G20 DEVELOPMENT WORKING GROUP

DOMESTIC RESOURCE MOBILISATION

CALL TO ACTION FOR STRENGTHENING TAX CAPACITY IN DEVELOPING COUNTRIES

Call to Action for Strengthening Tax Capacity in Developing Countries

The purpose of this document is to encourage Group of Twenty (G20) members in enhancing their efforts to strengthen tax capacity in developing countries.

This call to action draws on the following elements:

- Description of DWG mandate on supporting capacity development efforts
- Elements of the call to action on a voluntary basis:
  - to increase individual country peer to peer efforts
  - to support and cooperate with International and Regional Organisations in capacity building initiatives,
- A regular (once every two years) reporting mechanism for members, IOs and ROs within DWG to demonstrate the increased efforts, raise awareness on the issue and to enable a venue for better coordination.

I-DWG MANDATE

In order to ensure that developing countries can also participate in, and benefit from, the G20's international tax agenda, the DWG agreed the **"G20 Response to 2014 Reports on Base Erosion and Profit Shifting and Automatic Exchange of Tax Information for Developing Economies"** in its September 2014 meeting, which was endorsed by G20 Finance Ministers later that month. The response outlines "New Action 3: Strengthen Capacity", provided below, as a priority area for the DWG's domestic resource mobilisation (DRM) work for 2015 and beyond. An extract on capacity development from the G20 response is included in **Attachment A.**

NEW ACTION 3: STRENGTHEN CAPACITY

Support capacity development efforts with a focus on the fundamental building blocks of tax policy and administration, to ensure developing economies can reap the full benefits of international tax reforms and mobilise domestic resources for development. In particular, G20 members will, on a voluntary basis:

a) make available, tax policy and administration experts, ideally current, practicing experts, balanced with resource needs for bilateral assistance programs, to participate in initiatives led by international and regional organisations that strengthen developing economies' capacity to participate in, and benefit from, the G20 tax agenda. This may include, for example, becoming accredited TADAT assessors, participating in the OECD Tax Inspectors Without Borders initiative, providing in-kind support to regional tax administration forums, participating in an advisory capacity as part of the AEOI roadmap pilot, or broader knowledge sharing;

b) take practical steps to implement the *Guiding framework for responding to capacity issues arising out of the G20 tax agenda* into their tax-related development cooperation programs; and/or

c) take practical steps to support regional (including inter-regional) tax administration forums in fulfilling their role as a bridge between the international tax agenda and developing economies that also facilitates capacity building and South-South cooperation. These steps may include, for example: providing financial or in-kind support to these organisations' secretariats; working directly with these organisations to implement TADAT and the AEOI roadmap among their members; or considering as a group whether there is a collective role for the DWG in strengthening these organisations.

OTHER SUPPORTING ACTIVITIES

There is much information available on how international and regional organisations support developing countries to strengthen their tax systems (examples of ongoing activities are included in **Attachment C**), and an aggregate picture of existing bilateral efforts (included in **Attachment D**). There is also a need to revise these supporting activities regularly which will help to identify opportunities for development cooperation in tax.

II- CALL TO ACTION ON A VOLUNTARY BASIS

G20 members, and regional and international organisations, play an important role in assisting developing countries to strengthen revenue capacity, including through technical assistance, triangular and South-South cooperation and knowledge sharing forums.

Taking into account the content of **Attachment A**: Extract from G20 Response to 2014 Reports on Base Erosion and Profit Shifting and Automatic Exchange of Tax Information for Developing Economies, and **Attachment B**: G20 Development Working Group guiding framework for responding to capacity issues arising from G20 tax agenda, agreed in 2014;

We call on G20 members to take the following actions on a voluntary basis:

- Increase members' peer to peer efforts to meet individual targets for support to developing country tax administration capacity building;
    - "Increased efforts" may consist of: increased funding, new and additional programs and/or scale up of existing efforts.
- Support and cooperate with International and Regional Organisations in capacity building initiatives (examples of ongoing programs, projects and initiatives are included in **Attachment C**).

