

Annual Report
2016/17



Tax Inspectors Without Borders

An OECD/UNDP joint initiative





© OECD/UNDP 2017

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries to the name of any territory, city or area.

Photo credits: Images courtesy of Shutterstock.com

Table of contents

Executive summary	5
Abbreviations and acronyms	7
Glossary	8
Chapter 1. TIWB in context	9
Chapter 2. TIWB activities in 2016	15
Chapter 3. Lessons learned	21
Chapter 4. Results	27
Chapter 5. Organisational development	31
Chapter 6. Draft work plan 2017/18	35
Annex A. Programmes	37
Annex B. Governing Board composition	41
Annex C. Objectives for 2016-2019	43
Bibliography	45

Executive summary

This report, the first since the establishment of the Organisation for Economic Co-operation and Development (OECD) and the United Nations Development Programme (UNDP)'s partnership on Tax Inspectors Without Borders (TIWB), covers the period January 2016 to April 2017 – a period that has been significant both for the development of TIWB, and for the wider tax and development landscape in which TIWB operates.

The potential of TIWB to support the ambition of the Addis Ababa Action Agenda (AAAA) and to play a role in increasing developing countries' revenues to implement the Sustainable Development Goals (SDGs) has been widely recognised, including by the Group of 20 (G20). TIWB has also been identified as one of the tools to support developing countries in implementing Base Erosion and Profit Shifting (BEPS) Actions to improve their ability to effectively tax multinational enterprises (MNEs).

There has been significant activity in 2016 to ensure TIWB is able to realise its full potential. The number of running programmes has increased to a total of 21. These include twelve full programmes and nine programmes where advice is being provided on anonymised cases. A further six full programmes are due to commence by mid-2017. The processes and structures to establish programmes have been improved and streamlined, and challenges such as ensuring taxpayer confidentiality and conflicts of interest have been addressed. As demand continues to grow rapidly, and outpaces supply, a roster of experts managed by UNDP was established this year to supplement the pool of experts already provided through partnerships with revenue authorities.

The results so far have been impressive, with over USD 278 million in increased revenues to date as a result of TIWB assistance and TIWB-style support offered through technical assistance programmes by the African Tax Administration Forum (ATAF), the OECD, and the World Bank Group (WBG). A challenge to identify and measure the full range of impacts of TIWB assistance on improving the performance of revenue administrations remains, for which new indicators, introduced in 2016, are beginning to address.

The establishment of the first South-South TIWB programme between Kenya and Botswana is a significant milestone. This programme was facilitated by ATAF and the TIWB Secretariat. As such, the TIWB relationship with regional tax organisations will be key to increasing South-South programmes in the future and is one of several lessons learned. Other lessons learned include how TIWB programmes are more likely to be successful where there is strong political will, and an analysis of the benefits of integrating TIWB programmes into other capacity building programmes.

The organisation and structure of TIWB has continued to evolve following the OECD/UNDP partnership and the establishment of the Governing Board. The Secretariat has expanded and developed a multi-lingual website. UNDP has sought to establish greater links with its country offices and secure financial resources for TIWB programmes.

2017 will see the TIWB Secretariat continue its implementation of the 2016-2019 work plan, delivering on the target of 100 deployments by 2020. Priorities include securing more formal partnerships with regional tax organisations and continuing to build South-South programmes, as well as ensuring the financial viability of TIWB.

Abbreviations and acronyms

AAAA	Addis Ababa Action Agenda
AEAT	Agencia Estatal de Administración Tributaria (Spanish Tax Agency)
ATAF	African Tax Administration Forum
BEPS	Base Erosion and Profit Shifting
BPPS	UNDP Bureau for Policy and Programme Support office in New York
CATA	Commonwealth Association of Tax Administrations
CFA	OECD Committee on Fiscal Affairs
CIAT	Inter-American Centre of Tax Administrations
CREDAF	Centre de Rencontres et d'Études des Dirigeants des Administrations Fiscales
DGT	Dirección General de Tributación (Costa Rican tax administration)
ECOWAS	Economic Community of West African States
EU	European Union
FTA	Forum on Tax Administration
G20	Group of Twenty
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit
GPEDC	Global Partnership for Economic Development Co-operation
GPI	Global Partnerships Initiative
HMRC	Her Majesty's Revenue and Customs (United Kingdom)
ICAI	UK Independent Commission for Aid Impact
IF	OECD Inclusive Framework on Base Erosion and Profit Shifting
IMF	International Monetary Fund
LRA	Liberian Revenue Authority
MNEs	Multinational Enterprises
OECD	Organisation for Economic Development and Co-operation
OSF	Open Society Foundation
PITAA	Pacific Islands Tax Administrators Association
PCT	Platform for Collaboration on Tax
SDGs	Sustainable Development Goals
TIWB	Tax Inspectors Without Borders
UN	United Nations
UNDP	United Nations Development Programme
WBG	World Bank Group

Glossary

Host Administration – Department or institution in a developing country requesting for audit assistance responsible for collection of taxes and hosting the TIWB expert.

Partner Administration – Department or institution in a country providing an audit expert to a TIWB programme.



Chapter 1

TIWB in context

Increasing revenues for developing countries remains one of the key challenges to enable sustainable development. The 2015 Addis Ababa Action Agenda, the global agreement on actions needed to raise resources for development, recognises that “significant additional domestic public resources, supplemented by international assistance as appropriate, will be critical to realising sustainable development and achieving the SDGs” (UN, 2015: 6). This is further emphasised in the SDGs themselves, specifically in target 17.1, to “Strengthen domestic resource mobilisation, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection” (UN, 2015: 26).

The Tax Inspectors Without Borders programme is an innovative and practical way of supporting developing countries to mobilise more domestic resources for development. With its country-level presence and local knowledge, UNDP is well-placed to partner with the OECD and the best audit experts to scale-up this important work. TIWB can support countries to realise the post-2015 agenda. (Clark, 2015)

It is in this context that TIWB has been widely welcomed for its potential to have a direct, practical impact on domestic resource mobilisation. While there is, necessarily, a broad range of requisite actions to meet the AAAA and SDG targets on domestic resource mobilisation¹, TIWB is clearly seen as one of the key tools. TIWB is especially instrumental with respect to the commitment by the AAAA to “make sure that all companies, including multinationals, pay taxes to the governments of countries where economic activity occurs and value is created, in accordance with national and international laws and policies” (UN, 2015: 6) (see Box 1).

¹ See, for example, 2016 Report of the Inter-Agency Task Force on Financing for Development – Addis Ababa Action Agenda: Monitoring commitments and actions.

Box 1. TIWB at a Glance

TIWB enables the transfer of tax audit knowledge and skills to tax administrations through a real time, “learning by doing” approach. In response to requests from host tax administrations, relevant experts are identified and deployed to work directly with local tax officials on current audits and audit-related issues concerning international tax matters, and to share general audit practices.

In addition to improvements in the quality and consistency of audits and the transfer of knowledge to host administrations (tax administrations seeking TIWB assistance), broader benefits are anticipated, such as the potential for more revenues, greater certainty for taxpayers and a strengthened culture of compliance due to more effective enforcement.

Often combined with international technical assistance programmes, TIWB bridges the gap between theory and practice, occupying a niche area in the field of technical assistance and functions as an essential pillar in the area of audit capacity building of tax administrations in developing countries.

TIWB audit experts are not intended to substitute for local tax audit staff or carry out audit work where no local audit personnel would otherwise exist. Rather, they seek to balance their support between undertaking actual tax audit activities and the transfer of audit knowledge and skills.

This recognition of TIWB is evident in the support for and endorsement of TIWB by a variety of important actors. The G20 has repeatedly shown its support for TIWB assistance, welcoming it in the Finance Ministers and Central Bank Governors Communiqué in February 2016 (G20, 2016) and committing to support TIWB as part of the G20 Development Working Group Call to Action for Strengthening Tax Capacity in Developing Countries (G20, 2015). The United Nations’ (UN) Inter-Agency Task Force on Financing for Development, which monitors commitments and actions to the AAAA, identifies TIWB as one of the leading initiatives for the realisation of commitments to building capacity (UN, 2016). The Platform for Collaboration on Tax (PCT), which brings together the main International Organisations working on tax (i.e. the IMF, the OECD, the UN and the WBG) also recognised TIWB as a hands-on practical innovation in their 2016 report to the G20 Finance Ministers, “Enhancing the Effectiveness of External Support in Building Tax Capacity in Developing Countries” (PCT, 2016).

