

The Role of ODA for the Tax Reform in ASEAN's DRM

December 2023

Younghoon Yoon, Huiyeon Kwon, Dawa Chang



The Role of ODA for the Tax Reform in ASEAN's DRM

December 2023

Younghoon Yoon, Huiyeon Kwon, Dawa Chang



Contents ■ ■ ■

I. Introduction	9
1. Background	9
2. Term Definition	12
3. Objective and Methods	13
II. DRM in ASEAN	14
1. Recent Economic Situations in ASEAN	14
2. Overview of DRM and Tax Reform in ASEAN	15
3. DRM ODA	17
III. Case Study of Vietnam	23
1. Background	23
1) Trend of Tax Revenue in Vietnam	23
2) DRM ODA conducted in Vietnam	27
2. Longitudinal Comparative Analysis	28
1) DRM ODA & Tax Reform in 1990s	28
2) DRM ODA & Tax Reform in 2000s	33
3) DRM ODA & Tax Reform in 2010s	39
3. Results and Implications	42
IV. Case Study of Philippines	47
1. Background	47
1) Trend of Tax Revenue in Philippines	47
2) DRM ODA conducted in Philippines	47

Contents ■ ■ ■

2. Longitudinal Comparative Analysis	50
1) DRM ODA & Tax Reform in 1990s	50
2) DRM ODA & Tax Reform in 2000s	54
3) DRM ODA & Tax Reform in 2010s	58
3. Results and Implications	65
V. Conclusion and Implication	69
References	71

List of Tables

<Table I-1> Four types of development finance	13
<Table II-1> Recent tax reform agendas by country	16
<Table II-2> Leading recipient of DRM ODA in ASEAN (2015-2021)	20
<Table II-3> Leading donors for DRM ODA (2015-2021)	21
<Table II-4> Major DRM ODA projects in ASEAN	22
<Table III-1> Major tax/administration reforms in Vietnam	25
<Table III-2> Vietnam's Tax Revenue by Tax Type	26
<Table III-3> USD disbursement of DRM ODA in Vietnam	28
<Table III-4> List of law enacted in the first tax reform	31
<Table III-5> Project components of TAMP	34
<Table III-6> VAT indicators of Vietnam & ASEAN countries (2007)	36
<Table III-7> Project components of E-Invoice Program by Korea	41
<Table III-8> Longitudinal summary of DRM ODA & tax reforms in Vietnam	44
<Table IV-1> Main donor for DRM ODA in Philippines	50
<Table IV-2> Project components of NPSTAR	55
<Table IV-3> Project Components of RARP	59
<Table IV-4> ADB Project Components	59
<Table IV-5> KOICA Project Components	61
<Table IV-6> Longitudinal summary of DRM ODA & tax reforms in Philippines	66

List of Figures

[Figure I-1] Discussions on ODA for DRM and tax reform	10
[Figure I-2] GDP per capita and GDP of ASEAN countries, 2022	11
[Figure II-1] ASEAN portion of whole DRM ODA (2015-2021)	18
[Figure II-2] DRM ODA by region	19
[Figure III-1] Revenue and Tax to GDP ratio	24
[Figure III-2] Tax to GDP ratio of Vietnam and ASEAN	26
[Figure III-3] Chronological chart of DRM ODA & tax reforms (1990s)	32
[Figure III-4] Change in Tax Revenue Structure between 2000 & 2010	38
[Figure III-5] Tax Revenue and Tax Revenue Growth Rate	43
[Figure IV-1] Tax to GDP ratio – Philippines & ASEAN	48
[Figure IV-2] USD disbursement for DRM ODA in Philippines	49
[Figure IV-3] Chronological chart of DRM ODA & tax reforms (1990s)	53
[Figure IV-4] Chronological chart of DRM ODA & tax reforms (2010s)	64

Acronyms/Abbreviation

AAAA	Addis Ababa Action Agenda
ACTS	Action-Centered Transformation Program
ADB	Asian Development Bank
AMS	ASEAN Member States
ASEAN	Association of Southeast Asian Nations
ATI	Addis Tax Initiative
BIR	Bureau of Internal Revenue
BOC	Bureau of Customs
BPR	Business Process Reengineering
CAS	Country Strategy Assistance
CIT	Corporate Income Tax
CREATE	Corporate Recovery and Tax Incentives for Enterprises
CRS	Creditor Reporting System
DoF	Department of Finance
DRM	Domestic Revenue (Resource) Mobilization
e-LAMS	Electronic Letter of Authority Monitoring System
EIS	Enterprise Information System
ERAP	Economic Recovery Assistance Payment
ETS	Excise Taxpayers Service
GDC	General Department of Vietnam Customs
GDP	Gross Domestic Product
GDT	General Department of Taxation
GTP	Global Tax Program
HR	human resources
IBRD	International Bank for Reconstruction and Development
ICT	Information and Communication Technology
IMF	International Monetary Fund
ISP	Information System Planning

Acronyms/Abbreviation

IT	Information Technology
ITAIS	Integrated Tax Administration Information System
ITS	Integrated Tax System
JICA	Japan International Cooperation Agency
KOICA	Korean International Cooperation Agency
KSP	Knowledge Sharing Program
LT(s)	Large Taxpayers
LTS	Large Taxpayers Service
MCC	Millennium Challenge Corporation (The United States)
MTPDP	Medium Term Philippine Development Plan
MTRS	Medium-Term Revenue Strategy
NPSTAR	National Program Support for Tax Administration Reform
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
ORUS	Online Registration and Update System
PFM	Public Finance Management
PFMRI	Public Financial Management Reform Initiative
PIT	Personal Income Tax
RARP	Revenue Administration and Reform Project
RATE	Run After Tax Evaders
RELIEF	Reconciliation of Listings for Enforcement
RIPS	Revenue Integrity Protection Service
SDGs	Sustainable Development Goals
SECO	Swiss official development assistance
SEDS	Socio-Economic Development Strategy
Sida	Swedish International Development Authority
SOE	State-Owned Enterprises
TA	Technical Assistance

Acronyms/Abbreviation

TAMP	Tax Administration Modernization Project
TCP	Tax Computerization Project
TIS	Tax Information System
TIT	Training for Trainer
TRAIN	Tax Reform for Acceleration and Inclusion
TRCMS	Tax Rulings and Case Management System
USAID	United States Agency for International Development
VAT	Value Added Tax

I

Introduction

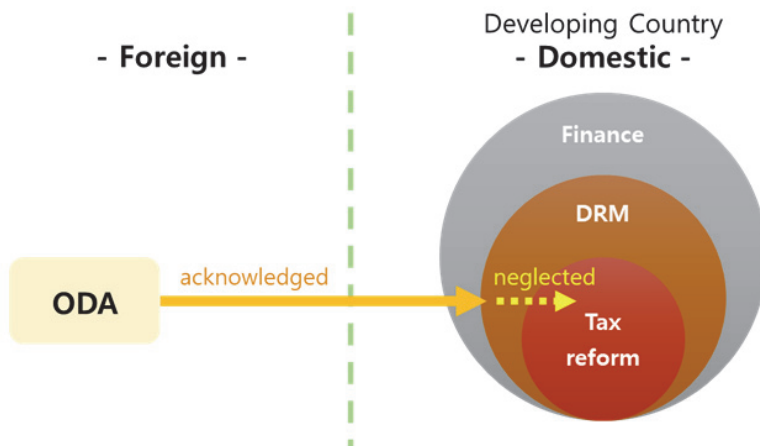
1 Background

Financing for sustainable development is critical to developing countries, laying the foundation for public investments and sustainable economic growth. The international community has consistently recognized the importance of issues on financing and continued the discussions through significant milestones such as the Monterey Declaration in 2002 (United Nations, 2002), the Doha Development Finance Conference in 2008 (Assembly, 2008), and the Addis Ababa Action Agenda (AAAA) in 2015 (Agenda 2015). These collective discussions underscore the importance of allocating and mobilizing resources to promote economic growth. Through these international discussions, the concept of Domestic Revenue (or Resource) Mobilization (DRM) has been established to encompass how nations generate financial resources, including tax and non-tax revenues and other internal means. DRM is vital in strengthening countries' self-reliance while diminishing their dependence on external financing sources.

Since most domestic financial resources come from tax revenue, the discussions on DRM focuses on expanding tax revenue and having an appropriate tax system. Establishing the foundation for tax systems through tax policy reform and seeking a diverse and hidden tax base is critical for developing countries to be financially independent.

Furthermore, donor support through Official Development Assistance (ODA) holds a significant role in enhancing DRM by narrowing financing gaps and catalyzing targeted investments for recipient countries. International development partners also acknowledge the value of ODA for DRM, as seen in discussions at the AAAA and the establishment of the Addis Tax Initiative (ATI). ATI brought together 74 countries of donors and recipient to collaborate on DRM issues. However, despite the significant role of tax policy reform (hereafter referred to as 'tax reform') in DRM, there is little discussion on the role and value of ODA for tax reform. Also, it is hard to collect the specific data regarding ODA for tax reform. Figure I-1 shows the relationship between financing, DRM, and tax reform in developing countries, as well as the discussion on ODA for DRM and the absence of further discussion on ODA for 'tax reform.'

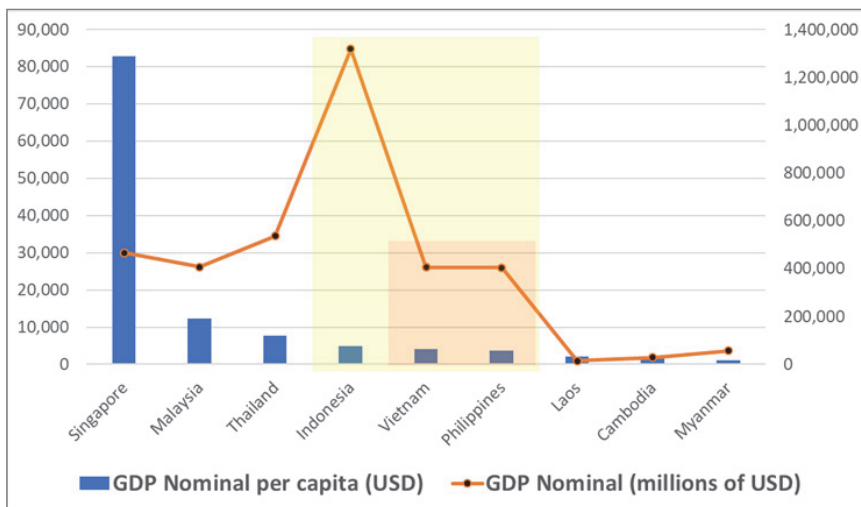
[Figure I-1] Discussions on ODA for DRM and tax reform



Sources: Author

In this regard, this study will empirically investigate the potential contributions of ODA for DRM (hereafter referred to as 'DRM ODA') to tax reform in developing countries using Vietnam and the Philippines in the ASEAN region as case studies. First of all, the ASEAN region is distinguished by its rapid economic reform and growth in a shorter period compared to other developing regions supported by aid and ODA projects. Among the ASEAN countries, Vietnam and the Philippines were chosen primarily because they belong to the mid-range group based on GDP per capita within ASEAN. The reason for selecting mid-range ASEAN countries based on GDP per capita is to minimize bias towards extremes, considering a wide range of economic characteristics of ASEAN countries. Indonesia could also be identified part of the mid-range group, but it was excluded due to its economic size. The total GDP of Indonesia is more than three times that of Vietnam and the Philippines and holds the top position among ASEAN countries. Consequently, Vietnam and the Philippines were ultimately chosen as the cases for this study as shown in Figure I-2.

[Figure I-2] GDP per capita and GDP of ASEAN countries, 2022



Sources: IMF

In Vietnam, while the scale of DRM ODA support wasn't extensive, the focus of the ODA projects were concentrated on aid for electronic tax systems. Vietnam has effectively embraced ODA aligned with government demands and engaged in capacity development programs through various national and international bodies to learn from advanced global practices, following its economic liberalization policy, 'Doi-moi.'

In the case of the Philippines, it stands as the fourth-largest recipient of ODA for DRM globally. According to the ODA deliverable, the Philippines has actively utilized ODA for domestic tax law reforms and the development of electronic tax systems, while a balanced approach to ODA activities in tax legislation and tax administration was pursued, resulting in highly successful project outcomes.

2 Term Definition

Although there is no agreed-upon definition of financing for development, it can be comprehensively defined as the mobilization and allocation of financial resources to support sustainable development initiatives at the national and global levels (Park and Oh, 2015). It encompasses various sources of financing, including domestic resources, international public finance, private investments, ODA, remittances, and innovative financing mechanisms. In this regard, as Table I-1 shows, development finance can be categorized into four types based on the origin of the funds and whether they are sourced from the public or private sector: domestic public resources (revenues), international public resources, domestic private resources, and international private resources (Park and Oh, 2015).

Among the various types of development finance, domestic public resources (hereafter referred to as 'domestic revenue'), which this study focuses on, include not only tax revenues but also any available funds for government actions, such as fees on natural resource extraction, rent, tariffs, and other levies on the trade of goods.

〈Table I-1〉 Four types of development finance

source \ origin	International	Domestic
Public	International public resources	Domestic public resources
Private	International private resources	Domestic private resources

Sources: Park and Oh, 2015

In this study, The term ‘DRM ODA’ refers to a project to expand overall domestic public resources, and the term ‘DRM ODA for tax reform’ refers to a project to expand domestic tax revenue specifically. Particularly, this study tries to deal with the tax revenue and tax reform within the context of DRM.

3 Objective and Methods

This study aims to empirically figure out the potential contributions of ‘DRM ODA’ to tax reform, which plays a significant role in DRM in developing countries.

To achieve this objective, first, the study will outline the recent trends in DRM, tax reform, and DRM ODA within the context of ASEAN countries. Following this sectors, the study investigates the role that DRM ODA has played in Vietnam and the Philippines to diachronically compare DRM ODA projects with the history of tax reforms in each country for examining the potential impacts of DRM ODA on tax reform. Lastly, this study aims to synthesize the findings to offer insights and recommendations applicable not only to ASEAN countries but also to other developing countries across the globe.

II

DRM in ASEAN

1 Recent Economic Situations in ASEAN

When the global landscape was rocked by the COVID-19 pandemic, the ASEAN Member States (AMS) were no exception. The pandemic severely impacted their economic activities and threatened growth prompting the AMS across the region to initiate various measures to mitigate the pandemic's impact. These measures ranged from tax breaks and targeted subsidies to moratoriums on loan payments. The ASEAN Central Banks adopted strategies like reducing interest rates and buying government bonds. The potential long-term economic consequences of the pandemic urged ASEAN to consider policies like preserving the economy's productive capacity, maintaining supply chains, and leveraging digital trade technologies, among others.

