

“Property tax - Approaches, Successes and Challenges of Property Tax Reforms for Subnational Domestic Resource Mobilisation”

5 April 2022, 15:00 – 17:00 (CEST)

[Register here](#)

Background

The two-thirds of the 169 targets the Sustainable Development Goals (SDGs) agreed upon by the international community in the 2030 Agenda will not be achieved without proper engagement of and coordination with Local and Regional Governments (LRGs). It is essential that LRGs are enabled to meet this challenge and they must be given a more prominent role in mobilising domestic resources. Furthermore, the ongoing COVID-19 pandemic and associated economic crisis have highlighted the central role of subnational governments in recovering from the economic impact of the pandemic and still providing effective local public services.

Strengthening local fiscal space is a critical element for LRGs to fully play their role in achieving the SDGs. However, LRGs have only a limited range of taxes and fees that can be levied and used as own revenue. Property tax is one of these key local taxes. As an asset-based tax, it is less dependent on economic fluctuations (particularly in times of crisis) and, if properly implemented and managed, can provide a more stable and predictable source of revenue. Depending on its design, it can also be pro-poor and pro-equity, and not be a tax levied on all taxpayers equally regardless of their income level, as is the case with VAT, for example. Finally, evidence shows that there is generally also a strong link between the existence and level of property taxes and the provision of local public services by subnational governments.

However, subnational governments face challenges in introducing effective, pro-poor and pro-equity property tax reforms, especially in the Global South. According to the latest data gathered for the 2019 Report of the World Observatory on Subnational Government Finance and Investment (SNG-WOFI), property taxes account for 1% of GDP in high income countries but only 0.2% of GDP in low-income countries. Thus, property taxes are still a large and untapped potential source of revenue. Tapping into this potential requires an understanding of the political, legal, and administrative challenges of property tax reforms and its various approaches at the subnational level. The different perspectives of a wide range of stakeholders need therefore to be considered. Indeed, property tax reforms are not merely a technical exercise, but also a political and social challenge.

The webinar will provide a platform to discuss aspects and approaches to improving property taxation. Various speakers from different backgrounds such as local government, academia, and development cooperation will present their work on developing, supporting, or researching property tax reforms. The information shared and discussions with participants will provide a broader and deeper understanding on property tax reforms.

Agenda

Time	Item	Speaker(s)
15:00 – 15:05 5 min.	Welcome and introduction	Serge Allou, UCLG
15:05 – 15:25 20 min. (inc. Q&A)	Property tax across the world - Evidence from the World Observatory on Subnational Government Finance and Investment	Margaux Vincent, CFE OECD
15:25 – 15:55 30 min. (inc. Q&A)	Implementing property tax reform in Beira (Mozambique) - A Local Government perspective	Albano Carige, Mayor of Beira Peter van Tongeren, VNGi
15:55 – 16:25 30 min. (inc. Q&A)	Supporting property taxation in Ghana– A technical assistance perspective	Raphael Frerking, Alf Bremer, GIZ
16:25 – 16:55 30 min. (inc. Q&A)	Tailoring property tax reform for low-income countries: Lessons from research and practice	Colette Nyirakamana, Wilson Prichard, University of Toronto/ LoGRI
16:55 – 17:00 5 min.	Wrap-up and closing remarks	Paloma Labbé, UCLG Damjan Sarvan, GIZ

Organisers

About SNG-WOFI:

The World Observatory on Subnational Government Finance and Investment (SNG-WOFI) is a multi-stakeholder initiative led by the OECD and UCLG, with the support of the Asian Development Bank (ADB), the French Development Agency (AFD), the Council of Europe Development Bank (CEB), the Development Partners Network on Decentralisation and Local Governance (DeLoG), the German Corporation for International Cooperation (GIZ), the French Ministry for Europe and Foreign Affairs (MEAE), and the United Nations Capital Development Fund (UNCDF). The SNG-WOFI is dedicated to collecting comparable data and information on multi-level governance and subnational government finance from around the world to support decision-making at the international, national and subnational levels. The SNG-WOFI has issued two reports in October 2016 and June 2019, respectively. A third edition will be released in July 2022.

About the Sector Programme Good Financial Governance implemented by GIZ:

The programme supports the German Federal Ministry for Economic Cooperation and Development (BMZ) in making a wide range of contributions to good financial governance (GFG). It advocates for fair, efficient, and transparent tax and budget systems as well as effective financial control in order to reduce inequality, combat poverty and promote sustainable development. The programme works with key external partners involved in GFG, including the International Tax Compact (ITC), the Addis Tax Initiative (ATI), the Network of Tax Organisations (NTO), as well as ministries of finance and tax administrations in member countries. The programme promotes cooperation between government, civil society and private sector actors (multi-stakeholder approach). It aims to facilitate the participation of partner countries in international discussions and the reconciliation of international discussions with the challenges of practical implementation (multi-level approach).