TIWB has also had particular significance in 2016 and beyond as the BEPS Project is rolled out. BEPS refers to tax avoidance strategies that exploit gaps and mismatches in tax rules to artificially shift profits to low or no-tax locations. This is an especially significant issue for developing countries as, on average, they rely more heavily on corporate taxation than developed countries. In 2013, the average share of corporate income tax in total tax revenue was of 8.5% among OECD member countries, compared to an average of 16% among low-income countries (Crivelli, E., De Mooij, Ruud, and Keen, Michael, 2015). TIWB has been highlighted, as a key tool for delivering an essential phase of necessary assistance and ensuring that policies are effectively implemented (as in the Nigeria programme in Box 2), leading to better targeted audits that deliver increased revenues.² TIWB is not tied directly to the BEPS Action Plan, or the Inclusive Framework on BEPS and as such, TIWB was able to respond in 2016 to countries that have not yet joined these international processes.

² Various publications, such as Part 2 of a report to G20 Development Working Group on the Impact of BEPS in Low Income Countries, highlight the utility of TIWB.

Box 2. TIWB Nigeria

The implementation of the 2015 BEPS measures is high-priority in Nigeria (a member of the Inclusive Framework on BEPS Steering Group) and a wide programme of work revising the country's corporate income tax legislation on transfer pricing and other BEPS related issues is underway.

This major effort is supported by a joint ATAF/OECD/WBG programme operating across the Economic Community of West African States (ECOWAS). To complement this support, a TIWB programme was requested by the Federal Inland Revenue Service to work directly with four teams of local auditors. This TIWB programme was established in early-2016 and four missions have already taken place, assisting the teams on transfer pricing risks and other BEPS-related issues.

Sanya (Matthew) Gbonjubola, Head of the International Tax Department of the Nigerian Federal Inland Revenue Service, reported in early 2017 that TIWB provides essential confidence-building and a visible and practical measure of the implementation of the transfer pricing elements of the BEPS package.



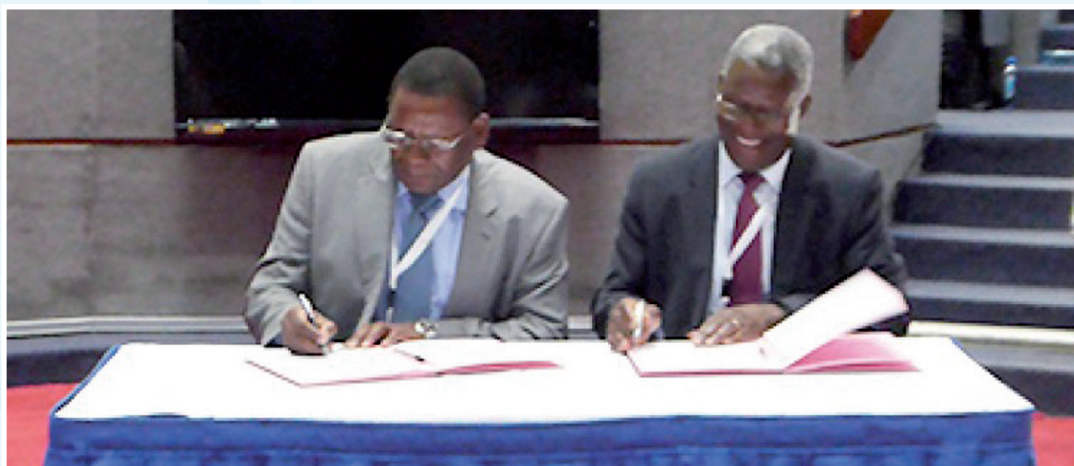
Early results are positive and auditors report better understanding of the specifics of transfer pricing audits including greater confidence in conducting transfer pricing audits. Staff now have a better understanding of the transfer pricing policies applied by MNEs. The combination of technical assistance and the TIWB programme is also enabling more effective dispute resolution for transfer pricing audits, providing a more predictable and transparent investment climate in the country.

In 2016, TIWB provided significant support to the broader international development co-operation community. The Global Partnership for Economic Development Co-operation (GPEDC), a global alliance seeking to improve the quality and effectiveness of development assistance, adopted TIWB as an innovation in co-operation. Through the GPEDC, TIWB is able to share its experiences with a wide range of development actors and engage in mutual learning. TIWB was discussed at GPEDC's Second High-Level Meeting in Nairobi on 1 December 2016, culminating in the agreement of the first South-South TIWB programme whereby the Kenya Revenue Authority became the partner administration for the Botswana Unified Revenue Service's TIWB programme (see Box 3), supporting one of the overall themes of the conference on developing South-South development co-operation.

Box 3. TIWB South-South co-operation between Kenya and Botswana

The first South-South TIWB co-operation agreement was announced during a seminar on domestic revenue mobilisation organised by the OECD and ATAF on 1 December 2016 in the margins of the 2nd High-Level Meeting of the GPEDC in Nairobi, Kenya and featured the new TIWB programme between Kenya and Botswana.

The Botswana Unified Revenue Service approached ATAF and the TIWB Secretariat for the implementation of an assistance programme whereby the Kenya Revenue Authority would deploy its transfer pricing experts to provide practical assistance on audits of extractive sector MNEs. This co-operation was negotiated with the support and participation of ATAF, of which both countries are members.



The recognition of Kenya as a regional leader in transfer pricing is due, in part, to a sustained effort since 2012 by development partners - OECD, WBG, and ATAF - to assist the Kenya Revenue Authority in transfer pricing audit capacity building.

South-South co-operation provides a significant opportunity for TIWB. As discussed further in Chapter 3, there are a number of ways in which South-South co-operation can be a very effective form of assistance for countries participating in TIWB, by creating stronger links to regional networks and experience-sharing between countries at similar stages of development.

Overall, since its inception, TIWB has achieved critical milestones in a specific niche of practical assistance to developing countries as part of the broader tax and development landscape (see Box 4).

Box 4. TIWB: The story so far

- In 2010, Tax Justice Network Director, John Christensen, puts forward the idea of TIWB - to send experienced tax experts from around the world to developing countries to assist their tax administrations with expertise in tax policies and tax administration – the tax equivalent of Doctors without Borders, or Médecins sans Frontières.
- In May 2012, the TIWB concept receives very positive backing from civil society and academia during a plenary meeting of the OECD multi-stakeholder Task Force on Tax and Development in South Africa.
- In 2012/13, the OECD Secretariat undertakes a TIWB feasibility study which shows that demand from developing countries for this type of assistance is very strong. A number of requests are received and several ongoing initiatives demonstrate the feasibility of tax auditor deployments.

- During 2014/15 a TIWB Secretariat is set up in Paris and begins to establish TIWB programmes with various partners.
- On 13 July 2015, the OECD and the UNDP launch a partnership for the TIWB initiative at the Third Financing for Development Conference in Addis Ababa, Ethiopia. The OECD's technical competence in tax matters and network of tax experts complements the UNDP's expansive country-level presence and local knowledge around the world. This new partnership is anchored in the need to extend the global reach of TIWB and to scale-up operations.
- In April 2016, at its inaugural meeting, the TIWB Governing Board sets a target of 100 deployments by 2020.
- In October 2016, UNDP launches a call for experts to join a new roster of tax audit experts for TIWB programmes. The roster aims to expand the pool of expertise TIWB can draw upon in support of programme deployments.
- In November 2016, the first South-South TIWB programme is launched at the 2nd High-Level Meeting of the GPEDC in Nairobi, whereby the Kenya Revenue Authority commits to support the Botswana Unified Revenue Service.
- In January 2017, resources are received from the Finnish Ministry of Foreign Affairs to support TIWB roll-out and scaling-up.
- In April 2017, increased revenues directly attributable to TIWB and TIWB-style support offered through technical assistance programmes by ATAF, the OECD and the WBG are estimated at over USD 278 million.
- By April 2017, 3 TIWB programmes are completed, 21 are ongoing and 6 are due to commence in the first half of 2017.

