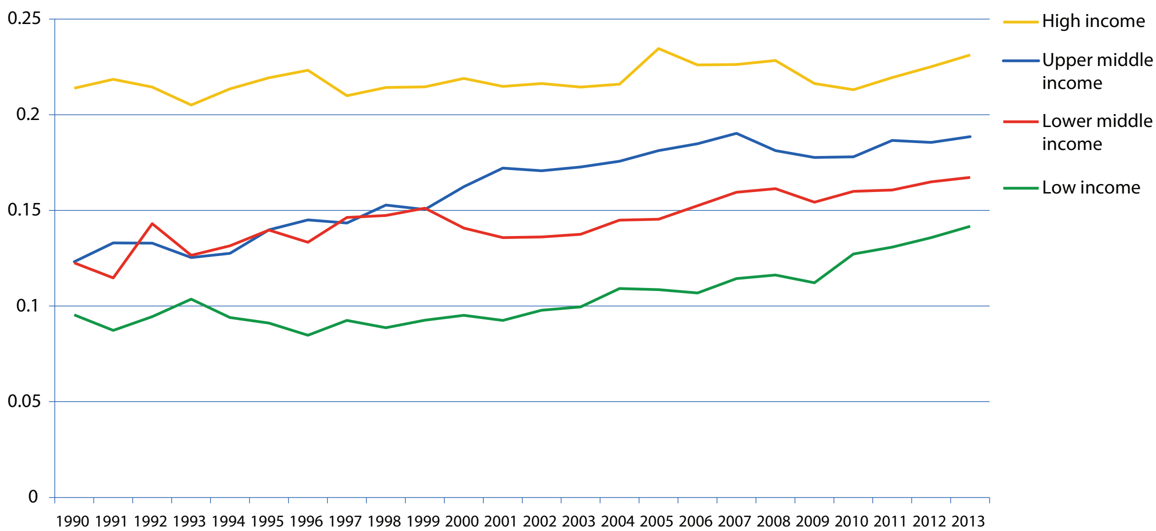
Chapter II.A
Domestic public resources

1. Introduction

Domestic public finance is essential to providing public goods and services, increasing equity and helping manage macroeconomic stability. It is a central component of financing across the sustainable development goals (SDGs), as well as the social compact of the Addis Agenda (discussed in chapter I on cross-cutting issues). This present chapter focuses on raising resources and expenditures, as well as the quality and alignment of both with sustainable development. Many commitments and actions in this chapter are national in nature, but the Addis Agenda underscores that implementation needs to be supported by international actions and cooperation.

On average, countries have increased their tax revenue over the last 15 years (figure 2), although room remains for further improvement. In many countries domestic resource mobilization remains insufficient to meet sustainable development needs. The Addis Agenda recognizes that the foremost driver of domestic resource mobilization is economic growth, supported by sound policies and an enabling environment at all levels. It also notes the need to strengthen tax administration, implement policies to generate additional resources and combat corruption in all its forms. At the same time it stresses the importance of combatting illicit financial flows. In a globalized world, there are limits as to what countries can do on their own through domestic policies,

Figure 2
Median tax revenue as a percent of GDP by income grouping, 1990–2013
(Tax/GDP ratio)



Source: United Nations Department of Economic and Social Affairs calculations, based on International Monetary Fund World Revenue Longitudinal Data (WoRLD), 13 July 2015. Note: Tax revenue as a percent of GDP, country classification according to World Bank Group country income groups 2015.

and the Addis Agenda thus calls for strengthening international tax cooperation.

Commitments in the Addis Agenda aim to address these challenges, underscored by the principle of national ownership. This chapter also describes how the Task Force will examine budget execution and expenditure and follow-up on other topics, such as extractive industries, national development banks and subnational finance.

2. Domestic resource mobilization and taxation

Governments recognized in Addis Ababa that the mobilization of domestic public resources is central to the pursuit of sustainable development, including achieving the SDGs.

2.1. Resource mobilization and domestic targets

SDG 17 on the global partnership and means of implementation (MoI) target 17.1 (*strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection*) focus on domestic resource mobilization. However, this target does not spell out in detail how this will be achieved. The Addis Agenda builds on this, recognizing the need for significant additional domestic public resources. In particular, Governments:

- *Remain committed to further strengthening the mobilization and effective use of domestic resources* ***(20, MoI 17.1)***
- *Welcome efforts by countries to set nationally defined domestic targets and timelines for domestic revenues as part of their national sustainable development strategies* ***(22)***
- *Commit support to developing countries in need in reaching these targets* ***(22, MoI 17.1)***

Following-up on the Addis Agenda will require more detailed reporting and monitoring than is proposed for the SDG monitoring process. Nonetheless, the indicators for MoI 17.1 (*17.1.1 total government revenue (by source) as a percentage of GDP;* and, *17.1.2 proportion of domestic budget funded by domestic taxes*) can be a useful starting point for measuring government revenues and tax collection. However, generating consistent, comparable revenue data and measuring revenue as a percentage of gross domestic product (GDP) is a complex undertaking. For example, there are changes in and uneven implementation of the system of national accounts, discontinuities in time series, differences between federal and non-federal systems, differences between budgetary and other central government information, and different measures of GDP as reported by different institutions. These challenges create difficulties in aggregation, as well as in measuring trends over time. In addition, the methodology used for aggregation will often depend on the expected use of the data set. For example, the treatment of revenue from natural resource extraction varies across data sets, partially reflecting the different purposes for which they were designed.

As a result, while there are several different data sets available, they are not strictly comparable. The International Monetary Fund's (IMF) World Revenue Longitudinal Data (WoRLD) data set is designed to be as consistent as possible across countries and will be the basis of the Task Force's work. The database compiles comprehensive data on tax and non-tax revenues by country on an annual basis, going back to 1990. The WoRLD database combines data from two IMF publications: the IMF Government Finance Statistics and World Economic Outlook (WEO) and various Organization for Economic Cooperation and Development (OECD) Revenue Statistics publications. This annually updated data set can be helpful in tracking changes in taxes across all major tax types and essentially all countries. Additional databases created by intergovernmental bodies such as the OECD, researchers, the private sector and multi-stakeholder partnerships can be used complementarily.[1]

In addition, countries maintain annual and, in some cases, medium-term forecasts for government revenues as part of the overall fiscal framework, including expenditure, though there is no central database on this. The IMF systematically tracks fore-

1 See for example http://www.ictd.ac/datasets/the-ictd-government-revenue-dataset; http://www.rockinst.org/government_finance/revenue_data.aspx; https://dits.deloitte.com/.

casts and medium-term forward looking scenarios on a country-by-country basis.

