



NORAD COLLECTED REVIEWS

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**TAX REFORM PROGRAM FOR LATIN AMERICA AND THE CARIBBEAN (LAC)
"STRENGTHENING OF TAX ADMINISTRATIONS IN LATIN AMERICA AND
CARIBBEAN DEVELOPING COUNTRIES."**

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End Review

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Cooperation Program CIAT- Norad
RAM-18/0004 Tax Reform Program for Latin America and the Caribbean (LAC)
“Strengthening of tax administrations in Latin America and Caribbean developing countries.”

The Tax Reform Program for Latin America and the Caribbean (LAC) “Strengthening of tax administrations in Latin America and Caribbean developing countries”, funded by Norad from 2019-2023, has yielded significant outcomes. Eight projects were supported, leading to enhanced tax administration capabilities, and increased domestic revenue mobilization in beneficiary countries, mainly Bolivia, Cuba, Dominican Republic, Ecuador, Guatemala, Honduras, Panama, and Paraguay. The assistance provided by CIAT played a key role in enhancing the efficiency of tax administrations, with the potential for even greater impact in the future, drawing from the lessons learned during the program.¹

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¹ This report was elaborated by Evelyn M. Molina and Ana Y. Rodriguez.

1. Background

Norway's approach on tax capacity and sustainable development. The Norwegian Agency for Development Cooperation ([Norad 2020](#)) determines that the three main reasons to strengthen tax policies and systems in developing countries are (i) domestic taxes need to help fill the gap between ambitious Sustainable Development Goals (SDG) and available development finance, (ii) more taxation is typically associated with more social spending, and (iii) greater reliance on taxation can lead to a more responsive, accountable and capable government.

Norway's approach to tax and development. The [Tax for Development portfolio strategy 2020-2025](#) aims to enable developing countries to improve their financing for national development priorities and SDGs. By building the capacity of tax administrations and strengthening civil society, Norway aims to help partner countries increase their tax revenues to better enable development.

CIAT's experience in strengthening tax administrations. The Inter-American Center of Tax Administrations (CIAT) is a non-profit international public organization created in 1967, with the mission of offering an integral service for the modernization, strengthening and technification of the Tax Administrations of its own 42 member countries. CIAT supports the efforts of national governments by promoting the evolution, social acceptance and institutional strengthening of tax administrations, encouraging international cooperation and the exchange of experiences and best practices. Through mutual assistance and cooperation, countries benefit from (i) specialized technical assistance programs, (ii) studies and research projects about tax systems and administrations, (iii) training and (iv) experiences on tax policy and administrations from other countries. For example, in the last 10 years, CIAT has carried out 36 medium-term projects in 15 member countries and 115 short-term projects in 29 member countries. Additionally, in the last 5 years, CIAT has conducted 96 virtual courses with the participation of more than 2,400 tax administration officials. These projects and courses have been aimed at improving the capacity of tax administrations to collect revenue, improve taxpayer services, and promote good governance.

CIAT-Norad Cooperation for strengthening tax administrations in LAC. In 2019 Norad and CIAT signed a grant agreement for the financial support of NOK 15,000,000 norwegian kroner (~US\$1.4 million) to the project CIAT-NORAD "Cooperation Program Strengthening of tax administration in Latin America and Caribbean developing countries". Initially, the project's implementation period was from July 2019 to December 2022, but given the severe impact of COVID-19, the period was extended to December 2023.

2. Scope and objective of the consultancy

As part of the grant agreement between Norad and CIAT at the end of the project a final review is to be submitted with the following main and specific objectives:

- 2.1. Main objectives: (i) examine the results achieved as agreed by CIAT, Norad, and the beneficiary countries, and (ii) identify lessons learned to improve and strengthen the main tax administration processes and management of the Project.
- 2.2. Specific objectives: (i) review the results achieved, (ii) identify lessons learned and good practices and (iii) present suggestions for the continuity, sustainability, and optimization of the impact of the action in the future.

3. Description of the Cooperation Program CIAT- Norad

The strategic objective of this cooperation was to improve the efficiency of tax administrations and to mobilize additional tax revenues with the aim of reducing dependency to Official Development Assistance (ODA) and creating sufficient fiscal space to allow proper and sustainable financing of poverty reduction strategies and national development plans. The planned outcomes were: (i) strengthen tax administration main processes; (ii) increase efficiency in the monitoring of performance and decision-making process; (iii) improve staff selection, training, and professional development and (iv) support the technological modernization of the tax administrations. The four main projects of the grant agreement were:

- 3.1. Technical assistance for the strengthening of the tax administrations.
- 3.2. Tax studies and research Network.
- 3.3. Strengthening of the tax administration of Cuba (ONAT).
- 3.4. VAT Collection and Digital Economy Compliance. Tax Collection Network.

The technical assistance provided by CIAT to tax administrations in the region was based on a demand-driven basis. The countries that received targeted support were Bolivia, Cuba, Dominican Republic, Ecuador, Guatemala, Honduras, Panama and Paraguay. The following table summarizes the four main projects, its objectives and beneficiary countries.

Project	Description and objective	Beneficiary countries
I. Technical assistance for strengthening the tax administrations.	Global Risk index estimation Objective: Estimate an index of global automated risk which will focus the control actions towards the most relevant risks, establishing actions of differentiated treatment such as process control, verification, persuasion, and guidance to have the greatest possible impact on voluntary compliance.	Bolivia: Tax National Service (SIN)
	Transfer pricing Objective: Identify and address risks of transfer pricing manipulation in the country and strengthen the capacity to address the challenges posed by international taxation, especially regarding the control of international transactions of multinational companies.	
	Theoretical-practical methodological support for the implementation of a new tax compliance risk management system Objective: Develop and implement an integral tax compliance risk management system, thereby promoting the investigation and detection of tax risks through the technification and automation of such elements as the identification, assessment of tax risks; structuring of the institutional tax risk map; strategic segmentation of taxpayers, among others.	Ecuador: Internal Revenue Service (SRI)
Modernization of the collection processes Objective: Simplify and reduce time in the management of collections, automate the analysis and control of portfolios, case management and evaluation of results, manage risk	Guatemala: Superintendency of Tax Administration (SAT)	