III-REGULAR REPORTING MECHANISM

In order to implement the **G20 Development Working Group guiding framework for responding to capacity issues arising from G20 tax agenda** (included in **Attachment B**) which has been agreed in 2014, a regular (once every two years) reporting mechanism for members, International and Regional Organisations is initiated within the DWG to demonstrate that the call to action has been met, and to update and share information on development cooperation in tax. The table included in **Attachment E** provides a suggested format for sharing this information. The compilation and analysis of this information once in two years will help increase awareness on tax development cooperation and improve coordination.

The Presidency in collaboration with the DRM lead co-chair and co-facilitators will be responsible for compiling the biennial report on capacity building, to be delivered at the final DWG meeting. The report will be shared with Sherpas. The first reporting will be carried out in 2016.

Attachment A: Extract from "G20 Response to 2014 Reports on Base Erosion and Profit Shifting and Automatic Exchange of Tax Information for Developing Economies"

RESPONSE TO RECOMMENDATIONS ON BASE EROSION AND PROFIT SHIFTING IN LOW INCOME AND OTHER LOW CAPACITY COUNTRIES

BEPS in LICs report recommendations	**G20 response**	**Comment**
Capacity development		
19. The DWG promotes and endorses capacity development programmes from international organisations on BEPS issues.	**Agree in principle**	These recommendations are not only relevant to addressing BEPS in developing economies, but also to broader efforts to strengthen tax systems. As such, the G20's response to these recommendations is incorporated into its consideration of ways to support developing economies in building effective tax systems, respecting their sovereignty, and to strengthen regional cooperation. Action 3 We also urge the OECD to build on its efforts to engage with regional tax administration forums, as an important channel through which to increase understanding of international tax reforms and ensure that developing economies' views are taken into account in both the design and implementation of those reforms.
20. The DWG promotes and endorses the OECD/WBG/business partnership to build industry knowledge in developing country tax administrations.	**Agree in principle**	
21. The DWG promotes and endorses the 'Tax Inspectors Without Borders' initiative as a tool to build developing country capacity to implement BEPS solutions.	**Agree in principle**	
22. The DWG promotes and endorses the proposed initiatives of regional organisations, and regional programmes, to assist developing countries on BEPS issues.	**Agree in principle**	

Attachment B: G20 Development Working Group guiding framework for responding to capacity issues arising from G20 tax agenda

Efforts to strengthen developing countries' capacity in tackling base erosion and profit shifting (BEPS) and implementing the new standard for automatic exchange of tax information (AEOI) should…

1. … be sequenced with support for other tax priorities, where necessary starting with the building blocks for effective tax systems.

Support for developing countries to address BEPS and participate in AEOI should be integrated into broader tax-related capacity building efforts in developing countries. This will involve sequencing BEPS and AEOI capacity building with other tax priorities (as identified by the partner country), and where necessary starting with the building blocks for an effective tax system.

2. …target areas of priority identified by partner governments, considered on a case-by-case basis.

Ensuring development cooperation related to BEPS and AEOI responds to the priorities identified by partner countries will help to target efforts and strengthen local leadership. Bilateral, regional and multilateral efforts aimed at strengthening developing countries' capacity to address BEPS and participate in AEOI should take an evidence-based approach, considering the particular circumstances of the partner country, for example by working with the partner country to use agreed international tax diagnostic tools.

3. …be coordinated within and between providers of development cooperation.

G20 members should take a whole of government approach to capacity building that promotes policy coherence for development. This may include improving the linkages between tax and expenditure in development cooperation. G20 members should also work collaboratively with each other, regional and international organisations, and other development cooperation partners, and endeavour to strengthen coordination and avoid duplication of effort.

4. …include consideration of developing countries' capacity to reap the benefits of reforms.

To ensure developing countries can reap the full benefits of participation in the G20 tax agenda, development cooperation in tax should consider how developing countries will enforce BEPS rules and use tax data (e.g. audit capacity), in addition to considering compliance with international standards and norms.

5. …promote developing countries' participation in the international tax architecture.

Efforts taken to assist developing countries in addressing BEPS and participating in AEOI should be consistent with the steps needed for them to participate in international tax forums and agreements, including the Global Forum on Transparency and Exchange of Information for Tax Purposes, Multilateral Convention on Mutual Administrative Assistance in Tax Matters, and regional tax administration forums.