As the following chapters demonstrate, TIWB assistance can provide the crucial “final mile” of turning aspirations into tangible revenue results for developing countries.



Chapter 2

TIWB activities in 2016

TIWB made good progress in establishing expert deployment programmes in 2016, with both new programmes commencing and substantial development of the structures and processes for future scaling up of TIWB activities. In all cases, the programmes are fully demand-driven.

2016 witnessed an increase in the number of TIWB programmes, meeting the target of 15 deployments set for the year.^[3] While 14 programmes began prior to 2016^[4] (of which three have since been completed), a further 10 programmes commenced in 2016/17, resulting in 21 current programmes (Tables 1 and 3). Six additional programmes are planned to commence in mid-2017 (Table 2). To date, Africa has been the source of greatest demand, where 14 of the current programmes and 11 of the new and shortly commencing programmes are hosted. Further details of all TIWB programmes can be found in Annex A.

Table 1. Current TIWB programmes (April 2017)

Country	Host Administration	Partner Administration	Expert
Botswana	Botswana Unified Revenue Service	Kenya Revenue Authority	Serving tax officials
Costa Rica	Dirección General de Tributación	Agencia Estatal de Administración Tributaria (Spain)	Serving tax officials
Egypt	Egypt Tax Administration	N/A	Retired tax official
Ethiopia	Ethiopian Revenues and Customs Authority	Her Majesty's Revenue and Customs (United Kingdom)	Serving tax officials

³ Target was set at the 2016 TIWB Governing Board meeting.

⁴ Includes 10 TIWB-style support programmes on anonymised audit cases in countries that were not yet ready to adopt the arrangements of a full TIWB programme. The TIWB-style support programme in Colombia was completed, with a new TIWB programme set to follow.

Country	Host Administration	Partner Administration	Expert
Georgia	Georgia Revenue Service	N/A	Retired tax official
Ghana	Ghana Revenue Authority	Tax and Customs Administration (The Netherlands)	Serving tax officials
Jamaica (1)	Tax Administration Jamaica	N/A	Retired tax official
Jamaica (2)	Tax Administration Jamaica	Bundesfinanzministerium (Germany)	Serving tax official
Lesotho	Lesotho Revenue Authority	Her Majesty's Revenue and Customs (United Kingdom)	Serving tax officials
Liberia	Liberia Revenue Authority (LRA)	N/A	Retired tax official and a mining expert
Nigeria	Federal Inland Revenue Service	N/A	Retired tax official
Senegal	Direction Générale des Impôts et des Domaines	Direction Générale des Finances Publiques (France)	Serving tax official

Table 2. Upcoming TIWB programmes

Country	Host Administration	Partner Administration	Expert(s)
Cameroon	Ministère des Finances, Direction Générale des Impôts	TBD	TBD
Republic of the Congo	Direction Générale des Impôts et des Domaines	TBD	TBD
Rwanda	Rwanda Revenue Authority	Tax and Customs Administration (The Netherlands)	Serving tax official(s)
Uganda	Uganda Revenue Authority	TBD	TBD
Viet Nam	General Department of Taxation	TBD	TBD
Zimbabwe	Zimbabwe Revenue Authority	TBD	TBD

TIWB-style support on anonymised audit cases is being provided in a number of countries.

In countries not yet ready to adopt the complete partnership arrangements for a full TIWB programme, technical workshops (e.g. provided by ATAF/OECD/WBG) have been organised for auditors to share anonymised company audit cases with experts in order to seek advice on what further actions can be taken. This anonymised approach has been provided in ten countries so far and has proved to be a successful and flexible option for those countries needing more time to consider the confidentiality requirements or other practical details entailed in full TIWB programmes. In 2016, this approach continued in nine countries (see Table 3). There are some limitations as to how far this assistance can go, but some countries which have benefitted from this type of anonymised assistance have subsequently requested full TIWB programmes.

Table 3. Current TIWB-style anonymised support (April 2017)

Country	Host Administration	Partners	Expert
Botswana	Botswana Unified Revenue Service	ATAF/OECD/WBG	Retired tax official
Cambodia	General Department of Taxation	European Union (EU)/OECD/WBG	Retired tax officials
Kenya	Kenya Revenue Authority	ATAF/OECD/WBG	Retired tax official
Malawi	Malawi Revenue Authority	ATAF/OECD/WBG/HMRC	Retired tax officials

Country	Host Administration	Partners	Expert
Sri Lanka	Inland Revenue Department	EU/OECD/WBG	Retired tax official
Uganda	Uganda Revenue Authority	ATAF/OECD	Retired tax official
Viet Nam	General Department of Taxation	EU/OECD/WBG	Retired tax officials
Zambia	Zambia Revenue Authority	ATAF/OECD	Retired tax official
Zimbabwe	Zimbabwe Revenue Authority	ATAF/OECD/WBG	Retired tax official

TIWB support is being provided in diverse sectors and technical areas. These include financial, manufacturing, maritime, mining, sales and distribution, tourism, and telecommunications. Some of the audit focus areas include transfer pricing, asset valuations, service verification and costing, profit allocations between the subsidiaries and their parent companies, and financing.

The assistance provided by TIWB covers a range of aspects, depending on the needs and experience of the host administration. As TIWB provides assistance on real audit cases, it is possible to adjust the support to match the specific needs of each country, covering the entire audit process. The following list indicates the range of aspects that current and concluded TIWB assistance has covered:

- Understanding a company's structure and the countries involved;
- Understanding the local and foreign potential tax implications of the company under review;
- Risk analysis for selection of taxpayers;
- Identifying potential sources of information;
- Strategy-setting for performing a targeted audit;
- Preparing for interviews with taxpayer representatives;
- Analysing and discussing the impact of foreign tax treatment of local payments (including the impact of tax treaty application);
- Exploring possibilities under tax treaty exchange of information provisions;
- Reporting and presentation of position to taxpayers; internal decision makers, tribunals and/or courts; and
- Recommending a strategy for audit settlement.

Support is flexible and adapted to local requirements through variations in length and frequency of missions. In some countries (Georgia and Nigeria, for example), upon the specific request of the host administration, the TIWB expert works intensively with a small group or team of auditors on specific tax audit files, providing guidance on the international aspects of the company under review in one-week blocks, spaced over multiple months or a year. While working on the case, the TIWB expert and the local auditors work together analysing the tax risks, reviewing relevant documents and discussing the most efficient way to take the case forward. In other countries, different arrangements exist. For example, in Albania, an Italian tax expert worked alongside and provided full-time, direct tax audit assistance to the Albanian tax administration over the course of an entire year.

TIWB assistance is not limited to the periods when TIWB experts are present in-country. For instance, in Georgia, following guidance provided by the TIWB expert during the in-country mission, the host administration continues to work on the files studied and gathers information to be discussed during the TIWB expert's next in-country mission. The host administration can

also request remote assistance by the TIWB expert and can extend it to new audits. Remote support, as an agreed form of assistance, can be included in the Terms of Reference defined and validated by the relevant parties prior to the start of the programme.

The initiative continues to benefit from several partner administrations (OECD and non-OECD members) committed to making available their tax audit experts in order to meet demands from developing countries for audit capacity building. Currently, TIWB partner administrations include France, Germany, Kenya, the Netherlands, Spain and the United Kingdom. The Secretariat has been actively involved in creating awareness in various forums, including the Forum on Tax Administration (FTA) Plenary in May 2016 and the OECD's Committee on Fiscal Affairs (CFA) Inclusive Framework in January 2017 to encourage more countries to participate in the initiative by providing their experts. Currently, half of all TIWB programmes are a partnership between two administrations whereby serving tax officials are provided, and the other half utilise experts from other sources (either retired officials or experts from international organisations).

