard and the reduced tax rate. This approach is not applicable to direct taxes, because, unlike indirect tax rates, direct tax rates differ between individuals and often also between companies. Hence, other techniques – including microsimulations – are being used, which implies different types of administrative capacity and data requirements.

Speakers

Nino Mikeladze (MoF Georgia) held the first presentation, oversaw the practical exercise, and moderated the session. Douglas Kigabo Bitonda (UNECA) presented findings from the second Economic Governance Report (EGR).

Main Takeaways from Session 4

Nino Mikeladze introduced the main principles of TE estimation and the methodology of CIT and personal income tax (PIT) estimations, with more in-depth examples of the CIT costing process under different scenarios. The presentation touched upon organizational structures needed within a government to ensure that different institutions work together to produce the necessary data and analysis on TEs. During the practical session, Nino provided the participants with sample CIT return data and demonstrated how revenue forgone from two different types of TEs is calculated.

Douglas Kigabo Bitonda presented preliminary results from UNECA's second Economic Governance Report with a specific focus on estimating TEs and assessing TE governance in Africa. The study identified and estimated the fiscal cost of TEs under CIT and VAT in 10 African countries. It concluded that data availability and institutional capacity are significant bottlenecks for the estimation and assessment of TEs in the region, which results in underreporting of the cost of TEs. The data landscape, thus, needs to be strengthened to foster regular analysis and reporting of TEs, which should be performed within an established, transparent, and robust framework governing TEs.

Presentations

The presentations and exercise materials of Session 4 can be found [here](#).

Additional material

- Altshuler, R. & Dietz, R.** (2011). Reconsidering tax expenditure estimation, *National Tax Journal*, Vol. 64(2), pp. 459-490. <https://doi.org/10.17310/ntj.2011.2S.02>
- CIAT (Inter-American Centre of Tax Administrations).** (2011). Handbook of best practices on tax expenditure measurements. CIAT. <https://biblioteca.ciat.org/opac/book/4857>
- Dom, R., & McCulloch, N.** (2019). What are 'Tax Expenditures' and How Big are Energy-related Tax Expenditures? ICTD Summary Brief No. 18. Brighton: International Centre for Tax and Development. <https://www.ictd.ac/publication/what-tax-expenditures-how-big-energy-related/>
- Geourjon, A.-M., Laporte, B., Caldeira, E., de Quatrebarbes, C., & Bouterige, Y.** (2019). Tax Expenditure Assessment: From Principles to Practice-Methodological guide. Clermont-Ferrand: FERDI. <https://ferdi.fr/publications/l-evaluation-des-depenses-fiscales-des-principes-a-la-pratique-guide-methodologique>
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- Oppong, F., & James, S.** (2016). Tax Expenditure Estimates in Ghana. Available at SSRN 2841302. <https://ssrn.com/abstract=2841302>
- Steel, I.** (2018). Tax Incentives in Mining: Minimising Risks to Revenue. Supplementary Guidance: How to Use Financial Modelling to Estimate the Cost of Tax Incentives. <https://www.igfmining.org/beps/resources/incentives-in-mining-supplementary-guidance/>
- Uemura, T.** (2009). An estimation of tax expenditure in Japanese income tax from the viewpoint of the fiscal transparency, *Government Auditing Review* 16(3), <https://www.mass.gov/doc/an-estimation-of-tax-expenditures-in-japanese-income-tax-from-the-viewpoint-of-fiscal/download>

SESSION 5A – ESTIMATING REVENUE FORGONE II

Objective

This was the second part of two sessions on estimating revenue forgone with practical exercises. The session was provided for Ministry of Finance and tax authority officials.

Background

(As for Session 4)

Speakers

Edris Seid held the first presentation, oversaw the practical exercise, and moderated the session. Ahmed Saadat presented experiences from the Zanzibar Revenue Authority (ZRA).

Main Takeaways from Session 5A

Edris Seid introduced techniques for estimating indirect TEs with a focus on VAT measures and trade taxes. For VAT, the presentation discussed the top-down approach, the bottom-up approach, and the econometric approach, providing the pros and cons of each. In the second part of the presentation, Edris paid particular attention to interaction effects between different trade taxes and discussed the best approaches on dealing with such interactions. During the practical session, participants were given the opportunity to implement the different approaches of revenue forgone estimation for trade taxes using sample data as well as estimate the VAT revenue forgone for different scenarios.

Ahmed Saadat described Zanzibar's unique tax structure, based on the fact that the Tanzania Revenue Authority and the Zanzibar Revenue Authority share taxation powers in the archipelago. Ahmed also discussed the estimation process and results of a VAT relief program administered by ZRA. The core data used for the estimation of the revenue forgone for this program was the tax relief approval certificate, which was manually filled in by different firms. ZRA transferred the data from these certificates into Excel and estimated the revenue forgone for the entire program using the compiled data. However, due to the source data being filled in manually, some of the information from these forms was not possible to be retrieved, making the estimations of revenue forgone incomplete.

Presentations

The presentations and exercise materials of Session 5A can be found [here](#).

Additional material

- Altshuler, R. & Dietz, R.** (2011). Reconsidering tax expenditure estimation, *National Tax Journal*, Vol. 64(2), pp. 459-490. <https://doi.org/10.17310/ntj.2011.2S.02>
- Brys, B., de Mooij, R., de Melo, G., Hebous, S., Kennedy, S., Schatan, R., & Vellutini, C.** (2020). Tax Expenditures and Corrective Taxes in Chile: A joint IMF/OECD Assessment. Washington, DC: International Monetary Fund. <https://www.imf.org/en/Publications/CR/Issues/2020/11/19/Chile-Technical-Assistance-Report-Assessment-of-Tax-Expenditures-and-Corrective-Taxes-49906>
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SESSION 5B – POCKET GUIDE ON TAX EXPENDITURES FOR PARLIAMENTARIANS

Objective

The session discussed the necessary engagement of parliaments and parliamentarians in the TE policy cycle and the challenges they face. The session also presented the pilot documents *Pocket Guide on Tax Expenditures for Parliamentarians* and *Legislative Interventions to Improve Tax Expenditure Governance* for feedback and inputs from the participants in the room.