Attachment C: Examples of international and regional organisations' efforts to strengthen tax systems in developing countries

The role of international and regional organisations (IOs and ROs) is critical to a long term, demand-driven approach for strengthening developing countries' tax systems. IOs and ROs can have a further reach than bilateral programs and provide different forms of capacity building support. For example, the World Bank Group's tax-related programs target more than 60 countries in six regions, with 11 additional regional programs. With strong institutional links, IOs and ROs maintain an ongoing dialogue on key tax reform issues with governments through a variety of ways. This Attachment provides examples of the main mechanisms through which some IOs and ROs support developing countries to build capacity in tax, many of which are done through collaboration across IOs, ROs and bilateral partners.

Direct technical assistance (TA)

- The African Tax Administration Forum (ATAF) provides TA in areas such as exchange of tax information (EOI), treaty negotiations and transfer pricing.
- The Global Forum on Transparency and Exchange of Information for Tax Purposes (Global Forum) provides advice and assistance to developing countries before, during and after its peer review process on: legal and regulatory frameworks and changes needed for effective EOI; treaty networks; organisational arrangements for handling requests for tax information, such as timeliness of responses, confidentiality of information and effective communication; and establishment of an EOI unit. This has included, for example, two-year pilot projects in Kenya and Ghana to assist in meeting international standards on tax transparency and EOI on request as well as a number of targeted missions to other developing countries in Asia and Latin America. More recently, the Global Forum has launched the "Africa Initiative," a three year project which is designed to unlock the potential for transparency and exchange of information in Africa as a tool to combat tax evasion and illicit financial flows. It is a collaborative effort which brings together international organisations including ATAF, the World Bank Group and the Global Forum and is led by a number of "first mover" African countries. The project takes a twin pronged approach aiming to engage African leaders to build awareness of the improvements that have been made in international transparency over the last five years and the importance of ensuring that Africa benefits from these. It will also help African tax administrators develop the skills necessary to use the tools that have now been developed. As part of the Africa Initiative, an intensive series of training and other capacity building activities is already underway. A second branch of the Global Forum's TA is now established, devoting a great deal of effort to ensuring that developing countries can benefit from Automatic EOI, pursuant to the AEOI Roadmap. Three pilot projects with developing countries are underway (Albania, Colombia, the Philippines) with more planned. In addition, the Global Forum provides ongoing advice and support to developing country members to implement the Automatic EOI standard.
- The Inter-American Center of Tax Administrations (CIAT) provides specialised TA for the modernisation and strengthening of tax administrations, for example through short term TA visits to tax administrations, including for EOI or base erosion and profit shifting (BEPS) (which has seen an increase in the last two years).
- Centre de rencontre des administrations fiscales (CREDAF) has set up a working group on BEPS including representatives from eleven francophone countries and two regional organisations (l'Union Économique et Monétaire Ouest-africaine (UEMOA), Central African Economic and Monetary Community (CEMAC)). The aim of the working group is

to provide input into the BEPS project including the work on the toolkits. Senegal is leading the work of the group.

- The International Monetary Fund (IMF) Fiscal Affairs Department leads TA missions for tax administration and policy (around 90 a year), places resident tax and customs advisers and sends short term tax and customs experts into the field (335 in fiscal year 2014). These mechanisms are employed to help design and implement fundamental reform strategies for improved domestic revenue performance through more efficient, more transparent and fairer tax systems.
- The OECD Tax and Development Programme provides capacity development support to address BEPS (particularly transfer pricing) in 20 countries, in collaboration with several bilateral partners, as well as for tax investigation officials in support of the Oslo Dialogue on Tax and Crime. It also facilitates demand-driven TA through the Tax Inspectors Without Borders initiative (TIWB). TIWB is a mechanism to deliver high quality audit experts to work directly on audits in developing countries. A clearing house matches demand from developing countries with the supply of experts. TIWB is a niche product, complementing the existing mainstream of capacity building work undertaken by others. The project provides practical hands on support to developing countries in their efforts to mobilise domestic resources. 2015 may provide opportunities to scale-up the project and extend its global reach.
- The World Bank Group provides TA to build tax officials' capacity in dealing with complex tax cases or large corporations. The advisory services of the International Finance Corporation provides TA on a range of tax policy and tax administration issues, including business tax administration and small and medium enterprise taxation, risk based audit and tax incentives, transfer pricing and exchange of information. Through its regional public sector units, the World Bank provides TA on tax strategies, public finance reviews, diagnostics on tax policy and revenue administration issues. In the coming years, the Bank's TA will include support for some of the building blocks for automatic EOI.

