

Community of Practice on Tax Expenditures  
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Online



# The Global Tax Expenditures Transparency Index (GTETI 1.1)

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# The GTETI: An overview

# The GTETI structure



## D1: Public availability

- 1.1 Frequency and regularity
- 1.2 Timeliness
- 1.4 Visibility
- 1.4 Online accessibility
- 1.5 Reader-friendliness

## D4: Descriptive TE data

- 4.1 Policy objective
- 4.2 Type of tax expenditure
- 4.4 Beneficiaries
- 4.4 Timeframe
- 4.5 Legal reference

## D2: Institutional framework

- 2.1 Legal requirement
- 2.2 Submission to Parliament
- 2.4 Reporting responsibility
- 2.4 Budget cycle integration
- 2.5 Medium-term fiscal strategy

## D5: TE assessment

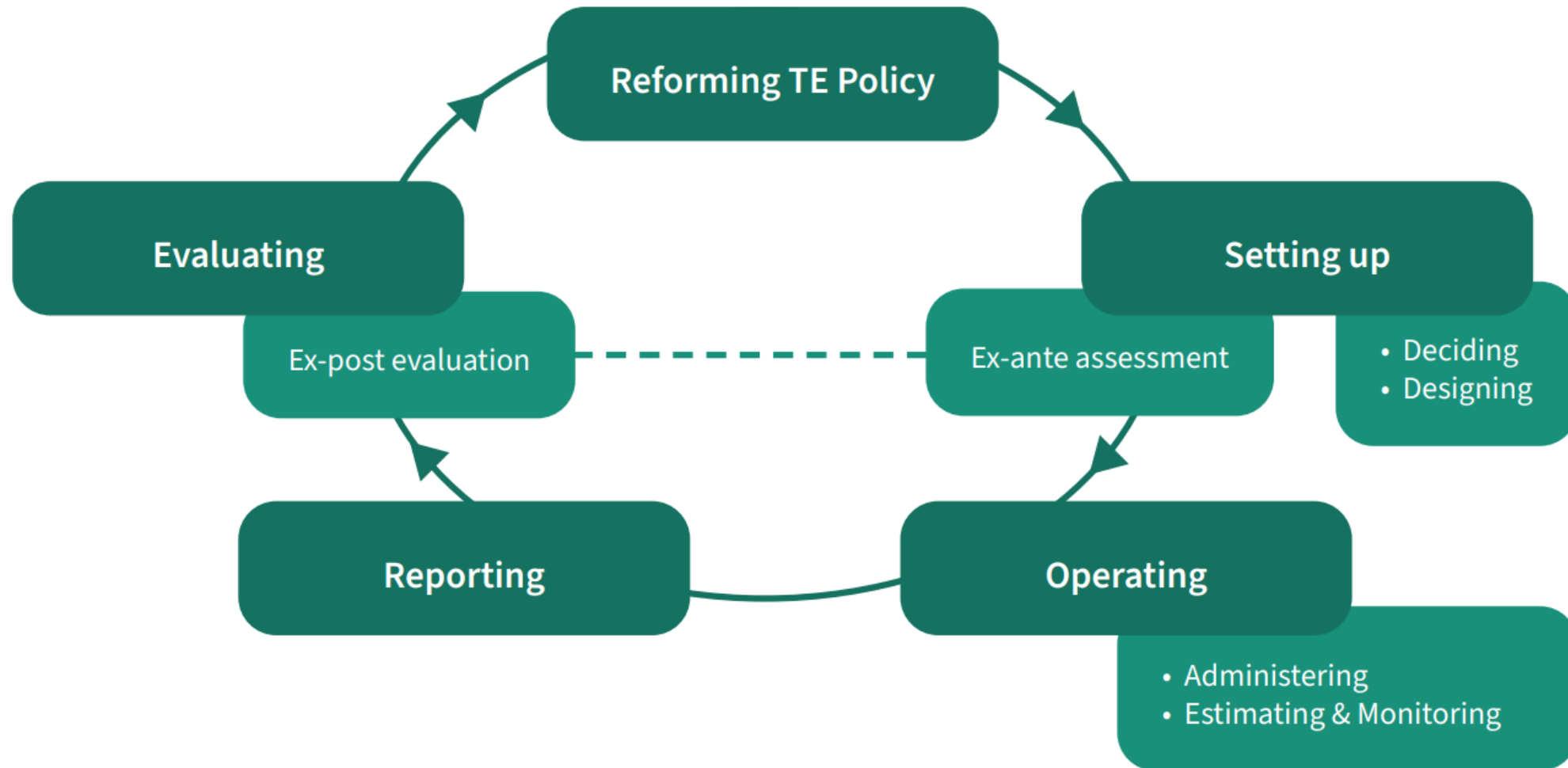
- 5.1 Disaggregation of revenue forgone
- 5.2 Backward revenue forgone
- 5.4 Forward revenue forgone
- 5.4 TE evaluation framework
- 5.5 Availability of TE evaluations