	<p>integrally by incorporating indicators and prioritizing cases, all through the institutionalization of collection processes</p>	
	<p>Assistance to the State Undersecretariat of Taxation of Paraguay's actions to update and maintain its information systems.</p> <p>Objective: Adjust the Marangatu system (information technology (IT) tax information system) to the legal amendments introduced in the Tax modernization and simplification law. As a result of the changes to be introduced in the Marangatu system, in general, and the tax obligations, in particular, it is necessary to develop new tools or adjust the existing ones, that may allow for quicker control of the taxpayers, simplifying the procedures and carrying out an effective follow-up of compliance with their tax obligations in order to strengthen the management of the services, collection and examination, thereby increasing voluntary compliance.</p>	<p>Paraguay: State Undersecretariat of Taxation (SET)</p>
<p>II. Tax studies and research Network</p>	<p>Exchange best practices to harmonize the capabilities of the tax administrations, motivate cooperation between peers and produce support tools for strengthening the tax studies and research areas of the tax administrations.</p>	<p>CIAT member countries</p>
<p>III. Strengthening of the tax administration of Cuba (ONAT).</p>	<p>Improvement of the collection system in the Cuban Tax Administration. Restructure the processes, carry out training and implement the national collection working system.</p>	<p>Cuba: Tax Administration National Office (ONAT)</p>
<p>IV. VAT Collection and Digital Economy Compliance. Tax Collection Network.</p>	<p>Design tools that may improve the VAT collection resulting from digital transactions by suppliers without physical presence where the customers are located. The impact will be to have these kinds of taxpayers registered and to collect in a harmonized and more efficient way the taxes generated by digital business.</p>	<p>Bolivia (SIN), Dominican Republic: Internal Taxes General Directorate (DGII), Guatemala (SAT), Honduras: Revenue Administration Service (SAR), and Panama: General Directorate of Revenue (DGI)</p>

4. Methodology framework

The methodology for this review was designed taking into consideration the coherence, relevance, effectiveness, efficiency, impact, sustainability, and continuity of the projects. The following table summarizes each criteria.

Focus Area	Key issues to address
Coherence and relevance	<ul style="list-style-type: none">- Was the intervention relevant to the needs/priorities of the recipient countries?- Were the beneficiary countries involved in the preparation of the projects to ensure that their interests were taken into account?- What is the tax administrations' perception of the intervention of this project?
Efficiency	<ul style="list-style-type: none">- Were the chosen indicators specific, measurable, attributable, and realistic?- Were the activities consistent and relevant to the expected results?- How were deviations from the plan considered and managed?
Effectiveness	<ul style="list-style-type: none">- Was the intervention implemented as cost-effectively as possible?- Were results achieved with reasonable use of resources?
Impact	<ul style="list-style-type: none">- What was the impact (or causal effect) of the project?- Did the project present a logical and plausible definition of how the activities and outputs would achieve impact?- Has the project been able to contribute to the strengthening of tax administrations in LAC? If so, how?
Sustainability and continuity	<ul style="list-style-type: none">- Will there be project continuity after Norad funding and CIAT support is withdrawn?- What factors can or do influence the sustainability of the project?- How could the learning from the project be disseminated to amplify its contribution?

The main sources of information for this analysis included (i) the review of progress reports, results frameworks, country proposals, and other relevant documents, (ii) interviews with tax administration officials, CIAT specialists and external consultants, and (iii) literature review of relevant case studies and best practices from other international tax administrations relevant to this project. The consultants who conducted this analysis will be referred to as “the team” hereinafter.

5. Main findings

The following section has been divided into three parts. The first part examines the coherence and relevance of the projects as a whole. The second part delves into the efficiency, effectiveness, and impact of the projects, providing more details on the results of each one. The third part focuses on the sustainability and continuity of the achieved results. Each section concludes with a paragraph highlighting the main strengths and challenges of the Cooperation Program.

5.1. Coherence and Relevance of the Cooperation Program CIAT- Norad

The validation of coherence and relevance examines whether the projects were in line with the needs and priorities of the tax administrations, as well as their capacity to adapt to new challenges. The design phase plays a key role in this process, as it defines the project's scope, objectives, and initial theory of change, providing a roadmap for the project's implementation. This phase also helps align the project with the needs of the stakeholders, ensuring that the project remains focused on achieving the desired results. The following section summarizes the process CIAT followed to select each project of this cooperation program and the identified strengths and challenges under these two criteria.

Process of project selection. To determine whether a project was eligible for technical assistance, CIAT designed a “Technical Assistance Application Form”, which beneficiary countries had to complete identifying the name of the project, the scope, the main objective, the different stages, the expected outputs and outcomes indicators and possible identified risks. Once CIAT received the requests, the selection of projects depended on each project's potential for successful implementation and identification of associated risks. By evaluating these factors, CIAT prioritized and supported projects that aligned with the Cooperation Program's objectives and ensured that the technical assistance addressed the needs of the tax administrations. CIAT then held discussions with Commissioners and senior officials within the tax administrations to verify the feasibility of the proposed project. After the selection process, the countries and CIAT, identified the consultants whose profile responded to the needs of the project. In line with CIAT's emphasis on South-South cooperation and leveraging regional expertise, priority was given to experts from other tax administrations, while also involving tax experts from CIAT's network.

Elaboration of initial diagnostic reviews. Once the consultants were chosen, the first step in each project was to conduct a diagnostic review to identify key constraints in the tax administrations that could be financed with the cooperation program. With the expertise of the consultants, CIAT specialists and the technical teams of the tax administrations, resources were allocated in accordance with (i) the availability of funds, (ii) the country's capacity to capitalize the technical support and (iii) the required time to achieve the anticipated results. Both CIAT and the country counterparts agreed that the design phase of the project helped achieve the expected outcomes.

Projects' strengths in terms of coherence and relevance. The team identified several strengths that contributed to the relevance and coherence of the projects.

- First, the effective communication from CIAT specialists to country counterparts during the design phase. According to stakeholders, the support was always timely, clear and coherent. Furthermore, CIAT's effective outreach and ongoing active relationship with commissioners and senior officials also helped build political buy in the country and generate lasting commitments to support the projects.
- Second, the mode of demand-driven projects from country counterparts. This modality helped finance projects which were in line with the tax administrations priorities. Furthermore, according to the beneficiary countries the design of diagnoses and action plans; made it possible to prioritize the outcomes of the project and evaluate their progress.
- Third, CIAT as a strategic international partner. This was particularly useful in countries that needed an international ally to provide evidence and assurance that the projects were in line with international best practices. CIAT's engagement at the highest levels of the tax administrations and its reputation from many years working in the region has allowed them to establish as a trusted advisor on tax matters.
- Fourth, adaptability of CIAT and tax administrations given the challenges of COVID-19. Even though many of the countries did not have the technology and knowledge to move towards a virtual environment, the outbreak of the pandemic did not interrupt the continuity of the projects.

