

ATI Paris Meeting

27–28 November 2018, Paris, France

The members of the Addis Tax Initiative (ATI) held a meeting from 27–28 November 2018 in Paris, France. The Addis Tax Initiative is a multi-stakeholder partnership to capacity building in the area of domestic revenue mobilisation (DRM) and taxation. The Addis Tax Initiative assembles more than 55 countries, regional and international organisations committed to stepping up their efforts to enhance the mobilisation of domestic revenues in partner countries and improve the transparency, fairness and efficiency of their tax systems. By promoting policy coherence for development, the Addis Tax Initiative fosters resource effectiveness among ATI partner countries and ATI development partners alike.

The goals of the first day of the **ATI meeting** in Paris were as follows:

- a) To present an update on the work of the Addis Tax Initiative and its consultative groups;
- b) To provide an opportunity for partner countries to present their priority areas where support is needed, and for development partners to present their available offer for support or advisory on how partner countries can improve within their areas of needs;
- c) To provide the ATI members with an opportunity to discuss the agenda for the Addis Tax Initiative beyond 2020.

The ATI meeting followed up with a **meeting of the three ATI Consultative Groups** on day two to provide an update on their current work lines, discuss opportunities arising from planned activities, and plan the activities to be delivered in 2019.

Participants

The ATI meeting in Paris was attended by 54 delegates, consisting of 24 participants from ATI development partners, 19 from ATI partner countries, nine from supporting organisations and two non-ATI members.



Opening session

Mr. Essa Jallow, Deputy Commissioner General and Head of the Domestic Taxes Department in The Gambia, officially opened the ATI Paris Meeting in his capacity as a member of the ATI Steering Committee. His opening remarks emphasised the important role the Addis Tax Initiative continues to play. The Addis Tax Initiative provides a platform to reflect on the challenges ATI partner countries, ATI development partners and supporting organisations face in their efforts to maximise the mobilisation of domestic revenues, which is of outmost importance if we are to reach the Sustainable Development Goals (SDGs). Mr. Jallow concluded by urging all ATI members to continue to engage with each other, as the collaborative efforts of the ATI members will make a significant contribution towards enhancing the potential and abilities required by partner countries to develop their people, processes, systems and institutions.

Session 1: Panel discussion on approaches adopted by ATI members to implement the ATI commitments

The first session of the ATI meeting in Paris provided a platform for the ATI members to discuss how they have gone about integrating the ATI commitments into their strategic plans and DRM strategies.

Liberia

Mr. Samora Wolokolie, Deputy Minister for Fiscal Affairs in Liberia, presented Liberia's Domestic Revenue Mobilisation Strategy for the period 2018–2022. Mr. Wolokolie also highlighted some of the prevalent issues in Liberia that led to the formulation of this DRM strategy. Those included: the need to address the low revenue share of gross domestic product (GDP), a stagnating domestic debt and declining grant amounts. He emphasised the necessity for simplifying the tax system and reduce harmful tax incentives, which cause an annual tax revenue gap of 130 million USD. To ensure a better implementation and coordination of Liberia's DRM reform efforts, the country will move towards establishing a DRM secretariat and convene donor coordination meetings in the DRM strategy implementation.

United States of America

Ms. Kimberly Rosen, Deputy Assistant Administrator at the United States Agency for International Development (USAID), spoke about the importance of the ATI commitments for sustainable development and emphasised the importance for the Addis Tax Initiative, as a multi-stakeholder partnership, to include the participation of the private sector. Ms. Rosen highlighted mutual accountability of the ATI partner countries and ATI development partners in technical assistance projects. She presented USAID's comprehensive framework, referred to as Financing Self Reliance (FSR), for increasing partner countries' ability to finance their development priorities. USAID is currently in the process of developing this framework, which will refer to the approaches and interventions that support a country's ability to achieve the right balance between the public sector, private sector, and foreign assistance resources needed to finance their development journeys. In addition to domestic revenue mobilisation, the framework also includes public financial management, accountability and transparency, the business enabling environment, and capital market development. Through FSR, USAID aims to balance these mutually-reinforcing aspects of a country's economic governance "ecosystem" and do it more holistically, recognising the interconnectedness between and among the five FSR pillars. Ms. Rosen also introduced USAID's Private Sector Engagement Policy, which is a strategic approach whereby USAID consults, strategises, aligns, collaborates, and implements with the private sector for greater scale, sustainability and effectiveness across all sectors of USAID's work. Given the decentralised structure of USAID, Ms. Rosen highlighted the importance of host government officials reaching out to country missions to explore opportunities for increasing engagement in FSR.