Tracking the action item on revenue targets is also challenging. One way to track this would be through voluntary country reporting in the context of reporting on national sustainable development strategies, which take account of country circumstances, economic characteristics and initial conditions. This could be done through the annual Forum on Financing for Development (FfD) Follow-up. Case studies can also be helpful. The key issue will be to measure *progress* toward appropriately setting individual goals over the medium and longer term—with evaluations of why and how goals are or are not being reached. Case studies can help assess whether, over time, setting revenue targets actually leads to increased revenue collection. Case studies can also assess drivers of domestic revenues and potential policy trade-offs by considering the overall economic context, including economic growth, external developments and government policies that impact the tax base.

The commitment to support countries in need in these efforts is discussed in section 5.4 on capacity building, and more broadly in chapter II.C on international cooperation.

2.2. Tax policy effectiveness, transparency and administration

Increasing domestic resource mobilization will require changes to both tax policies and tax administration. The Addis Agenda includes concrete commitments and action items in this respect. Specifically, Countries commit to:

- *Enhance revenue administration through modernized, progressive tax systems, improved tax policy and more efficient tax collection* ***(22)***
- *Work to improve the fairness, transparency, efficiency and effectiveness of our tax systems, including by broadening the tax base and continuing efforts to integrate the informal sector into the formal economy in line with country circumstances* ***(22)***

World-wide data on revenue administration performance is being tracked in a tool that was originally developed as the IMF's Revenue Administration Fiscal Information Tool (RA-FIT) database. Its criteria include administrative organization, taxpayer identification and registration, filing, revenue controls and post-filing arrangements. These are benchmarked within and across country groups, for example by income and features such as conflict affected or resource dependent. It should be noted that specific country information derived from RA-FIT is not public, though benchmarking across groups of countries can be made available. The tool has now been expanded into a more broadly used international survey on tax administration, as a joint endeavour between The Inter-American Center of Tax Administrations (CIAT), the IMF, the Intra-European Organisation of Tax Administrations (IOTA) and the OECD. It provides a core set of questions and definitions that will form the basis of the data collection system each organization will use to gather data on tax administration. This will allow more efficient data collection and will improve comparability of data between countries and organizations, and establish metrics that tax administrations globally could report against. The new survey will be launched by the four organizations at the Plenary of the OECD's Forum on Tax Administration in Beijing, China in May 2016.

This data can be complemented with tax performance assessment by multi-stakeholder assessments of Public Expenditure and Financial Accountability (PEFA) undertaken in selected countries. The Tax Administration Diagnostic Assessment Tool (TADAT) is a new instrument used to diagnose weaknesses and assess performance in tax administrations on a country-by-country basis. However, TADAT data is not public, nor is it intended as a benchmarking or comparative tool—its purpose is rather to assist country authorities to develop and prioritize an evidence-based assessment of the areas for potential reform and improvement in their tax administrations.

The OECD, under the auspices of the Forum on Tax Administration, biennially provides comparative information and data on tax administration. The series summarizes tax administration systems, practices and performance across 56 advanced and emerging economies (including all OECD, European Union and Group of 20 members). IMF Fiscal Transparency Evaluations (FTEs) can provide additional insights in countries where these are undertaken, as can findings from multi-stakeholder initiatives including the Global Initiative for Fiscal Transparency (GIFT), the OECD Forum on Tax and Crime, and the Extractive Industries Transparency Initiative (EITI). The assessment of revenue administrations can be further complemented with case studies based on insights from activities by Addis Tax Initiative (ATI) members (including partner and donor countries, and regional tax organizations, and international organizations) and other development partners.

Additional data in addition to tax administration parameters and revenue outturns will be needed to follow-up on the portion of the commitment related to tax policy and progressivity of tax systems. Measurement and monitoring of effectiveness, fairness and efficiency of tax policies in individual countries will need to be done using case studies. Likewise quantitative data on the widening of the tax base and integration of the informal sector can be treated in case studies, rather than cross-country analysis, which can be complemented by reference to the data on informality from the World Bank Group's enterprise survey data.

The IMF and the World Bank Group are jointly developing a framework to be used to provide diagnosis and assessment of individual country tax policy systems, against the background and context of each country. This framework, when it is completed, could provide a publicly available system for assessment of these questions. However, it is not intended that the framework will be — or should be — used for comparing or benchmarking countries against one another.

In addition to improving the effectiveness of tax policy and tax administration, in the Addis Agenda Governments specifically:

- *Recognize that price and tax measures on tobacco can be an effective and important means to reduce tobacco consumption and health-care costs, and represent a revenue stream for financing for development in many countries* ***(32, MoI 3a)***

The indicator for the related MoI 3.a is *3.a.1 age-standardized prevalence of current tobacco use among persons aged 15 years and older*. The Task Force could build on this indicator to include tax measures and tobacco-related finance. Based on the World Health Organization's (WHO) technical manual on taxation of tobacco, important metrics include tax share as a percent of the retail price of tobacco and the revenue realized from tobacco taxation. Information to track progress is available from the WHO, which conducts biannual global surveys of tobacco prices and taxes.[2] The survey will specifically track countries that: increase excise taxes on tobacco; increase revenues from tobacco taxes; and earmark tobacco taxes specifically for health purposes and/or tobacco control. The survey methodology includes near universal coverage for tax information on the most sold brand of tobacco and less information on averages and cheapest brands, but the WHO is moving to collect more data on the market average. The WHO also publishes country profiles linked to cigarette taxation and prices as well as information about exports, imports, production and illicit trade. It also has a simulation tool for countries to use to assess tobacco taxation policies. Additionally, the WHO monitors the countries that increase financial support for activities intended to achieve the objective of the WHO Framework Convention on Tobacco Control (see chapter II.C). Case studies can be presented to show specific country efforts to reduce tobacco consumption and raise related revenues.

3. Illicit financial flows

The Addis Agenda also includes commitments on reducing illicit financial flows (IFFs), as a necessary measure to raise domestic resources. It identifies tax evasion and corruption as particular areas that need both domestic and international action. Specifically, in the Addis Agenda, Governments:

- *Commit to redouble efforts to substantially reduce IFFs by 2030, with a view to eventually eliminating them, including by combating tax evasion and corruption through strengthened*

2 The OECD biennially publishes detailed information on rates, tax bases and calculation methods for excise duties and value-added tax on tobacco products in OECD countries.

national regulation and increased international cooperation ***(23, MoI 16.4)***

- *Invite other regions to carry out exercises similar to the High Level Panel on Illicit Financial Flows from Africa* ***(24)***
- *Invite appropriate international institutions and regional organizations to publish estimates of the volume and composition of illicit financial flows* ***(24)***
- *Commit to strive to eliminate safe havens that create incentives for transfer abroad of stolen assets and IFFs* ***(25)***

The commitment on reducing IFFs is reflected under SDG 16 in target 16.4. The SDG indicator (*16.4.1 total value of inward and outward illicit financial flows (in current United States dollars)*) could be helpful in following-up on this. However, there is no agreed definition of IFFs or agreed-on methodology for their measurement. There is general agreement that IFFs include cross-border movement of financial assets relating to tax evasion, international trade fraud (including misinvoicing), criminal activity (including smuggling and trafficking in drugs, cultural objects, medicines, persons and natural resources), and corruption. There is disagreement, however, on whether tax avoidance should be considered an illicit flow. For example, the report of the High Level Panel on Illicit Financial Flows from Africa includes "tax abuse" which comprises "evading or aggressively avoiding tax"[3] in its broad interpretation of illicit flows. Other sources and institutions exclude tax avoidance from the definition of IFFs on the grounds that legal exploitation of tax loopholes in not illicit.

