

UNDERSTANDING INTERNATIONAL TAX COOPERATION IN THE CONTEXT OF THE EC/ACP RELATIONSHIP

The European External Action Service and the European Commission welcomed the resolution on private sector development strategy, including innovation, for sustainable Development adopted by the 29th ACP-EU Joint Parliamentary Assembly during its session in Strasbourg in December 2014. The EU begun acting on several recommendations, presenting its position on supporting domestic resources mobilisation, and deterring tax evasion and illicit financial flows through its EC Staff Working Document on [Tax Revenue Mobilisation in Developing Countries](#). This was presented at the 'Financing for Development Conference in Addis Ababa'.

The document highlighted the significant challenges that developing countries face in domestic revenue mobilisation and recommended amongst other measures higher financial and technical assistance to strengthen local capacity in tax administrations.

[Commission decision 25.8.2016](#) notes:

“[The EC] having regard to Council Regulation (EU) 2015/322 of 2 March 2015 on the implementation of the 11th European Development Fund (EDF) – [which relates to ACP-EU relationship, association agreement (EU), development aid, distribution of EU funding, EDF, eligibility criteria] – and in particular Article 9 thereof, Having regard to Council Regulation (EU) 2015/323 of 2 March 2015 on the Financial Regulation applicable to the 11th EDF2 , and in particular Article 26 thereof, Whereas:

...

3) Action entitled “EU support to developing countries in the area of domestic public finance and domestic revenue mobilisation (DRM)” should support African, Caribbean and Pacific (ACP) countries to: provide an annual publication of national revenues statistics that are comparable internationally; implement the tax administration assessment tool (TADAT) in ACP countries; and, apply the Industries Transparency Initiative (EITI) Standard and learn from ACP regional implementation processes.”

The Tax administration Diagnostic Assessment Tool (TADAT) provides an objective assessment of the health of key components of a country's system of tax administration

and covers nine performance outcome areas that cover most tax administration functions, processes and institutions. The tool enables:

- Identification of the relative strengths and weaknesses in tax administration systems, processes, and institutions.
- Facilitating a shared view on the condition of the system of tax administration among all stakeholders.
- Setting the reform agenda, including reform objectives, priorities, initiatives, and implementation sequencing.
- Facilitating management and coordination of external support for reforms, and achieving faster and more efficient implementation.
- Monitoring and evaluating reform progress by way of subsequent repeat assessments.