Background

While being commonly used as a policy instrument, TEs are also highly technical and context-specific. Given that parliamentarians are not always experts on tax topics or economists by profession, a pocket guide that introduces the concept of TEs and their underlying policy cycle in non-technical terms is useful to parliamentarians. It is important to acknowledge the role parliaments play within the TE policy cycle and to clearly establish the overarching framework for TE management.

Speakers

Sofia Berg (CEP) held the first presentation followed by Everlyn Muendo from Tax Justice Network Africa (TJNA). Markus Paffhausen (ATI) moderated the session.

Main Takeaways from Session 5B

Sofia Berg presented the *Pocket Guide on Tax Expenditures for Parliamentarians*. The document describes each step of the TE policy cycle and establishes the role parliaments and parliamentarians play at each stage. The following discussion focused on the feasibility of performing ex-ante assessments under conditions of data scarcity and low capacity. However, evaluations do not necessarily have to be highly sophisticated, nor do they need to be carried out “in house”. Outsourcing to external evaluators is possible. It is important, however, to set up an institutionalised framework that prevents TEs from being introduced in a non-transparent or unsustainable manner without taking costs, benefits and potential externalities into consideration.

The second presentation was by Everlyn Muendo about an upcoming Tax Justice Network Africa (TJNA) publication called *Legislative Interventions to Improve Tax Expenditure Governance*. The document identifies the legislative interventions for TE management, from the set up and design stage to reporting and evaluation. Two parts were highlighted: the lawmaking role and the role of oversight. Several case studies to illustrate the points were presented, including experiences from Uganda and Tanzania.

Presentations

The presentations of Session 5B can be found [here](#).

Additional material

Redonda, A. (2023). New Blog Series: Tax Expenditure Policy Making and the Role of Parliaments. CEP Blog. <https://www.cepweb.org/tax-expenditure-policy-making-and-the-role-of-parliaments-new-blog-series/>

Redonda, A., von Haldenwang, C., & Berg, S. (2023). Evaluation of tax expenditures: conceptual frameworks and international experiences. Project Documents (LC/TS.2023/129), Economic Commission for Latin America and the Caribbean (ECLAC), Santiago. <https://www.cepal.org/en/publications/68667-evaluation-tax-expenditures-conceptual-frameworks-and-international-experiences>

SESSION 6 – TAX EXPENDITURE REPORTING

Objective

The session discussed the design and scope of TE reporting worldwide and highlighted examples of good TE reports. The session also discussed approaches to communicate key insights from TE reports to the public.

Background

Despite their significant impact on government budgets, TEs are opaque and often not subject to the same level of scrutiny in the budget process as direct spending. Based on the latest figures released by the Global Tax Expenditures Database (GTED), 113 out of the 218 jurisdictions worldwide have never published an official TE report. Also, the scope and detail of most reports leave room for improvement. Many TE reports do not disclose the policy objectives, legal basis, or targeted beneficiaries of individual TE provisions, or provide only aggregate revenue forgone data, most often by type of tax. In addition, TE reports are not always well communicated to the public and policymakers. One factor to consider in this context is the use of accessible language in the report and the preparation of non-technical summaries to convey the main messages in the best way possible.

Speakers

Christian von Haldenwang (IDOS) kicked off the session with the first presentation, followed by Flurim Aliu (CEP) and Kyle McNabb (TaxDev). Country experiences from Kenya were presented by Cyrus Mutuku. The session was moderated by Leila Kituyi (ATAF).

Main Takeaways from Session 6

Christian von Haldenwang presented elements of good TE reporting using the five dimensions of the newly released GTETI. The GTETI provides a systematic framework to rank countries according to the regularity, quality, and scope of their TE reports and includes the following dimensions: Public Availability, Institutional Framework, Methodology and Scope, Descriptive TE Data, and TE Assessments. Altogether, it paints the picture of good TE reporting practices and illustrates a well-structured and legally binding framework for TE reporting.

Flurim Aliu highlighted some examples of good reporting practices. The Benin TE report includes results of ex-post evaluations, which later led to the reform of TEs. The example of Canada illustrates overall good reporting practices, with a clear description of the benchmark included in the report, a presentation of disaggregated data, and the inclusion of ex-post evaluations. Lastly, the case of Rwanda illustrated that TE reports can be short yet informative.

Cyrus Mutuku from the Kenya Revenue Authority (KRA) presented the progress made on TE reporting in Kenya with the establishment of a TE repository and the development of a benchmark system. The publication of the 2023 TE report was a significant milestone. A key success factor behind it was the creation of a dedicated and diverse task force with representatives from the KRA and the National Treasury. Since data consistency had been a significant constraint in the past, data mining experts were added to the task force. Remaining challenges refer to conducting impact analysis and harmonising the benchmark system.

Presentations

The presentations of Session 6 can be found [here](#).

Additional material

- Heady, C., & Mansour, M.** (2019). Tax expenditure reporting and its use in fiscal management. A guide for developing economies. How to Notes 19/01. Washington, DC: IMF. <https://www.imf.org/en/Publications/Fiscal-Affairs-Department-How-To-Notes/Issues/2019/03/27/Tax-Expenditure-Reporting-and-Its-Use-in-Fiscal-Management-A-Guide-for-Developing-Economies-46676>
- Redonda, A. & Neubig, T.** (2018). Assessing Tax Expenditures Reporting in G20 OECD Economies. Discussion Note 2018/3. Council on Economic Policies, <https://www.cepweb.org/wp-content/uploads/2018/11/Redonda-and-Neubig-2018.-Assessing-Tax-Expenditure-Reporting.pdf>
- Redonda, A., Millan, L., von Haldenwang, C., & Aliu, F.** (2023). The Global Tax Expenditure Transparency Index. Companion Paper 2023. DOI. <https://doi.org/10.23661/r3.2023>
- Redonda, A., von Haldenwang, C., & Aliu, F.** (2023). Global Tax Expenditures Database [data set], Version 1.2.1. <https://doi.org/10.5281/zenodo.8337951>
- von Haldenwang, C., Redonda, A., & Aliu, F.** (2023). Tax Expenditures in an era of Transformative Change. GTED Flagship Report 2023. DOI. <https://doi.org/10.23661/r2.2023>
- von Haldenwang, C., Redonda, A., & Aliu, F.** (2021). Shedding Light on Worldwide Tax Expenditures. GTED Flagship Report 2021. DOI. <https://doi.org/10.23661/r5.2021>