Currently no single tool or process can effectively establish a comprehensive measure of IFFs at the global or country level. Indeed, measuring and tracking illicit flows is extremely challenging, since by their very nature illicit flows are not transparently or systematically recorded. Nonetheless, there are a few methods that are currently used to attempt to estimate IFFs. These tend to concentrate on selected elements of IFFs, and thus do not give a global picture of the size or nature of illicit flows. For example, one methodology starts with errors and omissions in official trade statistics as a proxy for illicit flows. An alternative measure starts from estimates on the proceeds of crime. However, the data sources are generally not robust in measuring changes or determining trends across years.

In one example of a methodology for measuring IFFs, the World Bank Group's "residual model" subtracts the total of funds actually used by a country from the total entering that country and, if there are more funds coming in than funds being used, the resulting fund shortfall is considered to represent illicit flows. The underlying assumption is that funds that are not officially recorded are 'illicit'.

Another commonly used methodology measures trade mispricing or misinvoicing as a proxy for illicit flows. This methodology views practices of over- or under-invoicing of trade receipts as a means of transferring funds from one (typically high-tax) jurisdiction to another (typically low-tax) jurisdiction. Researchers aggregate the differences in reported bilateral trade from the exporting and importing sides, accessing data from the IMF's Direction of Trade Yearbook or the United Nations Comtrade Database to get down to very specific product lines in the estimates. While trade mispricing could arise from multiple motivations — including money laundering — it can also represent capital flight (in countries with exchange controls), tax evasion or tariff evasion. Similarly, while balance of payments data should in principle cover all transactions between residents and non-residents, errors and omissions may be caused by a number of factors, including suspect source data quality.

Global studies using the above methodologies are regularly produced by civil society organizations, such as Global Financial Integrity, which combine the World Bank Group's residual method and the trade mispricing model, and by academ-

3 The panel's report "defined IFFs as 'money illegally earned, transferred or used'", but went on to state "We also felt that the term "illicit" is a fair description of activities that, while not strictly illegal in all cases, go against established rules and norms, including avoiding legal obligations to pay tax." Within the commercial component of IFFs the report identifies abusive transfer pricing, trade mispricing, misinvoicing, unequal contracts and tax inversion. See: http://www.uneca.org/sites/default/files/PublicationFiles/iff_main_report_26feb_en.pdf.

ics.[4] The United Nations Economic Commission for Africa produced an estimate for Africa, which was published in the aforementioned High Level Panel report, which could be regularly updated and whose methodology could be adopted in other regions. Some of these estimates can overstate the impact of 'illicit flows' on domestic resource mobilization, since they include the nominal value of the errors and omissions, while the loss to public resource mobilization is often the tax or tariff amount that is evaded, which is a smaller number. At the same time, these methods are generally not comprehensive measures of illicit flows, as they yield little to no information on other components of IFFs, such as the proceeds of corruption or criminal activities such as illegal narcotics sales or smuggling of natural resources.

Other approaches seek to estimate the proceeds of specific criminal activities. The United Nations Office on Drugs and Crime (UNODC) estimates the value of the global illicit drugs trade and other crimes (via surveys and questionnaires), but, due to the resource and data intensiveness of this effort, not for all crimes and not within time periods which are robust enough to produce comprehensive trend analysis. In relation to the volume of IFFs related to corruption, various programmes and initiatives have produced data on the experience of corruption by the population. Surveys have been supported by international organizations, including UNODC, the World Bank Group and the United Nations Development Programme (UNDP). Civil society organizations also collect data such as Transparency International's Global Corruption Barometer, but these usually focus on corruption perceptions rather than the volume of resources.

An additional avenue of exploration is in looking at off-shore un-taxed wealth. This can include both personal wealth and corporate profits that are parked in favourable jurisdictions due to low taxes, secrecy or other reasons. Methods for estimation look at discrepancies in the balance of payments statistics, for example on portfolio equity holdings, or at disclosures of offshore wealth holding in the aggregate by some jurisdictions. Such studies have been published by academics and civil society sources. Multinational enterprises (MNEs) based in the United States are supposed to provide an estimate of potential tax liability of foreign earnings that are never repatriated with their Securities and Exchange Commission filings, leading journalists and analysts to routinely report these figures.

While transfer mispricing is not necessarily illegal, depending in particular on domestic law, and is not always categorized as an illicit flow, such conduct is widely regarded as being contrary to prevailing rules and norms. Whether or not it fits neatly into a definition of IFFs, it is considered important to measure its impact on countries, and particularly developing countries. Such measurement is usually accomplished by analysing large databases of MNE financial accounts to identify variances between expected taxes paid based on the structure of MNE groups and tax rate differentials and the actual taxes reported as paid in the financial accounts. Such analysis has been conducted by the OECD and a number of independent academics, each with varying coverage and sometimes making use of different databases.[5] As part of the OECD/G20 base erosion and profit shifting (BEPS) project, the OECD presented a number of BEPS indicators, which will be refined and developed further over time. Some research has also explored a related avenue for estimating BEPS using econometric estimations based on macro-differences in statutory corporate income tax rates and effective tax rates of different countries. An alternative, explored by the United Nations Conference on Trade and Devel-

4 See for example: http://www.gfintegrity.org/report/illicit-financial-flows-from-developing-countries-2004-2013/; Ndikumana, J. et al, "Capital Flight from Africa", in *Capital Flight from Africa: Causes, Effects, and Policy Issues*. Eds. Ajayi, S. Ibi, and Léonce Ndikumana: Oxford University Press, 2014.

5 For OECD see http://www.oecd-ilibrary.org/deliver/2315361e.pdf?itemId=/content/book/9789264241343-en&mimeType=application/pdf; for some academic work see Clausing, Kimberly A., The Effect of Profit Shifting on the Corporate Tax Base in the United States and Beyond (11 January 2016). Available at SSRN: http://ssrn.com/abstract=2685442 or http://dx.doi.org/10.2139/ssrn.2685442; http://www.ictd.ac/ju-download/2-working-papers/91-measuring-misalignment-the-location-of-us-multinationals-economic-activity-versus-the-location-of-their-profits.

opment, has used locational data on foreign direct investment (FDI) flows to estimate profit shifting, based on the empirical observation that FDI routed through offshore investment hubs (typically low-tax) is associated with lower reported profitability of the FDI in the destination country.