TIWB has developed a range of partnerships, facilitating integration between TIWB programmes and other capacity building initiatives. There are often a number of development actors providing support to tax administrations and aiding reform in countries where TIWB programmes operate. The initiative has sought to integrate its own programmes with those of other actors to help improve the effectiveness of all programmes.

“The advantage of TIWB for HMRC is that it provides a readymade framework for us to sit alongside our local colleagues and help with cases without having to anonymise the information with all the attendant difficulties that entails. The combination of the framework and [TIWB] introductory services has greatly facilitated the speed and effectiveness with which HMRC has been able to help countries. Although our relationships with countries are still at a relatively early stage, we have identified several high risk areas, taken up numerous cases for audit and settled a first Transfer Pricing case” (Potter, 2017).

Therefore, TIWB now has a large, and growing, number of partners comprising revenue authorities, development and technical assistance agencies, international organisations, regional tax organisations and foundations. The specific partners vary by country depending on the region. For example, the Inter-American Centre of Tax Administrations (CIAT), the Spanish Tax Agency - Agencia Estatal de Administración Tributaria (AEAT) and the German International Co-operation Agency (GIZ), work together in Costa Rica, while the WBG, ATAF and Open Society Foundation (OSF) operate together in Liberia.

A roster of experts has been set up to increase supply to meet growing demand. The roster of qualified audit experts (mainly retired officials) available to be deployed on TIWB missions was established in early 2017 by UNDP, with the technical support of the OECD Secretariat. The creation of the roster was mandated by the Governing Board in April 2016 as a means of supplementing the existing supply of experts seconded by partner administrations, due to demand for TIWB surpassing the supply of available experts. Experts on the roster are from a wide range of developed and developing countries and have extensive specialised expertise and skills.

Over 200 applications were received following the vacancy announcement posted by UNDP in October 2016. From this group, 38 experts were selected following a rigorous application process, including a review of technical competency and compatibility with TIWB programmes, and an interview by a joint panel comprising UNDP and OECD staff. The experts are mainly retired officials, 11 of whom are from developing countries. Of the 38 experts, only four are female; consideration will be given to ways in which to increase female participation on the roster. More qualified experts will be invited to apply to join the roster of experts as needed in the coming years in line with UNDP's transparent application process.

Practical challenges to implementing the TIWB model have been identified and addressed.

Taxpayer confidentiality and how to deal with potential conflicts of interest are of critical importance in the TIWB model. These issues are discussed and defined in each programme's Terms of Reference between the host administration and expert (including the partner administration, when applicable) and agreed upon prior to the programme start date. Depending on the host country's legal framework, different approaches may be taken. For example, confidentiality is addressed in Jamaica by the expert taking an Oath of Secrecy before an official of the Justice of Peace for the Parish of Kingston (as if the expert were a tax official of the host administration), and in Liberia through a separate non-disclosure agreement between the experts and the Liberian Revenue Authority (LRA). If no agreement can be reached, the TIWB expert may work on anonymised cases to avoid any breach of confidentiality (as described above). The host administration and expert are required to ensure that there are no potential conflicts of interest when selecting audit cases for the TIWB expert to work on and provide guidance. One example of avoiding conflict of interest can be seen in the TIWB Georgia programme where the expert is unable to work on the tax audit file of one particular company since he previously worked with that company in another capacity.

The Secretariat has revised the original TIWB Toolkit to improve the programme set-up process.

In 2016, the TIWB Toolkit created to address key issues in setting up programmes was reviewed, taking into account recent experiences in setting up programmes. The Toolkit was broken down into four dedicated Starter Kits (Host Administration, Partner Administration, Experts, and Donors). These Starter Kits provide more targeted information to each party of a TIWB programme, making it easier to identify key issues and party requirements. The Starter Kits can be downloaded directly from the TIWB website (www.tiwb.org) in English, French or Spanish. The TIWB website provides a simplified interface for host administrations to submit requests for assistance, which are then integrated and classified in the TIWB Secretariat's in-house database of programmes.



TIWB's activities in 2016 show its ability to be responsive to demand, while flexible and adaptable in implementation. These activities have shed light on a number of lessons and challenges for TIWB going forward, which are addressed in Chapter 3.



Chapter 3

Lessons learned

A number of lessons have been learned in the past year that can help facilitate new TIWB programmes and render them more successful in the future. Many of these lessons echo the recommendations in the PCT 2016 report to the G20 Finance Ministers “Enhancing the Effectiveness of External Support in Building Tax Capacity in Developing Countries” (PCT, 2016).

Political will

The success of the TIWB initiative depends on high-level political will from developing countries to enable them to take the necessary steps towards addressing the pervasive capacity challenges in dealing with base erosion and profit shifting and related challenges. Crucially, TIWB often goes hand-in-hand with broader reform efforts and/or integration into the international tax community. The majority of TIWB programmes run in countries that have made high-level political commitments to tax reform such as by joining the Addis Tax Initiative or the Inclusive Framework on BEPS as the Georgia TIWB programme illustrates (see Box 5). The result could be a package of mutually reinforcing actions which strengthen the hand of reformers. At a practical level, TIWB assistance requests are signed off by the head of the host administration to ensure that there is top-level support for the implementation of the programme.

Box 5. TIWB Georgia

Georgia is using TIWB as part of broad commitment to improving its overall tax system. This process commenced several years ago, but has accelerated recently through a combination of political and practical commitment.

Georgia joined the Addis Tax Initiative in July 2016, signifying its government’s commitment to enhancing domestic resource mobilisation for the country. Furthermore, Georgia joined the Inclusive Framework

on BEPS in 2016 and was appointed to the Steering Committee of the Inclusive Framework; a further high-level commitment to ongoing reform, especially regarding the taxation of MNEs.

A dedicated Transfer Pricing Unit, responsible for auditing MNEs on transfer pricing and other international tax aspects in close co-operation with other auditors of the Georgian Revenue Service, was established in 2015. It was in this context that a request for TIWB assistance was made.

Since September 2016, the programme has progressed rapidly. An experienced TIWB tax audit expert has been working with the seven Transfer Pricing Unit auditors (Georgia Revenue Service, 2016). Several audit cases have been examined during each mission and are subject to full audits, including some cases which will be appealed. Two one-week in-country missions were completed by the TIWB expert in late 2016 where actual audits were discussed. Additional remote assistance is also being provided. Following a third week-long mission in February 2017, the Georgia Revenue Service reports that the assistance has resulted in:

- Resolution of initial audits resulting in significant increases in taxes collected;
- More efficient risk analysis;
- Improved understanding of complex international tax structures;
- Improved application of tax treaty provisions in international tax structures; and
- Recognition of the benefits of applying information exchange provisions in tax treaties.



The TIWB Governing Board, established in April 2016, is elevating the visibility of the initiative among the senior political leadership in developing countries and promoting the adoption of the TIWB model as a mechanism to enable developing country tax administrations to deal with the emerging challenges of globalisation. Governing Board members can also use their networks to promote the initiative more actively and gain broader acceptance of the use of external experts as an effective way to improve local audit expertise within tax administrations.

The TIWB Secretariat also now works closely with UNDP country offices and regional hubs in order to build stronger in-country ownership of TIWB programmes and integrate TIWB assistance into UNDP's broader country assistance strategies. Country office participation creates better in-country support and the buy-in needed to get a TIWB programme off the ground. It can also create visibility for TIWB at the country level. Country offices can ensure that TIWB programmes are aligned not only with the immediate needs of the revenue authority, but also with the longer term development of the country's tax system. UNDP country offices can also facilitate ongoing monitoring of TIWB programmes and ensure follow-up as appropriate.

Regional tax organisations

Experience shows that TIWB programmes are enhanced through the involvement of regional tax organisations. ATAF and CIAT have both been very instrumental in mobilising their members to co-operate in setting up TIWB programmes in Botswana, Costa Rica and Nigeria.