SESSION 7 – EX-ANTE ASSESSMENT OF TAX EXPENDITURES

Objective

The session introduced approaches and requirements of ex-ante assessments of TEs. It also provided an overview of international experiences, including topics such as revenue forecasting, requirements for setting up new TEs, and indicators against which to evaluate.

Background

Given the sizeable fiscal impact of TEs, any introduction of a new TE should be preceded by an ex-ante assessment. Ex-ante assessments aim to establish the rationale for a new (or modified) TE, the potential impact in terms of revenue forgone and potential spillover effects the measure might trigger. Any new TE should have a clear and transparent policy objective and monitoring criteria should be established along with performance indicators and data requirements for ex-post evaluations.

Speakers

Agustin Redonda (CEP) held the first presentation during the session and oversaw the practical exercise on the topic. Gbenga Falana from the Economic Community of West African States (ECOWAS) held the subsequent presentation and Sofia Berg (CEP) moderated the session.

Main Takeaways from Session 7

Agustin Redonda presented the concept of ex-ante assessments and the criteria they should cover, such as relevance, rationale, cost, and efficiency of the TE provision to be introduced. He emphasised that ex-ante assessments should ideally be based on an evaluation framework. However, in some cases, conducting ex-ante assessments is not feasible, for example when TEs are introduced as part of short-term crisis response packages. Four country examples from South Korea, Ireland, the Netherlands, and Uzbekistan were presented to illustrate the topic. During the practical exercise, participants had the opportunity to put those lessons into practice by simulating an ex-ante assessment of a CIT tax credit for investment.

Gbenga Falana presented the purpose of ex-ante assessments, the significance of revenue forecasting to increase budget transparency and fiscal responsibility, and examples of good practice when performing such assessments. He argued in favour of better documentation of ex-ante assessments by ECOWAS member countries, as few case studies exist. Areas where this can be applicable include ECOWAS' customs union and trade policies, regional investment incentives, and agricultural development.

Presentations

The presentations and exercise materials of Session 7 can be found [here](#).

Additional material

Beer, S., Benedek, D., Erard, B., & Loepnick, J. (2022). How to Evaluate Tax Expenditures. IMF How-to Note. International Monetary Fund, Washington, DC. <https://www.imf.org/en/Publications/Fiscal-Affairs-Department-How-To-Notes/Issues/2022/11/How-to-Evaluate-Tax-Expenditures-525166>

Department of Finance [of Ireland]. (2014). Report on Tax Expenditures. Incorporating Department of Finance Guidelines for Tax Expenditure Evaluation.

Redonda, A., von Haldenwang, C., & Berg, S. (2023). Evaluation of tax expenditures: conceptual frameworks and international experiences. Project Documents (LC/TS.2023/129), Economic Commission for Latin America and the Caribbean (ECLAC), Santiago. <https://www.cepal.org/en/publications/68667-evaluation-tax-expenditures-conceptual-frameworks-and-international-experiences>

SESSION 8 – EX-POST EVALUATION OF TAX EXPENDITURES I

Objective

The session was divided into two parts. The first part introduced approaches and requirements of ex-post evaluations of TEs with a focus on methodologies employable in cases of data scarcity. The second part of the session provided practical and hands-on exercises for evaluations of this kind of data. The session was directed towards Ministry of Finance and revenue authority officials.

Background

Considering the substantial impact of TEs, it is imperative for governments to prioritize the forecasting, estimation, and evaluation of the fiscal implications associated with them. Such assessments hold significance not only in terms of enhancing transparency and accountability but also as essential inputs for examining the efficacy of TE provisions in achieving their stated objectives. These assessments are also crucial for scrutinizing potential side effects and externalities triggered by the TE under assessment. Data availability and the quality of data at hand vary across jurisdictions and constitute challenges for many governments embarking on TE evaluation. Another challenge is capacity. It takes time and resources to perform ex-post evaluations. However, several methodologies and approaches are available and suitable for various kinds of data and levels of capacity. Indeed, performing comprehensive evaluations of TEs is vital to distinguish provisions that represent value for money from those that should be reformed or altogether removed.

Speakers

Kyle McNabb (TaxDev) and Amina Ebrahim (UNU-WIDER) held one presentation each on the topic of ex-post evaluation and Kyle later oversaw the exercise session.

Main Takeaways from Session 8

Kyle McNabb opened the session with a presentation on ex-post evaluations of TEs under a scenario of limited data availability. The presentation showed practical steps for conducting an evaluation and described the rationale behind cost-benefit and distributional analyses. His presentation illustrated the redistributive impact of cash transfers versus VAT exemptions in a multi-country set up based on a research paper by the Institute for Fiscal Studies. The practical exercise that followed highlighted three points: 1) high-level statistics can be misleading, 2) data can be interpreted differently by different individuals, and 3) distributional analysis is a low-hanging fruit for enhancing the understanding of high-level trends.

Amina Ebrahim based her presentation on a forthcoming research paper from South Africa. The presentation evolved around an ex-post evaluation using microsimulation to estimate the retirement contributions in South Africa. The main message was that debates on TEs often emphasise their costs in terms of revenue forgone, but it is important to use evaluations to weigh the costs against the benefits. In the case of retirement contributions in South Africa, the evaluation showed that the TEs under scrutiny may be justified.

Presentations

The presentations and exercise materials of Session 8 can be found [here](#).