## D3: Methodology and scope

- 3.1 Information on TE coverage
- 3.2 Tax benchmark explanation
- 3.4 Structural relief
- 3.4 Revenue estimation method
- 3.5 Data sources

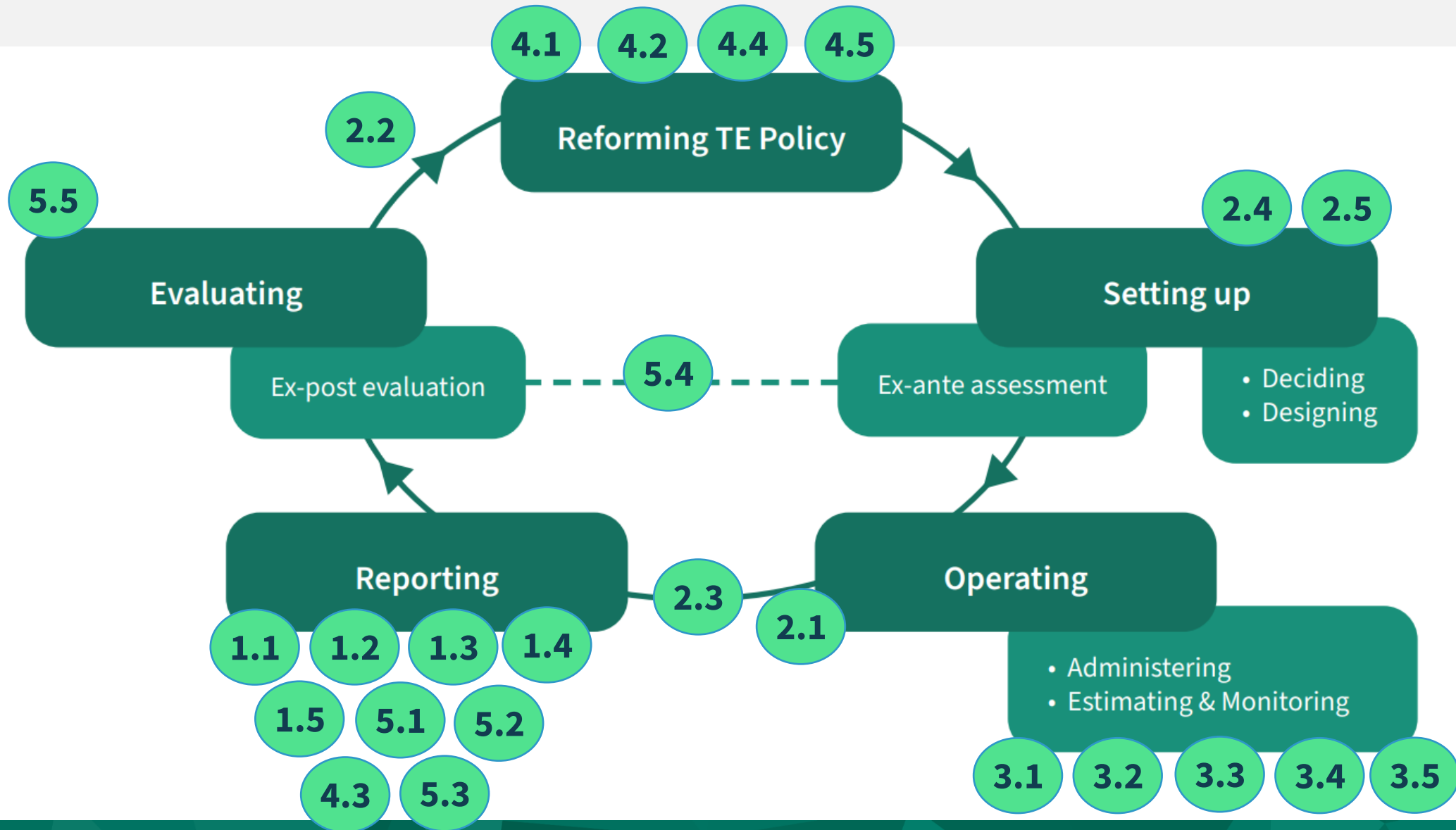
- 5 dimensions
- 25 indicators
- +130 supporting documentation datapoints