Peer-to-peer knowledge exchange and international cooperation

- ATAF is also coordinating the African response to the BEPS Action Plan and facilitated agreement among its 36 members to the ATAF Agreement on Mutual Assistance in Tax Matters.
- CIAT brings together 38 countries through annual meetings and technical conferences to share best practice and promote the advancement, social acceptance and institutional strengthening of tax administration.
- The Global Forum hosts over 90 jurisdictions at an annual Competent Authorities meeting for members' EOI practitioners to discuss topical issues and exchange best practice on both EOI on request and AEOI.
- The International Tax Dialogue, sponsored jointly by the IMF, World Bank, OECD and ROs, hosts biennial global tax conferences on topical tax issues.
- The World Bank Group works with other institutions to deliver peer-to-peer knowledge exchange on a range of topics, including EOI, transfer pricing and tax incentives. For example, it has established the Tax Administrators Exchange for Global Innovative Practices (TAXGIP) as a forum for peer-to-peer learning for tax officials from developed and developing countries.

- Some ROs also help to facilitate direct peer-to-peer collaboration. For example, CIAT member countries provide each other pro bono support, including in relation to EOI and examination of transfer pricing issues.

Seminars, workshops and other training sessions for targeted advice

- ATAF offers technical training in tax administration, audit and investigations.
- CIAT has used webcast sessions on EOI and transfer pricing.
- The Global Forum regularly leads national and regional seminars (the latter including non-members) to advise developing countries on international standards, the peer review process and practical issues of EOI, as well as equipping developing countries with the skills needed to send requests to support their domestic tax auditing efforts. In addition, a large number of training seminars are being held around the world to equip participants to successfully implement the new standard on Automatic EOI.
- The IMF has hosted a number of seminars and workshops in revenue administration, as well as in tax policy, including events organised in collaboration with other partners.
- The World Bank Group hosts regular seminars and workshops on a wide range of tax issues.

Practical tools and guides

- ATAF offers research products in key areas of tax reform such as the taxation of small and medium enterprises, information technology and tax compliance.
- CIAT produced a model tax code to support its members in the development of tax policy.
- The Global Forum assists its members to develop practical tools to facilitate EOI, such as work manuals, confidentiality guidelines and tracking systems.
- The IMF has a range of practical tax publications, including publicly available technical notes and manuals. In particular, it has developed new tools to help countries meet the challenge of modernising their tax and customs administration, such as:

  1. Tax Administration Diagnostic Assessment Tool (TADAT) is designed to provide an objective assessment of the health of key components of a countr/s system of tax administration. This framework is focused on the key performance outcome areas that cover most tax administration functions, processes and institutions. The assessment of these performance outcome areas is based on 26 high-level indicators that are each built on 1 to 4 dimensions that together add up to 51 measurement dimensions, making TADAT a comprehensive but administrable diagnostic tool.

  2. Revenue Administration Gap Analysis Program (RA-GAP) to provide a framework for measuring potential tax revenues, evaluating actual revenues, and analysing the factors contributing to the gap between them. This has been used to estimate the value-added tax gap in the Philippines and Uganda, among some developing countries.

- The OECD Task Force on Tax and Development has produced, among other things, a practical guide on EOI for developing countries, and a source book of taxpayer education, outreach, literacy campaigns and strategies.

- The World Bank Group publishes a range of knowledge products on tax policy and revenue administration, including on tax simplification, SME taxation, risk-based tax audit and integration of revenue administration.

Data collection

- The IMF has developed the Revenue Administration Fiscal Information Tool (RA-FIT) to gather core tax and customs administration data annually. It enables IMF members to monitor and benchmark performance, establish baseline measures for TA programs, provide a more detailed data source for results-based management, better target TA strategies and improve the quality of TA.
- The OECD Task Force and its Development Center assist developing countries to build reliable and comparable data, by compiling revenue statistics in Latin America, Africa and Asia. For example, the OECD's flagship publication Revenue Statistics – an annual report presenting a unique set of internationally comparable tax data in a common format from 1965 onwards – is expanding to include a larger number of partner countries. This expansion is driven by a desire to improve the comparability, consistency, quality and accessibility of revenue indicators and data in developing and emerging economies in three regions – Africa / Asia and Pacific Islands / Latin America and the Caribbean. The collection and classification process can be an effective means of capacity building in the various public finance administrations of the participating countries. Countries are invited to participate and make their own data from 1990 onwards available for the project. The data will then be available to enrich any publication or tax policy dialogue events.