The pandemic saw business and consumer confidence receding across the ASEAN region. To respond, AMS rolled out fiscal initiatives amounting to 318.2 billion USD, equivalent to 10.1% of ASEAN's 2019 GDP.¹⁾ Much of this was channeled to strengthen healthcare and support households. Amidst uncertainties, strategic economic interventions became paramount for AMS to ensure growth.

Post-pandemic, new technologies and business models emerged, changing the way transactions were processed and further accelerating the adoption of

1) ADB Strengthening Domestic Resource Mobilization in Southeast Asia

e-commerce and digital payments. It became vital for ASEAN to understand these shifts, ensuring regulations while fostering an environment ripe for innovation. This included investment in ICT infrastructure while prioritizing the cyber security of data systems. Additionally, the region began emphasizing the circular economy as a sustainable development strategy. While still budding within the ASEAN economic community, it is expected that the circular economy will promise resilience.

2 Overview of DRM and Tax Reform in ASEAN

Understanding DRM is important for achieving efficient fiscal planning, effective budgeting, and ensuring economic stability. As aforementioned, tax revenue is pivotal in funding essential public services, facilitating infrastructure development, and implementing poverty alleviation programs.

In the ASEAN region, nations showcase a broad spectrum of economic profiles, ranging from advanced economies such as Singapore to emerging markets like Myanmar. Consequently, the maturity and effectiveness of DRM strategies differ significantly across these countries. Nevertheless, a majority of ASEAN nations have been increasingly focusing on broadening their tax base and have implemented reforms to enhance tax compliance and administration. Recent tax reform strategies introduced across ASEAN countries²⁾ aim to achieve eight primary objectives:

1. Increase tax revenue
2. Broaden tax base
3. Digitalization
4. Regulatory Reforms (e.g. Job creation, investment attraction)
5. Sustainability (e.g. Carbon Tax)
6. Enhance compliance & administration

2) Brunei is excluded from analysis due to lack of data.

- 7. Modernize tax policy
- 8. Fair-treatment (e.g. Gender equality, social justice)

(Table II-1) Recent tax reform agendas by country

ordered descendingly by GDP per capita from left

<input type="checkbox"/> <input type="radio"/>	SGP	MYS	THA	IDN	VNM	PHL	LAO	KHM	MMR
IR		✓	✓	✓	✓	✓		✓	✓
BB		✓		✓	✓				✓
D	✓		✓	✓	✓		✓		
RR	✓	✓		✓	✓	✓		✓	
S	✓	✓	✓	✓	✓	✓			
C&A	✓			✓	✓		✓	✓	✓
MP		✓		✓			✓	✓	✓
FT	✓		✓	✓		✓			

- Country codes (ISO 3166-1 alpha-3) for ASEAN nations:
 - SGP: Singapore
 - MYS: Malaysia
 - THA: Thailand
 - IDN: Indonesia
 - VNM: Viet Nam
 - PHL: Philippines
 - LAO: Lao PDR
 - KHM: Cambodia
 - MMR: Myanmar
- Abbreviation of agendas specified in recent tax reform plans:
 - IR: Increase tax revenue
 - BB: Broaden tax base
 - D: Digitalization
 - RR: Regulatory Reforms
 - S: Sustainability
 - C&A: Enhence compliance & administration
 - MP: Modernize tax policy
 - FT: Fair-treatment

Sources: Official Tax Reform documents from each tax authority

Table II-1 outlines the applicability of these objectives to each specific country. Most ASEAN countries share the objective of increasing tax revenues. Yet, given the wide-ranging economic profiles among these nations, the strategic direction of tax reforms differs among them. For instance, as of 2022, the tax reform of Singapore emphasizes include digitalization, sustainability, enhancing the legitimacy and convenience of tax compliance/administration, and promoting

social justice, among other priorities. Conversely, Myanmar focuses on increasing tax revenue, broadening its tax base, improving tax administration, and modernizing its tax policy. In addition, when ASEAN countries are ranked in descending order based on GDP per capita, the top three countries share a common objective of pursuing sustainability, while the bottom three countries primarily focus on improving tax administration and modernizing their tax policies.

Despite of the efforts for tax reform, however, many ASEAN countries encounter challenges in expanding their DRM scope due to limited tax bases, and the efforts to widen the tax base are often complicated further by the substantial size of their informal economy. Additionally, the limited infrastructural development in these nations hinder efficient resource mobilization. In terms of tax compliance, inconsistent tax policies, combined with weak enforcement, lead to significant tax evasion and avoidance. Furthermore, global economic volatilities present another challenge for DRM in the region. External economic shocks, including global recessions, the COVID-19 pandemic, and the recent Russia-Ukraine war, have disproportionately and adversely affected the DRM initiatives of many ASEAN nations.

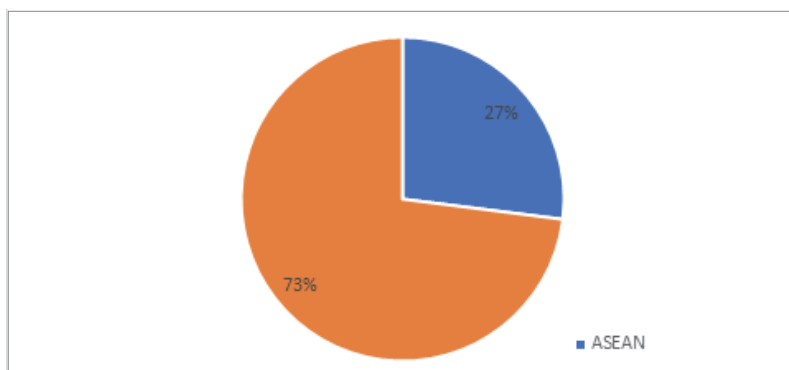
3 DRM ODA

Developing countries often face challenges in implementing comprehensive tax reforms due to resource limitations and technical expertise gaps. International cooperation can help these challenges by providing the necessary financial support and technical assistance required to design and implement effective tax systems. The international community's support for DRM enhancement has persisted for an extended period and remains active today.

In supporting for DRM of developing countries, donors play a crucial role in tax reform projects through various means. Financial support enables the implementation of reforms by investing in building master plan, technical assistance, data systems management, and capacity building for public servants.

In this regard, within the broader area of support for core public sector services, including civil-service and judicial reform, tax reform is considered one of the most effectively supported areas.

[Figure II-1] ASEAN portion of whole DRM ODA (2015-2021)



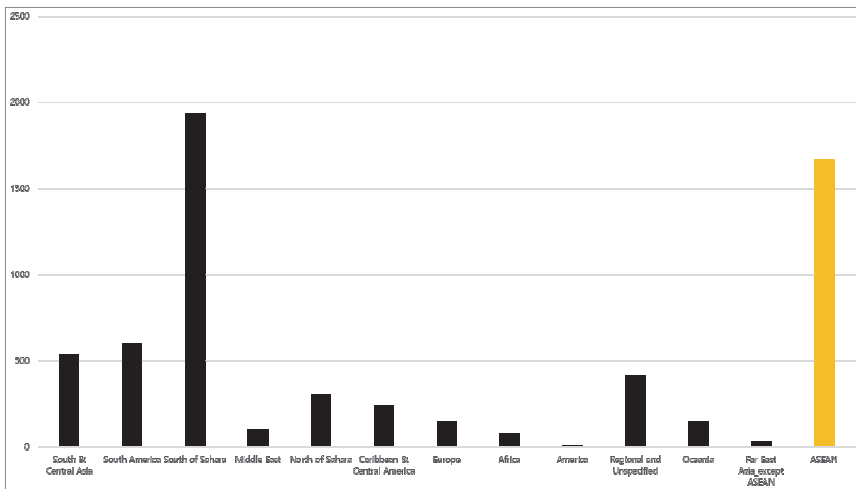
Source: OECD CRS data (reported under DRM code 15114)

As shown in Figure II-1, from 2015 to 2021, a total of 6,259 million USD in DRM ODA flowed into whole countries (OECD CRS data). Out of this, approximately 1,689 million USD were directed towards ASEAN nations, accounting for roughly 27% of the total (OECD CRS data). This indicates that the recipients in ASEAN countries hold a substantial portion, underscoring the significant share that ASEAN countries.

For reference, the ODA data were extracted from the OECD CRS with the sole purpose code of 15114, which represents DRM-related activities. Since the 15114 purpose code was first introduced in 2015, the data analysis has been conducted from 2015 onwards. Although, it might be beneficial to separately extract DRM ODA data before 2015 and include other aid purpose codes such as 15111 (Public Finance Management) and 24010 (Financial policy and administrative management) for a broader perspective and a more comprehensive analysis, this study focuses solely on the 15114 purpose code to provide a more accurate and uncontroversial analysis.

When scrutinizing the ODA data within each region like Figure II-2, it becomes evident that the South of Sahara region claimed the highest allocation, receiving approximately 1,940 million USD (OECD CRS data) in DRM ODA, thus securing the leading position among all regions. Following closely, the ASEAN region received 1,689 million USD (OECD CRS data), positioning itself as the second-highest recipient. Subsequently, South America attained the third position, while the South & Central Asia region secured the fourth rank in terms of ODA disbursement.

[Figure II-2] DRM ODA by region (2015-2021)



Source: OECD CRS data (reported under DRM code 15114)

As shown in Table II-2, Indonesia stands as the largest recipient of DRM assistance among the ASEAN countries, comprising a substantial 75% of the total ODA inflow to the entire ASEAN region (OECD CRS data). This significant portion directed to Indonesia primarily stems from the substantial disbursements under the long-term project called "Indonesia Fiscal Reform" by the International Bank for Reconstruction and Development (IBRD), amounting to approximately 700 million USD (OECD CRS data). This project aims to increase tax revenue and improve equity of the tax system and to strengthen institutions for planning;

budgeting; and fiscal transfers. Following Indonesia, the Philippines emerges as the next highest recipient, securing around 416 million USD in DRM ODA. These two nations, Indonesia and the Philippines, collectively absorb the majority of the ODA designated for DRM, with Laos, Myanmar, Cambodia, and Vietnam subsequently receiving DRM ODA in descending order.

⟨Table II-2⟩ Leading recipient of DRM ODA in ASEAN (2015-2021)

Recipient Name	USD_Disbursement (million)
Indonesia	1207.55
Philippines	416.18
Lao People's Democratic Republic	25.34
Myanmar	14.92
Cambodia	12.89
Viet Nam	10.77
Thailand	0.72
Malaysia	0.61

Source: OECD CRS data (reported under DRM code 15114)

Table II-3 illustrates disbursement amounts from various donors for DRM ODA in the ASEAN countries. Among these donors, IBRD, a constituent of the World Bank Group, has notably provided 1,275.24 million USD. IBRD's projects often encompass extensive government-led fiscal reforms or economic revitalization policies, necessitating substantial financial investments. Consequently, approximately 75% of the total funding in the region originates from IBRD, highlighting the substantial contributions made by this organization. The subsequent Donor were France, providing 224 million USD, followed by Germany with 73 million USD, and the United States with 33 million USD in funding.

〈Table II-3〉 Leading donors for DRM ODA (2015-2021)

Donor Name	USD_Disbursement (million)
International Bank for Reconstruction and Development	1275.23
France	224.77
Germany	73.21
United States	33.73
Korea	24.87
Australia	16.04
Japan	12.07
other	29.06

Source: OECD CRS data (reported under DRM code 15114)

The following Table II-4 is a compilation of significant DRM ODA projects implemented in ASEAN. Most projects exceeding approximately 1 million USD included comprehensive initiatives involving taxation reforms, public finance policy adjustments, establishment of digital systems, and capacity building endeavors. Furthermore, these projects weren't confined to a singular phase but rather evolved through multiple stages and sub-programs, fostering long-term reforms aimed at ensuring sustained progress.

〈Table II-4〉 Major DRM ODA projects in ASEAN

Countries	Project Title	Donor	USD (million)
Cambodia	Sector Reform Contract: Support to the implementation of the PFM Reform 2019–2020	EU Institutions	1.73
Indonesia	ADB: Strengthening Tax Revenue Administration at Central and Local Levels in Indonesia	Switzerland	4.28
	Fiscal and Public Expenditure Management Program (FPEMP)	Germany	56.98
	Indonesia Fiscal Reform DPL	IBRD	200.00
	Indonesia Fiscal Reform DPL 2		123.00
	Indonesia Fiscal Reform DPL 3		571.00
	Reforme Fiscale Indonesie	France	110.00
	Troisième PrPP en appui à la réforme budgétaire et fiscale en Indonésie (Eng: Third PrPP in support of budget and tax reform in Indonesia)		113.00
Lao PDR	Establishment of Tax Revenue Information System Project	Korea	19.71
Myanmar	The Public Finance Management Modernisation	UK	20.53
	Myanmar Financial Sector Development Project	IDA	3.17
Philippines	Local Government Finance and Fiscal Decentralization Reform Program, Subprogram 2	ADB	250.00
	Improving Fiscal Management	IBRD	180.00
	Philippines Emergency COVID–19 Response Development Policy Loan	IBRD	165.00
	Promoting Competitiveness and Enhancing Resilience to Natural Disasters Sub-program 2 Development Policy Loan	IBRD	36.00
	MCC Revenue Administration Reform Project	US	18.61

Source: OECD CRS data (reported under DRM code 15114)



III

Case Study of Vietnam

1 Background

1) Trend of Tax Revenue in Vietnam

Over the last three decades, Vietnam has positioned itself as a prominent emerging country in the global economy, achieving an approximate 6.5% economic growth rate through proactive market liberalization and reforms (Tuan 2012). Vietnam displayed resilience by swiftly recovering and continuing its rapid economic expansion, despite facing setbacks during the Asian economic crisis in the 1990s, the 2008 global economic crisis, and the challenges posed by the COVID-19 pandemic.

This economic performance was accompanied by significant structural transformations that were greatly influenced by DRM. Managing domestic revenue has been incredibly important from the government's perspective, given its role as one of the most potent tools for driving economic growth.

