“Enhancing transparency and efficiency in tax expenditures assessment”

Concept note for a panel session at the 2022 Global Development Conference on Tax Policy for Sustainable Development

1. Background

Tax expenditures (TEs) are alternative policy means by which governments deliver financial support to individuals and companies, i.e. to provide incentives for businesses to invest in their countries or to support consumption. TEs are generally defined as a reduction in tax liability compared with a “benchmark tax system”. They may take different forms, can be temporary or permanent, and can be included in tax laws or other laws, such as free and economic zone laws, investment codes, and so on. While the number of countries reporting on TEs has been growing steadily over the years, many countries still not report at all, and the scope and quality of reports vary significantly across countries. Furthermore, only a minority of countries comprehensively evaluate their TE regimes and provide information on how to access these evaluations. Many countries do not carry out any TE evaluations at all. And even among those countries that do perform some type of TE evaluation, their approaches are highly heterogeneous regarding their regularity, scope, methods applied, and authorship (internal vs. external evaluators). Due to the critical role TEs play in tax systems around the globe, its evaluation and transparent reporting is of particular importance and will be further discussed in the course of the panel discussion organised by the Addis Tax Initiative (ATI) and the Foundation for studies and Research on International Development (FERDI) during the 2022 Global Development Conference on Tax Policy for Sustainable Development (“GDN Conference”).

2. Objective and format of the panel discussion

The main objective of this panel session at the 2022 GDN Conference, is to have a practical and technical exchange on the evaluation and reporting of tax expenditures. Considering the large number of tax practitioners among the conference participants with existing (partial) knowledge in the field of TEs, a relatively direct entry into the technical details of the topic will be provided instead of an extensive general introduction of the overall topic of TEs.
After a brief welcoming session, a general review of selected research work and global activities related to reporting and evaluation of TEs will be provided. In addition to this, country-specific practical experiences and challenges with respect to the reporting and evaluation of TEs will be presented. Finally, to complete the cycle towards a transparent and efficient administration of TEs, experiences of a successful reform of tax incentive schemes in a selected developing country will be presented.

During a Q&A session, on-site and virtual participants will have the possibility to pose questions to the panellists.

3. Agenda

The following preliminary panel is suggested:

Session	Potential Speakers	Time
Welcome	**Mario Mansour (Moderator)** *Chief of Tax Policy Division (FAD), IMF* **Benedikt Madl** *Head of Sector Fiscal Policies / Collect more – spend better (European Commission) & Co-Coordinator of ATI Consultative Group 3* **Anne-Marie Geourjon** *Programs Manager (FERDI), Associate Researcher (CERDI)*	15 min
Panellists	**Christian von Haldenwang** *Senior Researcher - German Institute of Development and Sustainability (IDOS)* **Emilie Caldeira** *Associate Professor (CERDI), Associate Researcher (FERDI)* **Modeste Mopa** *Direction Générale des Impôts - Ministry of Finance (Cameroon)* **Alistair Lobo** *Tax and Economic Growth Lead - Foreign, Commonwealth & Development Office (UK)*	45 min
Q&A	**Q&A session with participants (online and physical)**	25 min
Closing	**Moderator**	5 min

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Co-funded by the European Union
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