Projects' challenges in terms of coherence and relevance. The beneficiary countries and CIAT specialists agreed that one of the main challenges in the design phase were the changes of government, managers and counterparts within the tax administrations. In some cases, these changes caused delays in the design of projects, in other cases it was a challenge to modify the already approved project to meet requests from the new teams. Additionally, COVID-19 added difficulties by interrupting and delaying some of the progress made in several cases.

5.2. Results of the Cooperation Program CIAT- Norad (Effectiveness, Efficiency and Impact)

The review of effectiveness, efficiency and impact analyzes the progress made in achieving the various expected results of each project. This analysis is based on identifying whether the outcome indicators and planned interventions succeeded in meeting the expected objectives. The following section summarizes (i) the different types of working modalities that CIAT provided to the countries to achieve the expected outcomes, (ii) the process CIAT and beneficiary countries followed to select the indicators, (iii) the Cuba case study to provide more depth insight on how projects were conducted and (iv) the overall scope and results of the 8 projects described in section 3. At the end of this section, the identified strengths and challenges of the program under these three criteria are summarized.

Working modalities. CIAT chose a comprehensive approach to support the strengthening of tax administrations under this cooperation program. The working modalities included: (i) technical assistance, which involved the direct support and guidance of expert consultants in restructuring, designing and/or strengthening specific processes within the tax administration, (ii) consultancies, which provided support from specialized professionals with a specific skillset (e.g. programmers, developers) to aid in the development of products, databases, manuals and other relevant documents, (iii) study visits, which offered beneficiary countries the opportunity to gain in-depth insights into the organizational structures of other tax administrations in the region, and (iv) tailored training to align staff skills with operational needs. Furthermore, through CIAT's tax research network the exchange of best practices was promoted, harmonizing the capabilities of the tax administrations, fostering cooperation between peers and developing support tools.

Process of indicators selection. For each project, the tax administrations were responsible for identifying a robust set of indicators that align with the project's activities and goals. These indicators were required to be logical, measurable, achievable, and realistic. Additionally, they had to include means of verification and baselines, when available. Subsequently, these indicators were submitted to CIAT and the expert consultants for approval. Although explaining how to select indicators to tax officials was time consuming, CIAT emphasized the value of countries selecting their own indicators, as they possess the expertise and knowledge of available information. In total the cooperation program included 28 impact indicators. For monitoring purposes of this report, the results of these indicators were color-coded as follows (i) green for achieved, (ii) yellow for partially achieved and/or awaiting final estimates as the project hasn't concluded and (iii) red for not achieved. However, it was not necessary to use red for any of the results analyzed below.

Case Study: The Successes and Challenges of Cuba's Tax Administration Project

The "Strengthening of the tax administration of Cuba" project, led by the National Tax Administration Office of Cuba (ONAT), was successfully concluded in July 2023. Through the cooperation program CIAT-Norad the project received support from a team of four experts in tax administration and public finance. These experts included former officials from the General Directorate of Internal Taxes in the Dominican Republic and international consultants from the IMF and IDB. The project's completion marked a significant milestone in enhancing Cuba's tax administration capabilities, despite the challenges of limited internet access due to government regulations and the United States embargo against the country (this prevents ONAT from using traditional communications platforms).

The initial diagnostic report during the design phase identified seven key areas (see section 5.2.7). According to [ONAT](#) this diagnosis became a reference document and is still used today as a roadmap for improvements of the Tax Administration. The project successfully achieved the digitalization of most of the paper-based procedures within the tax administration. The results of this project were presented in the workshop "Experiences in Collection Management and Compliance Control" held in Panama during 2023 and received praise from experts from the tax administrations of Chile, Ecuador, Spain, Honduras, Panama, Paraguay and Uruguay.

Overall, the project achieved its objectives and key results which reflected in a reduced processing time of tax collection and improved voluntary compliance. Even though the project faced challenges due to the pandemic, natural disasters that hit the island and technology access, the ONAT, CIAT and the expert consultants successfully adapted to provide continuity. The ONAT's ongoing efforts to improve tax administration in Cuba have contributed to the country's economic growth and development.

5.2.1. Global Risk index estimation – Tax National Service (SIN), Bolivia

Scope. This technical assistance focused on improving taxpayer information management and cross-checks with the objective of estimating an automated global risk index. The project included the following (i) the design of new tax returns and modification of existing ones, (ii) identifying the main sources of information required by the tax administration to enable effective control, and (iii) the design and implementation of a "Risk Management Analysis" tool to identify tax discrepancies and help control tax evasion and avoidance.

Results. The project provided the Risk Management Unit of SIN with the necessary tools to analyze tax gaps and risks. For example, (i) proposals were made to the Value Added Tax (VAT) and Corporate Income Tax forms to collect the necessary data from taxpayers and facilitate risk management, and (ii) identification of 40 indicators (up until now) for the risk management analysis tool. Overall, one of the most remarkable results of this project is the technological transformation in risk management through the implementation of a Big Data system.

Visibility. These achievements and preliminary results have been presented in international forums, including (i) the CIAT Executive Council in March 2023 held in Panama City, Panama, (ii) the CIAT General Assembly in May 2023, held in Punta del Este, Uruguay, and (iii) "Impacts of the CIAT-Norad Program on the strengthening of the Internal Revenue Service of Bolivia" event that took place in June 2023 in Cochabamba, Bolivia.

Indicators. As for the indicators identified to monitor the progress of this project, at the time of this analysis, the tool was still being implemented, so it was not possible to determine its impact on tax collection. The expected impact indicators will measure the following.

Impact indicator	Achieved result
1) Improved accuracy in sworn statements, 5% (large taxpayers) and 20% (other taxpayers)	Pending: The project is still under implementation.
2) Increase in TA revenues according to estimate: 11 million bolivianos (~ NOK 17 million), period 2024.	Pending: The project is still under implementation.

5.2.2. Transfer Pricing – Tax National Service (SIN), Bolivia

Scope. This technical assistance included two phases, the first phase focused on transfer pricing risk management and included (i) an intermediate and advanced transfer pricing training program for tax administration officials, (ii) the design of a transfer pricing control manual, (iii) the update and improvement of the transfer pricing risk assessment and classification matrix (algorithm), (iv) the application of the risk matrix and the identification of potential taxpayers with transfer pricing risks and (v) the design and implementation of an assessment plan in 6 transfer pricing cases. The second phase of the project focused on capacity building and included (i) proposal of targeted regulatory changes, (ii) analysis and identification of regulatory and procedural requirements for the compliance with international transfer pricing standards and (iii) guidance on mass controls and transfer pricing cross-checks.