Monitoring could also focus on measuring the commitment to and effectiveness of normative frameworks. Existing peer review frameworks, for example of the United Nations Convention Against Corruption, the Global Forum on Transparency and Exchange of Information for Tax Purposes, the Financial Action Task Force (FATF), and selected data collected at the international level, could be used for this. The follow-up process could look into whether this type of administrative data is useful to monitor combatting IFFs and the related corruption prevention, anti-money laundering/countering the financing of terrorism (AML/CFT) and asset recovery efforts. For example, efforts to eliminate safe havens for transfer abroad of stolen assets and IFFs can be monitored by looking at the number of countries implementing relevant global standards and the effectiveness of their implementation. Relevant standards include those on AML/CFT, exchange of information for tax purposes, and implementation of global tax norms such as monitoring of beneficial ownership information, as discussed in section 5 of this chapter. The Task Force can monitor the impact of these efforts. However, monitoring their effectiveness in eliminating safe havens for transfer abroad of stolen assets and IFFs is challenging, and case studies could be used.

4. Return of stolen assets

The Addis Agenda also has commitments on the return of stolen assets; it:

- *Encourages the international community to develop good practices on asset return* ***(25)***
- *Supports the Stolen Asset Recovery Initiative of the United Nations and the World Bank, and other international initiatives that support the recovery of stolen assets* ***(25)***
- *Commits Governments to work to strengthen regulatory frameworks to increase transparency and accountability of financial institutions, the corporate sector and public administrations* ***(25)***

Activities and results of the Stolen Asset Recovery (StAR) initiative, jointly supported by the World Bank Group and the UNODC, can also be monitored. In particular, findings can be based on the Asset Recovery Watch Database, which tracks all known asset recovery cases, and provides a “one stop shop” to access the related public case information. This can be complemented by further data from OECD surveys of OECD members about their investigation and repatriation of illicit assets stolen in developing countries and hidden in OECD countries.[6] A progress report on efforts to develop a set of good practices on asset return can be provided annually. Information on programme activities and findings from the United Nations Convention against Corruption (UNCAC) review mechanism in selected countries where reviews take place, can supplement the above information. The second cycle of the UNCAC review mechanism, which focuses in part on asset recovery, is a potential source of information on the actions taken by member states to enhance their legal, institutional and operational capacities to recover stolen assets. Case studies can also be presented.

The OECD has published an assessment of how its members perform in policy areas essential to reducing their attractiveness to illicit funds from developing countries. This assessment puts together, in a comparative manner, publicly available data produced through peer review processes conducted by the OECD and other bodies. The frequency of replication of the exercise will depend on the publication of new rounds of peer reviews covering OECD member states.

Work to strengthen regulatory frameworks to improve accountability will have to be reported on in a qualitative manner. Future cycles of UNCAC review may include information in this regard. The

6 The survey was conducted twice: *Few and Far: The Hard Facts on Stolen Assets Recovery* and *Tracking anti-corruption and stolen asset recovery commitments.*

FATF assessments mentioned above will also provide information related to this commitment.

5. International tax cooperation

The Addis Agenda recognizes that both strengthened national regulation and increased international cooperation are needed to tackle IFFs. It commits to scale up international tax cooperation, which is seen as a necessary complement to domestic efforts to raise resources.

5.1. Combatting money laundering/terrorist financing

Transparency is an important theme in the Addis Agenda, including in relation to efforts on combatting crime, which is also covered in chapter II.F. In the Addis Agenda, Governments:

- *Commit to strengthen international cooperation and national institutions to combat money-laundering and financing of terrorism* ***(25)***
- *Commit to identify, assess and act on money-laundering risks, including through effective implementation of the Financial Action Task Force standards on anti-money-laundering/counter-terrorism financing* ***(24)***
- *Encourage information-sharing among financial institutions to mitigate the potential impact of the anti-money-laundering and combating the financing of terrorism standard on reducing access to financial services* ***(24)***

Currently, the FATF and FATF-style regional bodies monitor and publish information on country performance relating to AML/CFT for their members. The IMF and other international organizations also conduct AML/CFT assessments, including for the IMF in the context of regular surveillance and financial stability assessments (see chapter II.F).

The February 2012 FATF (see section 3) recommendations on AMF/CFT will likely have beneficial implications for monitoring due to the emphasis they place on information, along with risk and effectiveness. The FATF peer reviews and assessments can provide a follow-up mechanism. Case studies and best practices publications, such as those from the OECD's multi-stakeholder Forum on Tax and Crime, can be presented, especially those detailing inter-agency cooperation. The FATF itself also produces a myriad of case studies, reports of expert working groups, and trend and typologies analysis on money laundering and the financing of terrorism.

Evidence gathered by the World Bank Group has indicated that banks might be cutting off money transfer operators' access to banking services because the cost of complying with AML/CFT and other requirements makes the business unprofitable. However, there is no plan for the World Bank Group to regularly monitor this issue. As a result of the evidence gathered in 2015, the Bank for International Settlements' Committee on Payments and Market Infrastructures has elaborated proposals to encourage the use of know-your-customer utilities which would facilitate information sharing. The Task Force can report qualitative information on policy development in this area, as well as any quantitative information that may become available.

5.2. International efforts to combat tax avoidance and evasion

In the Addis Agenda, international cooperation to combat tax evasion and tax avoidance are important subjects, forming a significant part of the negotiations. The Addis Agenda specifically:

- *Commits to enhance disclosure practices and transparency in source and destination countries, including through transparency in all financial transactions between Governments and companies to relevant tax authorities* ***(23)***
- *Commits Member States to make sure that all companies, including multinationals, pay taxes to the Governments of countries where economic activity occurs and value is created* ***(23)***
- *Encourages countries to work together to strengthen transparency and adopt policies, including: MNE reporting country-by-country to tax authorities where they operate; access to beneficial ownership information for competent authorities; and progressively advancing towards automatic exchange of tax information among tax authorities as appropriate, with assistance to developing countries, especially LDCs, as needed* ***(27)***

- *Stresses that efforts in international tax cooperation should be universal and should fully take into account the different needs and capacities of all countries* ***(28)***
- *Welcomes on-going efforts, including the work of the Global Forum on Transparency and Exchange of Information for Tax Purposes; takes into account OECD work on BEPS* ***(28)***
- *Decides to further enhance the resources of the Committee of Experts on International Cooperation in Tax Matters to strengthen its effectiveness and operational capacity* ***(29)****; increase the frequency of its meetings and its engagement with the Economic and Social Council through the Special Meeting on International Cooperation on Tax Matters* ***(29)****; urges Member States to support the Committee and its subsidiary bodies through the voluntary trust fund* ***(29)***

Overall assessments of the progress of international tax cooperation can be made through many mechanisms, which may include but are not limited to the number of bilateral tax treaties, participation in and support for the forums and committees discussed below, and ratification of multilateral instruments. This includes forums with voluntary participation, such as the follow-up mechanisms for the OECD/G20 agreements, as well as broader discussions in the United Nations system.