Additional material

- Axelson, C. & Redonda, A.** (2021). Assessing pension-related tax expenditures in South Africa: Evidence from the 2016 retirement reform. Working Paper, No. 167, SA-TIED. <https://sa-tied.wider.unu.edu/article/assessing-pension-related-tax-expenditures-south-africa-evidence-2016-retirement-reform>
- Beer, S., Benedek, D., Erard, B., & Loepnick, J.** (2022). How to Evaluate Tax Expenditures. IMF How-to Note. International Monetary Fund, Washington, DC. <https://www.imf.org/en/Publications/Fiscal-Affairs-Department-How-To-Notes/Issues/2022/11/How-to-Evaluate-Tax-Expenditures-525166>
- IMF, OECD, UN, & World Bank.** (2015). Options for Low Income Countries' Effective and Efficient Use of Tax Incentives for Investment. A Background Paper to the Report Prepared for the G-20 Development Working Group by the IMF, OECD, UN and World Bank, Washington, DC: IMF.
- Namunane, S., Carson, L., & McNabb, K.** (2023). Are Uganda's corporate tax incentives meeting their objectives? Working Paper UGA-22159. International Growth Centre (IGC), London. <https://www.theigc.org/publications/are-ugandas-corporate-tax-incentives-meeting-their-objectives>
- Redonda, A., von Haldenwang, C., & Berg, S.** (2023). Evaluation of tax expenditures: conceptual frameworks and international experiences. Project Documents (LC/TS.2023/129), Economic Commission for Latin America and the Caribbean (ECLAC), Santiago. <https://www.cepal.org/en/publications/68667-evaluation-tax-expenditures-conceptual-frameworks-and-international-experiences>
- Warwick, R., Harris, T., Phillips, D., Goldman, M., Jellema, J., Inchauste, G., & Goraus-Tańska, K.** (2022). The redistributive power of cash transfers vs VAT exemptions: A multi-country study. World Development, Vol. 151, No. 105742. <https://doi.org/10.1016/j.worlddev.2021.105742>

SESSION 9A – EX-POST EVALUATION OF TAX EXPENDITURES II

Objective

The session was divided in two parts. The first part introduced approaches and requirements of ex-post evaluations of TEs with a focus on more advanced methodologies compared to Session 8. The second part of the session provided practical and hands-on exercises for evaluations of this sort. The session was focused on Ministry of Finance and revenue authority officials.

Background

(Same as for Session 8)

Speakers

Again, Amina Ebrahim (UNU-WIDER) and Kyle McNabb (TaxDev) presented the topic of ex-post evaluation. This time Amina supervised the exercise.

Main Takeaways from Session 9A

Amina Ebrahim started the session with a presentation about ex-post evaluations in the setting of more rigorous data. Components of impact evaluation were discussed, and the presentation narrowed in on how to identify causality, what a causal relationship implies, which methods to use, and when and how to use such methods. The example of difference-in-differences (DiD) was discussed in more detail, and participants got the chance to practically understand the basic assumptions of the methodology and apply their knowledge during the exercise. The importance of carefully identifying the comparison group was emphasised since it is the key element for any impact evaluation, no matter which method is applied.

Kyle McNabb followed with an example of a TE evaluation from Uganda. The evaluation used the DiD to estimate the economic effect of the investment incentives on three outcomes: investment, sales revenues, and total wage bill. The analysis showed that beneficiaries invested more because of the investment incentives, but it did not yield higher sales, and wages did not increase. Thus, there was little evidence of positive spillover effects, though it should be noted that it is difficult to establish spillovers in the short term (the investment incentive is merely 10 years old).

Presentations

The presentations and exercise materials of Session 9A can be found [here](#).

Additional material

- Axelson, C. & Redonda, A.** (2021). Assessing pension-related tax expenditures in South Africa: Evidence from the 2016 retirement reform. Working Paper, No. 167, SA-TIED. <https://sa-tied.wider.unu.edu/article/assessing-pension-related-tax-expenditures-south-africa-evidence-2016-retirement-reform>
- Beer, S., Benedek, D., Erard, B., & Loerprick, J.** (2022). How to Evaluate Tax Expenditures. IMF How-to Note. International Monetary Fund, Washington, DC. <https://www.imf.org/en/Publications/Fiscal-Affairs-Department-How-To-Notes/Issues/2022/11/How-to-Evaluate-Tax-Expenditures-525166>
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- Huntington-Klein, N.** (2021). The Effect: An Introduction to Research Design and Causality. London, Chapman & Hall. <https://theeffectbook.net/>
- Redonda, A., von Haldenwang, C., & Berg, S.** (2023). Evaluation of tax expenditures: conceptual frameworks and international experiences. Project Documents (LC/TS.2023/129), Economic Commission for Latin America and the Caribbean (ECLAC), Santiago. <https://www.cepal.org/en/publications/68667-evaluation-tax-expenditures-conceptual-frameworks-and-international-experiences>
- Warwick, R., Harris, T., Phillips, D., Goldman, M., Jellema, J., Inchauste, G., & Goraus-Tańska, K.** (2022). The redistributive power of cash transfers vs VAT exemptions: A multi-country study. World Development, Vol. 151, No. 105742. <https://doi.org/10.1016/j.worlddev.2021.105742>

SESSION 9B – TAX EXPENDITURE EVALUATION FOR PARLIAMENTARIANS

Objective

In this session, participants discuss the set-up of evaluation frameworks and learn how to interpret evaluation results, enabling them to make informed decisions based on empirical data.

Background

Cost-benefit evaluations are an important part of the TE policy cycle. A regular schedule of evaluations provides the government with timely feedback on the effectiveness and efficiency of the policy instrument it applies. It also allows for TE evaluations to be embedded in the budget cycle and in medium-term fiscal strategies. At the same time, evaluations are a highly technical exercise and not only difficult to undertake but also challenging to interpret, especially for non-expert audiences. The session provided an in-depth discussion on TE evaluations and their relevance for parliamentarians. It discussed how they should be set up as a policy-cycle instrument and how evaluation results can be interpreted, including methodological aspects parliamentarians need to pay particular attention to.