Results. According to SIN authorities the project successfully achieved its planned objectives. For example (i) a training on transfer pricing fundamentals was provided to 150 national officials, (ii) the implementation of a transfer pricing control manual with the necessary indicators and recommendations was designed to help officials initiate, develop and finalize a transfer pricing process, (iii) a transfer pricing risk evaluation and classification matrix was developed and is already helping to identify where potentially risky taxpayers are located, preliminary results indicate that 50% of them are in Santa Cruz and 35% in La Paz and (iv) the assessment plan for 6 transfer pricing cases was concluded. Other achieved results not originally anticipated were (i) SIN decided to purchase the transfer pricing database from the international supplier Standard & Poor's (Capital IQ), (ii) SIN received additional training on how to use this database and (iii) Bolivia recognized the importance of implementing the tax transparency standards and is now considering joining the OECD Global Forum on Transparency and Exchange of Information for Tax Purposes to fully benefit from the implementation of the tax transparency standards. Overall, this project has had significant impacts on the country's ability to manage risks associated with transfer pricing manipulation.

Visibility. The progress and results of this project were presented in (i) the CIAT Executive Council in March 2023 held in Panama City, Panama, (ii) the CIAT General Assembly in May 2023, held in Punta del Este, Uruguay, and (iii) "Impacts of the CIAT-Norad Program on the strengthening of the Internal Revenue Service of Bolivia" event that took place in June 2023 in Cochabamba, Bolivia.

Indicators. As for the indicators identified to monitor the progress of this project, they were qualified as measurable and achievable. Regarding the results of the impact indicators, as shown below, all indicators met their target goals.

Impact indicator	Achieved result
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<p>1) Increase by 6% the voluntary compliance of each sector audited (the indicator considers the completed transfer pricing audits and the sectors to which the taxpayers belong)</p>	<p>The 6 transfer pricing cases that were analyzed with the program corresponded to the Industrial, Wholesale Commercial and Services sectors. It was estimated that the increase in voluntary compliance for 2022 with respect to 2021 was:</p> <table border="1" data-bbox="730 353 1430 591"> <thead> <tr> <th>Sector</th> <th>Amount in bolivianos 2021</th> <th>Amount in bolivianos 2022</th> </tr> </thead> <tbody> <tr> <td>Industrial</td> <td>560,443,991.00</td> <td>788,339,026.00</td> </tr> <tr> <td>Wholesale Commercial</td> <td>87,289,411.00</td> <td>121,168,824.00</td> </tr> <tr> <td>Services</td> <td>153,944,555.00</td> <td>162,150,532.00</td> </tr> <tr> <td>Total</td> <td>801,677,957.00</td> <td>1,071,658,382.00</td> </tr> </tbody> </table> <p>Across all sectors, voluntary compliance increased by 33,68% (an increase of over 6%).</p>	Sector	Amount in bolivianos 2021	Amount in bolivianos 2022	Industrial	560,443,991.00	788,339,026.00	Wholesale Commercial	87,289,411.00	121,168,824.00	Services	153,944,555.00	162,150,532.00	Total	801,677,957.00	1,071,658,382.00
Sector	Amount in bolivianos 2021	Amount in bolivianos 2022														
Industrial	560,443,991.00	788,339,026.00														
Wholesale Commercial	87,289,411.00	121,168,824.00														
Services	153,944,555.00	162,150,532.00														
Total	801,677,957.00	1,071,658,382.00														
<p>2) Transfer pricing adjustments totaling 6 million bolivianos, resulting from transfer pricing audits by the tax administration.</p>	<p>Of the 6 transfer pricing cases that were analyzed, the price adjustment resulted in increased revenue as follows:</p> <ul style="list-style-type: none"> • Case 1: 2,124,338 bolivianos (~ NOK 3.3 million) • Case 2: 3,000,000 bolivianos (~ NOK 4.7 million) • Case 3: pending. • Case 4: 3,647,849 bolivianos (~ NOK 5.7 million) • Case 5: pending. • Case 6: pending. <p>The total amount to date of additional revenue is estimated at +8,772,187 bolivianos (~ NOK 13.7 million) (higher than the target set for this indicator). This amount is likely to increase once the remaining 3 cases are resolved.</p>															

5.2.3. Theoretical-practical methodological support for the implementation of a new tax compliance risk management system – Internal Revenue Service (SRI), Ecuador

Scope. This technical assistance focused on the development and implementation of an integral tax compliance risk management system which included (i) a governance model for tax compliance management, (ii) an updated process management flow, (iii) the design of risk instruments and (iv) a risk catalog.

Results. According to SRI authorities the project objectives were met. For example, (i) as recommended in the governance model the SRI created the tax compliance committee in charge of monitoring and evaluating compliance risk management, (ii) the SRI also made adjustments to its risk instruments and generated the first Gap Map proposal (an instrument to measure the overall status of tax compliance cycle gaps) and a Global Risk Management proposal, (iii) the risk catalogue was created, and (iv) a technical visit to the Internal Revenue Service (SII) of Chile was done to learn about their Tax Compliance Management Model. Other achieved results not originally anticipated were (i) the project's progress facilitated the planning and execution of the INTAX project of the Inter-American Development Bank (IDB) aimed at the IT modernization of the Tax Administration, and (ii) the project's progress led to a positive evaluation of the Tax Administration Diagnostic Assessment Tool (TADAT) on risk management issues. Overall, the project has marked a roadmap for the SRI with key steps towards the implementation of a comprehensive tax compliance model with a risk-based management approach. The SII of Chile, along with SRI of Ecuador, are among the few tax administrations in the region that have adopted this management approach.

Visibility. The progress and results of this project were presented in (i) the CIAT Technical Conference in October 2022 held in Granada, Spain, (ii) the CIAT Executive Council in March 2023 held in Panama City, Panama, (iii) the CIAT General Assembly in May 2023, held in Punta del Este, Uruguay.

Indicators. As for the indicators identified to monitor the progress of the project, the goals were accomplished. Regarding the results of the impact indicators, as shown below, all 3 indicators achieved 100% the established goals.