# The GTETI across the Tax Expenditure Policy Cycle



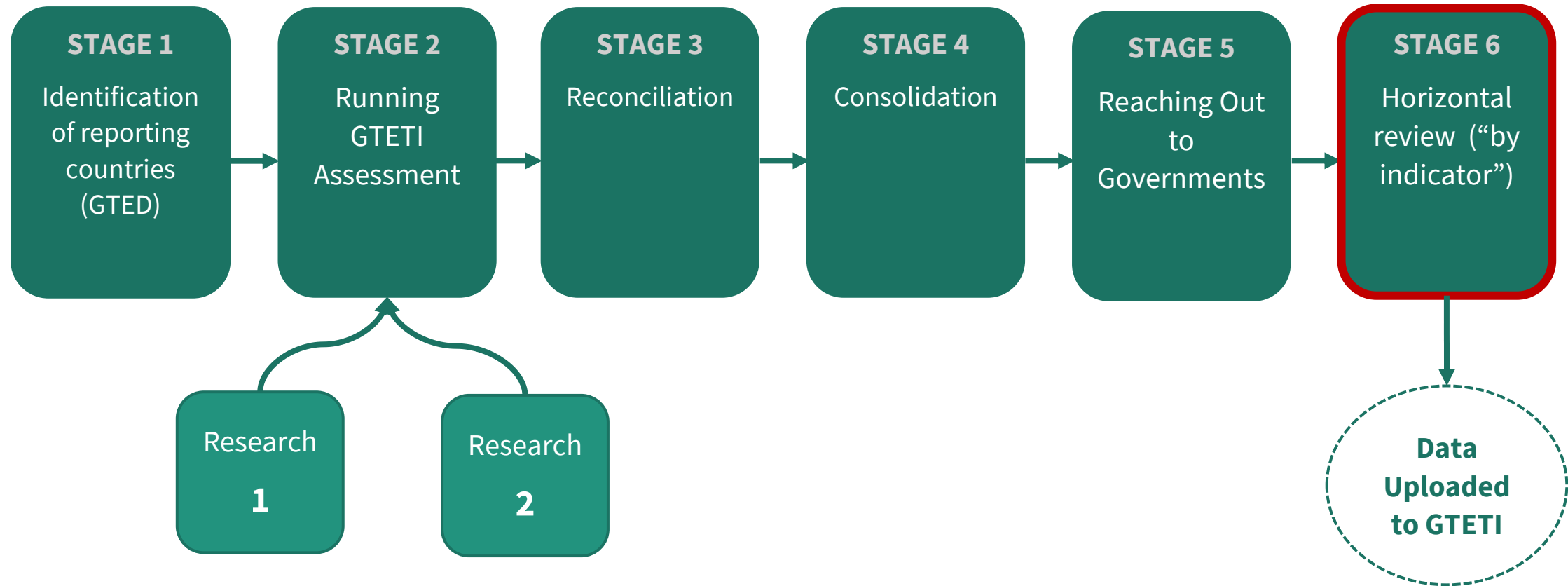
Source: Redonda et al. (2023)