The commitment to enhance disclosure practices can also be monitored in a number of different ways. For example the OECD's Action Plan on BEPS included Action 12, which discussed mandatory disclosure regimes that require taxpayers to disclose their tax planning arrangements to the revenue authority. The EITI requires public transparency on payments to governments from all extractive industry companies operating in EITI-adhering countries. IMF Fiscal Transparency Evaluations (FTEs) can also provide insights. Qualitative information can be presented from peer reviews under UNCAC as discussed above.

As discussed above, estimates of tax avoidance and evasion are difficult to make, so that case studies may be used to follow-up on the commitment to ensure that MNEs pay tax where activity occurs. Additional tentative indications could come from looking at effective corporate tax burdens on major MNEs. Examination of where those MNEs are paying taxes, as revealed in country-by-country reports could contribute to analysis of whether MNE value creation and economic activity is being taxed in the jurisdiction where it is occurring.

There is no global tracking mechanism for country-by-country reporting. The OECD/G20 BEPS Action Plan includes a new standard of information and proposed procedures for implementation. For implementation, countries would need to adopt national legislation, and there needs to be a mechanism to exchange reports with other countries. Some countries have already moved forward legislation on country-by-country reporting. One mechanism for international exchange is the Multilateral Competent Authority Agreement on the Exchange of Country-By-Country Reports, and the Task Force can follow-up on the signatories to this. The OECD's "Inclusive Framework" for BEPS implementation (see below) is planning to monitor progress on jurisdictions' compliance with commitments they have made and effectiveness of the filing and dissemination mechanisms of the country-by-country reports, and on other relevant actions. The BEPS Action 11 final report on Measuring and Monitoring BEPS recommends the production of a new publication named Corporate Tax Statistics that will include aggregate and anonymous tabulations from country-by-country reports, as well as other information to better analyse MNE tax behaviours.

In terms of beneficial ownership information, the highest profile commitment has been from the G20 group of countries, which adopted principles in 2014 but has not monitored their implementation. Civil society organizations have produced studies on implementation of the new principles. Compliance with Global Forum standards on beneficial ownership will be assessed in its second round of peer reviews (discussed below).

The G20 and OECD have launched a new framework for BEPS implementation, which invites interested countries and jurisdictions to work on reviewing and monitoring the implementation of the already agreed OECD/G20 BEPS Action Plan, as well as on developing standards on BEPS Project-related issues. Non-OECD countries and jurisdictions can join this implementation framework with Associate Status, on an equal footing with OECD members and G20 and other countries that are currently Associates to the BEPS Project. All countries involved would be required to commit to the implementation of the entire BEPS Action Plan. In general, as the BEPS Project sets out 15 actions, many of which cannot be tackled without amending bilateral tax treaties, implementing these changes on a treaty-by-treaty basis would be a very lengthy process. About 95 countries, representing more than 2,000 treaties currently in force, are now working together on the development of a multilateral instrument capable of incorporating the tax treaty-related BEPS measures into the existing network of bilateral treaties. The Task Force will report on the number of countries involved and implementation of the framework.

In 2014, the Global Forum on Transparency and Exchange of Information for Tax Purposes endorsed the new standard on automatic exchange of financial account information (AEOI), the Common Reporting Standard, which 96 jurisdictions have publicly committed to implement.

The Global Forum conducts and publishes peer reviews to monitor compliance of its 132 members and other relevant jurisdictions to its agreed standard of transparency and exchange of information. The Global Forum's annual report provides detailed qualitative analysis of its membership and the progress made in implementing the internationally agreed tax standard on exchange of information on request (EOIR), and in time, the new AEOI standard. The peer review process is one of the main instruments used by the Global Forum to ensure that its members and relevant non-members effectively implement the internationally agreed standards. The outcomes of the peer reviews on EOIR identify gaps in the legislative frameworks or practices against ten essential elements of the standard and provide ratings of each of the essential elements and an overall compliance rating. All peer review reports adopted by the Global Forum are published and are available at the Global Forum EOI Portal. The results of the peer review for each jurisdiction reviewed so far are also available in the summary of compliance ratings. From mid-2016, a second cycle of reviews will commence, which will be a combined examination of both the legal and regulatory framework and the practical implementation of the standard. Peer reviews will be undertaken on the basis of agreed terms of reference, which now include the updated requirements relating to beneficial ownership information of all legal entities and arrangements. An additional instrument to facilitate international administrative cooperation between countries in the assessment and collection of taxes is the Convention on Mutual Administrative Assistance in Tax Matters.

However, it is important to note that countries do not have equal levels of capacity to produce the vast amount of information needed for peer reviews, as well as to implement the many provisions in the OECD/G20 BEPS Action Plan, such as country-by-country reporting. Most standards have data and record keeping provisions, and many countries are limited in their ability to produce such data, making it difficult for them to participate in the Global Forum. In addition, some countries have chosen not to implement the OECD/G20 BEPS Action Plan. There is currently no mechanism for reporting for these countries.

The Addis Agenda emphasizes the importance of inclusive cooperation and dialogue among national tax authorities on international tax matters. In this respect, it looks to the United Nations Committee of Experts on International Cooperation in Tax Matters (the Committee) as an important forum because of its inclusive nature. The commitment to strengthen the Committee's effectiveness and capacity will be followed-up on in a number of ways. The Committee produces a report after each of its sessions that provides information on its work, which is publicly available on the Committee's website. The United Nations Economic and Social Council (ECOSOC) also holds an annual discussion on the Committee's work and adopts a resolution and decision in this regard. These documents track the work of the Committee, and provide further information about its composition and effectiveness. The information is mostly qualitative in nature, but with quantitative aspects such as the number of publications. These documents will also provide details about the new working arrangements of the Committee, including the transition to having two sessions a year for four days each. More detailed information on progress can be had through subcommittee reports, which are presented at the Committee sessions. Details on the representation of Committee members can also be presented.

The Addis Agenda urged Member States to support the Committee and its subsidiary bodies through the voluntary trust fund, to enable the Committee to fulfil its mandate; including supporting the increased participation of developing country experts at subcommittee meetings, where the intersessional work of the Committee is achieved. An additional area for follow-up is thus the volume of resources contributed to the Committee's trust fund. This financing is critical to strengthen the Committee and to meet the expectations of an expanded set of activities including enhanced liaising with other international organizations and contribution to their work, greater governmental and public interest in the Committee's work, and more active subcommittees.