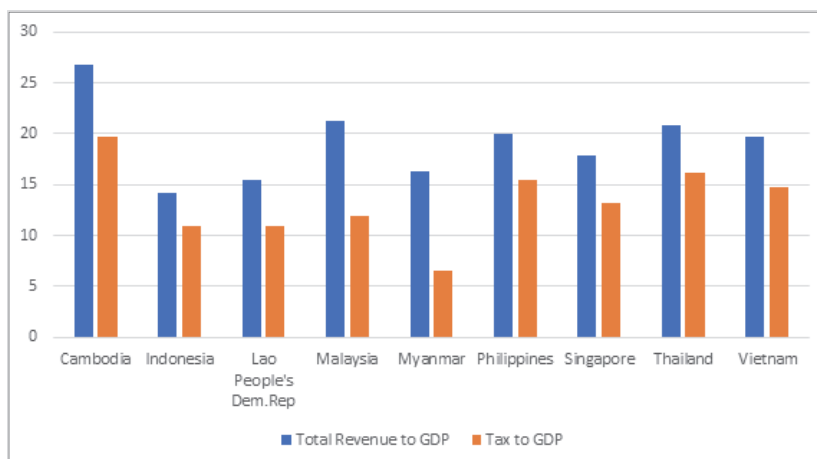
Nowadays, the Vietnamese government is facing a critical task of expanding DRM. The issue of DRM in Vietnam was initiated after the "Doi Moi," which signifies the country's substantial economic liberalization policy introduced in 1989. Before transitioning to an open economy, it was significant to establish a robust and efficient revenue system, evolving through tax reforms to secure revenue. Additionally, as Vietnam actively pursued joining regional and international trade agreements such as ASEAN and the WTO, aligning tax standards

with international benchmarks became essential.

With Vietnam's economy experiencing rapid growth, government revenue increased. However, expenditures also surged significantly in tandem, resulting in a continual expansion of the budget deficit. Consequently, the nation has consistently revamped tax policies and improved tax administration to broaden the tax base in the pursuit of entering the global market and cultivating robust fiscal discipline.

In essence, the enhancement of the tax system played a central role in broadening DRM in Vietnam, establishing the financial foundation required for continuous growth and successful integration into the global market. From 1989 to 2020, Vietnam underwent several major tax reforms, successfully modernizing its tax system. As shown in Figure III-1, Vietnam's government revenue accounted for 19.64% of its GDP, with 14.73% attributed to tax revenue as of 2021. Both ratios are higher than the average rates of other ASEAN countries.

[Figure III-1] Revenue and Tax to GDP ratio
Vietnam vs. ASEAN Average (2021)



Sources: IMF

From 1990 to 2020, Vietnam has actively undertaken various governmental initiatives aimed at increasing tax revenue and modernizing the tax system. Table III-1 compiles these efforts by the Vietnamese government, emphasizing major reforms while also highlighting numerous detailed tax law revisions.

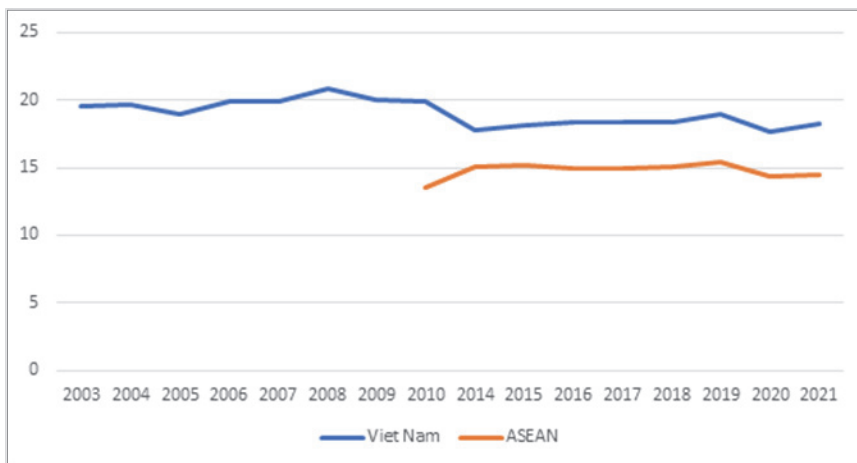
〈Table III-1〉 Major tax/administration reforms in Vietnam

Tax	Details
1 st tax reform (early 1990s)	<ul style="list-style-type: none"> ▪ Introduction of Profit Law ▪ Introduction of Excise Tax law ▪ Introduction of Turnover Tax law
2 nd tax reform (early 2000s)	<ul style="list-style-type: none"> ▪ Introduction of CIT law ▪ Introduction of VAT law
3 rd tax reform (late 2000s)	<ul style="list-style-type: none"> ▪ Introduction of PIT law ▪ Introduction of Tax Administration Law ▪ Reducing CIT rate from 28% to 25% ▪ Reforming VAT rate structure
4 th tax reform (2010s)	<ul style="list-style-type: none"> ▪ Ten-Year Tax Reform Strategy (2010–2020) ▪ Tax System Reform Strategy (2020–2030) ▪ mandatory implementation of electronic invoices (2018)

Source: Summarization by author

Through these efforts, Vietnam successfully expanded its tax revenue. As depicted in Figure III-2, following the implementation of tax reforms, Vietnam consistently witnessed an increase in total tax revenue as a percentage of GDP (hereafter referred to as 'Tax to GDP ratio'), surpassing the ASEAN average for most periods. Over the past decade, Vietnam's overall tax revenue has increased by over fourfold compared to 2010, with some sectors experiencing a surge of threefold to over tenfold in revenue as shown in Table III-2. Despite being a latecomer in substantial tax reform compared to other emerging economies, Vietnam has effectively implemented and expanded DRM by successfully diversifying and enlarging its sources of tax revenue.

[Figure III-2] Tax to GDP ratio of Vietnam and ASEAN



Source: OECD

<Table III-2> Vietnam's Tax Revenue by Tax Type

Unit: Dong, Billions

	Tax Revenue		
	2010	2020	Δ
Taxes on income, profits and capital gains	174,931	446,748	+271,817
– individuals	26,276	127,655	+101,379
– Corporate	148,655	319,093	+170,438
Social security Contribution	80,855	433,147	+352,292
Taxes on Goods and Services	289,533	664,307	+374,774
– VAT	155,022	375,649	+220,627
– Special goods and services	121,900	250,492	+128,592
other tax	1,452	918	-534
Total	546,771	1,545,120	998,349

Source: OECD

2) DRM ODA conducted in Vietnam

Before 1989, Vietnam's tax system relied on administrative decrees and regulations rather than formal laws, resulting in high unpredictability and a lack

of uniformity. Taxpayers were required to file taxes according to multiple decrees, and tax rates and collection systems were also segmented based on the payer's type (Tran-Nam, 2012). Since the tax collection ministries for these three areas were different, tax revenues were not managed efficiently, highlighting the necessity for a fair tax system.

In the early 2000s, the Vietnamese government initiated the Public Financial Management Reform Initiative (PFMRI), a medium-term program to strengthen public financial management (IMF, 2006). This comprehensive initiative focuses on reforms in five key areas: public expenditure management, public debt management, revenue management, State-Owned Enterprises (SOEs) fiscal risk management, and public asset management. Along with the PFMRI, the Vietnamese government sought cooperation of financial and technical support on this strategy from various donors, such as International Monetary Fund (IMF) and World Bank. The Vietnamese government collaborated with the IMF, which takes the lead in revenue management, and the World Bank, which leads in public expenditure management.

Japan was also one of the donors that assisted in tax reform in Vietnam in the 2000s. Based on the Country Assistance Program for Vietnam, Japan International Cooperation Agency (JICA) implemented the cooperation activities along four pillars: 1) Promotion of Economic Growth and Strengthening of International Competitiveness; 2) Improvement in Living and Social Conditions and Corrections of Disparities; 3) Environmental Conservation; 4) Strengthening of Governance (JICA, 2012). In particular, the fourth pillar of 'Strengthening of Governance,' aimed to enhance administrative capacity in Vietnam while transitioning to a market economy and decentralization. JICA implemented the "Public Financial Management" program as part of its effort, supporting various institutional reforms, including tax reforms, debt management, customs modernization, and other initiatives to bolster administration capacity.

Under this strategy and as part of the Technical Assistance (TA), JICA dispatched experts, trained local officials for capacity development, and provided equipment or financial assistance.

As shown in Table III-3, approximately 10 million USD of DRM ODA has been allocated to Vietnam from 2015 to the present, with Germany, the EU, Japan, Switzerland, and Korea being the primary contributors to this type of aid.

〈Table III-3〉 USD disbursement of DRM ODA in Vietnam

Year	USD_Disbursement (million)
2015	2,030
2016	1,567
2017	1,349
2018	2,947
2019	0,601
2020	0,999
2021	1,229

Source: OECD CRS data (reported under DRM code 15114)

2 Longitudinal Comparative Analysis

1) DRM ODA & Tax Reform in 1990s

■ DRM ODA

Sweden was the first donor to extend assistance from 1989 through 1991, when the Vietnamese government was making pivotal decisions regarding the structure and functioning of its socialist-oriented market economy. During this period, the Swedish International Development Authority (Sida) established a Country Strategy for Vietnam for the first time, with its primary objective being to support Vietnam's Doi Moi policy. This included extensive reforms in public administration, such as economic and legal sector reforms, as well as tax administration. Sweden's National Tax Board visited Vietnam in 1989, and Vietnamese delegation visited Sweden to gain insights. The cooperation of Sida aligned with Vietnam's drafting of the new Profit Tax Law. The team sought insights into Sweden's corporate tax system and its specific tax incentive policies.

Vietnam found Sweden's reliance on indirect taxes, rather than heavy dependence on Corporate Income Tax (CIT), particularly noteworthy.

Following these efforts, Sida implemented the Tax Reform Project from 1991 to 1994 (Sida, 2012). The project focused on imparting expertise in areas such as income tax, applications of the informatics system, infrastructure for informatics, improving awareness for taxpayers, and tax inspection. Additionally, Sida organized training courses, workshops, and seminars as part of this initiative.

The objectives of the project is as follows (Sida, 1993, as cited in Heij, 2007):

- Creating a coherent legislative framework for taxation in Vietnam,
- Developing and strengthening the basic structures of the tax administration, including the elaboration of the internal organization of the tax department on central, regional and district levels,
- Preparing at least one handbook for operational routines,
- Implementing pilot projects in one or two districts to test the computerization of the administration,
- Developing a comprehensive training system for staff and laying the basis for a decision on the future institutional arrangements for staff training.

The project focuses on capacity building for tax officials by transferring knowledge in tax policy and tax administrative issues, rather than primarily concentrating on establishing a master plan for tax reform or overhauling tax administration systems. Therefore, a large part of the project focused on study visits by Vietnamese delegations to Sweden and other countries, visits by Swedish experts, and seminars and workshops in connection with study visits in Vietnam. During this project, the General Department of Taxation (GDT) team conducted 12 study-visits to Sweden, involving 64 delegates, to research tax policies and tax administrative matters. The senior officials from the Vietnamese Ministry of Finance who participated in this project regarded its outcomes as highly significant (Heij, 2007).

The tax reform project was followed by a second phase from 1995 to 1997,

and a third phase from 1998 to 2000, subsequently titled "*Cooperation of the Vietnamese-Swedish Tax Administration*." In this way, Sweden emerged as the very first donor to support tax reform in Vietnam, and this cooperative relationship has endured over the years (Sida, 2012).

■ Tax Reform

As shown in Table III-4, Vietnam enacted several types of tax laws during the first tax reform. Vietnam initiated its first tax reform in 1989 with the aim of formalizing and integrating the fragmented tax administration system as well as to foster a business-friendly environment for private enterprises and diminish reliance on SOEs through tax restructuring (Heij, 2007). It prioritized fair taxation across diverse economic entities engaged in the market. This transformation played a pivotal role in Vietnam's successful shift from a centrally controlled to a market-oriented economy. During Vietnam's controlled economy phase, tax revenue predominantly stemmed from SOEs, contributing to over two-thirds of the total tax income. In 1986, taxes accounted for just over 20% of Vietnam's total revenue, while over 75% came from SOEs (Chan et al. 1999). Consequently, reducing dependence on SOEs and stimulating private market growth emerged as significant challenges for the Vietnamese government.

The first tax reform was initiated in 1989 through a resolution of the National Assembly of Vietnam, wherein nine types of tax laws were enacted. The most prominent feature of the first tax reform was the introduction of the Profit Tax. As the Profit Tax was introduced in 1990, the regulation distinguishing between state and non-state taxes was eliminated, and a common tax rate was established for all economic entities.

The introduction of the Profit Tax has led to an increase in tax revenue and played a significant role in the development of Vietnam in several ways. Firstly, the newly generated tax revenue exhibited steady growth in its share of the total tax revenue and its ratio relative to GDP. Secondly, reducing discriminatory practices among domestic enterprises has contributed to a more equitable business environment and increased transparency in taxation. Ultimately, the first common tax law applied nationwide, resulting in increased

convenience for taxpayers and a reduction in tax compliance costs.

Table III-4) List of major tax law enacted in the first tax reform

List of Law	Data of enactment
Foreign Investment Law	1987
Excise Tax law	1990,06,30
Turnover Tax law	1990,06,30
Profit Tax Law	1990,06,30
Agricultural Tax Law	1993,07
Natural Resources Tax	1990,03,30

Source: Heij, G. 2007

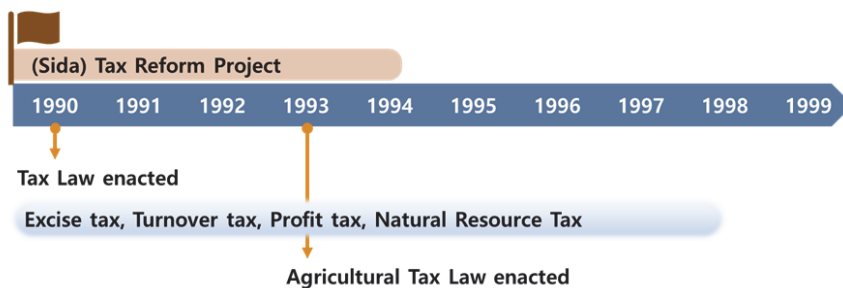
From 1996 to 2000, Vietnam started its second phase of tax reform, which included significant modifications and revisions to existing tax legislation. Although considerable progress was achieved in the first tax reform, challenges such as broadening the scope of taxation, addressing overlapping taxes, and restructuring the system were still needed to be overcome. Most importantly, with the growth of the Vietnamese economy and its deeper integration into global markets, the alignment of the CIT with international standards has become increasingly crucial.