# The GTETI across the Tax Expenditure Policy Cycle



# The GTETI 1.1

# The GTETI multi-stage assessment process



Source: Redonda et al. (2024)

# Changes & updates in the GTETI 1.1



- **19 governments** provided feedback on their index assessments.
- **Coverage expansion:** Assessments revisited as more comprehensive reports were identified (within the same assessment timeframe → cut off date: December 31, 2022).
- **Standardized documentation:**
  - Standardized supporting documentation answers (**138** in total)
  - Underlying data (Questions, Answers, Comments and Sources) will now be **publicly available**
- **Horizontal review process:** Enhanced review by indicator + automated consistency checks
- **Limited methodological changes:** Only legal obligations to specifically report on TEs are accepted as legal basis (2.1, 2.2, 2.3) + We now accept incidence analysis of specific TEs as a valid form of TE evaluation (5.5).
  - All changes are explained in the [GTETI 1.1 Companion Paper](#) and the [GTETI 1.1 Update Note](#).

# **Main results by dimension and indicator**

# Average scores



<b>D1: Public availability</b>		<b>11.3</b>
<b>1.1</b>	Frequency and regularity	3.23
<b>1.2</b>	Timeliness	3.16
<b>1.3</b>	Visibility	0.98
<b>1.4</b>	Online accessibility	1.68
<b>1.5</b>	Reader-friendliness	2.22

<b>D2: Institutional framework</b>		<b>10.4</b>
<b>2.1</b>	Legal requirement	2.72
<b>2.2</b>	Submission to Parliament	2.72
<b>2.3</b>	Reporting responsibility	2.80
<b>2.4</b>	Budget cycle integration	1.00
<b>2.5</b>	Medium-term fiscal strategy	1.13

<b>D3: Methodology and scope</b>		<b>8.67</b>
<b>3.1</b>	Information on TE coverage	1.67
<b>3.2</b>	Tax benchmark explanation	1.49
<b>3.3</b>	Structural relief	0.93
<b>3.4</b>	Revenue estimation method	2.38
<b>3.5</b>	Data sources	2.21

<b>D4: Descriptive TE data</b>		<b>8.8</b>
<b>4.1</b>	Policy objective	1.50
<b>4.2</b>	Type of tax expenditure	3.23
<b>4.3</b>	Beneficiaries	0.93
<b>4.4</b>	Timeframe	1.09
<b>4.5</b>	Legal reference	2.06

<b>D5: TE assessment</b>		<b>6.49</b>
<b>5.1</b>	Disaggregation of revenue forgone	2.92
<b>5.2</b>	Backward revenue forgone	1.95
<b>5.3</b>	Projections of revenue forgone	0.88
<b>5.4</b>	TE evaluation framework	0.42
<b>5.5</b>	Availability of TE evaluations	0.31

- **105** assessed jurisdictions
- Av. (N=105) of **45.6** /100
- Av. (N=218) of **22.17** /100
- Dimensions /**20**
- Indicators /**4**

# **Best practices & highlights**

# Dimension 1 : Public Availability



	Top 10 – D1	1.1	1.2	1.3	1.4	1.5
Canada	18.0	4.0	4.0	1.3	2.0	3.0
Colombia	16.3	3.0	4.0	1.3	2.0	3.0
France	16.3	4.0	4.0	0.0	3.0	2.0
Germany	16.0	3.0	4.0	1.3	4.0	1.0
Indonesia	16.0	4.0	4.0	1.3	1.0	2.0
South Korea	16.0	4.0	4.0	1.3	1.0	1.0
Cape Verde	15.7	3.0	4.0	1.3	2.0	3.0
Brazil	15.3	4.0	4.0	1.3	2.0	3.0
Netherlands	15.3	2.0	4.0	0.0	4.0	0.0
Guinea	15.0	4.0	4.0	0.0	4.0	1.0

- **76%** of countries report regularly [1.1]
- **59%** have an online repository where all TE reports are included [1.3]
- Only **19%** make the underlying data available (.xls, .csv etc.) [1.4]