United Kingdom

Mr. David Yellowley, Programme Manager at the HM Revenue & Customs (HMRC), presented a case where HMRC was able to establish a capacity-building unit on tax supported by funding from the Department for International Development (DFID). Through this tax unit, which is now funded from HMRC's own budget, both collaborating institutions are able to offer short- and long-term bilateral technical assistance. Mr. Yellowley emphasised that the success of the HMRC and DFID tax support programmes is anchored on a broader strategy that is aligned to each country's needs and priorities. He also mentioned that the design and organisation of their support focus on balancing short-term revenue growth with more sustainable revenue streams. Some important lessons learnt from their tax support programmes include the necessity for managing expectations about what can be measured and achieved, or the importance of the political will in partner countries to successfully implement tax reforms.

Oxfam International

Mr. Nathan Coplin, Senior Policy Advisor at Oxfam International, delivered a presentation on the importance of making good on the ATI commitments, expressing the importance of looking at them in a broader way. His examples of broadening the ATI commitments stressed paying greater attention to how donor support is used, for example to address gender biases in tax systems or strengthen civil society role in catalysing domestic revenue mobilisation. Furthermore, it should not only be about stepping up domestic revenue mobilisation, but also about achieving equitable domestic revenue mobilisation, a political decision to increase equity and revenue at the same time. Mr. Coplin also presented an assessment of ATI donors' DRM aid against their harmful tax practices, based on the 'tax pillar' indicators from the Commitment to Reducing Inequality (CRI) index. This assessment indicates that the ATI member countries still need to work on eliminating some harmful tax practises to foster aid effectiveness.

Session 2: Reform journeys of the ATI partner countries

Session 2 of the ATI meeting in Paris provided a platform for the ATI partner countries to present their executed reforms and priority areas as well as outlining areas of possible collaboration and needs for technical, financial or other type of support. ATI partner countries were invited to present and share their reform journeys, highlighting the issues they set out to address, actions taken and planned reforms.

Afghanistan

Mr. Abdul Habib Zadran, Director General Revenue in Afghanistan, opened the session with a presentation on Afghanistan's journey towards enhancing the country's tax administration and about the efforts taken to control for revenue leakages. The Afghanistan Revenue Department (ARD) prepared a remuneration proposal offering better salaries for revenue professionals for the fiscal year 2019 to attract more qualified workforce. Some other key reforms include modernising their information and communications technology (ICT) systems, introducing e-filing mechanisms, digitalisation, and simplifying their processes to ease the burden of tax compliance and improve taxpayer services. Afghanistan's tax administration reforms, tax policy reforms and anti-corruption measures have resulted in better revenue performance.

The Gambia

Mr. Essa Jallow, Deputy Commissioner General and Head of the Domestic Taxes Department in The Gambia, presented the DRM reform journey that the Gambia Revenue Administration has recently initiated following this year's findings from the TADAT (Tax Administration Diagnostic Assessment Tool) assessment. Mr. Jallow presented a detailed implementation plan outlining all activities that need to be taken into account to address identified gaps in the following selected areas: automation of systems, taxpayer database, filing, payment, arrears management and corporate, and ICT. Some of the activities that the reforms aim to address as priority areas include cleaning taxpayer registers and developing better registration procedures, developing new end-to-end filing procedures and a roadmap for electronic filing, and strengthening payment processes. In order to make sure that The Gambia is on the right path towards effective and efficient revenue mobilisation, Mr. Jallow further emphasised that The Gambia Revenue Administration will require support to address many of the findings from the TADAT assessment.

Georgia

Ms. Marine Khurtsidze, Head of the International Taxation Division at the Ministry of Finance in Georgia, presented Georgia's reform journey, which was introduced to address findings from the country's TADAT assessment. Several projects were implemented, including a new Value Added Tax (VAT) refund programme, special units to follow-up on filing compliance, and the establishment of reforms and a strategic planning department to enhance Georgia's DRM efforts. Georgia was able to adjust its projects to improve its tax administration according to the goals envisaged in the strategic plan of its revenue service for the period 2017–2020.