Increasing the involvement of regional tax organisations in assisting tax administrations on TIWB programmes further enhances the understanding of, and deepens confidence in, specific features of TIWB programmes within host administrations. Moreover, regional tax organisations' engagements with developing countries' tax administrations can help identify potential TIWB programmes and facilitate co-ordination between host and partner administrations (see Box 6). The Centre de Rencontres et d'Études des Dirigeants des Administrations Fiscales (CREDAF), the Commonwealth Association of Tax Administrations (CATA) and the Pacific Islands Tax Administrators Association (PITAA) have also expressed willingness to improve the communication and co-ordination of TIWB programmes in their regions.

Box 6. TIWB Costa Rica

In February 2016, the Costa Rican tax administration Dirección General de Tributación (DGT) requested TIWB support on transfer pricing, with a particular emphasis on the importance of Spanish speaking experts. In September 2016, CIAT partnered with the TIWB Secretariat on a scoping mission with the participation of the Spanish Tax Agency - AEAT.

This collaboration enabled the development of a TIWB programme whereby AEAT provides advice on transfer pricing audits and assists DGT in the implementation of transfer pricing policy in Costa Rica, with a focus on the definition of risk analysis procedures and the development of transfer pricing enforcement actions.

AEAT has committed eight active transfer pricing audit experts to participate in this TIWB programme over the course of four one-week missions. The first three missions satisfactorily took place in February, March and April 2017. CIAT was instrumental in building the partnership and continues to support the programme, along with GIZ, who have contributed to organising and financing related activities.



Integration with other initiatives

TIWB programmes are more effective when built on, and integrated with, other initiatives. It has been quicker and easier to establish TIWB programmes subsequent to an earlier assistance programme in a country, where trust has already been established and where the previous programme helped countries to better identify and clarify their specific needs, including how TIWB can be of the greatest benefit. Specific examples of TIWB programmes which have emerged as the result of assistance regarding legislation and/or organisational issues include Botswana, Jamaica, Nigeria, Rwanda, Uganda, and Zimbabwe. Several more countries are in the process of formalising their TIWB assistance requests. The majority of TIWB programmes have benefitted from previous and ongoing technical advice on anonymised cases, which have provided a natural complement to fully developed TIWB programme requests (see Chapter 2).

Integrating TIWB with other broader projects can reduce transaction costs for developing countries, whilst increasing the impact and sustainability for all. TIWB programmes, through their work on real cases, can provide a final, critical stage of implementation that many other capacity building programmes are not able to address. This can significantly increase the impact of other broader capacity building programmes. Where the TIWB Secretariat is able to integrate a TIWB programme with other programmes, it can significantly reduce the complexity for the host administration, ensuring that limited resources are not wasted. The TIWB Liberia programme (see Box 7) details how this has worked in practice.

Box 7. TIWB Liberia

The current Liberia programme illustrates how TIWB can be integrated into and complement existing programmes and partnerships, increasing the impact of all.

The LRA currently has a wide range of regional and international partners in the tax arena. These include ATAF, the ECOWAS Commission, the EU, GIZ, IMF, the OECD, United States Agency for International Development, the WBG, West African Economic and Monetary Union, and the West African Tax Administration Forum.



As part of a EUR 7.7 million EU-funded project to support ECOWAS to improve investment policy in West Africa, a transfer pricing programme was implemented by the WBG, in partnership with OECD and ATAF. Under this programme, ATAF and the WBG provide audit experts to support the LRA in order to build transfer pricing audit capability over the course of multiple one-week missions. The OSF, based in New York, has a Fiscal Governance Programme, managed by OSF's local affiliate in Monrovia, Open Society Initiative for West Africa. This initiative provides support for Liberian taxpayer education, as well as for Liberia's tax policy and audit capacity.

During the implementation period of these programmes, the potential for a TIWB programme to complement the existing programmes became clear, and the LRA made a formal request for assistance to the TIWB Secretariat. The WBG volunteered one of their capacity building experts to participate in the TIWB programme, piggy-backing on similar WBG transfer pricing capacity building workshops. This engagement created a seamless continuity of assistance for the LRA auditors. OSF contracted the audit expert to undertake the TIWB audit work in the LRA. The TIWB Secretariat presided over a memorandum signing between LRA and the audit expert, which helped to clarify expectations surrounding the TIWB programme and define key performance indicators to measure the success of the programme.

While the organisation, structuring and financing of this programme was complex in many ways, from the LRA's perspective it created the simplest and most effective way to integrate three separate programmes. In funnelling the complexity and challenges of overlapping programmes to the TIWB Secretariat and other development partners and away from the LRA, TIWB showed its ability to engage constructively to address the co-ordination challenge. The TIWB programme in Liberia is now the subject of a short documentary-style TIWB film available at www.tiwb.org.

TIWB benefits from partner administrations that are part of a “whole of government” approach to tax and development (PCT, 2016). Supported by the PCT and also endorsed by the FTA in their 2016 report, “Tax Administrations and Capacity Building: A Collective Challenge” (OECD, 2016), both organisations stress the value of a “whole of government” approach to tax and development, enabling a common and coherent approach to be taken by all parts of government. TIWB has benefitted from countries taking this approach, as there is greater commitment to finance and release experts from revenue authorities. The United Kingdom and the Netherlands are examples of countries that have taken this approach.

For example, HMRC has a dedicated Capacity Building Unit. As well as improving technical capacity, this unit also assists with institutional and administrative capacity. The UK's Department for International Development provides core financing to allow HMRC to employ a number of full-time staff ready for deployment in a technical role to developing countries. This financing provides continuity and allows a relationship to form between partner and host administrations. Similarly, the Netherlands Tax and Customs Administration is supported by the Netherlands Ministry of Foreign Affairs which provides funding to send out its tax audit experts to engage in TIWB programmes.

South-South Co-operation

South-South co-operation offers a significant opportunity for TIWB in the future. The experience and expertise of developing country revenue authorities who have successfully built capacity in auditing MNEs are very valuable to other developing country revenue authorities. The understanding of regional factors and approaches, as well as practical experience regarding building internal structures and processes to establish audit capacity are skills that experts from developed countries are not necessarily able to provide, but can add significant value to TIWB programmes. Recognising the need for increased South-South co-operation, the TIWB

Secretariat, in close co-operation with ATAF, is now assisting Uganda in establishing a South-South assistance programme. Wider opportunities will also be explored through the use of accredited Southern experts on the UNDP roster of experts. In 2017, the TIWB Secretariat will further explore mechanisms to strengthen its co-operation with ATAF, CATA, CIAT, CREDAF and PITAA to promote sharing audit expertise among their members, based on existing relationships with their traditional partners. There are challenges in this area too, not least in funding and balancing the use of scarce resources, which will need to be carefully monitored.

As TIWB continues to learn from these lessons, further gains are expected.

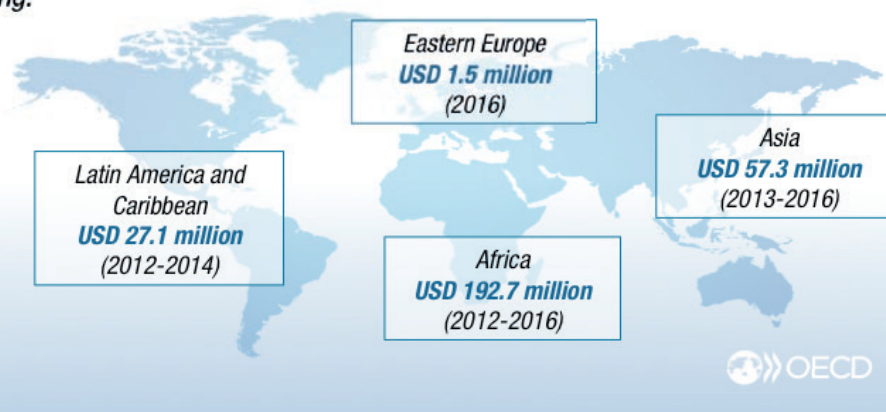
Chapter 4

Results

TIWB has already demonstrated impressive short-term results. TIWB audit assistance yielded over USD 278 million in increased revenue collected up to April 2017 (see Box 8).