Impact indicator	Achieved result
1) Risk coverage = $\frac{\text{Number of risks mitigated}}{\text{Number of risks prioritized}}$ Target (1): 25% first semester 2023 Target (2) 100% first and second semester 2024	In July 2023 the risk coverage was 57.14% (higher than the first established target)
2) Increased control performance = $\frac{\text{Performance}_t}{\text{Performance}_{t-1}} - 1$ Target (1) first semester 2023: 5% Target (2) second semester 2023: 6%	The increased control performance during the first semester of 2023 was 5.86% (slightly higher than the first established target)
3) Increase in the performance of control processes = $\frac{\text{Tax collection}_t}{\text{Tax collection previous year}_{t-1}} - 1$ Target (1) 2% first semester 2023. Target (2) 2,5% second semester 2023	The increased performance of control processes was 3.3% during the first semester of 2023 (higher than the established target)

5.2.4. Modernization of the collection processes – Superintendency of Tax Administration (SAT), Guatemala

Scope. The SAT of Guatemala requested technical assistance to strengthen its general collection process. An initial diagnosis focused on analyzing the collection, auditing, and coercive collection processes. As part of this analysis, seven subprojects were identified (i) collection risk profile, (ii) tax compliance plan, (iii) analysis of current systems, (iv) measures to improve voluntary compliance, (v) measures to improve collection, (vi) reform of the tax code, and (vii) computerized coactive collection system.

Results. According to SAT authorities the objectives of the project were met². For example (i) there was an average increase in collections of 33.4% between 2019 and 2023 thanks to the administrative compliance control measures, (ii) there was greater assertiveness in the control of omissions thanks to the inclusion of the online electronic invoicing as part of the fiscal behavior indicator to better control omissions, and (iii) there were improvements in tax compliance controls with the design of a technological tool for compliance control risk profile. Another achieved result not originally anticipated was that this project is supporting the execution and implementation of the cooperation program with State Secretariat for Economic Affairs, Switzerland (SECO) which focuses on IT issues. Overall, the recommendations and observations from this project have been adopted by the SAT.

Visibility. The progress and results of this project were presented in (i) the CIAT Executive Council in March 2023 held in Panama City, Panama and (ii) the CIAT General Assembly in May 2023, held in Punta del Este, Uruguay.

² All seven products outlined in the plan were delivered and approved by SAT, except the ones related with the computerized coactive collection system. This was due to SAT's decision to suspend their development.

Indicators. As for the indicators identified to monitor the progress of this project, SAT specialists agreed that they were measurable. Regarding the results of the impact indicators, as shown in the table below, one of the impact indicators achieved the established goal, two are pending updates and two were partially achieved.

Impact indicator	Achieved result
1) Tax collection increase. Average growth target of 10%	During the period from December 2019 to June 2023, there was a collection surplus of 33.4%. For the purposes of this consultancy, the established target (10%) was exceeded.
2) Improving Compliance Control: Measuring Non-Compliance Gaps (VAT General Regime). Goal 80% of voluntary compliance by 2025	Pending: The Institutional Strategic Plan 2021-2025 established the goal of reaching 80% voluntary compliance with the General VAT Regime by the end of 2025. By June 2023, a voluntary compliance of 75.5% was achieved.
3) Improving Compliance Control: Measuring Non-Compliance Gaps (Income Tax on Lucrative Activities). Goal increase 1% by the end of 2022	Partially achieved: A goal of a 1% increase at the end of 2022 was established in relation to the base period 2019 (74.3% on-time compliance). By the end of 2022 a percentage of 75.2% was reached, evidencing compliance with 90% of the established goal.
4) Improved collection: The number of files returned must be less than 10%	Partially achieved: By mid-2023, an improvement of 9% had been achieved compared to the result of 2022.
5) Improved collection: Improved recovery of the tax credit by 20%	Pending: As of June 2023, there was an improvement in the recovery compared to 2022. It is expected that by December 2023, the proposed goal will have been achieved.

5.2.5. Assistance to the State Undersecretariat of Taxation of Paraguay's actions for updating and maintaining its information systems - Undersecretariat of State for Taxation (SET), Paraguay

Scope. This technical assistance aimed to support the SET in updating its tax information software called "Marangatu" to the tax reform approved in 2019³. In order to incorporate the necessary changes in the Marangatu system, it was necessary to build new tools and adjust the existing ones, to simplify procedures and effectively monitor compliance with tax obligations. The new developments and adjustments included: (i) updating the Taxpayer Registration module, (ii) inclusion of new tax obligations, (iii) creation of new tax forms, (iv) new modules for generating payment receipts, (v) adjustment of collection management due to the introduction of new obligations, (vi) new cross-referencing of information to determine inconsistencies and (vii) generation and/or adjustment of reports and statistics.

Results: According to the tax administration authorities, the project's objectives were met. For example (i) during the month of June 2021, more than 100,997 informative sworn statements were received, (ii) improvements to the Single Taxpayer Registry (RUC) now allows online editing of errors in the Application for Registration without requiring the physical presence of the taxpayer, and (iii) a module of criteria for the selection of taxpayers to be audited was designed. Other achieved results not originally anticipated were (i) the digitalization of paper-based procedures, (ii) the incorporation of the "Consultation of the Use of Taxes" in the system to enhance transparency and (iii) the design of

³ In 2019 Paraguay enacted a tax reform Law No. 6380/2019 "On Modernization and Simplification of the National Tax System" focused on increasing the share of direct taxes and increasing collection through formalization.

a system to allow the extension of obligations (declaration and payments) during the COVID-19 pandemic. Overall, the project was successfully completed and achieved the established goals.

Visibility. The progress and results of this project were presented in (i) the CIAT Executive Council in March 2023 held in Panama City, Panama, and (ii) the CIAT General Assembly in May 2023, held in Punta del Este, Uruguay.

Indicators. As for the indicators identified to monitor the progress of this project, SET specialists agreed that they were measurable. Regarding the results of the impact indicators, as shown below, all 3 indicators met their target goals successfully.

Impact indicator	Achieved result
1) Increase in debit/credit ratio, 5%	Second semester 2022: Change in debit/credit ratio: 8,8%
2) Reduction in the technical VAT balance in favor of the taxpayer (difference between tax debit and credit), 20%	As of June 2022, there was a constant decrease in the number of taxpayers with a technical VAT balance in favor, as compared to July 2021. The total reduction in the balance in relation to July 2021 was 57.94%.
3) Increase in assertiveness of resolved audit cases, 20%	Period January 2019 - May 2020. Number of audits completed with adjustments: 588. Period January 2021 - May 2022. Number of audits completed with adjustments: 674. Period January 2022 to June 2023: 828 audits with tax adjustments Increase of more than 40% in assertiveness

5.2.6. Tax studies and research Network.

Scope. The main objective of this project was to support the strengthening of tax administrations through research, taking advantage of CIAT's Network of Tax Studies and Research Areas. This network is an initiative that aims to support the exchange of experiences, mutual cooperation and training of officials responsible for the analysis and evaluation of tax policies in CIAT member countries. The Network receives support and sponsorship from several international organizations.