Speakers

Agustin Redonda (CEP) held the first presentation, followed by Gbenga Falana (ECOWAS) and Ferdinand Chikambwe (Zambia). The session was moderated by Everlyn Muendo (TJNA).

Main Takeaways from Session 9B

Agustin Redonda presented the rationale behind evidence-based tax policy making (EBTPM) and the challenges many countries face in relation to it, such as financial and capacity constraints. Agustin highlighted the important role of TE evaluations for EBTPM and why it is necessary for parliamentarians to understand the main findings produced by evaluation exercises and the potential policy implications that follow. Two examples illustrated how evaluation results can be interpreted. The first was a report written by the World Bank that, among other things, evaluated the impact of TEs on return on investments in North Macedonia. The second was a distributional analysis which examined the effect of pension related TEs in South Africa.

Gbenga Falana's presentation highlighted the interplay between evaluations and the work of parliamentarians for ensuring transparency and accountability, aligning TEs with their policy objectives, and enhancing the quality of policymaking by strengthening its evidence base. A good TE framework was

presented together with recommendations for parliamentarians, such as initiating TE evaluations regularly, promoting transparency and accountability, and fostering collaboration with experts and stakeholders.

Ferdinand Chikambwe from the Parliamentary Budget Office (PBO) of Zambia ended the session with a presentation about the role of PBOs in budget scrutiny, how the work of PBO's involves TEs, and opportunities to engage in the TE field within National Assemblies. He highlighted awareness around TEs as well as capacity issues as key barriers for PBOs to engage in the TE policy making process. However, Ferdinand also presented the PBO's unique powers to request information from the executive branch, making it a key actor that, in certain countries, could make a substantial contribution to increasing transparency and accountability in the TE field.

Presentations

The presentations of Session 9B can be found [here](#).

Additional material

Beer, S., Benedek, D., Erard, B., & Loerprick, J. (2022). How to Evaluate Tax Expenditures. IMF How-to Note. International Monetary Fund, Washington, DC. <https://www.imf.org/en/Publications/Fiscal-Affairs-Department-How-To-Notes/Issues/2022/11/How-to-Evaluate-Tax-Expenditures-525166>

Redonda, A., von Haldenwang, C., & Berg, S. (2023). Evaluation of tax expenditures: conceptual frameworks and international experiences. Project Documents (LC/TS.2023/129), Economic Commission for Latin America and the Caribbean (ECLAC), Santiago. <https://www.cepal.org/en/publications/68667-evaluation-tax-expenditures-conceptual-frameworks-and-international-experiences>

World Bank. (2022). The Trade Policy Strategy 2.0 for North Macedonia: Trade Competitiveness Diagnostic and State Aid Effectiveness Report. Washington, DC. <http://hdl.handle.net/10986/38049>

SESSION 10 – GOVERNING TAX EXPENDITURE REGIMES

Objective

The session served as a platform for the exchange of experiences on the governance and reform of TEs in ATI member countries.

Background

A sound legislative and regulatory framework governing the use and management of TEs is vital. For instance, all TEs should be captured in the relevant tax laws and not in secondary legislation. Likewise, TE reporting should be closely linked to the budget process. Responsibilities for the appraisal, management, and monitoring of TEs should be concentrated at the ministry responsible for overall fiscal policy. Policy objectives pursued by TEs should be clearly spelled out and embedded in a framework ensuring policy coherence across TEs and other spending programs or commitments.

Speakers

Alistair Lobo from the United Kingdom's Foreign Commonwealth and Development Office (FCDO) moderated the session during which Christian von Haldenwang (IDOS) presented.

Main Takeaways from Session 10

Based on the TE policy cycle, Christian von Haldenwang summarised main lessons drawn from the workshop, from the initial set up of TEs to reforming TE policy. When setting up TEs, a clear benchmark definition is often lacking, which is a prerequisite for defining and estimating TEs. Benchmarking is also vital for reporting on TEs since it determines the scope of the report. Often, the timing of TEs is not clarified, resulting in some provisions remaining in place for much longer than would be required. Sunset clauses and evaluation criteria should be a default option when designing TEs.

When operating TEs, the complexity of tax and TE regimes together with frequent changes and updates act as challenges for tax administrations and may also jeopardise data collection. Factors that facilitate the operating stage are enhanced communication and cooperation between different actors, such as the revenue authority, relevant ministries, and the parliament, support from regional and international actors, as well as digitalisation to facilitate administration, monitoring, and compliance.

By law, TE reports should be submitted to parliament and made public, which is currently not the case in all countries. Ex-ante assessments should be a prerequisite before any new TEs are implemented, but may be affected by lacking capacity, time pressure and political interference. Missing or incomplete

assessments can later prevent TE evolution. Thus, a joint framework for ex-ante assessments and ex-post evaluations is an important step for rationalising the use of TEs.

Reforming TEs requires a well-functioning and continuous flow of information to the parliament. Strategic partnerships with domestic and international actors may be helpful to overcome deadlocks. Evidence-based policymaking and transparency should be the guiding principles.

Presentations

The presentations of Session 10 can be found [here](#).

Additional material

Redonda, A., von Haldenwang, C., & Berg, S. (2023). Evaluation of tax expenditures: conceptual frameworks and international experiences. Project Documents (LC/TS.2023/129), Economic Commission for Latin America and the Caribbean (ECLAC), Santiago. <https://www.cepal.org/en/publications/68667-evaluation-tax-expenditures-conceptual-frameworks-and-international-experiences>

MAIN TAKEAWAYS AND NEXT STEPS

Governments all over the world are struggling to mobilise domestic resources. The same governments, however, typically offer generous tax breaks, exemptions or incentives to companies and households, often without knowing the real costs of those mechanisms in terms of revenue forgone. Additionally, the potential benefits and side effects of such TEs tend to not be assessed.