Lending operations

- The World Bank uses investment lending projects (of which there are currently about 20 under implementation) to improve the efficiency and effectiveness of tax administrations, for example institutional reorganisation, staff skill development, new or upgraded information and data management systems. The latter helps developing countries to participate in exchange of tax information arrangements and deal with cases of tax avoidance or evasion.

Attachment D: Analysis of G20 members' tax-related development cooperation efforts

This Annex provides an analysis of the tax-related development cooperation efforts reported by G20 members and related international organisations (IOs) as part of the Group of Twenty (G20) Development Working Group's (DWG) domestic resource mobilisation (DRM) agenda in 2014. This work contributes to the DWG's efforts to support more effective tax systems in developing economies to ensure that they can participate in, and benefit from, the G20 international tax agenda.

At the DWG's informal meeting in Washington on 14 April 2014, members were asked to provide a summary of their tax-related development cooperation, as well as a case study specifically related to the G20 tax agenda[1]. As at 7 August 2014, 13 G20 members and one permanent G20 guest had completed high-level summary tables of their tax-related development cooperation undertaken since 1 January 2010.[2] The information on tax-related development cooperation undertaken by IOs was drawn from the 2010 and 2012 mapping surveys undertaken by the International Tax Compact (ITC).[3]

The analysis provides a useful overview of existing G20 member and IO contributions to building effective tax systems in developing economies. It focuses on the geographic distribution of activity by G20 members and IOs by region, partner country and the partner countries' economic status. However, due to limitations in the data, G20 member activity in a partner country does not take into account the number or scale of activities they are undertaking. Nor is the analysis a complete picture of all the work being done in this area, either by G20 members or IOs.

The results of the analysis show that G20 members' tax-related development cooperation aligns with the increasing recognition within the development community of the importance of DRM to sustainable development outcomes.

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[1] In the summary template sent to members, development cooperation was categorised as official development assistance (ODA), South-South, triangular or other. Not all members provided their data in the template, so this information is not available in all cases.

[2] For the remainder of this document 'G20 members' refers to those 13 members and one guest that submitted overviews of their tax-related development cooperation at the time of writing.

[3] Kohren, D., Kundt, T. and Schuppert, C. (2010) *Mapping Survey: taxation and development*, Eschborn: Deutsche Gesellschaft fur Technische Zusammenarbeit – GTZ, drawing on 2010 data; and Tortella, V. and Eckardt, U. (2012) *Study on mapping international support to taxation*, Eschborn: Deutsche Gesellschaft fur Technische Zusammenarbeit – GTZ, drawing on 2009 and 2010 data. Both are available at www.taxcompact.net/studies-documents.html.

DISTRIBUTION OF TAX-RELATED DEVELOPMENT COOPERATION

By region

G20 members have been most active in Africa, reporting activity in 45 out of 55 African countries, many of them low income countries (LICs). Partner countries in Africa made up nearly 40 per cent of the total countries in which G20 members reported activity. This was followed by Latin American and the Caribbean at 24 per cent and then Asia at 16 per cent. G20 members have also been undertaking tax-related development cooperation efforts in the Pacific, the Middle East and Europe, although with fewer members active in these regions.

In contrast, the 2012 ITC survey found that international organisations were collectively undertaking more activities in Asia than in Africa or Latin America and the Caribbean, although the geographic distribution differed between IOs.[4] Over half of IOs' activities in Asia were in the form of seminars or workshops, while their activities in Africa were more likely to be long term capacity building projects.

G20 members' tax-related development cooperation tended to be undertaken largely in their own or neighbouring regions. Where there were exceptions, there were often historical relationships and/or strong current links to the partner country, such as through trade. For instance, in Asia, the most active G20 members have been Australia, China, Japan, and the Republic of Korea. However, the United Kingdom has had activities in India, Pakistan, and Vietnam. Similarly, Spain reported activities across Latin America and the Caribbean. Both France and the United Kingdom have been active in Africa, but the distribution of these activities overlapped very little and largely fell along Francophone and Commonwealth lines.