# Dimension 2 : Institutional Framework



	Top 10 – D2	2.1	2.2	2.3	2.4	2.5
Tunisia	18.7	4.0	4.0	4.0	4.0	2.7
Austria	18.7	4.0	4.0	4.0	2.7	4.0
Spain	18.0	4.0	4.0	2.0	4.0	4.0
United States	17.3	4.0	4.0	4.0	4.0	1.3
Hungary	17.3	4.0	4.0	4.0	1.3	4.0
Germany	16.7	4.0	4.0	2.0	2.7	4.0
Dominican Rep.	16.0	4.0	4.0	4.0	4.0	0.0
Italy	16.0	4.0	4.0	4.0	4.0	0.0
Taiwan	16.0	4.0	4.0	4.0	4.0	0.0
Pakistan	16.0	4.0	4.0	4.0	1.3	2.7

- **67%** of countries have a legal requirement to periodically report on TEs [2.1]...
  - Yet, **almost half** of these countries report irregularly [1.1]
- **1 in 4** countries does not submit the TE report to Parliament [2.2]
- Most countries publish Medium-Term Fiscal Strategy documents...
  - but **only half** of them mentions TEs in those strategies [2.5]

# Dimension 3 : Methodology and Scope



	Top 10 – D3	3.1	3.2	3.3	3.4	3.5
Belgium	18.7	4.0	2.7	4.0	4.0	4.0
Puerto Rico	17.3	4.0	2.7	2.7	4.0	4.0
Canada	17.1	2.4	2.7	4.0	4.0	4.0
Portugal	16.7	4.0	2.7	4.0	4.0	2.0
South Korea	16.4	2.4	4.0	4.0	4.0	2.0
Indonesia	15.7	2.4	2.7	2.7	4.0	4.0
Guinea	15.7	2.4	2.7	2.7	4.0	4.0
Netherlands	15.1	2.4	2.7	4.0	4.0	2.0
Georgia	14.9	1.6	2.7	2.7	4.0	4.0
Moldova	14.3	1.6	4.0	2.7	4.0	2.0

- Only **11%** of countries claim full coverage of existing TEs [3.1]
- In **more than half** of the countries, some types of taxes are not covered by the TE report [3.1]
- **About half** of countries have no specific explanation of the benchmark tax system [3.2]

# Dimension 4 : Descriptive TE Data



	Top 10 – D4	4.1	4.2	4.3	4.4	4.5
France	19.0	4.0	4.0	3.0	4.0	4.0
Germany	19.0	4.0	4.0	3.0	4.0	4.0
Canada	18.0	4.0	4.0	2.0	4.0	4.0
South Korea	17.0	4.0	4.0	1.0	4.0	4.0
Indonesia	17.0	4.0	4.0	1.0	4.0	4.0
New Zealand	17.0	4.0	4.0	1.0	4.0	4.0
Austria	17.0	4.0	4.0	1.0	4.0	4.0
Ecuador	17.0	4.0	4.0	3.0	2.0	4.0
Benin	16.2	4.0	4.0	3.0	2.0	3.2
Italy	16.0	2.0	4.0	2.0	4.0	4.0

- **Less than half** of countries provide policy objectives for specific TE provisions [4.1]
- **Only 14%** provide information on the number of beneficiaries of specific TEs [4.3]
- **56%** do not include any specific legal reference for TE provisions [3.2]

# Dimension 5 : TE Assessment



	Top10 – D5	5.1	5.2	5.3	5.4	5.5
Benin	13.6	4.0	2.4	3.2	2.0	2.0
Canada	13.6	4.0	4.0	1.6	2.0	2.0
Germany	13.2	4.0	1.6	1.6	4.0	2.0
United Kingdom	13.0	4.0	4.0	0.0	4.0	1.0
Netherlands	12.8	4.0	3.2	1.6	2.0	2.0
Latvia	12.8	4.0	2.4	2.4	2.0	2.0
Costa Rica	12.6	4.0	4.0	1.6	2.0	1.0
Australia	12.4	4.0	3.2	3.2	2.0	0.0
Portugal	12.4	4.0	2.4	0.0	4.0	2.0
Honduras	12.4	2.4	3.2	0.8	4.0	2.0