Consequently, the second phase of tax reform included the introduction of new tax laws, such as the Law on Foreign Investment, the Law on Corporate Income Tax, the Law on Value Added Tax (VAT), and the Law on Personal Income Tax (PIT). First, enacting the CIT law replaced the profit tax, marking a significant shift in Vietnam's tax structure. The CIT law standardized corporate tax rates, consolidating disparate rates across industries into 32% for domestic companies and 25% for foreign enterprises (Yui, 2006). The streamlined tax process has fostered a more equitable corporate tax framework. After the introduction of the CIT law, continuous revisions were made. Notably, in 2004, the CIT rate was equalized for domestic and foreign enterprises and reduced from 32% to 28% in order to actively attract investment. Despite the decrease in the CIT tax rate, there

was a high increase in the profits of enterprises and investment, which had a positive impact on CIT revenue. The introduction of the VAT law replaced the existing turnover tax. The VAT law features four tiers of tax brackets: 0%, 5%, 10%, and 20% (Thanh et al. 2014).

■ Longitudinal Comparative Analysis

[Figure III-3] Chronological chart of DRM ODA & tax reforms (1990s)



Sources: Sida (2012) and Vietnamese General Department Of Taxation

The structure of tax rates incorporated into Vietnam's 1990 profit tax reforms shows that it was influenced by the knowledge gained from the visit to Sweden in 1989, as later elucidated by Vietnamese delegates (Sida, 1993, as cited in Heij, 2007).

Sweden, as the initial donor during the early stages of Vietnam's tax reform, was acknowledged for providing substantial assistance in establishing the tax system. Through this project, Sida actively promoted the principles of the tax system and reinforced the foundation of taxation through research on income tax and the application of informatics. Additionally, Sida made substantial contributions to strengthening tax administrative capabilities through various promotional activities, tax inspections, training courses, and workshops (Sida, 2012).

2) DRM ODA & Tax Reform in 2000s

■ DRM ODA

In the 2000s, the IMF provided technical assistance to facilitate the development of a comprehensive program for reforming the tax system and tax administration of Vietnam. As part of the IMF's technical assistance, the Fiscal Affairs Department team of IMF conducted approximately 15 times of Tax Self-Assessment Pilot Projects between 2000 and 2005 and provided advisory support for Tax Policy and Administration Reform for 8 times (IMF, 2006). Also, World Bank extended a Public Financial Management credit amounting to 54 million USD in collaboration with the United Kingdom (IMF, 2006). This funding aimed to establish medium-term expenditure frameworks and support the creation of a public debt database.

In 2007, Vietnam enacted the Tax Administration Law and established the basic structure of the tax administration system for the first time, signifying an important milestone in Vietnam's tax administration. During this period, the World Bank collaborated with Vietnam with the project named "*Tax Administration Modernization Project (TAMP)*" which aimed to support the GDT in strengthening its governance in tax administration and encouraging greater voluntary compliance with the tax system (Shukla et al. 2011). These objectives were pursued through initiatives to enhance the tax administration's effectiveness, efficiency, transparency, and accountability. The project consisted of 4 components as shown in Table III-5. This project is one of the largest among the DRM ODA projects implemented in Vietnam. It encompasses institutional and operational measures to achieve tax administration and also includes the establishment of Vietnam's Integrated Tax Administration Information System (ITAIS).

Table III-5) Project components of TAMP

Components	Amount (million USD)	Details
Institutional development	1.2	<ul style="list-style-type: none"> ▪ Increase transparency and accountability of the administration, and to improve the legal framework for tax administration. – Legal Framework Development and compliance Analysis. – Anti-Corruption and Stakeholder Relations – Enhancing the GDT Management Information System.
Operational modernization	8.4	<ul style="list-style-type: none"> ▪ Strengthen GDT's capacity to ensure a high level of voluntary compliance with tax systems – Taxpayer Services – Registration, Return Processing, Payments, Taxpayer, Accounting, Tax Refunds – Tax Audit and Inspection – Collection and Enforcement – Dispute Resolution
IT Development	70.3	<ul style="list-style-type: none"> ▪ Support the procurement and implementation of an Integrated Tax Administration Information System (ITAIS) – Integrated Tax Administration Information System (ITAIS) – Procurement, Installation and Testing of IT Hardware and System Software. – E-Tax Applications. – Pilot Data Warehouse
Project Management	4.4	<ul style="list-style-type: none"> ▪ Support advisory services and the necessary office infrastructure to assist a project management unit (PMU) – Project coordination, and administration – Change management

Source: World Bank, 2015

This project is meaningful in that it is closely relevant to Vietnam's tax administration strategy. In the phase of conceptualizing the project, a series of discussions were held with the MoF and the GDT to ascertain the needs and requirements of the recipient's side (Shukla et al. 2011). It ensured that the project was appropriately designed to address the needs of Vietnam's tax administration reform effectively. Additionally, compared to other donor support to enhance Vietnam's tax administration, this project allocated one of the most enormous budgets within ODA initiatives. Substantial expected outcomes were anticipated due to this considerable funding allocation, projecting significant improvements in the tax administration system.

From 2005 to 2011, JICA of Japan implemented "*The Project on Tax Administration Reform*" in Vietnam. The projects are structured into two primary components. First, diversifying taxpayer services involves establishing a dedicated task force and executing an action plan to improve these services. It includes activities such as evaluating the current status of taxpayer services, creating diverse tools like materials and brochures, and refining services for specific user groups. Second, upgrading the tax officer training system focuses on enhancing tax operations through comprehensive training programs for officers, on-the-job training initiatives, and manual development. The goal is to refine tax operations by prioritizing subjects within the Tax College curriculum, particularly in taxpayer services and tax audit, supported by staff training courses, policy revisions, and specialized manuals geared toward practical on-the-job training. Under the framework of the project, 40 staff members of the GDT and Provincial Tax Departments participated country-focused training courses in Japan each year (JICA, n.d.).

Also, the Vietnamese government, the General Department of Vietnam Customs (GDC), has collaborated in the customs sector with JICA in the 2000s. Vietnam's intention to join the WTO in 2007 made it incredibly crucial to develop and maintain a modernized customs system aligned with international standards. During this period, Vietnam was provided with appropriate staff training on customs validation, post-clearance audit, and HS classification through a project called "**Modernization and Internationalization of Customs Administration**," which was implemented in between 2004 and 2007. JICA organized in-country training courses for Vietnamese customs officers over three years, starting in 2001, totaling 33 courses with approximately 2,000 officers participating (Kumiko, 2010). Working Groups met regularly throughout the project to develop training materials and teaching guidelines in Vietnamese for the three specified fields. Subsequently, 400 copies of teaching materials for each area were printed and distributed to 33 local customs offices (Kumiko, 2010).

■ Tax Reform

Since the 2000s, Vietnam has significantly expanded its economic influence

through several trade agreements with numerous countries. In 2001, Vietnam entered into a bilateral trade agreement with the United States, joined in the ASEAN Free Trade Zone in 2006, and became a member of the WTO in 2007. Aligned with these major issues, Vietnam initiated its third major tax reform to align with the prerequisites of international integration, a move prompted by its accession to the WTO. Therefore, the third tax reform can be characterized by ongoing reductions in the CIT rates and tariffs, which are being implemented to align with the international economy to ensure competitiveness in the global market. This effort in Vietnam aims to convert lost tax revenue into other sources.

With the economic integration among ASEAN countries, the CIT rates began to competitively decrease to promote investment and create a business-friendly environment. Vietnam's CIT rate decreased to 28% through legislative changes in 2004 but was further reduced to 25% in 2008 (Shukla et al. 2011).

〈Table III-6〉 VAT indicators of Vietnam & ASEAN countries (2007)

	VAT rate	VAT collection (% of GDP)	VAT Collection (% of Household Consumption)	VAT Productivity Rate (B) / (A)	VAT Consumption Efficiency (C) / (A)
	A	B	C	D	E
Vietnam	10	5,6	8,615	0,56	0,86
Thailand	10	3,5	6,140	0,35	0,61
Philippines	10	4,5	6,250	0,45	0,63
Malaysia	10	2,2	5,116	0,22	0,51
Indonesia	10	3,9	6,000	0,39	0,60

Sources: Shukla et al. 2011

As the CIT rates and tariff revenue continued to decline, there arose a need to diversify revenue sources. The enactment of the 2007 Personal Income Tax law was successful in capturing taxes on individual income, thereby expanding of the tax base and increasing the number of taxpayers.

Moreover, a significant revenue increase was achieved through structural changes in the VAT system. This was achieved by broadening the tax base, which involved reducing the number of goods and services exempted from VAT.

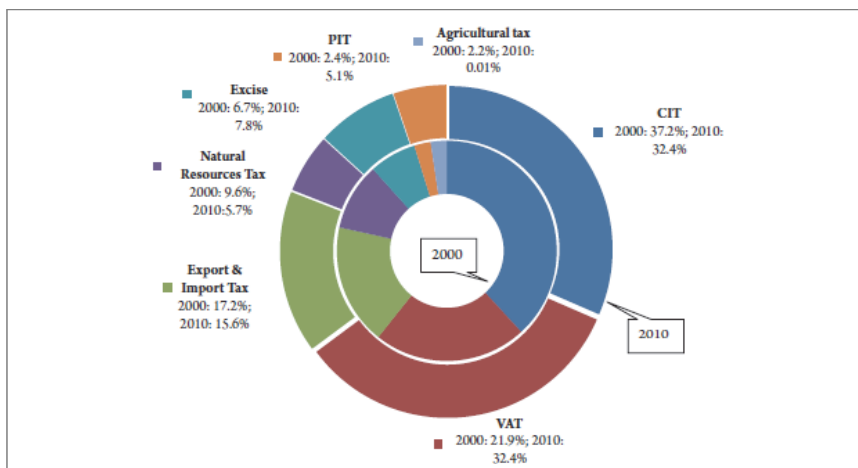
Additionally, restructuring the tax rate system played a role in this success by expanding the scope of items taxed at 10% while narrowing the scope of those taxed at 5% (Thanh et al. 2014).

The increase in VAT revenue in Vietnam can be attributed to the highly productive operation of the VAT system. As shown in Table III-6, the performance indicator of VAT during this period, referred to as VAT productivity, reached 0.56, indicating a significantly higher figure compared to other ASEAN countries. This metric underscores the effectiveness and efficiency of Vietnam's VAT system in generating revenue compared to its regional counterparts (Shukla et al. 2011).

Looking at Figure III-4, in the early 2000s, the CIT accounted for 37.2% of total tax revenue, while export and import taxes stood at 17.2%. However, by 2010, these figures decreased to 32.4% and 15.6%, respectively. Meanwhile, VAT expanded significantly from 21.9% in the 2000s to 32.4% later on.

During that period, Vietnam also introduced the "Tax Administration Law," which outlined the responsibilities of taxpayers and tax agencies. Before the enactment of the tax administration law, there were limitations within the law that stated the GDT lacked the authority to assign taxpayers a unified identification number that could be used across all tax categories. As a result, taxpayers were required to interact with various authorities to register and fulfill obligations for different tax types. Additionally, due to insufficient capacity and ineffective management, taxpayers, on average, had to complete 32 payments and spend approximately 1,050 hours meeting their tax obligations (Schreiber, 2018).

[Figure III-4] Change in Tax Revenue Structure between 2000 & 2010



Sources: Shukla et al., 2011

In response, the Government of Vietnam sought to regulate tax administration, including registration, declaration, and calculation. Notably, by enacting this law, there was a concerted effort to modernize tax administration and encourage truthful tax filing. The administrative procedures for each tax category were unified, and taxpayer self-assessment became mandatory. Additionally, GDT enabled the utilization of a single identification number for all tax types. Also, there was a significant reform in the GDP's human resources. In 2005, an additional 3,500 tax officers were employed, with most of the new workforce stationed at the headquarters in Hanoi. Moreover, 153 million USD was invested to develop facilities and infrastructure for the GDP (Schreiber, 2018).

■ Longitudinal Comparative Analysis

In the mid-2000s, as Vietnam embarked on a major tax administrative reform, the concurrent launch of the World Bank's tax project was anticipated to have a significant impact on this reform. However, the World Bank's efforts to establish

the ITAIS faced a series of challenges and did not reach a successful conclusion. Several factors contributed to this situation including delays in approval from the GDT during the ITAIS bidding process, the suspension of hiring a procurement expert, and numerous errors in the bidding documents. These issues resulted in a significantly prolonged drafting period for the ITAIS bidding documents. Consequently, the project was completed 23 months later than originally scheduled due to persistent procurement delays (World Bank, 2015). Additionally, the establishment of the World Bank's ITAIS was halted in 2014 at the request of the Vietnamese government. At that time, the Vietnamese government had developed its independent PIT-IT system, which had made significant progress. However, this led to an overlap between the PIT-IT and ITAIS operational systems, making the Vietnamese government to lose the force to continue developing the ITAIS system (World Bank, 2015). The decision to discontinue ITAIS procurement was based on the judgment that continuing would result in system duplications. At the onset of the project, there was a strong determination and alignment with the needs of the Vietnamese government. Due to frequent project delays and issues of redundancy, it eventually came to an unsatisfactory halt.

3) DRM ODA & Tax Reform in 2010s

■ DRM ODA

In the 2010s, Vietnam continued to receive DRM ODA through the "*Vietnam Tax Reform Technical Assistance*" under the World Bank's Global Tax Program (GTP) (World Bank, 2023). GTP is one of the programs of the World Bank to bolster DRM in developing nations. Since its establishment in 2018, GTP initiatives have significantly increased their impact by assisting over 50 concessional lending operations and 43 additional technical assistance projects. Vietnam received consulting on public financial and tax management from the World Bank and was funded by Swiss official development assistance (SECO). The primary goal of this project was to assist Vietnam in formulating a tax strategy and enhancing the capacity of tax administration in international taxation. Component-1 included aiding Vietnam in implementing measures to prevent tax

avoidance and bolstering tax collection of large corporations and international businesses. Component-2 aimed to assist the Ministry of Finance in shaping and refining tax policies. Meanwhile, Component-3 focused on aiding in developing the Medium-Term Revenue Strategy (MTRS), which aimed to determine the necessary internal resources to fund spending requirements and ensure overall macroeconomic stability.

In 2020, Vietnam received specific advice on e-invoices through South Korea's "*E-Invoice Implementation Support Program*." This initiative is part of Korea's Knowledge Sharing Program (KSP), which includes policy research, consultation, and training for developing countries to promote economic cooperation and to share Korea's own developmental experience (Hoon et al, 2020).

■ Tax Reform

The Vietnamese government has formulated a 10-year Socio-Economic Development Strategy (SEDS) intending to achieve a per capita GDP of 3,200 USD by 2020 and progressing towards becoming a modernized industrial nation. SEDS especially focuses on maintaining a balanced government and state budget while prioritizing improving the tax system to effectively reduce budget deficits and ensure a suitable accumulation of funds for investment capital.