Results. According to CIAT specialists, the project's objectives were met. For example, the 8th Meeting of the CIAT Tax Studies and Research Network took place in Panama City in 2023 and brought together 29 delegates representing 18 member countries. The document "[Challenges and opportunities for tax administrations after the COVID-19 crisis](#)" was published in March 2023 and summarizes the ideas and concepts discussed at the network meeting. This publication provides insights into the responses of tax administrations to the challenges of COVID-19 and the opportunities for improvement in tax systems and administration. The guide, "[The Trust and Other Complex Structures. Risks to transparency, tax evasion and avoidance](#)" published in December 2023 was also part of this project. This publication aimed at fiscal authorities and other government agencies provides an explanation of the trust figure, its components, the differences between common law and civil law countries, and its legitimate and illegitimate uses (e.g. financial flows related to money laundering, circumvention of sanctions, corruption, tax evasion, and tax avoidance). The included impact indicators are the following:

Impact indicator	Achieved result
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1) One country has successfully used data from the document "Evolution of Tax Revenues in LAC. Update of the Tax Pressure and INDITEC"	10 countries have reported that have used data from the document "Evolution of Tax Revenues in LAC. Update of the Tax Pressure and INDITEC"
2) One country has successfully used data from the "Tax Expenditure Database"	10 countries have reported that have used data from the "Tax Expenditure Database."
3) A country has implemented or plans to implement a good practice described in the document "Special regimes for small taxpayers"	9 countries have reported that have implemented or plans to implement a good practice described in the document "Challenges and opportunities for tax administrations after the COVID-19 crisis".
4) A country has implemented or plans to implement a good practice described in the document "Digital Innovations in TA".	11 countries have reported that have implemented or plans to implement a good practice described in the document "Digital Innovations in TA".

5.2.7. Strengthening of the tax administration of Cuba

Scope. This technical assistance focused on strengthening all tax administration collection processes in ONAT. Specifically, the main objectives of the project were to: (i) strengthen the tax administration's management model, (ii) automate and optimize processes through digitalization and the efficient use of ICTs, (iii) enhance the knowledge of human capital through the implementation of management and performance indicator systems, and (iv) increase collections through the improvement of management and control.

Results. According to ONAT authorities the project successfully achieved its planned objectives. For example, each objective of the project resulted into seven initiatives that generated seven reforms in the areas of (i) taxpayers registration, a centralized database was established, (ii) declaration and payment process, taxpayers may now file their personal income and agricultural sector income tax returns through a tax portal, (iii) services and facilitation processes, the Taxpayer Service Center was created, (iv) compliance management process, the general organizational structure of the ONAT was modified following the recommendations provided by the consulting team, (v) tax compliance control process, three directorates were created at the central level Audit, Tax Audit and Fiscal Intelligence⁴, (vi) collection process, all tax debt was migrated to the GesTI system, and (vii) legal area, the Legal Services Department and the Tax Legal Advisory group were created. Other achieved results not originally anticipated were the implementation of an electronic invoicing system, big data analysis, and the development of an electronic seal for certifications issued by ONAT. Overall, the project helped strengthen and modernize the entire tax administration through the use of ICT tools and best practices in project management.

Visibility. The progress and results of this project were presented in (i) the CIAT Executive Council in March 2023 held in Panama City, Panama, and (ii) the CIAT General Assembly in May 2023, held in Punta del Este, Uruguay.

Indicators. As for the indicators identified to monitor the progress, ONAT counterparts agreed that the objectives were met. As for the results of the impact indicators, as shown in the table below, two of the impact indicators achieved the established goals and two are pending updates.

Impact indicator	Achieved result
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⁴ These three directions, although independent, are centralized under the same Vice Headquarters with centralized control planning.

1) Time reduction of the collection procedure by 25%	<ul style="list-style-type: none"> Initial calculation of the indicator 25 calendar days to close debt reporting as of December 31, 2019 Final calculation of the indicator 15 calendar days as of December 31, 2022 Time reduction: 40%
2) Increase the effectiveness of the collection process measured as collected debt/outstanding debt by 25%	Pending update: <ul style="list-style-type: none"> Initial calculation of the indicator 78.6% as of December 31, 2019 Final calculation of the indicator 73.3% as of June 30, 2023
3) Increase voluntary compliance as a result of risk perception by 10% (Total collected for voluntary payments period/Total declared period)	<ul style="list-style-type: none"> Initial calculation of the indicator 81.3% as of December 2019 Final calculation of the indicator 93.1% as of December 2022 Increase 11.8 %
4) Reduction of errors in the collection process that invalidate the collection by 35% (Number of rows in debt files with errors Base Period - Number of rows in debt files with errors Current Period) / Number of rows in debt files with errors Base Period	Pending update: <ul style="list-style-type: none"> Initial calculation of the indicator 44,758 errors as of December 31, 2021 Final calculation of the indicator to be measured as of December 31 2023

5.2.8. VAT Collection and Digital Economy Compliance. Tax Collection Network.

Scope. The main objective of this project was the design of an open-source and low-cost software to address the challenges of the digital economy in terms of indirect taxation⁵. The “Digital Economy Compliance” (hereinafter “the DEC tool”) aims to facilitate registration and compliance obligations for VAT and consumption taxes on transactions carried out by non-resident suppliers. This software seeks to assist tax authorities in implementing a simplified registration and collection regime for non-resident suppliers. The following diagram shows the five stages in the development of this project.



- Stage 1 Develop a toolkit on tax collection in the digital economy:** together with World Bank, the IDB and OECD; CIAT worked on the creation of a set of practical recommendations to enable the collection of indirect taxes in the digital economy. In June 2021 the toolkit “[VAT Digital Toolkit for Latin America and the Caribbean](#)” was published with the main objective to

⁵ According to [OECD/WBG/CIAT/IDB \(2021\)](#) the main VAT challenges related to e-commerce are: (i) the strong growth in online sales of services and digital products (applications and “in-app” purchases, streaming of music and on-demand television, gaming, ride-hailing, accommodation rental, etc.), particularly to private consumers, on which no or an inappropriately low amount of VAT is levied in the absence of effective provisions to impose VAT on such supplies under traditional VAT rules; and (ii) the strong growth in the volume of imports of low-value goods from online sales, on which VAT is not collected effectively under traditional customs procedures and which therefore often enter jurisdictions untaxed. This causes rapidly growing VAT revenue losses and unfair competitive pressure on domestic businesses that cannot compete against the continuously rising volumes of VAT-free online retail sales.

assist tax authorities in the LAC region with the design and implementation of policy reform to ensure the effective collection of VAT on e-commerce activities.