Box 8. TIWB results to date (April 2017)^[5]

Cumulative increases in tax collection as a result of TIWB Programmes have totalled over USD 278 million, including:



*Results are currently aggregated by region due to confidentiality requirements in some countries on the revenue impacts of TIWB assistance.

⁵ Revenue attributed to TIWB and TIWB-style support through ATAF, OECD and WBG technical assistance programmes since 2012 as described in Chapter 2.

Enhanced measurement tools are needed to identify and track the potential for long-term results. While short-term revenue increases are one of the most eye-catching impacts of TIWB programmes, these only show a part of the total intended impact of TIWB programmes. TIWB was conceived not only to facilitate better audits through TIWB expert guidance within a host administration, but also to deliver sustainable outcomes in terms of enabling auditors to use skills learned in a programme and apply them to future audits and across their institutions. Monitoring progress on a wider set of outcomes is important. The UK Independent Commission for Aid Impact (ICAI), in their learning review on UK aid’s contribution to tackling tax avoidance and evasion, highlights the significant impact of TIWB and other technical assistance programmes in the short-term, but stresses the need to ensure the impact is sustainable over the longer term (ICAI, 2016).



To address this point, the Secretariat requires that all newly established TIWB programmes define key performance indicators (see Box 9) which are selected by the host administration and included in the TIWB programme Terms of Reference. For example, in Liberia, indicators on tax compliance (measured by timeliness of filing and promptness of payment) and on improved skills and understanding by auditors (measured through testing) are complementing revenue indicators. These indicators, which vary by programme depending on country priorities, will be progressively evaluated as more TIWB programmes are completed. As capturing and quantifying the impact of TIWB assistance on broader institutional change is challenging, further efforts will be made with partner administrations on measurement issues. UNDP country offices can also have a progressively greater role in monitoring, measuring and evaluating results over the long-term at the country level, taking local factors and considerations into account.

Box 9. Short-, mid- and long-term indicators

Short-Term

- Risk selection and risk analysis methodology developed and implemented (supported by information technology);
- Internal guidelines for selection of audit cases set up and available (based on principles of Compliance Risk Management and picking the right “tools”);
- Information available on understanding of branch and businesses to be audited (branch information, “knowing the business”);
- Standardised layout of audit reports available and used (necessary for consistent audit practice);
- Monitoring system in place regarding progress of audits to be performed.

Medium-Term

- Increased tax revenues from the performed audits (divided into assessments, penalties, interest);
- Staff is capable of applying the newly obtained knowledge and skills on audit approach and audit techniques in practice (e.g. effects to be measured by quality and content of audit files and audit reports);
- Staff is capable of applying principles of Compliance Risk Management in practice;
- Audits have been performed and finalised within the time frames, set out in internal procedures (monitoring system in place);
- Quality and content of audit reports meet standards set in internal manuals and regulations;
- Measures in place to monitor (increases in) level of compliance of taxpayers who were audited (e.g. filing obligations, giving easier access to company data and information, timely payments of taxes);
- Increase in international requests for exchange of tax information to other tax administrations;
- Increase in-depth audit activity, based on outcome of performed audits (third-party investigations, requests for exchange of information, etc.).

Long-Term

- Changes in fulfilling tax obligations by companies that were audited, e.g. filing obligations, timely payments etc.; demonstrable effects of applying principles of Compliance Risk Management in practice;
- Increased willingness to provide data and information to tax administration (“voluntary disclosure of data and information”);
- Decrease in number of litigations, objections and appeals made by taxpayer companies;
- Reduction in length of time for tax dispute resolution;
- Increase in service usage by taxpayer companies with tax administration;
- Taxpayer risks identified by sector and branch, and percentage of those risks quantified and modelled.

A positive indication of the early impact of TIWB can be seen in requests for additional TIWB assistance in new areas. Whilst multiple requests for assistance in repeat areas could be a sign that skills transfers were not successful, some countries having already received TIWB assistance are now seeking new TIWB programmes in different areas, indicating that there has been some valuable impact from earlier programmes (see Box 10). As discussed later in this report, monitoring progress on longer term impact of TIWB is critical and more focus will be given to this by the Secretariat in 2017.

Box 10. TIWB Senegal

In 2015, a tax audit expert was seconded by the French tax authorities (i.e. Direction Générale des Finances publiques) to assist the Senegalese tax authorities (i.e. Direction générale des Impôts et des Domaines) in building capacity in the areas of international tax, transfer pricing and exchange of information issues relative to tax audits.

The French tax expert worked side-by-side with the Senegalese tax auditors from the Large Business Unit providing advice and guidance regarding the tax audit of two selected Senegalese resident companies of MNE groups over six week-long visits during the year 2015. The French tax expert did not interact with the taxpayers directly.

The two selected tax audits resulted in CAF 11,317,195,531 (West African CAF franc), the equivalent of USD 18.6 million, of additional tax revenue and penalties. Besides increased tax collection for Senegal, the Senegalese tax auditors gained increased confidence, insight and knowledge in handling international tax issues of MNEs.

Both Senegal and France saw value in the practical aspects of this type of assistance and the two countries have agreed to collaborate on a new TIWB programme in 2017 in order to strengthen the Medium Business Unit auditors' skills in tax audits.





Chapter 5

Organisational development

A number of significant developments in the structuring and organisation of a long-term framework to enable TIWB to continue to grow appeared in 2016. These included the establishment of a Governing Board, the expansion of the TIWB Secretariat - including the creation of a multilingual website - and a deepened integration of TIWB into UNDP and OECD structures.

The Governing Board was established to enable high-level engagement in TIWB by a range of stakeholders. The inaugural TIWB Governing Board was constituted and held its first meeting in Washington DC on 16 April 2016. The Governing Board is mandated to support and promote the TIWB initiative internationally, expand political support for the TIWB initiative, approve and monitor the implementation of an annual work plan, provide strategic guidance and make recommendations concerning the design of the initiative if required, encourage opportunities for South-South co-operation, and review the activities of the Paris-based TIWB Secretariat.

Co-chaired by Mr. Angel Gurría (Secretary-General of the OECD) and Ms. Helen Clark (Administrator of UNDP), the Governing Board members represent governments from developed and developing countries, tax administrations, and civil society and seek to maintain a representative regional and gender balance. The Governing Board meets annually, but additional meetings may be called if and when required. Governing Board members are expected to serve for a term of three years with the possibility of renewal; the current Governing Board composition can be found in Annex B.

The Governing Board is supported by the Technical Advisory Group which was established in 2013 to provide practical support to TIWB Secretariat operations. The Technical Advisory Group is comprised of officials from both developed and developing countries including France, the Netherlands, Papua New Guinea, South Africa; civil society representatives, the Business and

Industry Advisory Committee to the OECD, and regional tax organisations including ATAF and CIAT. There were two conference calls in 2016, where members received updates and provided feedback and advice to the Secretariat.

Reinforcing the TIWB Secretariat has supported scaling-up worldwide TIWB operations.

The Paris-based TIWB Secretariat has been strengthened to operate a clearing house function, matching the demand for auditing assistance with appropriate expertise. Supported by UNDP's network of country offices, regional hubs and by regional tax organisations, the TIWB Secretariat provides administrative support to developing country tax administrations in establishing TIWB programmes and co-ordinating expert deployments.

The expansion of the TIWB Secretariat has been instrumental in providing greater focus on promoting awareness and supporting programme execution.

In 2016, the Secretariat increased its staff from one to three members to better facilitate the matching of supply and demand for TIWB programmes, managing complex multi-stakeholder relationships, advising on the establishment and running of TIWB programmes and co-ordinating programme logistics for TIWB experts. The TIWB Secretariat is also leading work on monitoring and evaluation to ensure a consistent approach and so that best practices and key lessons can be quickly and effectively shared among TIWB programmes.