Aligned with the national strategy, on May 17, 2011, the Vietnamese government approved the "Ten-Year Tax Reform Strategy," signaling a commitment to revamp the national tax system and modernize tax administration. This initiative aimed to increase tax revenues by 70% by 2015 and 80% by 2020, targeting the State budget to reach approximately 23-24% of GDP by 2015. Additionally, the focus was on modernizing tax administration to meet global standards by 2015, with more than half of enterprises utilizing electronic filing.

The comprehensive plan includes reforms across various taxes, including VAT, PIT, CIT, special consumption taxes, import-export taxes, environmental taxes, mineral and land use rights fees, and agricultural land duties. Moreover,

the strategy emphasized simplifying tax procedures and related processes for the convenience of taxpayers and tax authorities. A nationwide taxpayer database was established to improve efficiency by utilizing, leveraging information technology for development and application.

Additionally, on September 12, 2018, the Vietnamese government issued Decree No. 119/2018/ND-CP, introducing the system of electronic invoices (e-Invoices) and providing regulations for their use in the sale of goods and provision of services³⁾. Sellers are now required to issue e-invoices when selling goods or providing services, regardless of the transaction's value whether they possess a code provided by tax authorities or not.

■ Longitudinal Comparative Analysis

〈Table III-7〉 Project components of E-Invoice Program by Korea

Components	Details	Target	Achievement
Providing BPR/ISP consultation on e-taxation in the Philippines	1.1 Whether final report on consultation has been filed	100%	100%
Establishing a tax administration system for issuing and collecting e-receipts and invoices	2.1 Whether a tax administration system for issuing and collecting e-receipts and invoices has been created	100%	100%
	2.2 Whether necessary materials, equipment, and server room have been provided/established	100%	100%
	2.3 Whether new system has been connected with the systems of 100 LTs	100%	100%
Capacity-building for tax administration bureaucracy	Numbers of participants of online training sessions and workshop	24	45/training 125/workshop
	Satisfaction score of online training and workshop participants	3.5 or higher/5.0	4.5/5.0
	3.3 Whether, and how many times, training has been provided for system administrators and users	4 times	At least 4 times

Source: Hoon et. al., 2020

3) Government of Vietnam, 『Decree No. 119/2018/ND-CP』

Vietnam enacted a law on e-invoices in 2018, mandating the issuance of electronic invoices for all transactions involving goods and services. However, the Vietnamese government was grappling with challenges stemming from the high initial costs associated with implementing the e-invoice system, limited IT infrastructure, and the financial constraints faced by small and medium enterprises in adopting new technology. During this period, Cao Anh Tuan, the Director of Vietnam's Tax Department, contacted Kim Hyun-Jun, the Head of South Korea's Tax Agency, seeking assistance with the electronic invoice system. The Korean government responded positively and implemented the projects to share its expertise on electronic tax systems with Vietnam (Hoon et al, 2020).

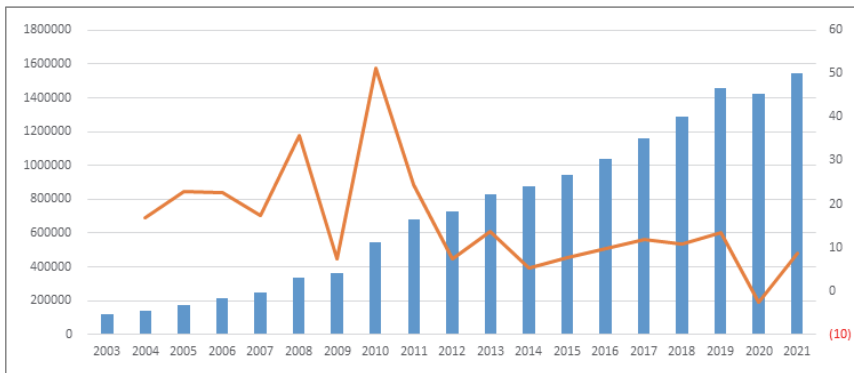
The project included a comprehensive approach to enhance the tax administration for Vietnam's GDT. The process began with an in-depth environmental analysis of Vietnam's tax laws and systems, which included interviews with key decision-makers and surveys supported by recipient institutions. Lessons from South Korea's experience were also applied to Vietnam's national policies, focusing on areas such as the e-invoice system, VAT administration, and tax operational procedures. Additionally, the project included online training through training courses, covering economic growth, electronic tax system development, and non-cash transaction promotion. Expert-led video modules provided valuable insights for selected trainees, ensuring a comprehensive understanding of the e-invoice system's operation and management. As shown in Table III-7, the project achieved significant results in all components from establishing the BPR/ISP system for e-taxation to establishing tax administration for e-investment and capacity building.

3 Results and Implications

Vietnam embarked on tax reform relatively later compared to other ASEAN countries, but it swiftly and successfully increased its tax revenue. From 120,247 billion Vietnamese dong in 2003, the tax revenue surged to 1,545,120 billion dong in 2021, marking a growth of over tenfold. Additionally, except for the year 2020 when the COVID-19 pandemic struck, the tax revenue of Vietnam

continued to increase rapidly for nearly 20 years as shown in Figure III-5 (OECD, 2023).

[Figure III-5] Tax Revenue and Tax Revenue Growth Rate



Sources: OECD stat (Details of Tax Revenue – Vietnam)

Note: The bar graph represents Vietnam's tax revenue in Vietnamese Dong (left axis), while the line graph illustrates the growth rate of tax revenue (right axis).

Vietnam's tax-to-GDP ratio has hovered around 20% since 2003 and maintained an average of 18% in the 2010s. Considering the ASEAN average is 15%, Vietnam demonstrates a tax-to-GDP ratio higher than the regional average. This signifies that Vietnam has a relatively higher ratio of tax revenue to its GDP compared to neighboring countries as shown in Figure III-2. These achievements in tax reform are particularly noteworthy when compared to many other developing countries, several of which have higher income per capita than Vietnam.

One of the factors contributing to Vietnam's successful tax reform can be attributed to international support. During the 21st century, the DRM ODA was provided by several international donors, including the World Bank, Sida, and SECO. It signifies the strategic allocation of donor country assistance in Vietnam's tax reform process, underscoring the significant impact of ODA on Vietnam's successful DRM enhancement. Especially during Vietnam's tax reform, advisors from donor countries played a role in developing

Vietnam's tax legislation. Their contributions were instrumental in not only enacting but also amending tax laws within the country.

Furthermore, applying policies learned from abroad to Vietnam's tax reform proved instrumental in facilitating significant tax law revisions. These efforts continued into the 2010s, in coordination with JICA, Germany, and EU, and conducted various training programs in taxpayer service and tax operation. Especially, as the country that has conducted the most capacity-building programs for Vietnam, Korea has been consistently engaged in these efforts since the mid-2000s. Korea has implemented programs to enhance the capabilities of Vietnamese government officials in the field of taxation. These initiatives have expanded beyond short-term training to encompass medium and long-term programs, including degree-granting programs. Table III-8 summarizes longitudinal lists of DRM ODA projects conducted and tax reforms processed in Vietnam from early 1990s to 2010s, contrastively.

〈Table III-8〉 Longitudinal summary of DRM ODA & tax reforms in Vietnam

Period	ODA Assistances	Major Tax reform
1990s	<ul style="list-style-type: none"> ▪ (Sweden) Tax Reform project 1 phases (1989–1991) ▪ (Sweden) Tax Reform project 2 phases (1995–2000) ▪ (Sweden) Cooperation of the Vietnamese–Swedish Tax Administration (1998–2000) 	<ul style="list-style-type: none"> ▪ Introduction of Profit Law ▪ Introduction of Excise Tax law ▪ Introduction of Turnover Tax law
2000s	<ul style="list-style-type: none"> ▪ (IMF) Technical Assistance ▪ (World Bank) Tax Administration Modernization Project(TAMP) (2007–2015) ▪ (JICA) 「The Project on Tax Administration Reform」 (2005–2011) ▪ (JICA) 「Modernization and Internationalization of Customs Administration」 	<ul style="list-style-type: none"> ▪ Introduction of CIT law ▪ Introduction of VAT law

〈Table III-8〉 continued

Period	ODA Assistances	Major Tax reform
2010s	<ul style="list-style-type: none"> ▪ (GIZ) Ecological fiscal reform in Vietnam ▪ (World Bank/Swiss) Vietnam Tax Reform Technical Assistance (2018~) ▪ (Korea) Project to Establish and Support the Vietnamese e-Invoice System Operation Improvement Plan (2020–2021) 	<ul style="list-style-type: none"> ▪ Introduction of PIT law ▪ Introduction of Tax Administration Law ▪ Amendment of CIT, VAT, PIT, etc.

Source: Summarization by author

In the early 1990s, one of the primary focuses was to reduce Vietnam's reliance on CIT and operate a more effective VAT. Vietnamese government gained insights from Sweden's advisors and applied it to restructuring the tax system. Afterward, Vietnam received advice on tax and fiscal policy from several donors and tried to make a more sustainable taxation framework.

Also, Vietnam's tax reform project primarily focused on tax administration. While maintaining authority over the establishment and revision of tax laws, the Vietnamese government sought assistance from ODA in focusing on specific sectors of Vietnam's tax operation, such as tax administration or digitalization of the tax system. The ODA disbursement benefited in establishing regulations and compliance standards for tax administration and in areas such as taxpayer registration, filing, and delinquency management.

Among the several DRM projects executed in Vietnam, the World Bank's TAMP project and Korea's E-Invoice Implementation Support Program project stood out as significant contributors to the advancement of Vietnam's tax administration among the many ODA projects. In the case of the TAMP project, Vietnam aimed to improve governance in tax administration through anti-corruption and stakeholder relations initiatives. They also enhanced human resources management by enhancing the GDT Management Information System under the TAMP project. Moreover, the TAMP project enhanced taxpayer services by improving registration, return processing, payments, taxpayer accounting, and tax refund processes. These improvements were aimed at ensuring a high level of voluntary compliance with the tax system. Furthermore,

the South Korean government assisted the Vietnamese government in deriving insights for the stable implementation and institutionalization of the Vietnamese e-invoice policy. The support included developing strategies to define the scope for the Vietnam e-invoice system, providing assistance regarding tax data analysis methods, and tracking techniques after e-invoice implementation.

However, some projects on tax administration only concluded partially satisfactorily. Various reasons led to project delays, ultimately resulting in the cancellation of the planned electronic tax system, ITAIS. One major issue was the redundancy in projects. During the execution of the World Bank's project, the Vietnamese government started and financed the development of another electronic tax system independently. The parallel projects resulted in the cancellation of the project, as they overlapped in many aspects. Therefore, when a recipient government undertakes new policies, conducting a thorough review of project content is essential to minimize duplication of existing ODA. Moreover, exercising caution through real-time communication with stakeholders is crucial for newly initiated projects to prevent redundancy in content and resources. Initiatives should be taken to promote synergy between government-led national strategies and ODA projects.

Vietnam conducted numerous capacity-building programs to learn from advanced international practices. In the early stages of tax reform, Vietnam, with the assistance of Sweden, facilitated training courses for public servants to enhance their capabilities through various workshops and seminars. In the early 1990s, during the initial stages of economic liberalization, Vietnam's tax system remained very basic compared to other developing countries. During this period, acquiring advanced international practices would have greatly aided in capacity building for Vietnamese officials.

IV

Case Study of Philippines

1 Background

1) Trend of Tax Revenue in Philippines

As illustrated in Figure IV-1, the average of the Tax to GDP ratio of ASEAN remains fairly consistent around 14% throughout the two decades starting from 2000 while the Philippines show an ascending trend. Showing up-and-down compared to the ASEAN average in the first decade, the Philippines sees an upward trajectory from around 2010. By 2013, its Tax to GDP ratio surpasses the ASEAN average and continues to extend the gap, reaching to 18% by 2020. This pronounced growth emphasizes the Philippines' enhanced capability over the years to amass tax revenues in relation to its GDP, standing out against the ASEAN average. Given the recent positive trend in the Philippines' GDP metrics, this suggests that tax revenue has grown at a pace surpassing its GDP growth, thereby elevating the ratio. Remarkably, despite the challenges of the COVID-19 crisis, the Philippines achieved this feat, a testament to the government's targeted fiscal measures designed to support recovery during these trying times of pandemic.

2) DRM ODA conducted in Philippines

Since 1965, the Philippines has been steadily advancing tax reform efforts, resulting in a significant enhancement of its tax system. This transformation

has been facilitated by the collaborative efforts of major donor countries engaged in international cooperation. Notably, the inflow of funds through ODA was essential in catalyzing tax reform initiatives within the Philippines. The Philippine government has received timely assistance from international partners in the tax reform phase, and that cooperation is still active.

[Figure IV-1] Tax to GDP ratio – Philippines & ASEAN



Sources: OECD Stat

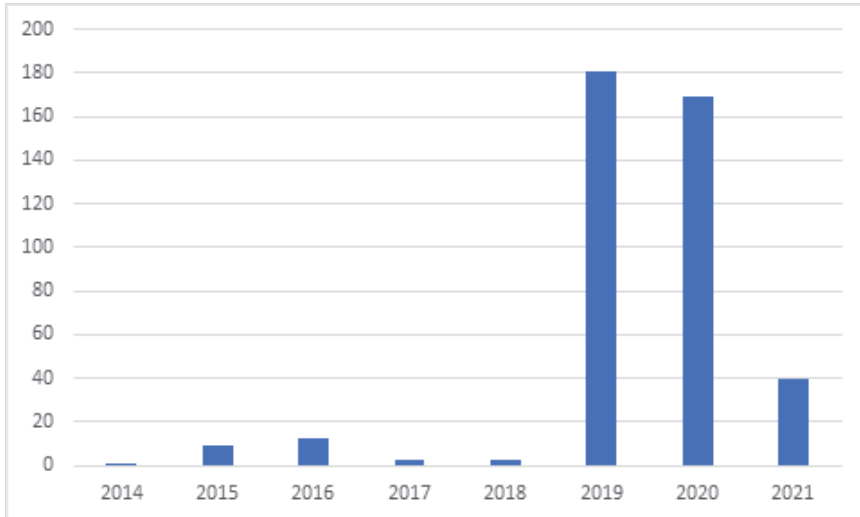
Furthermore, DRM ODA was implemented in various ways, including providing direct assistance to tax reform and enhancing domestic resources through public finance, fiscal policy, and monetary policy. Such DRM ODA projects have been instrumental in providing vital financial resources, technical assistance, and comprehensive capacity building programs aimed at fortifying the nation's tax systems.