The main takeaway of the workshop in Tanzania is clear: countries in the region have been increasing their efforts regarding TE estimation and reporting, but much remains to be done. Lacking, incomplete or unreliable data is a major challenge for several countries. National strategies should be implemented to strengthen statistics offices to address this issue, along with facilitating data sharing between authorities and the redesign of tax return forms. Against this backdrop, it can be highly beneficial to request support from local, regional, and international actors. Capacity is lacking in some areas and brain drain is a common issue. Building capacity in several institutions, such as the revenue authority, ministries, and the parliament, along with improving employment conditions are key dimensions that governments and development partners should prioritize. Partnering with academia and the private sector as well as exploring the outsourcing of certain tasks such as TE evaluation, are other options to maintain a sustainable use of resources. Lastly, more and better communication is needed. For instance, continuous and clear communication as well as knowledge and data exchange between governmental agencies and the parliament, can significantly increase transparency and accountability, and facilitate the work surrounding TEs. Public disclosure of TE reports is essential for fostering transparency and should be enacted by all countries.

It is worth highlighting that the regional workshops on TEs carried out by the ATI with CEP and IDOS are not designed as one-off events. Indeed, one of the main goals of the initiative is to strengthen regional and global TE networks and promote exchange and peer learning, embedded in ATI activities. The momentum built after the workshop in Nairobi has been carried into Dar es Salaam and will, hopefully, continue to spread in the region and manifest in even more policy developments in the TE field soon.

PERSPECTIVES FROM PARTICIPANTS

The value of the workshop is primarily driven by the shared experiences and active engagement of participants. Having highly qualified officials exchanging lessons from each of their countries, the interplay with regional and international actors, as well as the different inputs provided by experts creates a broad platform of knowledge and establishes synergies that will prevail long after the end of the workshop. A few experiences from participants in the workshop are shared below.



“This is a very enriching meeting, I have learned a lot of things. Because in Africa every country has particular problems and cases regarding tax expenditures, we can share our experiences and find better ways to help each other.”

Harizaka Fiainantsoa Razaiharimalala, Member of Parliament, National Assembly, Madagascar

“We are coming from different countries and we are all at different stages. So, we are benchmarking from each other, and we are learning from each other. We are learning from best practices from the experts, which is very critical and something that I am also taking home to be able to improve our processes of managing TEs.”

Ronald Nyenje Makumbi, Manager of Statistics and Tax Policy Analysis, Uganda Revenue Authority, Uganda



“What I have learnt is a lot of things, but the main one is that the tax returns are the key source of data for TEs. They are not only beneficial for the estimation but also for the evaluation of TEs.”

Mahnaem Ndaitavela Haidula, Manager, Namibia Revenue Authority, Namibia

“The main takeaways from this workshop to take back home is how to conduct, and the importance of conducting, ex-ante and ex-post evaluations. The methodologies and guidelines to take into account in those evaluations.”

Isaac Arinaitwe, Senior Economist, Ministry of Finance, Planning, and Economic Development, Uganda



SPEAKERS

ATI Representatives



Markus Paffhausen is an advisor to the Addis Tax Initiative (ATI). Within the ATI Secretariat, Markus deals with issues of accountability in tax and revenue matters, environmental taxation, tax expenditures and international cooperation. Previously, he worked for the United Nations in the areas of development coordination and peacebuilding support. Markus holds a master's degree in international economics from University of Göttingen and a bachelor's degree in Latin American Studies and Economics from the University of Cologne.



Guy Goldman is an advisor at Addis Tax Initiative (ATI) secretariat, based at International Tax Compact team in GIZ. Prior to joining ATI secretariat, he was head of the legislation unit in the legal division of Israel Tax Authority, responsible for drafting and coordinating amendments in primary and secondary tax legislation. Guy holds a Master of Laws (LLM) from Tel Aviv University.

Tax Expenditures Lab Team



Agustin Redonda is a Senior Fellow with the Council on Economic Policies (CEP), where he focuses on fiscal policy and has been co-leading the Global Tax Expenditures Database (GTED) project. Prior to joining CEP, he was a research and teaching assistant with the Economics Department (IdEP) of the University of Lugano. He has also worked with the Organisation for Economic Co-operation and Development (OECD), as well as for the National Plan to Reduce Informal Activity (PNRT) at the Ministry of Labour, Employment and Social Security (MTSS) in Argentina. Agustin holds a PhD in Economics from the University of Lugano (USI).



Christian von Haldenwang is a Senior Researcher and project lead with the German Institute of Development and Sustainability (IDOS), formerly German Development Institute (DIE), where he works on taxation, decentralisation & urban governance, digitalisation, and legitimacy. He is the co-lead of the Global Tax Expenditures Database (GTED) project and the Institute's Regional Coordinator for Latin America. From 2003 to 2007 he was GTZ program coordinator at UN-ECLAC in Santiago de Chile. Christian holds an M.A. in Political Science and Philosophy and a PhD in Political Science from the University of Tübingen (Germany).



Flurim Aliu is a Fellow with CEP where he focuses on fiscal policy. He is co-leading the Global Tax Expenditures Database (GTED) project, a joint initiative between CEP and IDOS. Prior to joining CEP, Flurim worked at the World Bank, where he contributed to policy research at the Infrastructure Chief Economist's office and the Infrastructure Vice President's office. He also held other research positions at private firms and research institutes in the US and Germany. Flurim holds an MA in International Commerce from Seoul National University in Korea and a BA in Political Science from Georgia Gwinnett College in the United States.



Sofia Berg is a Research Analyst at CEP as part of the Fiscal Policy Program. She has previously been an intern at WSP Advisory in Stockholm, working with projects related to regional development and later co-authored a report evaluating the state of the Swedish municipalities based on key figures. Sofia holds a MSc in Economics and a BA in Politics and Economics, both degrees from Lund University School of Economics and Management.

Group of International Experts



Amina Ebrahim is a Research Fellow at UNU-WIDER based in Helsinki, where she is a core researcher in the Domestic Revenue Mobilisation programme. She previously worked on UNU-WIDER's Southern Africa – Towards Inclusive Economic Development (SA-TIED) in Pretoria, South Africa. Her research interests include labour and public economics, focusing on employment, tax, and social policies. She works on making large administrative tax data available for research and collaborates with African revenue authorities.



