International Tax Compact

Draft Program for
Governmental Workshop and
Dialogue Event with Civil Society and Private Sector:

How to Operationalize
the International Tax and Development Agenda

hosted by

the German Federal Ministry
for Economic Cooperation and Development,

the French Ministry for Foreign and European Affairs,

the Spanish Ministry for Foreign Affairs and Cooperation

and

the European Commission

on

12-14 September 2011

Location:

German Federal Ministry for
Economic Cooperation and Development (BMZ)
Dahlmannstrasse 4, 53113 Bonn,
Germany

Organized by:
I. Background

Since the Financing for Development Conferences in Monterrey 2002 and in Doha 2008, enhancing domestic resource mobilization, supporting tax reform in developing countries and strengthening international tax cooperation have increasingly gained importance on the international development agenda. The impact of the financial crisis has made the issue of tax losses even more pressing, both for developing and industrialized countries. Accordingly, at the UN, OECD, G-8/G-20, EU and other levels, countries have taken a strong stand against tax havens and called repeatedly for further efforts to combat tax fraud and tax evasion, recognizing its particularly damaging effects on developing countries.

The MDG Summit of September 2010, the G-20 Multi-Year Action Plan on Development of November 2010 and the UN LDC Conference of May 2011 have also given important impetus to the issue of domestic resource mobilization. In January 2010, the OECD’s Committees on Development Assistance and on Fiscal Affairs set up together an Informal Task Force on Tax and Development which is guided by a Joint DAC/CFA Tax and Development Program, adopted one year later. In June 2010, the Council of the European Union adopted Conclusions on Tax and Development in order to support tax systems and domestic revenue mobilization in EU development cooperation. In December 2010, the IMF launched a special Multi-Donor Trust Fund on Tax Policy and Administration to assist developing countries improve their tax performance.

The UN are currently discussing the perspectives of strengthening the institutional arrangements to promote international cooperation in tax matters, and various subcommittees of the UN Tax Committee have been set up on capacity building, information exchange and transfer pricing, among others. Regional tax administration fora like CIAT in Latin America and ATAF in Africa are becoming increasingly important for developing and disseminating good practices in tax matters among their members. Bilateral and multilateral donors stand ready to intensify their cooperation.

While the political agenda is set, much is to be done to operationalize it. Donor support for tax reform is often limited, still highly fragmented and lacks coordination and harmonization.

In this context, the International Tax Compact (ITC) has been launched as an informal platform for dialogue and action in order to assist developing and transition countries in establishing fair and efficient tax systems and fighting tax evasion and inappropriate tax practices. The ITC and its Secretariat located in Bonn are serving as a facilitator and catalyst for joint activities (i) at the country and regional levels, (ii) at the international level, (iii) in analytical work and studies, as well as (iv) in networking and dialogue.
Two successful ITC workshops in Berlin (March 2009) and Brussels (January 2010) have already made valuable contributions in these fields. This year's workshop shall continue and further strengthen the cooperation commitments among the ITC partners, in order to jointly contribute to the international tax and development agenda through concrete measures for enhanced development cooperation.

Therefore, the German Federal Ministry for Economic Cooperation and Development, the French Ministry for Foreign and European Affairs, the Spanish Ministry for Foreign Affairs and Cooperation as well as the European Commission have decided to bring their efforts together and to issue a joint invitation to the next ITC Governmental Workshop on 12-13 September 2011 and a Dialogue Event with Civil Society and Private Sector representatives on 14 September 2011, both in Bonn.

II. Objectives

Focusing on the demands and expectations of ITC partners from developing countries, the ITC workshop will

- disseminate good practices for enhanced South-South cooperation and stronger development coordination in tax matters at the country and regional levels;
- encourage further concrete cooperation projects and analytical work among ITC partners, especially at the country level;
- present and discuss the results of ongoing studies as well as other relevant approaches for making the international tax and development agenda operational, and begin next steps for implementation in the field of development cooperation;
- feed the experience of ITC and its partners into the international tax and development agenda, including within the framework of G-20 and OECD approaches, and make relevant proposals.

III. Structure

The workshop is aimed at policymakers and other experts from developing and industrialized countries as well as from international organizations that deal with tax matters in development cooperation (expected participants: ca. 100).

The workshop’s working language for documents and discussions will be English. Plenary sessions will be simultaneously translated into Spanish and French.