5.3. Tax treaties and voluntary agreements

In relation to bilateral treaties and agreements, in the Addis Agenda, Governments:

- *Commit to reduce opportunities for tax avoidance, and consider inserting anti-abuse clauses in all tax treaties* ***(23)***
- *Note that countries can engage in voluntary discussions on tax incentives in regional and international forums to end harmful tax practices* ***(27)***

Model provisions to prevent treaty abuse, including through treaty shopping, have been developed and are being discussed, including in the context of the multilateral instrument for implementing the BEPS Action Plan mentioned above. These would impede the use of conduit companies in countries with favourable tax treaties to channel investments and obtain reduced rates of taxation. Some of these provisions require additional technical work, which will be finalized in 2016. This could be reported on through the BEPS Action Plan implementation framework mentioned above. Some countries have already proceeded to review individual bilateral tax treaties and incorporate anti-abuse clauses, for which qualitative information can be presented. Though there is no official database of tax treaties that quantifies the presence or absence of certain provisions, case studies can be presented. Academics and civil society have developed a tax treaty database which may be of assistance if it is expanded (it is not comprehensive, currently covering some 500 treaties that low- and lower-middle income countries in sub-Saharan Africa and Asia have signed since 1970) and regularly updated. In addition, there are private sector databases of bilateral tax treaties. The Task Force can also report on the preparation of toolkits and other materials that have been prepared to assist low-income countries on negotiations and considerations for entering into tax treaties.

The Addis Agenda recognizes that tax incentives can be an appropriate tool, including to attract FDI, but that regional and international cooperation has the potential to reduce or minimize harmful tax competition (e.g., though "races to the bottom" in dispensing tax incentives and exemptions). The IMF, OECD, World Bank Group and United Nations produced, at the request of the G20, a paper and tools on the effective and efficient use of tax incentives for investment in lower income countries, in 2015. Qualitative information on the progress in tax cooperation in various regional groups can be observed and reported over time. Action 5 of the BEPS Action plan also addresses harmful tax practices. The BEPS peer review process will address such practices, including patent boxes, which include harmful features, as well as a commitment to transparency through the mandatory spontaneous exchange of relevant information on taxpayer-specific rulings. The United Nations' regional economic commissions can report on activities they have pursued in this regard, and other efforts within the United Nations system, such as at ECOSOC, will be presented.

5.4. Capacity building

The Addis Agenda references the need for assistance to developing countries in regard to domestic resource mobilization. In it Governments specifically:

- *Commit to strengthen international cooperation to support efforts to build capacity in developing countries, including through enhanced ODA* ***(22, MoI 17.1)***
- *Commit international support to developing countries in need in reaching targets for enhancing domestic revenue* ***(22, MoI 17.1)***
- *Support strengthening of regional networks of tax administrators* ***(28)***

International organizations and bilateral donors provide support for domestic resource mobilization. The OECD provides data on official development assistance (ODA, see chapter II.C), but do not yet specifically track aid to tax administrations or domestic revenue mobilization. The OECD Development Assistance Committee has proposed a Creditor Reporting System (CRS) code dedicated to tracking ODA related to domestic resource mobilization in addition to the broader category of public financial management. This is expected to be formalised in 2016, allowing tracking of such ODA from 2015 onwards. Some donors have attempted to report on ODA spending in this category retroactively on their own initiative. Additional monitoring and reporting can draw on multi-stakeholder platforms (in particular the ATI, see below). Some data is already available by provider and recipient grouping, on the financial cost of the support, and effort could be made to link this assistance to impact in terms of improved resource mobilization. Depending on data availability, reporting on support can be broken down by type (e.g., advice, training and capacity building). Broader support for domestic resource mobilization by countries which are not part of the ATI or the OECD Development Assistance Committee can be examined with case studies.

Regional tax organizations such as the African Tax Administration Forum, the Meeting Centre of Tax Administrators and CIAT, can also be queried to assess the support they receive from development partners, the role they play in supporting member countries, and the impact of collaboration between such organizations. Finally, the IMF receives a good deal of external financial support for its technical tax assistance from individual member countries (bilateral donors), and especially through its topical trust funds which pool donor support to revenue capacity building. Similarly, the independent TADAT initiative is supported through a multi-donor trust fund. The financial support provided to those funds can be regularly tracked and reported.

Through the Addis Tax Initiative international assistance providers support partner countries to implement the Addis Agenda in raising domestic public revenue. Signatories commit to step up their efforts to mobilize domestic resources and donors collectively commit to double their support for technical cooperation in the area of taxation/domestic revenue mobilization by 2020. OECD ODA statistics underpin the annual monitoring of progress against reaching the ATI commitment of doubling ODA to tax system development. Monitoring the evolution of signatories of the ATI could be an additional indicator of progress.

Additionally, the IMF, OECD, United Nations and World Bank Group have been mandated by the G20 to develop practical tools for developing countries to deal with the BEPS Action Plan and other cross-border tax issues not covered by the BEPS Project.

The Tax Inspectors Without Borders (TIWB) initiative, a joint project of the UNDP and OECD, enables the transfer of tax audit knowledge and skills to tax administrations in developing countries through a real time, "learning by doing" approach. Progress can be monitored through annual updates on finalized TIWB projects and their revenue impacts.

The IMF provides technical assistance to approximately 100 countries every year. As in the case of TADAT assessments, the outcomes of such advice are not public and are provided on a confidential basis to member countries. However, the principles for provision of successful capacity building in the revenue area are found in many published IMF papers. The existence of such technical assistance is not confidential, and thus could contribute to a measure of efforts to increase capacity building. The IMF will undertake additional efforts beginning in 2016 to incorporate revenue mobilization advice in its regular surveillance of member countries, including on international taxation issues.

The Global Forum engages in a range of activities to support its member jurisdictions in effectively implementing the international standards on transparency and exchange of information. Work has been completed to build a one-stop-shop for Global Forum technical assistance. The Global Forum Secretariat is working with its developing country members and five pilot projects to implement the AEOI standard have been launched with developing countries (Albania, Colombia, Ghana, Morocco and the Philippines). More projects are in the pipeline and qualitative and quantitative information about project implementation can be reported.

6. Expenditure

While much of the Addis Agenda on domestic public resources focuses on revenue, it equally emphasizes that Member States are committed to the effective use of domestic resources. The social compact covered in the cross-cutting issues chapter is a high profile commitment in the Addis Agenda that relates to expenditure, and the gender section of the cross-cutting chapter covers important commitments related to non-discrimination, gender budgeting, and the role of women in the economy and decision making. There are other important commitments related to domestic public resource expenditure covered in the cross-cutting chapter as well.