Edris Seid is TAXDEV's Country Economist for Ethiopia. He works with the Ethiopian Ministry of Finance. Currently, Edris is assisting the Ethiopian Ministry of Finance with tax policy analysis, including the Tax Expenditure Report. Edris holds master's degrees from the University of Warwick (UK), Lund University (Sweden) and Addis Ababa University (Ethiopia).



Kyle McNabb is a Research Associate for the Development and Public Finance program and a Tax Policy Advisor for the TAXDEV program at ODI. Based full time in Kampala, he works with Uganda's Ministry of Finance, Planning and Economic Development and Uganda Revenue Authority on research and analysis into tax policy, including tax expenditure reporting. Prior to joining ODI, he was a research fellow at UNU-WIDER in Helsinki where he was responsible for the UNU-WIDER Government Revenue Dataset project.



Nino Mikeladze has been working in the Ministry of Finance of Georgia for seven years. Currently, she is the head of the Macroeconomic Analysis Division. Nino holds BA and MA degrees in Economics from Tbilisi State University and a master's degree in policy economics from Williams College (US). She was a Teaching/Research Assistant at Williams College after her graduation and has been an Invited Lecturer in Macroeconomics at Ilia State University (Georgia) since 2022. Nino is doing her PhD at Tbilisi State University about Fiscal Consolidation and its Macroeconomic Effects. She has been involved in the process of tax expenditure analysis since 2020.

Moderators and Speakers



Ahmed Saadat is the director of the Research and Planning Department at the Zanzibar Revenue Authority. At his department, he does analysis of tax expenditure and their effect on revenue collected.



Antsa H. S. Rakotoarisoa is the current Chief of the Statistics and Economic Analysis Department of Malagasy Customs, with over 24 years of experience in international trade. With her expertise, she is asked to conduct short-term consultancy as a Revenue Administration Advisor in Sub-Saharan African countries, including Benin, Burkina Faso, Comoros, Gabon, Guinea etc. She has two master's degrees in mathematics from the University of Antananarivo and a diploma as Ingénieur Statisticien Economiste from the Ecole Nationale Supérieure de Statistique et d'Economie Appliquée of Abidjan.



Arnold Chimfwembe is a senior economist executive support under the Director Research and Corporate Strategy at the Zambia Revenue Authority. He has worked as a tax inspector for 8 years, mainly in tax audit involving review of tax returns to deter possible under declarations and fraud. He worked on the data matching project which focused on analysing data from TaxOnline (Inland Tax) and Asycuda world (Customs). The main objective of the project was to streamline reporting between the different taxes and establish any variances. This culminated into the Bulk intelligence Data Analytics project. Arnold holds a MSc in Economics and Finance.



Cyrus Mutuku is a research economist at the Kenya Revenue Authority and serves as a manager in the Research and Business Analysis Unit. In this position, he has provided expertise in revenue modelling, revenue forecasting, survey designs, tax research, data analysis and reporting. His main contribution to the research and business section includes analyses and reporting of tax expenditures, quarterly revenue and economic outlook reporting and macro/revenue monitor monthly outlets. He holds a BA in Economics, a Master of Economics (policy) and a Master of Banking & Finance (policy).



Douglas Kigabo Bitonda is an Economic Affairs Officer in the Macroeconomics and Governance Division (MGD) at the United Nations Economic Commission for Africa (ECA). At ECA, Douglas works on issues related to economic governance and public finance, including measurement of Illicit Financial Flows and governance of tax expenditures in Africa. Prior to joining ECA, he was the Economic Adviser to DFID Rwanda and has worked with Government of Rwanda and its development partners on a number of areas, including macroeconomic analysis and reporting, fiscal policy and public finance management, and policy dialogue for effective macroeconomic policy.



Everlyn Muendo is a Policy Assistant with Tax Justice Network Africa (TJNA) under the Tax and Incentives program. She works to promote domestic resource mobilization, regional and continental tax harmonization, transparency and accountability in tax incentives governance, and national investment regimes and instruments such as double taxation agreements. Everlyn is a lawyer and trainee advocate. She was previously interning at the East African Tax Governance Network and was a student researcher at the Committee on Fiscal Studies at the University of Nairobi.



Ferdinand Chikambwe is a Senior Budget Analyst-Revenue in the National Assembly of Zambia Parliamentary Budget Office, where he focused on revenues (taxes) and gender budgeting. Before joining the Parliamentary Budget Office in 2016, Ferdinand was Executive Director of the Economics Association of Zambia, where he contributed to policy research and review. Ferdinand holds a B.A. in Economics, an M.A. in Economic Policy Management and an LLB degree.



Gbenga Falana is a Senior subject matter expert on Trade, Customs, and Taxation on the Support Programme for Fiscal Transition in West Africa (PATF-ECOWAS) on Value Added Tax harmonisation and tax expenditure management under the 11th European Union Development Fund (EU-EDF). Previously, he worked for Cadbury Nigeria Plc as head of their tax administration and strategy in West Africa and Kenya. In addition, he has over eight years of experience as a tax policy expert with the Federal Inland Revenue Service of Nigeria. He also served on Nigeria's Presidential Committee on Fiscal Policy and Tax Reforms, where he actively contributes to the sub-committee responsible for reviewing the National Tax Policy (NTP).



Happyson Nkya is a Principal Economist in the Research and Planning Department at the Tanzanian Revenue Authority. He is part of the team developing a tax expenditure model for Tanzania.



Isaac Arinaitwe is a Senior Economist in the Tax Policy Department of Uganda's Ministry of Finance, Planning and Economic Development. During his 11-year career in fiscal policy management, he has taken the lead in tax analysis, revenue forecasting, tax expenditure estimation, reporting and evaluation. He also coordinates the implementation of the medium-term Domestic Revenue Mobilisation Strategy. He holds a Master of Science in Quantitative Economics and a Bachelor of Science in Quantitative Economics, both obtained from Makerere University Kampala.