After the governmental workshop on 12-13 September 2011, a Dialogue Event with Civil Society and Private Sector representatives is to be held on 14 September 2011 to foster dialogue and networking among all relevant actors.
**Draft Program for 2-Day Governmental Workshop**

**12-13 September 2011**

**Day 1:**

09:00 - 09:30  Registration

09:30 - 09:45  Welcome and introduction to the program

09:45 - 10:30  Keynote speeches by the co-hosts
(BMZ, FRA, ESP, EC)

10:30 - 10:45  The ITC and the international tax and development agenda
(ITC)

10:45 - 11:15  Group picture and coffee break

Parallel:  Marketplace in order to showcase the diverse range of
organizations, products, services, and information

11:15 - 12:45  Panel discussion: The international tax and development agenda
- demands and expectations of developing countries

  *Input:*

  - A perspective from Africa
    (e.g. ATAF, ECA, AfDB - tbc)
  - A perspective from Latin America
    (e.g. CIAT, ECLAC, IDB - tbc)
  - A perspective from Asia
    (e.g. ATAS, SGATAR, ADB - tbc)

12:45 - 13:00  Introduction to working groups

13:00 - 14:30  Lunch break

14:30 - 16:00  Good practices for enhanced South-South cooperation and
stronger development coordination

  Presentations and discussion in working groups

  - South-South sharing of computerized integrated systems for
taxation
    *Input: Tanzania, Philippines (tbc)*
  - Successful donor coordination at the country level
    *Input: Ghana, Uganda, Guatemala, El Salvador (tbc)*
  - Tax harmonization in sub-regional organizations
    *Input: ECOWAS, EAC (tbc)*

16:00 - 16:30  Coffee break
16:30 - 18:00  **Ongoing research and proposals for implementation**

Presentations and discussion in working groups

- **Transfer pricing and developing countries**
  Input: EC, WB/IFC, UNDESA

- **Assessing the tax performance of developing countries**
  Input: GDI-DIE, IMF, PEFA, OTA (U.S. Treasury)

- **Taxation of small and medium-sized enterprises (SME)**
  Input: WB/IFC, OECD

- **Tax gaps in selected countries of Southeast Asia**
  Input: IBFD

- **New initiatives for tax research**
  Input: IMF, DFID, Norway

19:30  **Dinner**

**Day 2**

09:00 - 09:15  **Welcome and introduction to day two**

(ITC)

09:15 - 10:30  **Sharing of working group conclusions**

10:30 - 11:30  **Presentations: Tools for enhanced donor coordination**

- **Donor Mapping Survey**
  Input: ITC, ITD

- **Appropriate aid modalities for supporting tax systems**
  Input: KfW, OECD

11:30 - 12:00  **Coffee break**

12:00 - 13:15  **Panel discussion: What kind of aid is needed from a multilateral perspective?**

Input:

- **The UN approach** *(UNDESA)*
- **The IMF approach** *(IMF)*
- **The peer review learning approach** *(Global Forum on Transparency and Exchange of Information for Tax Purposes - tbc)*

13:15 - 14:30  **Lunch break**

14:30 - 15:45  **Plenary discussion: Recommendations for appropriate aid modalities from a development partners perspective**

15:45 - 16:00  **Coffee break**

16:00 - 16:30  **Discussion of next steps and workshop communiqué**

16:30 - 17:00  **Closing remarks by the co-hosts**

(BMZ, FRA, ESP, EC)

following  **Social event**
DRAFT PROGRAM FOR
1-DAY DIALOGUE EVENT WITH CIVIL SOCIETY AND PRIVATE SECTOR

14 SEPTEMBER 2011

09:00 - 09:15  Registration

09:15 - 09:30  Welcome and introduction to the program

09:30 - 10:00  Presentation of ITC and Governmental Workshop conclusions

10:00 - 11:30  Panel discussion: The international tax and development agenda - Southern Civil Society expectations and demands
   Input:
   Centre for Budget and Accountability Governance - CBGA, India (tbc)
   Red Latinoamericana sobre Deuda, Desarrollo y Derechos - LATINDADD (tbc),
   additional panelists from ITC Governmental Workshop (tbc)

11:30 - 11:45  Coffee break

11:45 - 13:00  Country-by-country reporting proposals: Views from the Private Sector and Civil Society
   Input:
   EuroBusiness (tbc), Dr Atiya Warris, University of Nairobi (tbc)

13:00 - 14:00  Lunch break

14:00 - 15:15  Taxation and the role of tax advisers in development cooperation
   Input:
   Confédération Fiscale Européenne - CFE (tbc),
   John Christensen, Tax Justice Network - TJN (tbc)

15:15 - 15:30  Coffee break

15:30 - 17:00  Next steps to promote international development cooperation in tax matters: Mutual expectations and offers of Civil Society, Private Sector, Southern Governments as well as bilateral and multilateral development partners

17:00 - 17:30  Closing remarks

following  Social event