Between 2015 and 2021, the Philippines received a total of 416 million USD in DRM ODA projects (OECD CRS data). As shown in Figure IV-2, from 2019 to 2021, there is a high spike of amount of DRM ODA, close to 400 million USD (OECD CRS data). During this period, a substantial reform called

"Improving Fiscal Management" by the World Bank was initiated (IEG Review Team, 2021), along with significant projects by the South Korean government, namely the **"Electronic Receipt and Invoice System, and Electronic Sales Reporting System"** (KOICA, 2019). Detailed analysis on contributing countries and project specifics will be discussed in the following section.

[Figure IV-2] USD disbursement for DRM ODA in Philippines

unit: million USD



Based on OECD CRS data (reported under DRM code 15114)

Table IV-1 represents the primary donor of DRM ODA in the Philippines. Especially, IBRD of the World Bank has emerged as a prominent contributor to tax reform in the Philippines, providing a substantial sum of 381 million USD. This constitutes an astounding figure, representing over 80% of the total contributions from a total of 16 countries and institutions that serve as donors to the Philippines. The second leading contributor is the United States, allocating approximately 30 million USD towards tax reforms in the Philippines. Subsequently, South Korea and Japan contributed 4.57 million and 0.4 million USD, respectively.

〈Table IV-1〉 Main donor for DRM ODA in Philippines

Donor Name	USD_Disbursement (million)
International Bank for Reconstruction and Development	381,000
United States	30,125
Korea	4,572
Japan	0,409
Australia	0,363
Türkiye	0,015
Canada	0,006
Hungary	0,004
France	0,002

Source: OECD CRS data (reported under DRM code 15114)

2 Longitudinal Comparative Analysis

1) DRM ODA & Tax Reform in 1990s

■ DRM ODA

The first international assistance for the Philippines's DRM was provided by the World Bank. At that time, the World Bank included "Sound Macroeconomics Management" as one of the objectives in their Country Strategy Assistance (CAS) for the Philippines. The goal was to achieve steady economic growth of over 5%, along with rising fiscal revenue and a reduction in domestic deficit (World Bank, 1996). Consequently, supporting tax reform in the Philippines and broadening the tax base while lowering tax evasion through a simplified system became main activities of the World Bank's CAS. In alignment with this CAS, the World Bank implemented "*Philippines Tax Computerization Project*" to support improvements in tax administration by providing technical assistance, staff training, hardware, software, and priority equipment and facilities. The project was designed in 1991 in response to a request from the government of the Philippines for technical and financial assistance in revenue collections and resource mobilization. The project was implemented from 1993

to 2000, with a total project cost of 82.30 million USD, of which 58 million USD was provided as a loan (World Bank, 2000a).

The objective of the project was to digitalize tax-related processes that were previously reliant on paper-based methods, provide training for 8,500 staff members to smoothly transition to the new digital system, make tax administration more efficient, accelerate the processing and collection of revenues, and improve the access and auditability of tax records (World Bank, 2000a).

The project executed into 3 pillars:

- (1) Computerization of the Bureau of Internal Revenue (BIR) Tax Administration System
- (2) Computerization of the Bureau of Customs (BOC) Customs Administration System
- (3) Institutional Strengthening for BIR and BOC staff to operate and sustain the new computer systems.

■ Tax Reform

In the new regime starting from 1992, the BIR marked a significant milestone by launching the Action-Centered Transformation Program (ACTS)⁴ with an eye on achieving a transformative vision. This holistic initiative aimed to realign the entire organization, ensuring that every facet was directed towards its foundational vision and mission. Just a year later, another major stride was taken with the rollout of the Tax Computerization Project (TCP) in 1994 (World Bank, 2000b). This ambitious five-year endeavor focused on instituting a computerized Integrated Tax System alongside developing an Internal Administration System that would be a beacon of efficiency and technological prowess.

The Philippines' government continued the modernization and innovation projects, and it was strategically designed to bolster the capabilities of the newly established computerized system. In 1998, there was a big step to set the stage

4) BIR History by Bureau of Internal Revenue,
<https://www.bir.gov.ph/index.php/transparency/bir-history.html>

for the introduction of the Economic Recovery Assistance Payment (ERAP) Program⁵⁾ which was a strategic attempt to enhance taxpayer compliance by granting immunity from audits and investigations to those taxpayers who augmented their tax contributions by 20% compared to their contributions in the prior tax year.⁶⁾ The program was applied for categories such as income tax, VAT, etc.

Recognizing the importance of cultivating a culture of transparency and accountability among consumers and taxpayers, the Philippines government launched the "*Humingi ng Resibo, Manalo ng Libo-Libo*" raffle campaign in 1999 (NTRC, 2014). This initiative was designed to incentivize the public to consistently demand official sales invoices and receipts, thereby ensuring a more traceable and verifiable system of transactions. One of the flagship initiatives during this period was the strategic utilization of tax computerization throughout the tax administrative operations, a move that aimed to modernize and streamline the entire tax process. Additionally, there was a concerted effort to expand the scope of the electronic Documentary Stamp Tax metering machines. A Compromise Settlement Program was also unveiled, a solution-oriented approach that targeted taxpayers with unresolved accounts and contentious assessments with the BIR.⁵⁾

September 1, 2000, marked a significant milestone with the establishment of both the Large Taxpayers Service (LTS) and the Excise Taxpayers Service (ETS) under EO No. 175.⁷⁾ These bodies were envisioned to supercharge the BIR's tax administration and enforcement capacities. However, the organizational landscape saw another shift on October 31, 2001, with EO No. 306⁸⁾ endorsing a merger of the ETS and LTS functions. As a response to the Electronic Commerce Act of 2000's enactment, the BIR swiftly moved to launch a comprehensive Integrated Tax System (ITS) Rollout Acceleration Program.⁹⁾ The

5) GOV.PH – Supreme Court E-Library <https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/11/38279>

6) BIR History by Bureau of Internal Revenue, <https://www.bir.gov.ph/index.php/transparency/bir-history.html>

7) GOV.PH – Official Gazette, Executive Order No. 175 <https://www.officialgazette.gov.ph/1999/11/03/executive-order-no-175-s-1999/>

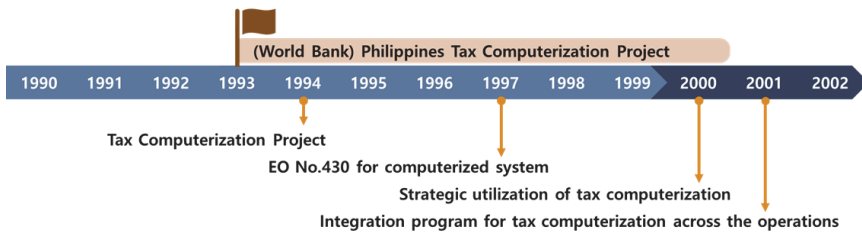
8) GOV.PH – Official Gazette, Executive Order No. 306, s. 2000 <https://www.officialgazette.gov.ph/2000/10/31/executive-order-no-306-s-2000/>

core of the program laid in its ambition to seamlessly integrate tax computerization across the tax authorities, with several back-end systems being incrementally introduced in areas such as Revenue Region 8 – Makati City and the LTS.

■ Longitudinal Comparative Analysis

As Figure IV-3 shows, the impact of DRM ODA on tax reforms in 1990s is obviously observed in the case of the Philippines.

[Figure IV-3] Chronological chart of DRM ODA & tax reforms (1990s)



Sources: World Bank (2000b) and BIR History by Bureau of Internal Revenue

Through the DRM ODA projects in 1990s, the Philippines successfully changed from a paper-based tax system to a digital one, allowing taxpayers to "file anywhere, pay anywhere. The transition from a paper-based to a digital tax system not only allowed for greater convenience for taxpayers, enabling them to file and pay taxes from anywhere, but also significantly increased the efficiency and effectiveness of tax collection (World Bank, 2000a).

With the digitized system, the BIR was able to handle a much higher volume of tax payments and declarations, processing approximately 5 million tax payments annually and receiving around 8 million tax declarations on a monthly, quarterly, and annual basis (World Bank, 2000a). This streamlined process not

9) GOV.PH – Official Gazette, Administrative Order No, 188, s. 2007
<https://www.officialgazette.gov.ph/2007/08/06/administrative-order-no-188-s-2007/>

only benefits individual taxpayers but also improved customs clearance and procedures, resulting in smoother trade facilitation and a more business-friendly environment.

Furthermore, the establishment of a unit dedicated to managing large taxpayers as part of this project laid the foundation for increasing tax revenue. While it may be challenging to precisely quantify the exact impact of the project on tax revenue enhancement, it is evident that the digitalized system has led to substantial improvements. For instance, the number of erroneous reports identified by the system is significantly lower compared to the traditional paper-based method used by BIR employees. Additionally, BIR's research indicates a notable increase in revenue under the computerized system (18.6%) compared to non-computerized systems (8.5%) (World Bank, 2000a).

In summary, the DRM ODA project conducted in the 1990s played a crucial role in the initial stages of tax reform in the Philippines. By transitioning from a paper-based tax system to digitalization, it not only facilitated tax modernization but also expanded revenue sources and enhanced overall revenue generation for the country.

2) DRM ODA & Tax Reform in 2000s

■ DRM ODA

In the 2000s, the World Bank continued to actively support tax administration in the Philippines. A notable initiative during this period was the implementation of the "*National Program Support for Tax Administration Reform (NPSTAR)*" project (World Bank, 2006).

During the mid-2000s, the Philippine government identified the tax administration reform as a top priority in its Medium Term Philippine Development Plan (MTPDP) for 2004-2010 (NEDA, 2004). The primary goal of the NPSTAR project was to align with the government strategy by enhancing the efficiency of the BIR system. This initiative aimed to improve tax compliance and empower the BIR to effectively pursue the tax reform objectives set forth by the Philippine government. In alignment with these national strategies and

in response to the request of the Philippine government, the NPSTAR implemented by the World Bank from 2007 to 2011, secured a total funding of 24.1 million USD (World Bank, 2006), with contributions from various international development partners. These partners encompassed the World Bank, the United States Millennium Challenge Corporation (MCC), the United States Agency for International Development (USAID), Swedish Sida, and Australian AusAID. The details of the NPSTAR project components are shown in Table IV-2.

⟨Table IV-2⟩ Project components of NPSTAR

Components	Cost (million USD)	Details
Tax Compliance	3.59	<ul style="list-style-type: none"> ▪ A unified/integrated and comprehensive registration system with complete and up-to-date taxpayer information ▪ Increase in the number of stop-filer cases arising from erroneous/invalid registration information eliminated from registration database ▪ Increase in the number of taxpayers over estimated potential number of unregistered taxpayers
Tax Enforcement and Control	1.72	<ul style="list-style-type: none"> ▪ Increase in the number of accounts receivables (AR) settled and improved settlement process
Human Resource and Management	2.33	<ul style="list-style-type: none"> ▪ Increase in the use of performance management system (PMS) for office and staff appraisal and development
BIR Management	3.36	<ul style="list-style-type: none"> ▪ Increase in the use of output and outcome indicators in internal management reports

Source: World Bank, 2013

The NPSTAR project emerged as a timely and crucial form of support, targeting these issues and enhancing the efficiency of the tax administration system for the Philippines (World Bank, 2013), as the Philippine government faced challenges including low Tax to GDP ratios and high tax compliance costs, hindering sustainable economic development.

■ Tax Reform

After the significant events of the Second People Power Revolution in early 2001, both the regime and the BIR have changed once again. Under this new leadership, the primary aim was to transform the tax agency into a taxpayer-centric entity. Several change initiatives were launched for the following agendas.¹⁰⁾

1. Simplify the tax system, making it culturally relevant.
2. Reengineer tax processes to enhance transparency, efficiency, and simplicity.
3. Restructure the BIR to offer financial and administrative flexibility.
4. Revamp human resource policies to address taxpayers' needs more effectively.

There was a strong push to enhance the BIR's revenue generation. Significant measures included the implementation of the Voluntary Assessment Program, Compromise Settlement Program, and expanding the creditable withholding tax system. An electronic filing system was adopted to promote paperless tax returns and payments. Though there were frequent transitions in the BIR's leadership during a decade from 2001, a range of innovative systems and programs were continuously launched during the succeeding administrations, such as the Reconciliation of Listings for Enforcement (RELIEF) system¹¹⁾ to detect under-declarations of taxable income by taxpayers, electronic services expansion and enhancement of the BIR's digital infrastructure, introduction of computer-assisted audit tools, special operations targeting high-profile tax evaders, and the establishment of the BIR Contact Center. There was a nationwide initiative to address businesses in violation of regulations, an online mechanism for taxpayer feedback, and recognition of the best frontline offices for their taxpayer services.

10) BIR History by Bureau of Internal Revenue,
<https://www.bir.gov.ph/index.php/transparency/bir-history.html>

11) GOV,PH – Supreme Court E-Library
<https://elibrary.judiciary.gov.ph/thebookshelf/showdocs/10/40320>

■ Longitudinal Comparative Analysis

The NPSTAR project conducted in the 2010s clearly stated that it serves the government's tax reform strategy, focusing on tax administration and the BIR system. Despite its high relevance to the MTPDP and domestic conditions, however, the project exhibited varying outcomes across its components. Project indicators and outcome measures suggest that while the BIR made some progress, it only partially achieved its objectives (World Bank, 2013).

NPSTAR has made significant strides in tax enforcement. The notable progress in this area is largely credited to the Run After Tax Evaders (RATE) program, which is aimed at detecting tax evasion cases (Liza, 2016). During the project duration, there have been successful cases monthly, showing an improvement in capturing tax evaders. The staff capacity, particularly among lawyers handling these cases, was also enhanced. Additionally, IT systems were developed to reinforce tax enforcement, such as the Tax Rulings and Case Management System (TRCMS) and the Electronic Letter of Authority Monitoring System (e-LAMS).¹²⁾ On the contrary, the first component of tax compliance has not made significant progress. The registration system faced challenges due to inaccurate or unavailable data, leading to inactive registrations. Moreover, in the 'human resources' domain (Component C), significant accomplishments were lacking. Despite including HR management projects in Annual Procurement Plans since 2008, only one project was successfully pursued during NPSTAR, with a utilization rate of merely 7.3% of the planned allocation (World Bank, 2013).