In addition to development cooperation with specific partner countries, G20 members also supported the following regional tax and economic organisations:

- Africa: African Tax Administration Forum, African Organisation of English-speaking Supreme Audit Institutions, East African Community, Economic Community of West African States, West African Economic and Monetary Union.
- South America, Central America and the Caribbean: Inter-American Center for Tax Administration, Economic Commission for Latin America and the Caribbean.
- Other regional: Commonwealth Association of Tax Administrators, Centre de Rencontres et d'Etudes de Dirigeants des Administrations Fiscales, Community of Portuguese Language Countries (CPLP)

[4] The survey drew on 2010 activity-level data collected by the International Tax Dialogue Technical Assistance database on the activities of the Organisation for Economic Co-operation and Development (OECD), the International Monetary Fund (IMF), the World Bank Group (WBG) and the Inter-American Center of Tax Administrations.

Partner country

G20 members reported tax-related development partnerships with 118 developing economies. Reporting indicated that some partner countries had a particularly high concentration of G20 members undertaking bilateral, regional or multilateral tax-related development cooperation—the "Top 7" of which are listed in Table 1 below.

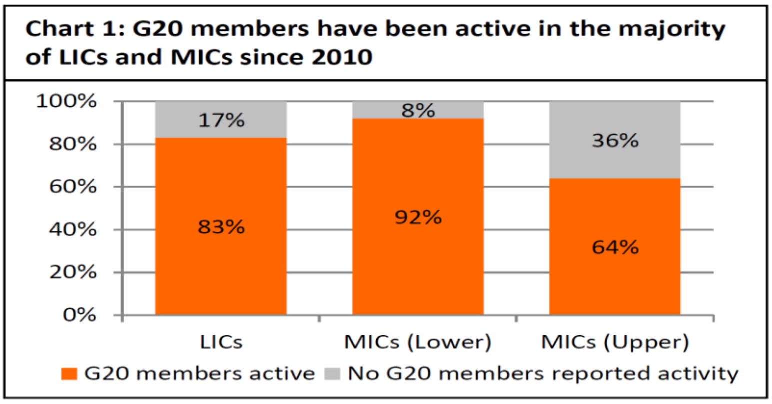
Table 1: "Top 7" partner countries, by reported G20 member activity

Country	Region	Number of G20 members active since 2010	Number of G20 members with tax advisers in country since 2010	Economic status
Tanzania	Africa	7	2	LIC
Ghana	Africa	6	2	Lower-middle income country (MIC)
Vietnam	Asia	6	2	Lower MIC
Kenya	Africa	5	2	LIC
Uganda	Africa	5	1	LIC
Ethiopia	Africa	5	2	LIC
Cambodia	Asia	5	3	LIC

Although many of the developing economies in which G20 members reported activity had only one G20 member active between 2010 and 2014, Table 1 highlights that there were seven countries in which five or more G20 members were active. A further 61 developing economies had between two and four G20 members active in tax-related development cooperation. The information reported by G20 members suggests that it is now likely that partner countries will have two or more G20 members undertaking bilateral tax-related development cooperation. In these instances, diagnostic tools, such as the IMF-led Tax Administration Diagnostic Assessment Tool, could be used by partner countries to target development cooperation and coordinate tax-related development activities.

Economic status

G20 members are undertaking tax-related development cooperation in just over 80 per cent of all LICs, just over 90 per cent of all lower MICs and approximately two thirds of upper MICs (see Chart 1).



The 2010 ITC mapping survey showed that IOs' work is evenly distributed across country groupings, although it classified countries as developing countries, emerging markets economies, industrial countries and transition countries, making it difficult to compare IOs directly to G20 members in this respect.

Type of development cooperation

The vast majority of tax-related development cooperation reported by G20 members has been in the form of ODA-funded bilateral, regional or multilateral initiatives or activities, which made up nearly 80 per cent of reported tax-related development activities. Triangular and South-South cooperation were the next most common forms of development cooperation activity, each making up approximately 10 per cent of activities reported by G20 members .[5] For example, Japan's triangular cooperation with Malaysia, and China's South-South cooperation with the Democratic Republic of Congo, highlight the benefits of these types of cooperation.