6.1. Fossil fuel subsidies

The Addis Agenda:

- *Reaffirms the commitment to rationalize inefficient fossil-fuel subsidies that encourage wasteful consumption by removing market distortions, in accordance with national circumstances, including by restructuring taxation and phasing out those harmful subsidies, where they exist, to reflect their environmental impacts, taking fully into account the specific needs and conditions of developing countries and minimizing the possible adverse impacts on their development in a manner that protects the poor and the affected communities **(31, MoI 12.c)***

There is a relevant indicator for the SDGs related to MoI 12.c (*12.c.1 amount of fossil-fuel subsidies per unit of GDP (production and consumption) and as a proportion of total national expenditure on fossil fuels*). Monitoring fossil fuel subsidies that reflect the environmental impacts of fossil fuel consumption, requires estimates of existing levels of fuel taxes and also estimates of efficient fuel taxes (fuel taxes needed to cover environmental costs). The IMF's Energy Subsidy Database, covering fossil fuel products in over 150 countries, provides estimates for both efficient taxes and existing taxes and can be readily used for measuring fossil fuel subsidies per unit of GDP. The OECD's Taxing Energy Use report and methodology provides an analysis of the structure and level of energy taxes in the OECD and other selected countries. The OECD-International Energy Agency work on fossil fuel support produces regular estimates of subsidies and other forms of support for fossil fuels for a large number of countries.

6.2. National control mechanisms, transparency, non-discrimination and procurement

In the Addis Agenda, Governments:

- *Commit to strengthen national control mechanisms, such as supreme audit institutions, along with other independent oversight institutions, as appropriate **(30)***
- *Commit to establish transparent public procurement frameworks as a strategic tool to reinforce sustainable development **(30)***
- *Commit to increase transparency and equal participation in the budgeting process **(30)***

Related commitments in this chapter on promoting and enforcing non-discriminatory laws, gender-responsive budgeting, and enabling women's full and equal participation in the economy are followed up in chapter I on cross-cutting issues, and its subsections 8 (promoting peaceful and inclusive societies) and 9 (gender equality).

Some information on oversight agencies, including supreme audit agencies, is captured in assessments made using the PEFA framework, particularly indicators 30 and 31. PEFA assessments are made for many developing countries with funding from a donor trust fund housed by the World Bank Group, but are not made for developed countries. The International Organisation of Supreme Audit Institutions and the World Bank Group are developing a new benchmarking exercise of supreme audit agencies, which should facilitate better cross-country comparisons.

In a similar way, basic information on the workings of public procurement systems is captured in the revised PEFA exercise at indicator 24. Under the auspices of the joint World Bank Group and OECD Development Assistance Committee Procurement Round Table initiative, bilateral and multilateral donors worked together with some developing countries to develop procurement standards for

ODA recipients known as the OECD Methodology for Assessing Procurement Systems (MAPS). The OECD is leading a set of partners to improve the assessment process with the creation of MAPS II, which should be universally applicable and will be launched in 2017.

A civil society organization, the International Budget Partnership, conducts an Open Budget Survey which measures budget transparency across 100 countries; other sources include IMF Fiscal Transparency Evaluations. Through the Global Initiative on Fiscal Transparency (GIFT), the World Bank Group, IMF, OECD, PEFA and others are collaborating to further strengthen the promotion and monitoring of transparency and participation in budget processes through the High-Level Principles of Fiscal Transparency and a forthcoming set of principles on public participation in budget making. The GIFT principles do not yet have assessment frameworks or data collection associated with them. However, none of the existing tools seek to measure and track the ability of procurement to serve as a strategic tool, instead focusing on transparency and competitive bidding, which tend to relate to shorter-term goals of reducing corruption. Medium-term goals of fostering industrial upgrading, protecting the environment, or boosting social development in relation to procurement have no monitoring framework.

In addition to the International Budget Partnership, there also a number of multi-stakeholder partnerships, such as the Open Contracting Partnership and Government Spending Watch, which focus on transparency, data standards and data collection related to budgeting and public expenditure. Currently the IMF tracks the outturn of government expenditure in the Government Finance Statistics database, but this does not contain information on budgets. Some of the partnerships have sought to match budget and expenditure data including with more up-to-date data, which can be useful to the Task Force, but this is limited in geographical coverage at present. PEFA indicator PI-9 measures access to key fiscal information, and would allow the Task Force to track the percentage of government revenues, procurement and natural resource concessions that are publicly available and easily accessible in open data format.

7. Additional topics

The Addis Agenda also identifies other issues that are relevant to domestic public resources which do not fall under the categories presented above.

7.1. Extractives and resources sector

The Addis Agenda notes that countries relying significantly on natural resource exports face particular challenges. The Addis Agenda, specifically:

- *Encourages investment in value addition, processing and productive diversification* ***(26)***
- *Commits to addressing excessive tax incentives related to these investments, particularly in extractive industries* ***(26)***
- *Encourages countries to implement measures to ensure transparency, and takes note of voluntary initiatives such as the Extractive Industries Transparency Initiative* ***(26)***
- *Commits Governments to share best practices and promote peer learning and capacity building* ***(26)***

Case studies can be undertaken to assess country efforts to reduce excessive tax incentives in the extractives sector, including whether countries are preparing tax expenditure statements detailing the estimated costs of the incentives. The case studies could be informed by the findings of technical assistance providers, such as the IMF and World Bank Group, in providing support to developing countries on these issues.

Insight on transparency, for those countries that are participating members, can be obtained with findings from both the EITI and IMF FTEs, including pillar IV of the Fiscal Transparency Code for resource-rich countries. EITI member countries are assessed for compliance with the EITI standard, and an annual progress report presents more detail on how transparent EITI members are.

International organization and bilateral donor support to resource-rich countries around contract negotiation and implementation involves sharing of good practices to build capacity and building infrastructure for peer learning. Additional support is also made available on the interaction between extractives industries and taxation. Information on these initiatives will have to be qualitative. Some of the funding for these activities can be monitored and reported, with data on the provider, recipient country, and financial cost of the support. This can be broken down by type of support (e.g., advice, training and capacity building), and could include participation in regional and global events to share country experiences. Number and breakdown of users of online resources can also be tracked.

7.2. National development banks

The Addis Agenda notes the role that well-functioning national and regional development banks can play in financing sustainable development, with a countercyclical role, especially during crises. Specifically, the Addis Agenda:

- *Calls on national and regional development banks to expand their contributions in relevant areas important for sustainable development, and urge relevant international public and private actors to support such banks in developing countries **(33)***

To track the contribution of development banks to the agenda, the Task Force will follow trends in national development bank (NDB) investment, building on existing public information from institutions and working with the International Development Finance Club (IDFC), an association of NDBs and regional development banks (RDBs). As many NDBs raise funds in capital markets, their financial documentation often includes key metrics such as capital base, annual commitments and annual disbursements. While some banks publish sectoral breakdowns of their operations, each institution has different categorization and classification systems. Nonetheless, available sectoral data is relevant for following-up on how NDBs are contributing at the national level in their specific contexts. Given the idiosyncratic nature of each NDB and its relation to national sustainable development strategies, case studies and lessons learned from NDB operations can examine how NDBs operate counter-cyclically, and how in certain markets they effectively respond to market failure, investment gaps and inadequate private credit.