The reasons for these subpar outcomes can be attributed, firstly, to frequent leadership changes. During the first three years of NPSTAR, there was significant turnover in the BIR leadership, indicating a lack of willingness within the organization to implement change management reforms (World Bank, 2013). The turnover of Commissioners and weak institutional continuity in the BIR reform unit had impeded progress, resulting in fluctuations in staff counts and multiple reform plans developed by different Commissioners. Secondly, the lack

12) BIR History by Bureau of Internal Revenue,
<https://www.bir.gov.ph/index.php/transparency/bir-history.html>

of taxpayer data completeness posed challenges in measuring improvements in overall tax compliance. Incomplete registration prevented accurate measurements, impacting the actual filing compliance ratios for corporations and individuals. The outdated taxpayer registry failed to update lists based on active or inactive taxpayer status, contributing to low filing compliance (World Bank, 2013).

3) DRM ODA & Tax Reform in 2010s

■ DRM ODA

In the 2010s, the United States played a crucial role in supporting tax reform initiatives in the Philippines. The United States MCC implemented the "*Revenue Administration and Reform Project (RARP)*" from 2011 to 2016, investing a substantial 30.28 million USD (Millennium Challenge Corporation, 2017). This project was dedicated to enhancing the operations of the BIR by providing technical expertise, along with essential software and hardware resources. The overarching goal was to modernize the BIR's policies and practices, ultimately strengthening tax compliance and expanding revenue collection. The three main activities of the RARP project are presented in Table IV-3.

In 2016, Asian Development Bank (ADB) launched the "*Strengthening Tax and Fiscal Policy Capacity for Inclusive Growth*" project in response to the Philippine government in line with the Duterte administration's prioritization of tax reform as part of its Ten-Point Socioeconomic Agenda (ADB, 2016). This initiative spanned three years, from 2017 to 2020, and was executed with a budget of 2.2 million USD. The primary objective of the project was to offer recommendations and support for the ongoing tax reform efforts in the Philippines. The specific implementation plan of the project is shown in Table IV-4.

〈Table IV-3〉 Project Components of RARP

Components	Details
The Electronic Tax Administration Sub-Activity (eTIS)	<ul style="list-style-type: none"> Computerized the business processes of the BIR, modernizing the Bureau and providing an enhanced tax administration system expected to cover 95 percent of taxpayers in the country.
The Automated Audit Tools Sub-Activity (AATS)	<ul style="list-style-type: none"> AATS supplied the Large Taxpayer Unit of BIR with software tools for use in auditing taxpayers who have automated records.
The Public Awareness Campaign	<ul style="list-style-type: none"> Public Awareness Campaign promoted greater understanding of tax obligations and increased the ability of taxpayers to access tax information, which is expected to lead to better tax compliance.

Source: Millennium Challenge Corporation, 2017

〈Table IV-4〉 ADB Project Components

Components	Details
Technical advice on the design of priority reforms provided	<ul style="list-style-type: none"> local and international tax, fiscal, and economic policy experts' services to help the DOF and SERG design the tax, fiscal, and related economic policy reforms in-depth assessments on relevant policies and prepare policy briefs and/or analytical papers as resources for policy makers and the CEDC in formulating legislation and implementing rules and regulations
Quantitative and qualitative analytical research skills for policy reform enhanced	<ul style="list-style-type: none"> DOF technical staff' s quantitative and qualitative skills
Policy reform agenda and research outputs communicated with stakeholders.	<ul style="list-style-type: none"> directly training staff on effective dissemination of research outputs; disseminating research outputs in seminars, conferences, or forums; and reproducing research output for the public's reference DOF's public communications plan and road map developed

Source: ADB, 2016

Throughout the project, a total of 44 specialized experts in tax policies and public communications were engaged to provide technical advice in response to the Department of Finance's (DoF) needs for crafting the Philippines' tax reform policy, TRAIN; Tax Reform for Acceleration and Inclusion. Experts from ADB provided in-depth, sector-specific analysis, assessment, and comprehensive policy review for approval and developing TRAIN package. The project also worked to institutionalize the DoF's capacity to formulate tax and fiscal policies effectively. This involved facilitating various training courses, organizing bilateral consultations, and establishing the Strategy, Economics, and Results Group (SERG) as a strategic advisory body (ADB, 2016).

Furthermore, the project made significant strides in strengthening tax administration capacity, particularly within agencies like the BIR. Business process experts were engaged to review tax administration processes, contributing to the groundwork for digital transformation initiatives such as the Online Registration and Update System (ORUS). This system aims to provide taxpayers with convenient access to their own data while integrating seamlessly with existing e-filing and e-payment systems (ADB, 2016).

In 2020, the Korean International Cooperation Agency (KOICA) supported the Philippines' efforts to enhance revenue through the implementation of the "***Electronic Receipt and Invoice System, and Electronic Sales Reporting System in Philippines*** (KOICA, 2019)." This project aimed to establish an advanced tax administration system, ensuring efficiency and transparency in tax operations, ultimately strengthening the nation's finances via new e-government systems. The project components are shown in Table IV-5.

The project included a capacity-building program that offered policy and technological recommendations based on Korea's experience. This program was designed to assist the Philippine's government in establishing and managing an effective e-tax system for taxpayers for further modernization and efficacy of the country's tax administration. Through this project, extensive consultations were conducted based on Business Process Reengineering (BPR) and Information System Planning (ISP) principles. This resulted in the development of a model and detailed plans for the system, outlining the desired architecture, functions,

processes, and overall composition. The primary goal was to streamline the issuance and collection of e-receipts and invoices, while also defining the objectives and framework for the integrated tax administration system implemented in the Philippines. The project took a step toward in its development of a tax administration system including both internal and external Enterprise Information System (EIS) portals, along with setting up an integrated database. Additionally, the project successfully procured necessary materials and equipment, and set up a dedicated server room to ensure stable system connectivity and operation. KOICA also initiated the pilot system of the external portal and accreditation system, providing access to six Large Taxpayers (LTs) starting in April 2022. This phase was primarily focused on testing the connectivity and functionality of the new system. Subsequently, the full version was launched in June, extending access to the remaining targeted 94 LTs (KOICA, 2019).

〈Table IV-5〉 KOICA Project Components

Components	Details
Provided advice and consultation on BPR/ISP toward improving tax administration	<ul style="list-style-type: none"> ▪ Analysis of taxation and digitization in the Philippines ▪ Development of measures for system improvement, targets and models, and execution plans
Established a tax administration system capable of issuing and collecting e-receipts and invoices	<ul style="list-style-type: none"> ▪ Development of the tax administration system for issuing and collecting e-receipts and invoices
Enhanced capacity of stakeholders	<ul style="list-style-type: none"> ▪ Capacity-building ▪ Provision of training in Korea

Source: KOICA, 2022 ¹³⁾

■ Tax Reform

From 2010 where the new regime took place, the new BIR prioritized the

13) KOICA Material (Project Completion Report of Electronic Receipt and Invoice System, and Electronic Sales Reporting System in Philippines project

filing of tax evasion cases under the RATE Program, aligning with the administration's pronouncements. Efforts also intensified to shut down non-compliant business establishments via the “Oplan Kandado” Program.¹⁴⁾

During the period, several digital services were introduced to streamline taxpayer service transactions, such as the eBIRForms System, Electronic Certificate Authorizing Registration (eCAR), Mobile Revenue Collection Officers System (MRCOS), Electronic Documentary Stamp Tax (eDST) System, Electronic Authority to Release Imported Goods (eATRIG), Internal Revenue Stamps Integrated System (IRSIS) for Alcohol Products, Electronic Official Registry Book (eORB), and Electronic Tax Remittance Advice (eTRA) System. Additionally, to foster transparency and good governance within the BIR, systems like the Accounts Receivable Management System (ARMS), Collection Reconciliation System (CRS), and Electronic Letter of Authority Monitoring System (eLAMS) were developed and implemented. A significant milestone achieved during this term was the unprecedented trillion-peso tax collection in 2012 and subsequent years. Furthermore, the BIR’s “Net Sincerity Rating in Fighting Corruption” underwent a significant improvement, transitioning from a “Very Bad” rating to “Neutral” based on a survey spanning from the later 2014 to the middle of 2015.¹⁵⁾

From 2016, the BIR took measures to streamline their frontline transactions. This particularly pertained to the processing of Tax Clearance Certificates¹⁶⁾ and the issuance of Certificates Authorizing Registration¹⁷⁾. They further refined their registration processes enhancing the overall enforcement for the filing of cases under the RATE Program and the closure of non-compliant business

14) PwC Philippines,
<https://www.pwc.com/ph/en/tax/tax-publications/taxwise-or-otherwise/past-issues/unlocking-the-bir-oplan-kandado-program.html>

15) BIR History by Bureau of Internal Revenue,
<https://www.bir.gov.ph/index.php/transparency/bir-history.html>

16) Processing of Tax Clearance Certificate (GENERAL PURPOSE), Bureau of Internal Revenue,
<https://www.bir.gov.ph/index.php/rr-external-service-05.html>

17) Processing and Issuance of Electronic Certificate Authorizing Registration (eCAR) for Donation of Properties, Bureau of Internal Revenue,
<https://www.bir.gov.ph/index.php/bureau-of-internal-revenue-citizen-s-charter/49-bir-citizen-s-charter/1555-no-external-service-32-d.html>

establishments. Various tax enforcement activities were consistently conducted across the country during this time. Also, notable changes to tax laws were initiated including the TRAIN Act,¹⁸⁾ which came into effect in 2018 and was succeeded by the enactment of the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Act in 2021. Additionally, a Tax Amnesty Program addressing tax delinquencies and unpaid Estate Tax was also put into operation.

■ Longitudinal Comparative Analysis

As time approaches, the contribution of DRM ODA to tax reforms in the Philippines becomes less clear. Still, the potential impact of DRM ODA projects on tax reforms in 2010s can be inferred through the detailed components of them.

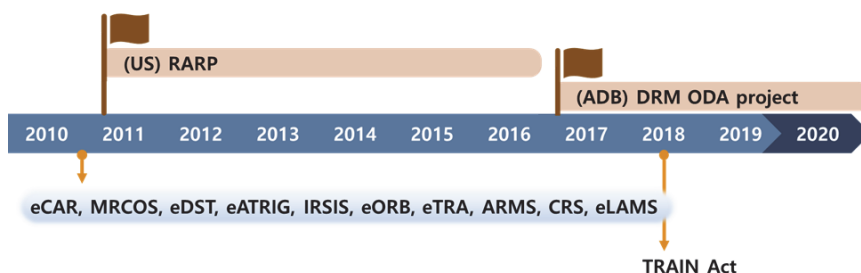
Throughout the projects, RARP, significant achievements were realized. Five out of nine modules of the eTIS were effectively implemented in 13 pilot offices, leading to the successful registration of approximately 344,000 taxpayers in the new system. Additionally, the project equipped 10 BIR offices with dedicated laboratories for staff training and audits. This investment resulted in a significant transition towards the use of automated auditing tools for Large Taxpayer cases, increasing adoption from 3% to 100% (Millennium Challenge Corporation, 2017).

Furthermore, the case management system at the Revenue Integrity Protection Service (RIPS) saw notable improvements in investigation efficiency, notably reducing the average resolution time for cases. It is worth noting that while tax revenue demonstrated positive growth from both newly registered and existing businesses with the BIR, it's important to acknowledge that revenue was already on an upward trajectory prior to the project's implementation. Impressively, revenue collected per audit exceeded the compact target, experiencing a substantial increase from 53,000 USD to an impressive 1.6 million USD. The perception of corruption within the DoF and BIR decreased, marking

18) Tax Reform for Acceleration and Inclusion (TRAIN), Bureau of Internal Revenue, <https://www.bir.gov.ph/index.php/train.html>

a significant improvement in transparency and accountability. However, despite these positive developments, a survey revealed that approximately one-third of taxpayers still reported facing solicitation for bribes, particularly within the LTS. This underscores the ongoing need for sustained efforts to combat corruption effectively (Millennium Challenge Corporation, 2017).

[Figure IV-4] Chronological chart of DRM ODA & tax reforms (2010s)



Sources: Millennium Challenge Corporation (2017), ADB (2016), and BIR History by Bureau of Internal Revenue

In the 2010s, ADB has been involved primarily in providing technical assistance for the Philippines' tax reform. A significant milestone was reached in 2013 with the implementation of a 10 million USD Japan-funded project named "**Supporting Capacity Development for the Bureau of Internal Revenue.**" ADB took the lead in this endeavor, focusing on tasks such as creating a medium-term training plan for new recruits, spanning an initial 3–5-year training schedule. During this project, ADB successfully executed the establishment of a more effective training system. This included a well-structured sequence of classroom courses and on-the-job training, ensuring a comprehensive learning experience for tax officials. As a result of these initiatives, the capacities of at least 250 tax officials were significantly enhanced. ADB also conducted the Training for Trainer (TIT) program, benefiting 30 participants (ADB, 2016). This program further contributed to strengthening the overall capabilities of tax officials and promoting excellence in tax administration in the Philippines.

Regarding the project executed by KOICA, *Electronic Receipt and Invoice System, and Electronic Sales Reporting System in Philippines*, the introduction of the e-invoicing system, along with an integrated database and related infrastructure, significantly improved the efficiency and transparency of tax administration in the Philippines. This initiative set the stage for the full implementation of a Tax Information System (TIS) across all tax categories. Ultimately, the project had a significant impact on enhancing voluntary compliance in various ways. These included fostering a culture of taxpayer service and support, reducing the compliance burden for taxpayers, strengthening the tax administration's capacity to analyze compliance risks, formulating targeted compliance management strategies, and enhancing the ability to efficiently address instances of non-compliance (KOICA, 2022). This multi-faceted approach greatly contributed to improving tax compliance and overall tax administration in the Philippines.

3 Results and Implications

The Philippines stands out as a proactive recipient of tax-related ODA, strategically leveraging these funds for its development objectives. Using the purpose code of 15114, the Philippines emerges as a prominent beneficiary of DRM ODA, not only within the ASEAN region but also on a global scale. Remarkably, among all ODA recipients, the Philippines ranks fourth in terms of aid received, trailing behind only Indonesia, Colombia, and Nigeria (OECD CRS).

Moreover, the amount of DRM ODA directed towards the Philippines has experienced significant growth over the course of the 2010s. This substantial increase in funding underscores the growing recognition of the Philippines' potential for sustainable development through ODA for tax reform. Additionally, the Philippines actively collaborates with a diverse array of donors, fostering international cooperation in DRM ODA for tax reform. This trend showcases the increasing acknowledgment of the Philippines' capacity to utilize ODA for

tax reform as a powerful tool for advancing its sustainable development goals. The Table IV-6 summarizes longitudinal lists of DRM ODA projects conducted and tax reforms processed in the Philippines from early 1990s to 2010s, contrastively.