Aid modalities were more varied. Technical cooperation, training and advisers were the most common activities undertaken by G20 members by a large margin. Germany and Australia reported using a mix of these modalities in their programs in Ghana and Timor-Leste respectively. G20 members also reported undertaking knowledge sharing activities, contributing to multi-donor trust funds, funding scholarships and budget support activities, although these were less common. Members have also partnered with a range of international organisations, such as the Global Forum on Transparency and Exchange of Information for Tax Purposes, IMF, OECD, United Nations Development Programme and WBG.

In the 2012 ITC mapping study, the IOs reported that they delivered tax-related development cooperation through a range of different mechanisms, including: technical assistance, seminars and workshops, resident projects, missions, conferences, and consultant projects. The 2012 ITC mapping study authors noted that IOs "tend to have preferences or specialisations in their business models of intervention." For example, the majority of the development cooperation reported by the WBG was in the form of resident projects, the IMF provided extensive missions support (including from its regional centres and long and short term placements of experts), and the OECD reported a preference for seminars and workshops.

Relevance to the G20 international tax agenda

The 2010 ITC mapping survey found that the majority of tax-related development cooperation by bilateral donors was focused on domestic, rather than international, taxation.[6] G20 members' assistance appears to follow a similar pattern, although this analysis found that G20 members were undertaking a number of activities with components related to base erosion and profit shifting (BEPS) or exchange of tax information (EOI). Asia had the highest number of partner countries in which G20 members reported undertaking BEPS- and EOI-related development activities. Following Asia, BEPS-related development activities were most prevalent in Africa,

[5] Triangular cooperation involves two or more developing economies in collaboration with a third party, typically a developed country government or organisation.

[6] The 2010 ITC mapping survey defines domestic taxation as "issues arising in the national context such as tax fraud, taxation of the informal sector and tax payer compliance," and international taxation as addressing "topics related to the taxation of transnational economic activities and covers taxation of multinationals, double taxation and profit shifting attempts."

Europe, the Middle East, and the Pacific, while EOI-related development activities were most prevalent in Latin America and the Caribbean. On a country level, only Kenya and Mauritania had three or more G20 members undertaking EOI-related development activities. Seven countries had three or more G20 members undertaking BEPS-related development activities: Cambodia, Ethiopia, Ghana, Kenya, Rwanda, Uganda and Vietnam.

On support for partner countries' domestic tax systems, G20 members reported support for tax modernisation programs, training for auditing capacity, and technical assistance for both auditing and the implementation of tax-related legislation. These activities were often undertaken in partnership with IOs, such as Korea's support for the Korean-African Tax Administration Forum conference on tax administration. While not directly related to implementing BEPS reforms or EOI standards, these activities support the building blocks of developing economies' tax systems, which will strengthen their ability to participate in, and benefit from, the G20 international tax agenda.

In contrast, the 2010 ITC mapping survey found that IOs were more likely to undertake activities with partner countries relating to international taxation. G20 members or other bilateral partners often support and/or work with international organisations on these activities. For example, both Russia and the United Kingdom worked with IOs to provide BEPS- and EOI-related support to partner countries.

CONCLUSIONS

This analysis of G20 members' and IOs' tax-related development cooperation efforts highlights a number of patterns relevant the G20 DRM agenda.

G20 members are largely targeting their efforts at low and lower-middle income countries, with a broad geographic distribution. G20 members focus their support on domestic taxation activities, which support the building blocks of tax administration, and in turn help developing economies to reap the full benefits of the international tax agenda. IOs demonstrate a preference for work on international taxation with partner countries, although they also undertake activities related to domestic taxation.

This complementarity is a good fit for the G20's multi-year DRM agenda, which proposes a range of actions for G20 members and IOs to support developing countries to build more effective tax systems domestically in order to participate in, and benefit from, the G20 international tax agenda.

Attachment E: Table for Regular Reporting Mechanism

No	Country	Region	Name of the project	Timeframe of the project	Type of the project	Content of the Project	If a partner exists or not (Please indicate the name of the partner)	Estimated cost of the project	New activities since previous reporting