- **More than 30%** of countries only provide aggregated revenue forgone estimates [5.1]
- **Only 16%** provide 5 or more years of backward revenue forgone estimates [5.2]
- **87%** do not include or reference any TE evaluation (cost-benefit or incidence analysis) [5.5]

# The GTETI Ranking

# GTETI Ranking – Top 20 & bottom 20

## TOP 20

- Mostly HICs in the top 20
- Benin ranked 9<sup>th</sup>
- A few Upper-middle income countries: Ecuador, Brazil, and Indonesia

➤ Guinea, Pakistan and Tunisia in the top **25**

South Korea	76.07	32.93	Gabon
Indonesia	73.40	32.73	Liberia
Canada	70.67	32.73	Kazakhstan
Germany	69.27	29.93	Lesotho
France	68.73	29.67	Mongolia
Italy	66.93	29.40	Maldives
Brazil	65.40	29.00	Paraguay
Belgium	64.67	28.07	Estonia
Benin	64.53	26.93	Sri Lanka
Portugal	64.40	25.93	Romania
Australia	63.80	25.67	Panama
Netherlands	63.53	25.20	Congo, Dem. Rep. of
Ecuador	61.80	24.73	Bhutan
Latvia	61.27	22.87	Tonga
Sweden	61.07	22.40	Mauritius
Russia	60.73	20.93	Madagascar
United States	60.20	20.73	Burundi
Uruguay	59.93	19.87	Eswatini
Austria	59.80	19.27	Algeria
Puerto Rico	59.27	18.53	Tanzania

## BOT 20

- Mostly Upper-middle income (9/20)
- Two HICs : Estonia and Panama.

➤ Denmark, Hungary, and Switzerland in the bottom **25**

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Germany	69.27	29.93	Lesotho
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Italy	66.93	29.40	Maldives
Brazil	65.40	29.00	Paraguay
Belgium	64.67	28.07	Estonia
Benin	64.53	26.93	Sri Lanka
Portugal	64.40	25.93	Romania
Australia	63.80	25.67	Panama
Netherlands	63.53	25.20	Congo, Dem. Rep. of
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# Thank you!

Contact details:

- [www.TaxExpenditures.org](http://www.TaxExpenditures.org)
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Kudos to the 10 GTETI consultants for their valuable contributions:

*Sebastian Barraza, Cheick Camara, Paula Castells, Moses Chamisa, Antonella Del Aguila, Giulian Etingin-Frati, Tato Khundadze, Komal Muzamil, Darron Seller-Peritz, and Ludovica Tursini.*

- Regional best practices, peer learning
- Gateway for comparability assessments
- Importance of transparency
  - For evidence-based policy making
  - Ensuring fair competition
- Complexity and administrative capacity
- TE evaluations / low marginal cost of incidence analysis

**Main results,  
region and  
income groups**

# Overall GTETI scores, by region and income group



Region	Assessed	Not assessed	% reporting (Dec-22)	Average (N=105)	Average (N=218)
Africa	30	24	56%	39.62	22.01
Asia	17	33	34%	43.84	14.91
Caribbean /Am. Isl.	2	22	8%	50.67	4.22
Europe	34	15	69%	49.05	34.04
Latin America	16	3	84%	48.92	41.25
Northern America	2	1	67%	65.43	43.62
Oceania	4	15	21%	42.82	9.01
Total	105	113	48%		

WB Income group (2023)	Assessed	Not assessed	% reporting (Dec-22)	Average (N=105)	Average (N=218)
High income	41	43	49%	51.74	25.25
Upper middle income	28	29	49%	42.43	20.84
Lower middle income	22	27	45%	41.46	18.61
Low income	14	14	50%	40.68	20.34