The Paris-based TIWB Secretariat is currently hosted within the Global Relations and Development Division, an arm of the OECD Centre for Tax Policy and Administration (CTPA). This provides TIWB with close working relationships with the teams working on BEPS and other international tax issues, including those with a specific focus on developing countries and the development of toolkits under the PCT.

The TIWB website was launched in November 2016, facilitating engagement by stakeholders with TIWB. The multilingual TIWB website (www.tiwb.org) is available in English, French, Spanish (and soon Portuguese) and provides a comprehensive explanation of TIWB for all stakeholders. The



website has been integral in building understanding and awareness of TIWB programmes. This site was complemented in 2016 by the TIWB Twitter account (@TIWB_News) for disseminating key messages to the public and creating media awareness and engagement. News about the website and other TIWB updates were also widely disseminated via UNDP's corporate Twitter accounts and LinkedIn pages. More focus on external communications in 2017 (including through articles, blogs and country-level stories) will help to boost the visibility of TIWB and its assistance programmes.

The TIWB Secretariat participated in several interviews in late 2016 to publicise the new website and expand public awareness and support for the initiative. Notable media publications covering the TIWB initiative included a special feature on BBC television (*English*), an exposé on the TIWB Liberia programme in *L'Obs* magazine (*French*), an article on the Ideas for Development blog (*English*) and a podcast by the Tax Justice Network (*English*) featuring James Karanja, Head of the TIWB Secretariat. In December 2016, the Secretariat produced a short video on the operation and impact of the Liberia TIWB programme, now available on the TIWB website. In 2016, UNDP carried out two webinars – in English and French – to inform its country offices about TIWB, the services the initiative provides and to answer officers' questions about the initiative, their role and how they could become involved. The outcome of this intervention is evident in the growing number of queries from country offices in different regions seeking to integrate TIWB programmes into their respective country assistance strategies.

TIWB has continued to integrate into UNDP's structures, bringing a global presence, and further promoting country participation in the TIWB initiative. Following the launch of the joint OECD/UNDP partnership, in early 2016 UNDP formally approved the establishment of the TIWB Project which is managed by the UNDP Bureau for Policy and Programme Support (BPPS). BPPS is responsible for financing some TIWB programmes, generating demand at the country level for TIWB assistance, maintaining the roster of tax audit experts, and contracting some experts for TIWB programmes. BPPS also ensures that the expert deployment process is transparent and free from conflict of interest concerns. In 2017, BPPS will recruit to strengthen support of country office participation in TIWB programmes.

BPPS works closely with the Paris-based TIWB Secretariat in liaising with UNDP country offices and regional hubs that support specific TIWB programmes. The country offices assist with liaising with the local tax administrations in their respective countries to identify demand for tax audit assistance and provide information to the governments of developing countries on the TIWB initiative. The involvement of each country office takes various forms and differs from country to country, depending on on-going UNDP projects in related areas (e.g. extractive industries or public expenditure management) and the nature of each individual assistance request.



Funding for TIWB has been sufficient thus far, but further funding will be required to deliver the ambitious targets between now and 2020. Under the OECD-UNDP partnership, funds from governments and/or private foundations for the financing of the TIWB expert deployments and involvement of the UNDP country offices are channelled through UNDP, while funds from OECD members to the OECD Secretariat are used to finance the joint TIWB Secretariat and the operations of the Governing Board.

Finland's Ministry for Foreign Affairs delivered EUR 800,000 to UNDP for the Tax Inspectors Without Borders Project. The full amount, to be used over a period of two years, was received in early 2017 and will be used primarily in deploying experts from the roster of experts to host administrations, boosting UNDP capacity and for promoting South-South co-operation on TIWB programmes.

In 2016, voluntary contributions in kind to meet TIWB programme expenses were provided by Germany, the Netherlands, the OSF, Spain and the United Kingdom. ATAF, CIAT, the EU, and the WBG have also funded the costs of their own participation in the support of TIWB programmes. In the same year voluntary contributions met the costs of the TIWB Secretariat (EUR 510,300). In 2017, voluntary contributions at a similar level will be raised via a broader proposal on BEPS and Developing Countries, which has already attracted sufficient funds to meet TIWB Secretariat costs in 2017.



The organisational developments of 2016 have created a firm base for the foreseeable future of TIWB, and will enable the initiative to further grow and develop.



Chapter 6

Draft work plan 2017/18

The TIWB initiative has set ambitious overall objectives for the period 2016 to 2020 to promote more effective international co-operation on audits with the desire to see enhanced domestic resource mobilisation for developing countries and a more predictable investment climate for taxpayers. TIWB has a goal to facilitate the successful completion of 100 quality risk assessments/ audits with developing countries in the period 2016-2020. A full framework of objectives is included in Annex C below.

The Secretariat plans to undertake the following activities in the coming year:

1. Support the establishment of 20 new deployments, in co-operation with regional and international organisations. This will include establishing at least three new South-South programmes.
2. Organise two side events at major international fora to promote TIWB and the sharing of expertise among South-South countries, including one such event at the UN's Financing for Development Forum from 23-27 May 2017.
3. Strengthen current collaboration arrangements with ATAF and CIAT geared towards expanding TIWB programmes in Africa and Latin America region while exploring new collaboration arrangements in other regions, such as the Pacific Islands region.
4. Organise a workshop for experts who have already undertaken TIWB audit work to share and incorporate lessons learned into the development of the initiative (carried over from the 2016/17 Work Plan).
5. Monitor and assess results and outcomes from the ongoing TIWB programmes based on revised impact and measurement criteria as set out in this report.
6. Activate and expand the UNDP roster of experts including supporting new UNDP role of contracting of experts.

7. Strengthen external communications about TIWB and its results, including through several articles in relevant media and the publishing of TIWB stories and lessons learned.
8. Encourage five new partner administrations willing to directly support deployment of their experts, particularly from developing countries.
9. Raise additional funds to meet costs of deployments for the period 2017/18, as needed.
10. Report progress to the Governing Board in early 2018.



Annex A

Programmes

Current TIWB programmes

Host Administration Country	Host Tax Administration	Expert	Commenced in	Missions to date	Total weeks in country
Botswana	Botswana Unified Revenue Service	Serving tax officials	2016	2	2
Costa Rica	Dirección General de Tributación, Ministry of Finance	Serving tax officials	2016	4	4
Egypt	Egyptian Ministry of Finance	Retired tax official	2017	2	2
Ethiopia	Ethiopian Revenues and Customs Authority	Serving tax official	2015	4	9
Georgia	Georgia Revenue Service (Tax and Customs Administration)	Retired tax official	2016	3	3
Ghana	Ghana Revenue Authority	Serving tax officials	2013	7	7
Jamaica	Tax Administration Jamaica	Retired tax official	2016	3	3
Jamaica	Tax Administration Jamaica	Serving tax official	2017	1	1
Lesotho	Lesotho Revenue Authority	Serving tax official	2015	3	4

Host Administration Country	Host Tax Administration	Expert	Commenced in	Missions to date	Total weeks in country
Liberia	Liberia Revenue Authority	Retired tax official and a mining expert	2016	4	5
Nigeria	Federal Inland Revenue Service	Retired tax official	2016	4	4.5
Senegal	Direction Générale des Impôts et des Domaines	Serving tax official	2017		

Upcoming TIWB programmes

Host Administration Country	Host Tax Administration	Expert	Commenced in	Number of missions to date	Total weeks in country
Cameroon	Ministère des Finances, Direction Générale des Impôts	TBD	2017		
Republic of the Congo	Direction Générale des Impôts et des Domaines	TBD	2017		
Rwanda	Rwanda Revenue Authority	Serving tax official(s)	2017		
Uganda	Uganda Revenue Authority	TBD	2017		
Viet Nam	General Department of Taxation, Ministry of Finance	TBD	2017		
Zimbabwe	Zimbabwe Revenue Authority	TBD	2017		