Follow-up will also draw on efforts by the IDFC. The association includes 23 financial institutions from all regions and is developing methodologies for more comparable tracking of information across their membership. Amongst other activities, they conduct an annual green finance mapping exercise which seeks to quantify the amount of finance from their members that is directed at climate change mitigation and adaptation, green energy and other environmental objectives. The IDFC green finance mapping report presents aggregate figures for each sector and type of finance. It only disaggregates by institution in terms of those based in OECD countries and in non-OECD countries, so that regional or national analysis is difficult.

In addition, in 2013, a group of 25 national, regional and multilateral development banks agreed to a set of harmonised indicators for measuring the development results of private sector operations. These predominately developed-country-based institutions will now report development impact figures, such as number of jobs created or the gigawatt-hours of energy produced, using the same framework. Such results are currently not brought together in any single location and cannot be aggregated because of the risk of double-counting. Nonetheless, the data provides a basis for additional reporting.

7.3. Subnational urban development/ planning, subnational financing

The Addis Agenda acknowledges that in some countries expenditures and investments in sustainable development are being devolved to the subnational level, and that these institutions may lack the capacity to effectively implement the Addis Agenda and, by extension, the 2030 Agenda. As a result, the Addis Agenda:

- *Encourages the participation of local communities in decisions affecting their communities, such as in improving drinking water and sanitation management **(34, MoI 6.b)***
- *Commits Governments to support cities and local authorities of developing countries, particularly in LDCs and SIDS, in implementing resilient and environmentally sound infrastructure and sustainable and resilient build-*

ings using local materials ***(34, MoI 6.a, MoI 9.a, MoI 11.c)***

- *Commits to increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, and resilience to disasters by 2020* ***(34, MoI 11.b)***
- *Commits Members to develop and implement holistic disaster risk management at all levels in line with the Sendai Framework* ***(34, MoI 11.b)***
- *Commits States to support national and local capacity for prevention, adaptation and mitigation of external shocks and risk management* ***(34)***
- *Commits States to scaling up international cooperation to strengthen capacities of municipalities and other local authorities* ***(34)***
- *Commits to strive to support local governments in their efforts, as appropriate, to mobilize revenues, strengthen debt management, and strengthen municipal bond markets* ***(34)***
- *Commits to promote lending from financial institutions and development banks, along with risk mitigation mechanisms, such as the MIGA, while managing currency risk* ***(34)***
- *Commits to enhance inclusive and sustainable urbanization and strengthen economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning, within the context of national sustainable development strategies* ***(34, MoI 11a)***

These commitments are partly covered in MoI targets under SDG 6 on water and sanitation, SDG 9 on infrastructure, and SDG 11 on sustainable cities and settlements. The related indicators include: *6.a.1 amount of water- and sanitation-related official development assistance that is part of a government coordinated spending plan; 6.b.1 percentage of local administrative units with established and operational policies and procedures for participation of local communities in water and sanitation management; 9.a.1 total official international support (official development assistance plus other official flows) to infrastructure; 11.a.1 proportion of population living in cities that implement urban and regional development plans, integrating population projections and resource needs, by size of city*; and *11.c.1 proportion of financial support to the least developed countries that is allocated to the construction and retrofitting of sustainable, resilient and resource-efficient buildings utilizing local materials*.

Measuring international support for subnational development and finance is complex since data on ODA provided to the OECD does not provide locational tags for all its projects. While sectoral data is available, it does not include the level of specificity that would be necessary to track these indicators, particularly around whether the recipient is a subnational entity. Additionally categorization may not be consistent. For example, it is not clear whether investment in a rural hospital would be classified as a local or a health investment.

Project level data related to ODA contained in the OECD CRS allows for multiple sector and activity codes per project. However, it does not allow for more detailed data on how much aid is spent for capacity building at local levels or capacity building geared towards strengthening subnational finance. Growth in municipal bond markets can also be tracked. In addition, South-South cooperation could be important in this area (see chapter II.C). Although data in this area is limited for developing country markets, Bloomberg often tracks new issues, and the International Finance Corporation or aid agencies working on these deals (such as the United States Agency for International Development) can also supply information.

Qualitative information can supplement quantitative data. Case studies and examples of successful instances of donor collaboration to strengthen subnational finance and lessons learned would be useful and desirable. In that context, the United Nations Department of Economic and Social Affairs is collaborating closely with the United Nations Capital Development Fund on a series of regional expert consultations, with the objective to improve and strengthen international cooperation on municipal finance in support of the SDGs. In addition, the Task Force can call on case studies and examples drawing, among others, from the Multilateral Investment Guarantee Agency and national, regional and multilateral development banks.

In terms of the financial health of subnational entities, there is insufficient data available at the global level that would allow for a comprehensive assessment. Efforts are underway to fill some of these data gaps. For example, the United Nations Human Settlement Programme is currently working with the Lincoln Institute of Land Policy to design a Global Municipal Database. The project is facing some major challenges, however, including the lack of access to or availability of city level data in general, standardization problems, limited information on revenue sources and other data irregularities. While there is a lack of global data on financial health at the subnational level, case studies could focus on certain aspects of the financial health of subnational authorities, such as: characteristics of grant finance from the central government to subnational entities, implementation of e-government at the subnational level, effectiveness of public financial management at the subnational level (for example capital plans, tracking of land value, local asset inventories, subnational entity financial statements), and the financial sustainability of subnational entity finance (for example cash flow, fiscal space or other indicators).

In terms of the non-financial policy commitments contained in the Addis Agenda, such as on resilience, risk management and urban planning, many of these commitments relate to agreements made in Sendai as part of the Sendai Framework for Disaster Risk Reduction. An open-ended intergovernmental expert working group on indicators and terminology relating to disaster risk reduction established by the United Nations General Assembly (A/RES/69/284) is developing a set of indicators to measure global progress in the implementation of the Sendai Framework. The indicators under the SDG include: *11.b.1 proportion of local governments that adopt and implement local disaster risk reduction strategies in line with the Sendai Framework for Disaster Risk Reduction 2015-2030* and *11.b.2 number of countries with national and local disaster risk reduction strategies*. While no global mechanisms yet exist to track the sustainability of urban infrastructure, or the pervasiveness of urban planning that incorporates sustainable development dimensions, case studies could highlight best practices in these regards from certain national or subnational contexts.