〈Table IV-6〉 Longitudinal summary of DRM ODA & tax reforms in Philippines

Period	ODA Assistances	Major Tax reform
1990s	<ul style="list-style-type: none"> ▪ (World Bank) Philippines Tax Computerization Project (1993–2000) 	<ul style="list-style-type: none"> ▪ 1994, TCP; Tax Computerization Project ▪ 1997, Executive order (EO) No.430 for computerized system
2000s	<ul style="list-style-type: none"> ▪ (World Bank) National Program Support for Tax Administration Reform (NPSTAR) (2007–2011) to align with MTPDP by enhancing the efficiency of the BIR system Internationalization of Customs Administration 	<ul style="list-style-type: none"> ▪ 2000, Strategic utilization of tax computerization ▪ 2001, ITS; Integrated Tax System Rollout Acceleration Program to integrate tax computerization across the operations ▪ 2005, Run After Tax Evaders (RATE)
2010s	<ul style="list-style-type: none"> ▪ (US) Revenue Administration and Reform Project (RARP) (2011–2016) ▪ (ADB) Strengthening Tax and Fiscal Policy Capacity for Inclusive Growth (2017–2020) 	<ul style="list-style-type: none"> ▪ 2010, Various digital tax service systems ▪ 2018, Tax Reform for Acceleration and Inclusion (TRAIN) Act

Source: Summarization by author

The prominent feature of ODA for tax reform in the Philippines is the balanced support received in two key areas: tax policy and tax administration. Here are the DRM ODA-supported projects and outcomes for tax reform:

- Strengthening Tax and Fiscal Policy Capacity for Inclusive Growth (2016-2020/ADB)
- Improving Fiscal Management (2019-2020/World Bank)
- Electronic Receipt and Invoice System, and the Electronic Sales

Reporting System. (2020-2022/KOICA)

These ODA projects in the Philippines' tax policy have led to substantial progress in various crucial areas. In terms of tax and fiscal reform advisory, the initiative provided invaluable advice to the Philippine government regarding ongoing tax reform and fiscal restructuring efforts, along with offering key recommendations to optimize tax policies for both economic growth and long-term sustainability. Additionally, the public finance management and budget planning consultation delivered expert guidance on Public Finance Management (PFM) and effective budgeting in public sectors, aiding in the development of strategies to bolster fiscal discipline and refine resource allocation. Moreover, the E-tax advisory and system development initiative conducted a thorough analysis and design of the e-receipt policy in the Philippines, subsequently spearheading the development and rigorous testing of systems for the issuance and collection of e-receipts. This has notably enhanced operational efficiency and transparency in financial transactions, signifying a significant leap forward in fiscal management (USAID, 2018).

The DRM ODA projects related to tax administrations include the following:

- Philippines Tax Computerization Project (1993)
- National Program Support for Tax Administration Reform (2006)
- Revenue Administration and Reform Project (RARP)

The ODA projects focusing on tax administration encompassed several crucial aspects. Firstly, through the Digitalization and Modernization of Tax Collection System, there was a substantial shift from traditional paper-based methods to a sophisticated, digitalized platform. This transition resulted in streamlined processes, shortened processing times, and heightened accuracy in tax collection. Additionally, support was provided for the successful implementation of the electronic TIS (eTIS), aligning with the government's Electronic Tax Administration initiative. This involved the development of a robust masterplan encompassing BPR and ISP. Reforms were also introduced to taxpayer registration, tax collection, and management

processes, resulting in a noteworthy reduction in compliance costs for taxpayers. These efforts collectively contributed to an overall enhancement of efficiency in tax administration. Moreover, targeted capacity-building programs were implemented for staff within the BIR, leading to improved internal processes and heightened efficiency in tax administration, ultimately elevating internal management practices.

However, administrative challenges, notably project delays due to frequent changes in Philippine leadership, persisted throughout this process. The Philippines, marked by volatile political landscapes and recurrent turnover in government leadership, encountered difficulties in maintaining steady project momentum. The World Bank's NPSTAR project during the 2000s faced setbacks, experiencing procedural delays attributed to shifts in leadership, resulting in achieving only a fraction of the anticipated outcomes. To drive a successful ODA project forward, the stability of governance within recipient countries emerges as a pivotal element. A stable governance framework establishes predictability for long-term project planning and execution, fostering an environment conducive to sustained development efforts. Additionally, robust governance systems facilitate policy reforms and institutional strengthening, utilizing project outcomes as a foundation (World Bank, 2013).

V

Conclusion and Implication

Developing countries undergoing rapid economic growth should prioritize effective DRM management. Boosting domestic revenue is critical for securing financing for development, acting as the catalyst for sustainable economic growth, and reducing reliance on external financial aid. Notably, financing for development plays a pivotal role in supporting essential public services, infrastructure projects, and social welfare programs.

Following the COVID-19 pandemic, the significance of domestic revenue has surged significantly. Establishing a sustainable tax system and ensuring a steady tax revenue stream are crucial imperatives for developing nations. This strategic focus aims to fortify these countries against economic shocks and uncertainties, enabling them to finance their developmental agendas independently.

In such circumstances, international assistance is essential in bolstering DRM for developing countries. The global rise in the significance of DRM ODA is evident through initiatives like the AAAA and the Sustainable Development Goals (SDGs). International development partners recognize the crucial role of ODA in supporting DRM, understanding its potential to catalyze development for developing countries (Watts, 2018).

However, the proportion of ODA allocated specifically for DRM remains relatively small compared to the overall ODA received by the ASEAN region. It highlights the urgent need for a concerted effort to increase the share of DRM-focused ODA. Strengthening this aspect of international assistance can significantly enhance regional disaster resilience and management.

In the case of Vietnam, DRM ODA was proactively utilized at the government level. This is illustrated by the request from the Vietnamese government side for DRM ODA support to *digitalize tax administration*. The positive impact of DRM ODA, with participation from several international donors, successfully increased tax revenues and had a significant impact on Vietnamese tax reform. However, an observed problem with the DRM ODA projects in Vietnam was duplication. For example, while the World Bank's project was in progress, Vietnam implemented another similar project of tax administration and system development on its own.

The Philippines received balanced support in two key areas through DRM ODA projects: *tax policy* (e.g., the NPSTAR project aligned with MTPDP of the Philippines) and *tax administration* (e.g., the RARP). However, the main problem with DRM ODA in the Philippines was the instability of ongoing projects due to the unstable political environment and frequent changes in government leadership.

Overall, Vietnam and the Philippines stand out among ASEAN countries for their proactive approach to enhancing DRM through vigorous tax reforms. Both show that DRM ODA played an important role in tax reforms for tax policy and tax administration. They serve as prime examples for other nations to emulate, showcasing how effective tax reforms and the acceptance of ODA can significantly improve DRM.

The main positive benefits identified from DRM ODA case studies include: (1) increased tax revenues, (2) the establishment of a foundation for tax policy, and (3) digitalization of tax administration systems. Conversely, the reasons for failures in DRM ODA often stemmed from (1) projects duplication and (2) unstable political environment in the recipient country. Accordingly, we conclude that successful DRM ODA projects require (1) rigorous verification of project duplication during the preparation stage and (2) a clear definition of the project's purpose and implementation strategy, taking into account the political climate of the recipient country. We expect improved results in future DRM ODA projects with these lessons learned.

References

- ADB. (2016). *Strengthening Tax and Fiscal Policy Capacity for Inclusive Growth: Technical Assistance Report*. 50331-001
- Agenda, A. A. A. (2015). *Addis Ababa Action Agenda of the third international conference on financing for development*. UN. development, 2, 37.
- Asian Development Bank. (2016). *Technical Assistance Report on Republic of the Philippines: Strengthening Tax and Fiscal Policy Capacity for Inclusive Growth*
- Assembly, U. G., & 5th Committee. (2008). *Doha Declaration on Financing for Development: outcome document of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus: programme budget implications of draft resolution A/63/L. 57: report of the 5th Committee: General Assembly, 63rd session*.
- Chan, N., Ghosh, M., & Whalley, J. (1999). *Evaluating tax reform in Vietnam using general equilibrium methods*. Department of Economics Research Report. University of Western Ontario
- Heij, G. (2007). *Who pulled the strings? a comparative study of Indonesian and Vietnamese tax reform*. [Doctoral dissertation, University of Groningen]
<https://doi.org/10.1080/00074910152390900>
- Hoon, C., Kim, S. J., Oh, H. B., Kim, H. E., Kim, S. I., Lee, D. Y., & Jung, K. O. (2020). 2020/21 KSP Policy Consultation Report. Ministry of Economy and Finance.
- IEG Review Team. (2021) *Philippines - Improving Fiscal Management* (English). Washington, D.C. World Bank Group.
<http://documents.worldbank.org/curated/en/371121626794960062/Philippines-Improving-Fiscal-Management>
- International Monetary Fund. (2006). *Vietnam: 2005 Article IV Consultation: Staff report*.
<https://www.imf.org/en/Publications/CR/Issues/2016/12/31/Vietnam-2005-Article-IV-Consultation-Staff-Report-Staff-Statement-Public-Information-Notice-18824>
- Japan International Cooperation Agency. (2012). *Vietnam Inclusive and Dynamic Development*. JICA
- Le, D. A. (2017). *Essay on fiscal policy, public debt, and growth: applications to Vietnam* [Doctoral dissertation, Université de Strasbourg].
<https://theses.hal.science/tel-01590698>
- Liza, R. H. (2016). *An evaluative study of the implementation of "Run after tax evaders" program of the Bureau of Internal Revenue (BIR) for the taxable year 2012-2014*. Central Philippine University, Jaro, Iloilo City.

- Millennium Challenge Corporation. (2017). *Revenue Administration Reform Project in the Philippines Would Have Benefited From Consolidating its Sustainability Efforts*. M-000-17-004-C. Office of Inspector General, Millennium Challenge Corporation, Washington, D.C.
- NEDA. (2004). *Philippine Medium Term Development Plan (2004 – 2010)*. ISSN 0119-3880
- NTRC. (2014). *The “Resibo” Programs of the Bureau of Internal Revenue*.
- Shukla, G. P., Pham, D. M., Engelschalk, M., & Le, T. M. (2011). *Tax reform in Vietnam: Toward a more efficient and equitable system*. World Bank.
- Sida. (2012). *Long Term Development Cooperation between Vietnam and Sweden*. <https://cdn.sida.se/publications/files/sida61302en-long-term-development-cooperation-between-vietnam-and-sweden.pdf>
- JICA. (n.d). The Project on Tax Administration Reform Phase: Outline of the Project. <https://www.jica.go.jp/Resource/project/english/vietnam/0800245/outline/index.html>
- KOICA. (2019). *Electronic Receipt and Invoice System, and Electronic Sales Reporting System*. https://www.oda.go.kr/opo/bsin/bsnsSumryDocDetail.do?P_BSNS_NO=2018-56638
- Kumiko.S. (2010). *Ex-Post Evaluation of Japanese Technical Cooperation Project*. JICA. https://www2.jica.go.jp/en/evaluation/pdf/2010_0601701_4_f.pdf
- Park, S., & Oh, S. (2015). Analysis of the Implications of the Third Conferences on Financing for Development and the Addis Ababa Action Agenda. *Development and Issues*, 24, 1–59.
- Schreiber, L. (2018). *Broadening the base: Improving tax administration in Indonesia, 2006-2016*. Innovations for Successful Societies. New Jersey: Princeton University.
- Thanh, S. D., Bui, T. T., & Trung Kien, T. (2014). *Reforms of tax system in Vietnam: Toward international integration commitments until 2020*. SSRN Electronic Journal. <http://dx.doi.org/10.2139/ssrn.2486926>
- Tuan, H. (2012). *Doi Moi and the remaking of Vietnam*. *Global Asia*, 4(3).
- United Nations. (2002). *Report of the International Conference on Financing for Development: Monterrey, Mexico, 18-22 March 2002*. New York: United Nations.
- USAID. (2018). *DOMESTIC RESOURCE MOBILIZATION, CASE STUDY of PHILIPPINES, 1996-2016*, Adrian Morrison
- Watts. R. (2018) *ODA for domestic revenue mobilisation*. Development Initiatives
- World Bank. (1996). *Memorandum of The President of The International Bank For Reconstruction and Development to The Executive Directors on a Country Assistance Strategy of The World Bank Group for the Republic of the Philippines*. World Bank Group. <https://documents1.worldbank.org/curated/en/541471468092362128/pdf/multi-page.pdf>
- World Bank. (2000a). *Implementation Completion Report on a Loan in the Amount of US \$63 Million to the Republic of the Philippines for Tax Computerization Project*. World Bank Group.

- World Bank. (2000b). *Philippines - Tax Computerization Project (English)*. Washington, D.C.
<http://documents.worldbank.org/curated/en/178631468092982632/Philippines-Tax-Computerization-Project>
- World Bank. (2006). *Philippines - National Program Support for Tax Administration Reform. (English)*. Washington, D.C.
<http://documents.worldbank.org/curated/en/735931468294096945/Philippines-National-Program-Support-for-Tax-Administration-Reform>
- World Bank (2013). *Implementation Completion and Results Report On a Loan in the Amount of US\$ 11.0 Million to the Republic of The Philippines for a National Program Support for Tax Administration Reform*. World Bank Group.
- World Bank. (2015). *Note on cancelled operation on a credit in the amount of SDR 52.3 million to the socialist republic of Vietnam for a tax administration modernization project (TAMP)*. World Bank Group.
[.https://documents1.worldbank.org/curated/en/175691468187766970/text/NCO3295-P099376-Box393219B-OUO-9.txt](https://documents1.worldbank.org/curated/en/175691468187766970/text/NCO3295-P099376-Box393219B-OUO-9.txt)
- World Bank. (2023). *Global Tax Program - FY23 Annual Progress Report*. World Bank Group.
- Yui, Y. (2006). FDI and corporate income tax reform in Vietnam. Paper presented at *the International Symposium on FDI on Corporate Taxation: Experiences of Asian Countries and Issues in the Global Economy*, Tokyo, Japan



The Role of ODA for the Tax Reform in ASEAN's DRM

 KOREA INSTITUTE
OF PUBLIC FINANCE

336, Sicheong-daero, Sejong-si, Korea
Tel: 82-44-414-2114 Fax: 82-44-414-2179

비매품 / 무료
93320

9 791166 552946
ISBN 979-11-6655-294-6