Leila Kituyi is ATAF Manager: Strategic Partnerships and International Cooperation, where she manages and strategically engages key relations with institutions regionally across Africa and globally on behalf of ATAF. Prior to her current role, she served as head of ATAF's Legal and Corporate Governance Manger and Board Secretary to the Council and General Assembly for African tax administrations in ATAF. Ms Kituyi has over 15-year work experience working in renowned law firms in Kenya and regional tax institutions serving as inhouse counsel, legal advisor-Double Taxation Agreements/Treaties Litigation (DTA), working with African legislators on matters of Illicit financial flows and on institutional outreach programmes including public-private partnerships.



M. Frankie Mbuyamba is a Regionalisation Manager at ATAF. Frankie has led the "African regional studies on tax reform priorities" in all five major regions of the African continent. He has also conducted, since 2016, the ATAF flagship publication called the African Tax Outlook. Currently, Frankie is managing the ATAF regionalisation capability which intends to take ATAF services closer to its members and bring the needs of the members to the Secretariat timeously. M. Frankie Mbuyamba holds a BSc Honours in Applied Economics from the University of Lubumbashi. He also holds a BCom honours in Economics and MCom in Economics from the University of Johannesburg. He is currently enrolled for a master's in data science.



Muhammed Adem is the division head of the Tax Policy Unit at the Ministry of Finance in Ethiopia. He has been part of reporting on tax expenditures in Ethiopia, including benchmarking and analysis of tax expenditures.



Ronald Nyenje Makumbi is the Head of Statistics and Policy Analysis at the Uganda Revenue Authority (URA). His role at URA involves working on tax policy impact analysis and evaluation, as well as the development of statistical reports. He is also part of the team that prepares the Uganda Tax Expenditure report. Ronald holds a Master of Arts degree in Economics and a Master of Science degree in Quality Systems and Improvement Management.

WORKSHOP PROGRAM

Day 1: Data, Benchmarking & Estimation of TEs

08:30 – 08:45	<i>Arrival & Registration</i>
08:45 – 09:30	Welcome Address & Introduction
09:30 – 10:30	Session 1 – TE Developments in Partner Countries
10:30 – 11:00	<i>Coffee Break</i>
11:00 – 12:15	Session 2 – Data Requirements for TE Estimation and Evaluation
12:15 – 13:45	<i>Lunch Break</i>
13:45 – 15:00	Session 3A – Establishing a Benchmark Session 3B – Redesigning Tax Return Forms to Better Capture TE data
15:00 – 15:30	<i>Coffee Break</i>
15:30 – 17:15	Session 4 – Estimating Revenue Forgone I
17:30 – 20:30	<i>Reception</i>

Day 2: Estimation, Reporting & Evaluation of TEs

08:30 – 08:45	Welcome to Day 2 & Setting the Stage
08:45 – 10:30	Session 5A – Estimating Revenue Forgone II Session 5B – TEs Pocket Guide for Parliamentarians
10:30 – 11:00	<i>Coffee break</i>
11:00 – 12:15	Session 6 – TE Reporting
12:15 – 13:45	<i>Lunch Break</i>
13:45 – 15:00	Session 7 – Ex-Ante Assessment of TEs
15:00 – 15:30	<i>Coffee break</i>
15:30 – 17:15	Session 8 – Ex-Post Evaluation of TEs I

Day 3: Evaluation and Governance of TEs

08:30 – 08:45	Welcome to Day 3 & Setting the Stage
08:45 – 10:30	Session 9A – Ex-Post Evaluation of TEs II Session 9B – TE Evaluations for Parliamentarians
10:30 – 11:00	<i>Coffee break</i>
11:00 – 12:00	Session 10 – Governing TE Regimes
12:00 – 12:30	Closing Remarks

LIST OF PARTICIPANTS

No.	Name	Country	Institution
1.	Ahmed Saadat	Tanzania	Zanzibar Revenue Authority
2.	Agustin Redonda	Switzerland	Council on Economic Policies (CEP)
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7.	Antsa H. S. Rakotoarisoa	Madagascar	Ministry of Economy and Finance
8.	Arnold Chimfwembe	Zambia	Zambia Revenue Authority
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10.	Christian von Haldenwang	Germany	German Institute of Development and Sustainability (IDOS)
11.	Cyrus Mutuku	Kenya	Kenya Revenue Authority
12.	David Ntihemuka	Rwanda	Rwanda Revenue Authority
13.	Douglas Kigabo Bitonda	Ethiopia	United Nations Economic Commission for Africa (UNECA)
14.	Edris Seid	Ethiopia	Institute for Fiscal Studies (IFS) - TaxDev
15.	Everlyn Muendo	Kenya	Tax Justice Network Africa (TJNA)
16.	Farence Mniko	Tanzania	Tanzania Revenue Authority
17.	Ferdinand Chikambwe	Zambia	Parliamentary Budget Office
18.	Flurim Aliu	Switzerland	Council on Economic Policies (CEP)
19.	Gbenga Falana	Nigeria	Economic Community of West African States (ECOWAS)
20.	Guy Goldman	Germany	Addis Tax Initiative (ATI)
21.	Hon. Gladys Ganda	Malawi	Parliament of Malawi
22.	Happyson Nkya	Tanzania	Tanzania Revenue Authority

REGIONAL WORKSHOP: Technical Follow-up Meeting on Tax Expenditures - Report

23.	Hon. Harizaka F. Razaiharimalala	Madagascar	National Assembly of Madagascar
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25.	Israel Bikorimana	Rwanda	Ministry of Finance and Economic Planning
26.	James Muturo	Kenya	Kenya Revenue Authority
27.	Jimmy Sakala	Zambia	Ministry of Finance and National Planning
28.	Joseph Arbogast	Tanzania	Tanzania Revenue Authority
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50.	Wilberforce Oundo	Kenya	Parliament of Kenya
51.	Williams Banda	Malawi	Ministry of Finance and Economic Affairs