- **Stage 2 Design of the open source-system service:** a multidisciplinary team of systems engineers and international tax experts designed the system. During this stage, feedback was received from several tax administrations, including Australia, New Zealand and Chile.
- **Stage 3 Development of the open-source software:** after an exhaustive bidding process the winning company (IDETAI) was hired in July 2020, and the application was ready to be tested in March 2021. The [Digital Economy Compliance handbook](#) was published in June 2021.
- **Stage 4 Pilot tests in selected countries:** by June 2022 Panama, Bolivia, Guatemala and Honduras had successfully installed the DEC tool.
- **Stage 5 Updated version of DEC:** during December 2022 the tool was updated. The main difference between the two versions was that DEC 1 included only the registration, declaration and payment modules, while DEC 2 now includes compliance controls. This new version was installed in the DGI Panama, SAT Guatemala, DGII Dominican Republic and SAR Honduras.

Results. In order to effectively apply this tool, the countries need to issue legal tax reforms that would allow the collection of taxes generated by cross-border transactions through digital means. Currently none of the countries have approved their legal reforms, but there is a willingness at the ministerial level to continue the efforts to adopt the required legislation. Overall, each country received with this project: (i) a diagnosis of its value added tax legislation and tax code, (ii) a report with recommendations for the adaptation of the legal reform for the taxation of digital services, (iii) the installation of the software and (v) the training to the personnel responsible for the operation and administration of the system. Other achieved results not originally anticipated were (i) the OECD assessed the tool and concluded that the overall structure and key functionalities of the DEC tool were compatible with OECD recommendations, (ii) there has been a wide dissemination of knowledge on the importance on compliance with the digital, and (iii) the tool has garnered interest from other international tax administrations; for instance the Australian Taxation Office, sees it as a viable solution for a group of Pacific islands. Other countries, such as Azerbaijan and Morocco, have also shown interest in the tool, and the municipality of Tegucigalpa in Honduras is exploring its potential for managing local fees and taxes.

Visibility. The progress and expected results of this project were presented in (i) the CIAT Executive Council in March 2023 held in Panama City, Panama, (ii) the CIAT General Assembly in May 2023, held in Punta del Este, Uruguay, and (iii) the 4th Belt and Road Initiative Tax Administration Cooperation Forum (BRITACOF) “Building a growth-friendly tax environment” in September 2023 held in Tbilisi, Georgia. Additionally, the tool was also presented in various forums including the African Tax Administration Forum - ATAF, the West African Tax Administration Forum – WATAF, the launch of the OECD guidelines and toolkit for VAT and GST for AFRICA, and at the “*Encontro Nacional de Coordenadores e Administradores Tributários – ENCAT*” in Brazil.

Indicators. As shown in the table below the expected results of the impact indicators will be available once the pending tax reforms get approved. However, according to [CIAT \(2021\)](#) the potential collection in terms of GDP would be similar to that achieved by other Latin American countries that already tax these activities, approximately between 0.02% and 0.06% of annual GDP, once the tax is fully implemented

Impact indicator	Achieved result
For each country (Bolivia, Dominican Republic, Guatemala, Honduras and Panama):	Pending: To be measured when the tax reform allowing the use of DEC is approved.

A VAT collection originated by digital businesses is expected to be equivalent to 2/1000 of the total VAT collection of the year immediately preceding the implementation of the program for each country.	
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Overall projects' strengths in terms of results: The team identified several strengths that contributed to the efficiency, effectiveness, and impact of all 8 projects.

- First, the process of selecting indicators by the tax administration officials. All country counterparts mentioned that due to the experience of external consultants and CIAT's specialists the output indicators and planned interventions met their intended objectives in a cost-effective manner.
- Second, CIAT's network encourages South-South cooperation. Country counterparts reported that their technical capacity improved as a result of the trainings and the support they received from the different working modalities. The expertise of consultants having worked in tax administrations, made them valuable resources for countries seeking guidance on how to improve their tax systems and enhance their capacity. Furthermore, thanks to the south-south cooperation CIAT has fostered in the region, officials from the tax administration of Ecuador had the opportunity to visit Chile's tax administration, this experience helped Ecuador aspire towards more complex organizational changes, as they were able to observe best practices, innovative approaches, and successful strategies employed by their counterparts.
- Third, the majority of interviewees agreed that there was a "before and after" the project's intervention, which was reflected in strengthened tax administrations, increased efficiency in the monitoring of performance and decision-making processes, upskilling of professionals and implemented ICT tools.
- Fourth, regarding the DEC tool even though its implementation is pending, the project has helped raise awareness on the importance of indirect taxation in the digital economy and its potential tax collection.

Overall projects' challenges in terms of results: The team also identified challenges that affected the effectiveness, efficiency, and impact of results.

- First, the virtual technical assistance given COVID was not ideal; to avoid it, some tax administrations preferred to halt the project's progress.
- Second, political instability and changes within the tax authorities which affected the continuity of activities.
- Third, there are no time estimates as to when pending bills will be approved in the legislature.
- Fourth, in some of the projects the impact indicators were defined with a very broad scope, making it difficult to attribute the results of the indicator to the project.

5.3. Sustainability and Continuity of the Program CIAT- Norad

The projects sustainability is guaranteed by its focus on long-term goals and the implementation of strategies that ensure lasting results. Continuity is achieved by the project's ability to adapt as well as by the commitment of stakeholders to maintain and support the project's objectives. The following section summarizes the strategies countries have adopted to ensure lasting results and the identified strengths and challenges under these two criteria.

Ensuring lasting results. The tax administrations agreed that the projects' results were sustainable and will have continuity. The main reasons being (i) the procedures that were modified with the projects have been integrated as new functions of the tax administrations, (ii) the creation of

departmental units by regulation provides enough legal basis for the continuity of the projects, (iii) the new tools and expertise have driven the tax administration to comply with international best practices, (iv) the new tools and processes have been institutionalized and are now part of the organization's strategic plans, and (v) in projects that require the approval of laws and regulations, the legal linkage of the project will ensure the continuity of the results.

Projects' strengths: The team identified several strengths that will contribute to the sustainability and continuity of the projects.