# Overall GTETI scores by Region



Region	Assessed in GTETI	Other	% reporting (Dec-22)	GTETI assessed av.	Ext. Av (N=218)	Dim 1	Dim 2	Dim 3	Dim 4	Dim 5
Africa	30	24	56%	39.69	22.05	11.3	9.7	7.8	5.9	5.1
Asia	17	33	34%	43.84	14.91	10.5	10.4	7.9	9.1	5.9
Caribbean/American isl.	2	22	8%	50.67	4.22	12.7	8.7	11.5	10.2	7.6
Europe	34	15	69%	49.05	34.04	11.1	11.4	8.8	10.3	7.4
Latin America	16	3	84%	48.99	41.25	11.6	10.9	10.0	9.8	6.7
Northern America	2	1	67%	65.43	43.62	15.7	10.7	14.0	13.9	11.2
Oceania	4	15	21%	42.82	9.01	11.2	5.2	8.5	10.1	7.9
<b>Total</b>	<b>105</b>	<b>113</b>	<b>48%</b>							

# Average deviation from previous scores (in absolute terms)



Dim. 1	Public availability	8%
Indicator 1.1	Frequency and regularity	8%
Indicator 1.2	Timeliness	6%
Indicator 1.3	Visibility	8%
Indicator 1.4	Online accessibility	7%
Indicator 1.5	Reader-friendliness	10%

Dim. 2	Institutional framework	15%
Indicator 2.1	Legal requirement	15%
Indicator 2.2	Submission to parliament	23%
Indicator 2.3	Reporting responsibility	27%
Indicator 2.4	Budget cycle integration	5%
Indicator 2.5	Medium-term strategy integration	4%

Dim. 3	Methodology and scope	10%
Indicator 3.1	Information on TE coverage	16%
Indicator 3.2	Tax benchmark data	5%
Indicator 3.3	Structural reliefs	5%
Indicator 3.4	RF estimation method	10%
Indicator 3.5	Data sources	15%

Dim. 4	Descriptive TE data	8%
Indicator 4.1	Policy objective	14%
Indicator 4.2	Type of TE	5%
Indicator 4.3	Beneficiaries	5%
Indicator 4.4	Timeframe	7%
Indicator 4.5	Legal reference	9%

Dim. 5	TE assessment	4%
Indicator 5.1	Disaggregation of RF estimates	7%
Indicator 5.2	Backward RF	5%
Indicator 5.3	Forward RF	0%
Indicator 5.4	TE evaluation framework	6%
Indicator 5.5	Availability of TE evaluations	3%

→ % of dim. score over 20 (e.g. 4% of 20 is 0.8/20)

↳ % of indicator score over 4 (e.g. 7% of 4 is 0.28/4)

# Average deviation from previous scores (in absolute terms)

Dim. 1	Public availability	8%
Indicator 1.1	Frequency and regularity	8%
Indicator 1.2	Timeliness	6%
Indicator 1.3	Visibility	8%
Indicator 1.4	Online accessibility	7%
Indicator 1.5	Reader-friendliness	10%

Dim. 2	Institutional framework	15%
Indicator 2.1	Legal requirement	15%
Indicator 2.2	Submission to parliament	23%
Indicator 2.3	Reporting responsibility	27%
Indicator 2.4	Budget cycle integration	5%
Indicator 2.5	Medium-term strategy integration	4%

Dim. 3	Methodology and scope	10%
Indicator 3.1	Information on TE coverage	16%
Indicator 3.2	Tax benchmark data	5%
Indicator 3.3	Structural reliefs	5%
Indicator 3.4	RF estimation method	10%
Indicator 3.5	Data sources	15%

Dim. 4	Descriptive TE data	8%
Indicator 4.1	Policy objective	14%
Indicator 4.2	Type of tax and type of TE	5%
Indicator 4.3	Beneficiaries	5%
Indicator 4.4	Timeframe	7%
Indicator 4.5	Legal reference	9%

Dim. 5	TE assessment	4%
Indicator 5.1	Disaggregation of RF estimates	7%
Indicator 5.2	Backward RF	5%
Indicator 5.3	Forward RF	0%
Indicator 5.4	TE evaluation framework	6%
Indicator 5.5	Availability of TE evaluations	3%

Type of change	Average ABS score change /100
Method change	2.95
Horizontal review	6.16