Anonymised TIWB programmes

Host Administration Country	Host Tax Administration	Expert	Commenced in	Number of missions to date	Total weeks in country
Botswana	Botswana Unified Revenue Service	Retired tax official	2016	3	3
Cambodia	General Department of Taxation	Retired tax official	2016	1	1
Malawi	Malawi Revenue Authority	Retired tax official	2016	4	4.5
Kenya	Kenya Revenue Authority	Retired tax official	2012	15	15
Sri Lanka	Inland Revenue Department	Retired tax official	2016	2	2
Uganda	Uganda Revenue Authority	Retired tax official	2016	2	2
Viet Nam	General Department of Taxation, Ministry of Finance	Retired tax officials	2016	2	1
Zambia	Zambia Revenue Authority	Retired tax official	2016	2	2
Zimbabwe	Zimbabwe Revenue Authority	Retired tax official	2016	2	2

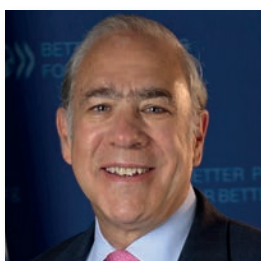
Finalised TIWB programmes

Host Administration Country	Host Tax Administration	Expert	Term	Number of missions to date	Total weeks in country
Albania	Albanian Tax Directorate	Serving tax official	2015	1	47
Colombia	Colombian tax and customs authority DIAN	Retired tax official	2012 - 2014	9	9
Senegal	Direction Générale des Impôts et des Domaines	Serving tax official	2014 - 2015	6	6



Annex B

Governing Board composition



Angel Gurría (Co-Chair)
(Secretary-General of the OECD)



Helen Clark (Co-Chair)
(Administrator of the UNDP)



Mauricio Cárdenas Santa María
(current Minister of Finance and Public Credit of Colombia)



John Christensen
(Chair of the Board of Tax Justice Network)



Sir Paul Collier
(Professor, Oxford University)



Bob Hamilton
(Commissioner of the Canada Revenue Agency, who replaced previous Board member, Andrew Treusch)



Ngozi Okonjo-Iweala
(former Finance Minister of Nigeria)



Emília Pires
(former Minister of Finance of Timor-Leste)



Liliane Ploumen
(Minister for Foreign Trade and Development in the Netherlands)

Annex C

Objectives for 2016-2019

Objectives	Host Administration	Expert
<p>Impact:</p> <p>a) Enhanced domestic resource mobilisation for developing countries</p> <p>b) A more certain and predictable investment climate for taxpayers.</p>	<p>Post project surveys covering (on a case by case basis):</p> <p>a) e.g. proposed transfer pricing adjustments, imposed and agreed tax assessments;</p> <p>b) reduction in back log of disputed tax assessments as well as positive business surveys; and</p> <p>c) revenues are increased.</p>	
<p>Outcome:</p> <p>Developing countries have the capacity to audit taxpayers fairly and effectively</p>	<p>Tax administrations and Ministries of Finance report that capacity is strengthened (e.g. through various tax administration Diagnostic Assessment Tool indicators).</p>	
<p>Output 1:</p> <p>TIWB facilitates the successful completion of 100 risk assessments/audits with developing countries in the period 2016-20.</p>	<p>Each programme will have dedicated indicators drawn from the list of short, medium and/or long-term indicators (see Box 9).</p>	<ul style="list-style-type: none"> - Established a list of qualified tax audit experts available for TIWB deployments; - Created a list of interested host countries, based on UNDP's outreach to country offices; - Updated TIWB website, TIWB Toolkit and promotion materials available; - Sufficient resources are available to finance deployments as well as the Secretariat/Board and country office involvement; and - Full range assistance to realise: <ul style="list-style-type: none"> 15 deployments in 2016 20 deployments in 2017 30 deployments in 2018 35 deployments in 2019

Objectives	Host Administration	Expert
<p>Output 2:</p> <p>TIWB transfers skills and competencies on audit risk assessment, audit casework and finalisation of tax assessments to developing country tax officials.</p>	<p>Audit completion reports from experts, OECD/UNDP and tax administrations.</p> <p>Host administrations report on concrete results of the deployments.</p>	<p>Expert deployments are realised that facilitate skills and competence transfer.</p>
<p>Output 3:</p> <p>TIWB prepares analytical work and develops knowledge to promote more effective international co-operation on audits.</p>	<p>Research and analytical papers on lessons learned from TIWB programmes and the wider implications of such initiatives for international policy discussions on tax co-operation.</p>	<p>TIWB programmes are well- documented and the results disseminated via reports and other mediums.</p> <p>Research and analytical work based on findings from deployment programmes are carried out and published.</p>

Bibliography

Clark, Helen (2015), Speech at tax side event at the Third International Conference on Financing for Development, Addis Ababa, Ethiopia.

Crivelli, E., De Mooij, Ruud, and Keen, Michael (2015), *IMF Working Paper - Base Erosion, Profit Shifting and Developing Countries*, International Monetary Fund, Fiscal Affairs Department, WP/15/118, www.imf.org/external/pubs/ft/wp/2015/wp15118.pdf.

G20 (2015), *Call to Action for Strengthening Tax Capacity in Developing Countries*, Development Working Group Domestic Resource Mobilisation, <http://g20.org.tr/wp-content/uploads/2015/11/Call-to-Action-for-Strengthening-Tax-Capacity-in-Developing-Countries.pdf>.

G20 (2016), *G20 Finance Ministers and Central Bank Governors Meeting Communiqué*, www.g20.utoronto.ca/2016/160227-finance-en.html.

Georgia Revenue Service (2016), “Tax Inspectors Without Borders initiative kicks off in Georgia”, www.rs.ge/default.aspx?sec_id=4846&lang=2&newsid=4045 (accessed 1 April 2017).

ICAI (2016), *UK aid’s contribution to tackling tax avoidance and evasion*, <http://icai.independent.gov.uk/html-report/uk-aids-contribution-to-tackling-tax-avoidance-and-evasion>.

OECD (2016), *Tax Administrations and Capacity Building: A Collective Challenge*, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264256637-en>.

Platform for the Collaboration on Tax (IMF, OECD, UN, WBG) (2016), *Enhancing the Effectiveness of External Support in Building Tax Capacity in Developing Countries*, www.oecd.org/tax/enhancing-the-effectiveness-of-external-support-in-building-tax-capacity-in-developing-countries.pdf.

Platform for the Collaboration on Tax (IMF, OECD, UN, WBG) (2016), *Enhancing the Effectiveness of External Support in Building Tax Capacity in Developing Countries*, www.oecd.org/tax/enhancing-the-effectiveness-of-external-support-in-building-tax-capacity-in-developing-countries.pdf.

Potter, Simon. “Re: Reviewed Quote.” Message to James Karanja. 5 April 2017. Email.

UN (2015), “Resolution adopted by the General Assembly on 25 September 2015” in 2030 Agenda for Sustainable Development, Seventieth session of the General Assembly, Agenda items 15 and 116, A/RES/70/1, 15-16301 (E), www.un.org/ga/search/view_doc.asp?symbol=A/RES/70/1&Lang=E.

UN (2015), *The Addis Ababa Action Agenda of the Third International Conference on Financing for Development*, www.un.org/esa/ffd/ffd3/wp-content/uploads/sites/2/2015/07/Addis-Ababa-Action-Agenda-Draft-Outcome-Document-7-July-2015.pdf.

UN (2016), *Addis Ababa Action Agenda: Monitoring commitments and actions*, Inter-Agency Task Force on Financing for Development, New York, www.un.org/esa/ffd/wp-content/uploads/2016/03/Report_IATF-2016-full.pdf.

Tax Inspectors Without Borders Annual Report 2016/17

This report from the Secretariat covers TIWB activity from January 2016 to April 2017—TIWB's first full year of operations under the OECD/UNDP partnership arrangements. Chapter 1 situates TIWB in the fast-moving tax and development landscape. Chapter 2 provides details on the range of activities undertaken in establishing TIWB programmes. Chapter 3 reviews the lessons learned from the programmes so far, while Chapter 4 summarises both the results achieved and progress towards improving the measurement of results in the future. Chapter 5 outlines the organisational developments undertaken in the reporting period, and Chapter 6 provides the draft work plan for the coming year.

