

## CO-CHAIRS STATEMENT OF THE GOVERNING BOARD VIRTUAL MEETING OF 27 APRIL 2021

The fifth meeting of the joint OECD-UNDP Tax Inspectors Without Borders (TIWB) Governing Board was held virtually on 27 April 2021<sup>1</sup>.

The Board met in the context of the COVID-19 pandemic that is impacting all countries across the world, but in particular hitting developing countries' ability to mobilise domestic resources. Even prior to the pandemic, we noted in Africa, for example, average tax-to-GDP ratios is 16.5%, as compared to the OECD average of 34.3%, and these countries have less scope for borrowing or quantitative easing. We welcomed TIWB as one of a broader set of recovery tools to be leveraged by tax administrations in the coming months and years. We were pleased to note that despite travel restrictions, TIWB has remained strong over the last year and operations have continued remotely to respond to growing demand.

We welcomed the news that TIWB, with support from our partners including the African Tax Administration Forum (ATAF) and the World Bank Group, has led to more than USD 1 billion in additional tax revenues collected and USD 2.9 billion in additional tax assessed for developing countries to date. We also noted the expansion of TIWB deployments - 87 completed and ongoing programmes as on 15 April 2021, including 16 South-South programmes.

We focused on the need to combat tax avoidance in the natural resources sector. We noted that for many resource-dependent countries, taxation of oil, gas and minerals is a make-or-break fiscal issue. The extractives sector accounts for more than 25% of GDP for 39 developing countries and more than 10% for another 20 developing countries. Additional work will be done to explore how the TIWB model of niche assistance can be leveraged to help tax administrations address issues in this sector.

As the initiative moves beyond tax audit work, into criminal tax investigations, effective use of automatically exchanged information (AEOI), taxation of natural resource contracts and

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<sup>1</sup> We welcomed Mr. Bob Hamilton (Commissioner of the Canada Revenue Agency and Deputy Chair of the OECD Forum on Tax Administration), Ms. Mary Baine (Director of Tax Programmes, African Tax Administration Forum), Mr. John Christensen (Director, Tax Justice Network); Ms. Nora Lustig (Samuel Z. Stone Professor of Latin American Economics and founding Director of the Commitment to Equity Institute at Tulane University), and Dr. Ekniti Nitithanprapas (Director-General, Revenue Department of Thailand). We also acknowledged Mr. Geert Holterman and Dr. Timo Voipio representatives of Her Excellency Sigrid Kaag, Minister of Foreign Affairs and International Trade in the Netherlands, and Minister Ville Skinnari, Foreign Affairs Minister of Finland, respectively. Apologies were noted from Sir Paul Collier (Professor of Economics and Public Policy at the Blavatnik School of Government and a Professorial Fellow of St Antony's College, Oxford). Her Excellency Ngozi Okonjo-Iweala (Director-General of the World Trade Organisation, former Finance Minister of the Federal Republic of Nigeria and former Chair of GAVI, the Vaccines Alliance), resigned from her position as Governing Board member just prior to the meeting, due to her new commitments as Director-General of the World Trade Organisation.

environmental taxation, TIWB will be extending its offer to explicitly support developing countries to achieve the Sustainable Development Goals.

The Board welcomed the progress made regarding the implementation of the recent stocktake of the TIWB initiative. A new monitoring and evaluation system will respond to the call to measure results beyond revenue generation to focus on sustainable capacity. With the new UNDP Country Office Engagement Strategy, TIWB will be better situated with other initiatives at the country level and better connected to UNDP's work fostering long-term systemic change. We also welcomed a TIWB mentorship programme that will help train more experts to implement TIWB programmes across the globe and an e-learning module to improve expert preparation for programme deployment.

The Board noted how the Covid-19 pandemic had created an opportunity for all countries to review how digital technology can assist tax administration. We discussed how TIWB might play an instrumental role in providing niche assistance for the digitalisation of tax administrations in developing countries. We will assess this this topic further in 2021.

Finally, the Board welcomed the draft 2021 Work Plan and looks forward to the publication of the Annual Report later this year.

Co-Chairs

Mr. Angel Gurría (*Secretary-General, OECD*)

Mr. Achim Steiner (*Administrator, UNDP*)