Call for Contributions

9th International DRM Workshop:
Tax Expenditures and Domestic Revenue Mobilisation
Online, 9-11 November 2021
DIE / ATI / CEP

1. Background

Tax expenditures (TEs) are tax benefits that governments use worldwide to pursue various policy goals such as attracting investment, boosting innovation and fighting poverty. TEs are costly, as they lower government revenue and the tax liability of the beneficiary. The global average of tax revenues forgone over the period 1990-2020 is 3.8 per cent of GDP, or 24.2 per cent of tax revenue. Moreover, TEs are often ineffective in reaching their stated goals, and can be even damaging with regard to equality or sustainability. Yet, the lack of transparency in this area is striking: only 97 out of 218 jurisdictions have reported on TEs at least once since 1990. The quality, regularity and scope of such reports are highly heterogeneous and, in many cases, lag significantly behind minimum standards.

It is against this background that the German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE) and the Council on Economic Policies (CEP) have launched the Global Tax Expenditures Database (GTED) in June 2021. The GTED (www.GTED.net) is the first database providing timely and consistent information on TEs on a global scale. It is based on official information published by national governments worldwide from 1990 onwards.

The Addis Tax Initiative (ATI) acknowledges the relevance this topic holds for member countries and the international community in general. TEs have a significant impact on countries’ ability to foster domestic revenue mobilisation (DRM) and, ultimately, attain the Sustainable Development Goals (SDGs). They often endanger the transparency of national budgets and policies if not monitored closely and assessed consistently. In light of its mission to promote development cooperation towards achieving the SDGs, the ATI agreed to apply coherent and coordinated policies that foster DRM. The Commitment 3 of the ATI Declaration 2025 states: “We will improve tax transparency by publishing tax expenditures regularly to facilitate cost-benefit assessments, ultimately helping to reduce wasteful tax expenditures, improving taxpayers’ trust, and creating a more level playing field for all types of businesses. We will improve inter-agency cooperation on tax expenditures and foster the coordination of granting tax concession activities.”

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2. **Format of the workshop**

The series “International Workshops on DRM”, organised by the DIE since 2011, brings together scholars, government officials, representatives from international organisations and other experts to discuss ongoing research and policy initiatives in specific areas of taxation, and assess their policy implications. It is designed to build bridges between academic research and development policy. The workshop will be organised as a virtual event. Since it caters to participants worldwide, it will take place on three consecutive days, with a three-hour time slot on each day, for a total of six modules à 90 minutes each.

3. **Focus of the workshop**

This year’s workshop will explore the relevance of tax expenditures for DRM. The workshop will build, among other inputs, on the wealth of information provided by the newly released GTED, as well as the experiences that are currently being made by ATI members.

It is against this background that we look forward to discussing with you key topics related to this area. Issues to be discussed at the workshop include:

- The state of tax expenditure reporting
- Experiences with setting up / improving tax expenditure reporting in individual countries
- Main barriers for the estimation and reporting of tax expenditures
- Tax expenditures in a context of informality
- Tax expenditures as an instrument of (harmful) tax competition between countries
- Bringing tax expenditures into the current debate on international tax reform
- Role of regional tax organisations & the Network of Tax Organisations (NTO)
- Tax expenditure reform in a post-COVID-19 world
- Decision-making processes to promote reforms & political economy challenges in the context of rationalising tax expenditures

We welcome contributions from academic researchers as well as development practitioners. If you or your organisation would be interested in contributing to the workshop by presenting ongoing work, kindly send us a note including the proposed title and outline (200-500 words) of your presentation. Your email to governance@die-gdi.de should reach us **before September 20, 2021**.

Also, please feel free to forward this invitation to any other experts who might be interested in contributing.

We look forward to welcoming you in November!

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Sebastiaan Wijsman, Hira Nazir and Anca-Maria Szigeti (ATI)