- First, the provided training was given to frontline civil servants, meaning the knowledge is maintained in the institution despite changes in government.
- Second, tax administrations are committed to adopting international standards and implementing best practices. For example, thanks to the transfer pricing project Bolivia recognized the importance of implementing the tax transparency standards and is now considering joining the OECD Global Forum on Transparency and Exchange of Information for Tax Purposes to fully benefit from increased tax transparency and exchange of information.
- Third, even though the project's implementation period has ended, CIAT explicitly informed its intention to continue monitoring the outcomes of these projects. It is planned that two surveys will be carried out in 2024 (June and December), to beneficiary countries to persist in measuring the impact of these projects.
- Fourth, aware of the need to devote efforts for generating synergies, CIAT gave visibility to the projects' results. By doing so CIAT fosters transparency and opportunities of collaboration among countries.

Projects' challenges: The team also identified several challenges regarding the sustainability and continuity of the projects.

- First, tax administration officials need to continue their training. It is important that the knowledge is kept up to date to remain subject matter experts.
- Second, in the projects in which IT tools were provided, it seems that further technical assistance will be required to update and make any modifications to the software.
- Third, there is concern in some countries that when DEC is implemented there will be resistance to change on the part of end users.

6. Lessons learned from other international successful projects.

Valuable insights can be gained from successful case studies and experiences of other countries in the areas of (i) strengthening core tax administration processes, (ii) increasing efficiency in performance monitoring and decision-making, (iii) supporting technological modernization, and (iv) improving staff selection, training, and professional development. This section focuses on identifying lessons mainly drawn from other international tax administrations, demonstrating how other countries are addressing similar issues to those of this project. The team selected two case studies one from New Zealand and another from Senegal as they have valuable lessons that can help CIAT and Norad in future project in the LAC region.

6.1. Transforming the Inland Revenue of New Zealand⁶

The New Zealand Inland Revenue underwent a major business transformation program, with the aim of modernizing the tax and social policy system. The program began in 2013 and concluded in June 2022. The transformation did not consist solely of a technological upgrade, but also entailed changes in policy, processes, and upskilling. The success of the program was attributed to the customer-centric

⁶ <https://www.ird.govt.nz/about-us/business-transformation/outcomes>

approach, improved compliance, and the use of data and analytics. A modern, digital revenue system has been implemented, and the program has been recognized as a success, both domestically and internationally. The department has made all the tools, plans and templates available to other agencies and organizations so that they can benefit from its experience. The continuity of the projects is guaranteed, as the new tools and knowledge have been institutionalized, and the procedures that were modified are now being implemented.

Lessons learned: The success of the business transformation initiative is attributed to several key factors. First, strong leadership from the top, as well as having people dedicated 100% of their time to the project. Second, the initiative engaged the right partners, both internal and external, to support and contribute to the transformation. Third, a customer-centric approach at all times.

6.2. Fighting International Tax Avoidance and Evasion to Finance the Emergence of Senegal⁷

With the technical support from the OECD, the Global Forum on Transparency and Exchange of Information for Tax Purposes and other development partners, Senegal launched tax reforms as early as 2012. Building on a new climate of tax transparency, the reforms were aimed at tackling base erosion and profit shifting, complemented by a push to build the capacities of the tax administration to audit multinational enterprises. The country engaged in the Tax Inspectors Without Borders program and began to obtain regionally and internationally comparable statistical data on government revenues to inform decisions on fiscal policy making. Senegal's alignment with international tax standards and practices has helped to combat tax evasion and avoidance, generating tax revenue through assisted audits, enhancing auditor skills and confidence building, and improving overall tax compliance by multinational enterprises operating in the country.

Lessons learned: Some of the key factors that made this program successful were the following. First, the importance of practical support in audits to strengthen auditors' technical knowledge. Second, the involvement of other departments within the tax audit chain. Third, regular discussions with the tax administration management to raise awareness of the importance of transfer pricing audits and resources required for the transfer pricing team to work most effectively.

7. Conclusions

After a comprehensive review, the team is pleased with the results achieved through the Cooperation Program CIAT-Norad. Despite the challenges such as the pandemic, the political instability in several of the beneficiary countries, and even natural disasters, CIAT was able to adapt and deliver. Some of the strengths identified through this review that set CIAT apart from other development entities are the following:

- CIAT's approach on peer-to-peer cooperation and the utilization of regional expertise. CIAT's network comprises former and current tax administration officials, as well as experienced consultants. CIAT actively identifies potential officials who can assist other tax administrations facing similar challenges. Many of CIAT's member countries set aside working hours to participate in cooperation projects to share experiences. However, since this is not always possible, agreements are established between administrations, allowing visits to showcase operational processes. This approach enables the exchange of best practices, fosters collaboration, and enhances the capabilities of tax administrations across the region.
- CIAT's process of project selection effectively ensured that projects were aligned with tax administrations' priorities. The demand-driven project selection process designed by CIAT,

⁷ <https://www.oecd.org/tax/tax-global/fighting-international-tax-avoidance-and-evasion-to-finance-the-emergence-of-senegal.pdf>

combined with CIAT's active engagement with commissioners and senior officials, was key in building political buy-in and generating lasting commitments to support the projects.

- CIAT's Network of Tax Studies and multilateral meetings served as a robust platform for facilitating ongoing communication with tax administrations, enabling discussions on common issues, and promoting the exchange of proposals and updates on the latest developments in CIAT member countries. Furthermore, these meetings play a vital role in identifying additional needs and aligning cooperation efforts more effectively.

Finally, throughout this review the team identified the following lessons that could support both CIAT and Norad in managing future projects in the region. Many of these lessons were learnt throughout the application in the execution phase enabling positive outcomes in the projects.

- First, when possible, plan projects for periods that align with governments to ensure their successful completion. This is particularly important for projects requiring modifications or approval of new laws, as they should aim to be carried out within the same electoral period.
- Second, anticipate delays by establishing clear rules and guidelines for compliance with deadlines. Projects will face delays due to operational or political reasons but it is important to determine beforehand how much delay is allowed and to have a framework in place to mitigate the associated risk of potential delays.
- Third, identify the best modality for training. Virtual training might be appropriate for specific topics, while face-to-face training may be recommended for tailored training provided that funding is available. The use of technological tools, such as online courses, can also be beneficial, especially if the same project is implemented in more than one country and is aimed at larger groups.
- Fourth, include data governance principles. Given the large amount of data that tax administrations are handling, it is necessary to ensure adequate and responsible data governance. This will help maximize the value from the data, without negatively affecting digital and privacy rights.
- Finally, design robust impact evaluations that quantify the benefits of the projects and when possible, link them with the SDGs.