

Follow-up Technical Meeting on Tax Expenditures
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Elements of Good Tax Expenditure Reporting

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Overarching purpose:

- Satisfy the information needs of government, parliament and the general public
- Contribute to sound budget planning and fiscal policy

An ideal TE report

TE name										
TE identification number										
Description										
Policy objective										
Budgetary category										
Intended beneficiaries										
Number of beneficiaries										
Benchmark definition										
Legal reference										
Type of tax										
Type of TE										
Timeframe	Entry in force		Date							
	Expiration		Date / permanent							
Revenue forgone estimates and projections (absolute value, in local currency)	t-5	t-4	t-3	t-2	t-1	t	t+1	t+2	t+3	t+4
Estimation method*										
Data sources*										
Last evaluation/ evaluation schedule										

The Global Tax Expenditures Transparency Index



Five dimensions



**Public
Availability**



**Institutional
Framework**



**Methodology &
Scope**



**Descriptive TE
Data**



TE Assessments

1st dimension: Public availability



Indicator	Good Practice
Frequency and Regularity	Annual reports with no missing years since start of reporting
Timeliness	Report provides timely data (e.g. report issued in 2023 provides data for fiscal year 2022)
Visibility	Government communicates the release of the report, for instance through an official press release
Online Accessibility	Report easy to find and included in an online repository
Reader-friendliness	Report published as a single consolidated document with a reader-friendly summary , acronyms explained, and a version for impaired individuals provided

2nd dimension: Institutional framework



Indicator	Good Practice
Legal Requirement	Legal requirement to report – frequency , timing and scope
Submission to Parliament	Report submitted to Parliament
Reporting Responsibility	Ministry of Finance primarily responsible for reporting, with data-sharing from other ministries and the revenue authority
Budget Cycle Integration	The TE report is part of the budget plan or proposal
Medium Term Strategy	Reporting on TEs linked to the government’s Medium-term Fiscal or Revenue Strategy

3rd dimension: Methodology & scope



Indicator	Good Practice
Coverage	Report covers all TEs
Benchmark	Benchmark tax system described in detail for each tax type
Structural Reliefs	Report provides detailed information (including costs) on structural relief provisions, which benefit specific groups, sectors or activities, but are not considered TEs
Costing Methodology	Report provides a detailed description of the methodology used and the economic assumptions employed in the calculation of revenue forgone
Data Sources	Report discloses the data sources it uses as well as potential issues with such sources

4th dimension: Descriptive data



Indicator	Good Practice
Type of TE	For each provision, the report names the tax upon which the TE is granted, and the incentive mechanism used
Policy Objective	For each provision, the report informs about the policy objective(s) it should achieve
Beneficiaries	For each provision, the report informs about the targeted beneficiaries and the number of claimants
Timeframe	The report states until when each TE provision is in place
Legal Reference	The report discloses the legal reference of each TE provision

5th dimension: TE Assessments



Indicator	Good Practice
Disaggregation of Revenue Forgone	Information on revenue forgone presented at the level of individual provisions
Backward Estimates	Report provides backward estimates for 5 years at provision level
Forward Projections	Report provides projections for the coming 5 years at provision level
TE Evaluation Framework	Report describes and references the country's TE evaluation framework
Data on Evaluations	Report discloses the last time each provision was evaluated, provides a summary of the results and a reference to the full evaluation

How does Africa fare on the GTETI?



Region	No. of assessed countries	Regional average /100	D1 Public Availability	D2 Institutional Framework	D3 Methodology and Scope	D4 Descriptive TE data	D5 TE assessment
Europe & Central Asia	37	49.6	11.7	11.7	9.0	10.1	7.1
Sub-Saharan Africa	27	42.6	11.7	11.1	8.6	6.2	5.1
Latin America & Caribbean	18	48.8	11.8	12.7	9.6	8.8	6.0
East Asia & Pacific	10	48.5	11.9	11.5	7.5	10.6	7.0
Middle East & North Africa	5	47.5	10.5	14.1	9.8	7.9	5.2
South Asia	5	43.9	13.1	9.1	8.8	7.9	5.0
North America	2	69.4	17.2	12.7	14.0	13.9	11.7
Total GTETI	104	47.5	11.8	11.7	9.0	8.8	6.2

How does Africa fare on the GTETI?



Country Name	WB Income group	Overall GTETI score	D1 Public Availability	D2 Institutional Framework	D3 Methodology and Scope	D4 Descriptive TE data	D5 TE assessment
Benin	LMIC	66,3	11,0	13,3	13,2	15,2	13,6
Niger	LIC	61,5	14,3	13,3	15,2	13,0	5,6
Cameroon	LMIC	56,9	10,0	14,7	11,6	8,5	12,2
Burkina Faso	LIC	55,4	10,0	13,3	11,9	17,0	3,2
Uganda	LIC	51,2	10,0	13,3	11,9	7,2	8,8
Rwanda	LIC	50,5	12,3	6,7	14,9	9,4	7,2
Côte d'Ivoire	LMIC	50,3	10,3	13,3	14,0	5,5	7,2
Mali	LIC	49,6	12,3	16,0	14,4	4,5	2,4
South Africa	UMIC	49,3	13,0	10,7	12,0	6,5	7,2
Mauritania	LMIC	49,3	11,0	6,7	11,6	16,0	4,0
Kenya	LMIC	49,2	13,0	8,0	15,2	5,0	8,0
Guinea	LMIC	48,7	11,0	12,0	14,9	9,2	1,6
Togo	LIC	47,7	12,0	13,3	13,9	4,1	4,4
Nigeria	LMIC	47,5	12,3	14,7	7,6	6,1	6,8
Senegal	LMIC	46,2	8,0	14,7	10,5	5,0	8,0
Sierra Leone	LIC	44,1	13,3	16,0	2,9	3,8	8,0
Cape Verde	LMIC	43,9	14,3	13,3	4,0	6,7	5,6
Ethiopia	LIC	34,1	9,3	4,0	14,9	2,7	3,2
Mauritius	UMIC	33,7	12,3	10,7	1,6	2,7	6,4
Gabon	UMIC	32,9	11,3	12,0	4,0	4,0	1,6
Liberia	LIC	32,7	13,3	9,3	4,0	4,5	1,6
Burundi	LIC	29,3	11,0	13,3	1,6	1,8	1,6
Dem. Rep. of Congo	LIC	27,2	11,3	8,0	0,0	6,3	1,6
Lesotho	LMIC	25,3	10,3	13,3	0,0	0,0	1,6
Tanzania	LMIC	23,4	14,3	6,7	1,6	0,0	0,8
Madagascar	LIC	21,9	10,3	4,0	4,7	1,3	1,6
Eswatini	LMIC	21,9	13,3	4,0	0,0	1,3	3,2



Thank you!

<https://www.taxexpenditures.org/>