



World Bank Global Tax Program (GTP)

Financing development through domestic resource mobilization

Domestic resource mobilization (DRM) provides governments with the funds needed to invest in development and relieve poverty. It is a central pillar of the global 2030 financing for Development agenda, reflecting the financing needed in many developing countries to meet development goals.

Rationale

Domestic resource mobilization is at the core of financing for development. While taking a holistic view – which includes considerations regarding equity, business environment, new technologies (including automation of revenue administration/e-filings) and challenges from international taxation (including from digital services and goods) – a strong revenue base is imperative for developing countries to finance public services, social support, infrastructure, and help strengthen the social contract between citizens and the state. It is also key for fiscal sustainability and to place public finances on a stronger footing.

Objectives and activities

The overall objective of the GTP is to strengthen tax systems of developing countries by facilitating the design and implementation of fair and effective tax systems that create positive conditions for economic growth and private sector development. Mobilizing domestic revenues and increasing the equity and fairness of tax systems are the main goals pursued by the GTP. Intermediate objectives include greater participation of developing countries in the development of the global tax architecture, improved understanding of the requirements to improve the performance of tax administrations and strengthening the application of research and knowledge development.

Country/region

Global / Bilateral

Executing agency

World Bank Group
(WBG)

Partners

Australia, Japan,
Luxembourg,
Netherlands, Norway,
UK

Project Duration

2017-2022 (Phase 1)

Total budget

USD 68.0 million

SECO contribution

Total: CHF 10,600,000

Global Funds:

CHF 4,000,000

Bilateral Funds:

CHF 6,600,000



Global Tax Program

Governance Structure

The Global Tax Program is a multi-donor initiative for financing technical assistance related to tax policy and administration in low and lower-middle income countries. The main decision body of the GTP is the Steering Committee composed of donor representatives and WBG staff. Its main role is to provide strategic guidance, contribute to the setting of policies and priorities and review progress under the annual work plan. The WBG as the implementing partner serves as Secretariat to the Committee.

Results so far

Since inception, the GTP supported DRM engagements in more than 50 countries. In Senegal, Uganda, Uzbekistan and Vietnam, the GTP supported the development of Medium Term Revenue Strategies, which approach tax system reforms in a comprehensive and holistic manner. Support also addressed issues of international taxation in 39 countries, and other technical assistance to DRM reforms in 22 countries.

In terms of regions, Africa has been the main beneficiary of the program with 25 countries, followed by Asia and Pacific and Latin America and the Caribbean with each 10 countries and 6 countries in Eastern and Central Europe.

Under a bilateral window, SECO has also been directly supporting country programs in some of its priority countries, including Azerbaijan, Kyrgyz Republic, Peru and Vietnam. The support focused on strengthening the administrative capacity to collect taxes, implementing international good practices and strengthening capacity on international tax issues. For instance, in the recently concluded first phase in Azerbaijan, the GTP supported advances in tax policy and tax administration. Based on that progress, SECO recently approved a second phase to support activities in three priority areas (taxpayer registry, risk management and issue related to the shadow economy). Important progress has also been made in the program in Peru, which focuses on international taxation, in the program in Vietnam, which focuses on international taxation and holistic reforms through development of a Medium Term Revenue Strategy and the program in the Kyrgyz Republic, which focuses on improving the effectiveness of tax administration and reduce compliance burden for taxpayers.

As a reaction to the covid-19 crisis, the GTP in 2020 adjusted several of its existing country projects to provide immediate technical assistance on short-term measures for business continuity and to address the social and economic fallout from the recession.

In addition to the country specific work, the GTP also provides research, learning and diagnostic tools, such as the Tax DIAMOND Tax Administration Tool and research on specific tax issues.

How to get involved

The GTP ensures strong country ownership by following a demand-driven approach. Technical assistance is provided upon request by countries' authorities. Low and lower-middle income countries that have the biggest revenue shortages and have expressed strong interest in comprehensive reform will be the preferred target group. The Steering Committee decides on the final selection of beneficiary countries based on detailed project proposals.

Further information and contact details

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