

**Global Governance and Strengthening Developing Country Voice: International Tax Dialogue  
(OECD)**

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<b>Web Address:</b>	www.itdweb.org
<b>Financial Arrangements for FY09 (Amount in US \$ Million)</b>	
<b>Total Budget:</b>	1.30
<b>DGF Funding Request:</b>	0.15
<b>DGF Percentage:</b>	12 %
<b>Objectives and Expected Outcomes</b>	
<p>The objective of the program is to promote an effective international dialogue between governments worldwide and international organization active in the tax reform area on tax policy and tax administration reform. This will be achieved by facilitating the identification and sharing of good practices in taxation and tax reform, supporting the provision of a clearer focus for technical assistance in the tax area, helping to avoid the duplication of efforts in respect of existing tax-related TA activities, and promoting research on key issues in tax system reform.</p>	
<b>Main Components</b>	
<p>The ITD has three main components: a) an interactive, real-time worldwide communications network on tax policy and tax administration reform issues (the ITDweb), with free access for tax authorities. (ij) a database collecting information on bilateral and multilateral technical assistance programs in the tax area, and (iii) periodic international meetings of tax policy and administration experts to discuss issues of common interest. These main activities are supplemented by selected research activities and the operation of an online discussion group.</p>	
<b>Performance Indicators</b>	
<p>a) Increase in the number of ITDweb users worldwide; b) Increase in the number of countries sharing information on the ITDweb; c) Global conference organized and rated positively by conference participants; d) Partnership arrangements with other international organizations broadened.</p>	
<b>Progress and Achievements</b>	
<p>The ITD has successfully completed its start-up phase and is now fully operational. Developments and achievements to be highlighted in FY 08 are:</p> <ul style="list-style-type: none"> <li>• The second global ITD conference on ‘Taxation of small and medium sized enterprises’ was organized in Buenos Aires, Argentina October 17-19,2007. It was attended by approximately 250 high level participants representing 80 countries and several international and regional organizations. The conference evaluation showed a high degree of satisfaction of participants with the relevance of the topic, the quality of sessions and the conference administration.</li> <li>• The ITD is continuing to broaden its membership. The EU Commission has completed its internal process and confirmed its intention to join the ITD as a full member. A Memorandum of Understanding is currently being drafted, as the EU requires an MoU for the transfer of its membership contribution. Also the IFC is in the process of joining the ITD. Cooperative working arrangements are currently being discussed with several bilateral aid agencies, in particular DFID and GTZ.</li> <li>• The ITD interactive, real-time worldwide communications network has been further expanded and currently</li> </ul>	

makes available more than 2,700 documents. Use also continues to increase sharply with an average of 232,500 page requests per month for the first 6 month of FY 08, with represent an increase of more than 30% over the FY 07 average.

- Over 100 countries are accessing the site each month. Developing countries increasingly use the information provided on the ITDweb as a resource for policy making and tax administration reform. Approximately 50% of the top 25 regular site users are developing and transition countries, including Argentina, Brazil, Bulgaria, China, Egypt, India, Morocco, Peru, Russia, South Africa and Uruguay.
- The Technical Assistance database has been updated and expanded. It currently includes more than 1,200 TA activities of the Bank, the IMF, the OECD, and the IDB, which represents a net increase of 120 TA activities included in the database over the last 12 month. The German and UK Development Assistance Organizations and the UN have started to share information via the ITDweb portal. The TA database links to the work of the newly established DAC sub-group on domestic revenue mobilization and accountability, which has identified understanding current tax-related work in donor agencies as a priority task for the group.
- An updated version of the policy paper on taxation of development assistance projects was presented at the meeting of the UN Department of Economic and Social Affairs' Committee of Experts on International Cooperation in Tax Matters in November 2007. The draft guidelines and the proposal that the next step be a joint meeting between donor agencies and recipient countries' tax administrations were extremely well received by the Committee, with many delegates from both developed and developing countries intervening just to indicate their support for that initiative. The delegate for Russia even intervened to clarify the statement that he made last year when he expressed doubts about the usefulness of that work.
- Preparation for the third global ITD conference has started. China has offered to host the conference in autumn 2009; the conference topic will be taxation of the financial sector.

#### Partners

IMF, OECD, IDB, UN, EU, IFC, Regional tax administration organizations.

#### Governance and Management

The ITD Steering Group is composed of one representative each of the Bank, IMF, OECD, and IDB. The UN is participating as an observer in the Steering Group meetings. The Steering Group determines the objectives and activities of the ITD, establishes the ITD budget and supervises the ITD Secretariat. The ITD Secretariat is based in the OECD Headquarters and is responsible for the implementation of the Steering group decision and the delivery of the ITD work program. An annual report on the activities of the ITD is prepared by the Steering Group and sent to the heads of the Bank, IMF, IDB and OECD, as well as published on the ITDweb. A new Memorandum of Understanding on the operation of the ITD is currently in preparation.

#### Exit Strategy

An independent evaluation carried out in 2006 concluded that the ITD is widely recognized by its clients as a highly relevant initiative which is filling a gap in the existing field of regional and global initiatives in the tax area and can provide an important contribution to implementing the UN Financing for Development consensus and the Paris declaration on Aid Effectiveness. Also the demand expressed by developing countries for ITD activities and products is increasing continuously. Therefore ITD is expected to become a permanent network of multilateral and bilateral institutions working in the tax area. International partners participating in the ITD as well as client countries have stressed the importance of a continuing Bank participation in the ITD.