Liberia

Hon. Samora Wolokolie, Deputy Minister for Fiscal Affairs in Liberia, presented some of the major tax administration and tax policy reforms currently in place in Liberia as part of the country's DRM strategy. These include the introduction of electronic and mobile tax systems to reduce compliance costs, strengthening capacities in areas such as international tax audit, large tax enforcement, natural resource management, and moving from Goods and Services Tax (GST) to VAT with rates maintained at 10 per cent. According to Mr. Wolokolie, the reforms undertaken by Liberia indicate that enhancing administrative efficiency and lowering tax compliance costs are two of the high-ranking priorities in the country's development path. Strengthening the country in numerous sectors, such as the extractive and financial sectors, remains high on the national agenda.

Madagascar

Mr. Zoniaina Rakotomalala, Tax Inspector at the Ministry of Finance in Madagascar, presented the country's DRM initiatives. Mr. Rakotomalala highlighted some of the successes and setbacks experienced in Madagascar's DRM reform journey, as well as some of the areas where there is a strong desire from the Ministry to make improvements. These include, among others, increasing revenue performance, enhancing tax fraud detection abilities, data matching tools, and sector specific auditing capabilities.

Solomon Islands

Mr. Joseph Dokekana, Commissioner of the Inland Revenue Division from the Solomon Islands, presented an overview of the country's DRM efforts and some of the challenges that need to be resolved. These include the need to improve the administrative performance through an upgrade of the revenue management system, increasing human resources and technical capability of staff to administer taxation, addressing compliance in extractive industries and informal sectors, and pursuing a semi-autonomy of the Solomon Islands' Inland Revenue Division.

Discussions by ATI partner countries on the value offered by an ATI membership

Session 2 was concluded with an open discussion on the value added by the Addis Tax Initiative to its partner countries in their DRM reform efforts. A resounding benefit mentioned was that the Addis Tax Initiative provides an opportunity for the ATI partner countries, ATI development partners and supporting organisation to meet and, as a multi-stakeholder partnership, decide on a joint work plan of activities that support DRM reforms as well as bilaterally discuss possible collaboration and benchmarking opportunities during these meetings. The Addis Tax Initiative enables peer-learning between partner countries by sharing completed and/or on-going administrative reforms and policy reforms initiatives. The opportunity for DRM dialogue between ATI members created by the Addis Tax Initiative and the accompanying monitoring of the three ATI commitments makes sure that countries stay focused on relevant priorities and are able to see how their peers are progressing when it comes to mobilising domestic revenues.

Session 3: Report from the Secretariat of the Addis Tax Initiative and the ATI Consultative Groups

ATI matchmaking mechanism

Session 3 opened with an introduction of the ATI matchmaking mechanism. This mechanism will be launched in 2019 and will enable collaboration between ATI members, achievable by pairing countries and organisations on a reciprocal offer/need support basis. In doing so, the ATI matchmaking mechanism effectively facilitates the matching of ATI partner countries and supporting organisations with ATI development partners. Under the matchmaking mechanism, ATI members are provided with an opportunity to put forward their current requests and offers for support for technical assistance, expert support, study visits, training and financial assistance. ATI members need to fill out a template that is available on the ATI website to be considered for this instrument. Information from the submitted templates will be sent to all ATI members via email and will be accessible at the ATI restricted online area.

2018 ATI Work Plan

The International Tax Compact (ITC) provided a status update on the progress made in the implementation of the [ATI work plan for 2018](#). One of the good strides made by the Addis Tax Initiative in 2018 was getting the ATI Consultative Groups for all the three ATI commitments running and in action. The year 2018 also saw the three ATI Consultative Groups have their first meeting in Stockholm and initiate a work plan that directed and oversaw the delivery of ATI activities. These include, among others, the improvement and extension of the [DRM Database](#), a study on donor coordination in domestic revenue mobilisation, the launch of a set of alternative indicators for measuring progress in DRM-related reforms and identifying current reform priorities of partner countries, a study on harmful tax incentives, a tool assessing anti-BEPS measures of partner countries, and the improvement of the monitoring of policy coherence. The Addis Tax Initiative also published the 2016 ATI Monitoring Briefs [please have a look at the [ATI website](#)], which report on the progress made by the ATI members in fulfilling the three ATI commitments.

2019 ATI Work Plan

The International Tax Compact also introduced the ATI work plan for 2019, which includes the relaunch of the ATI website, equipped with the above-mentioned matchmaking facility. Included in the 2019 ATI Work Plan is further the co-hosting of the ITC/ATI Tax and Development Conference, which will take place in the beginning of July 2019 in Berlin. The Addis Tax Initiative will also undertake the monitoring of how ATI members progressed in implementing the ATI commitments in 2017. This exercise will culminate in the publication of the 2017 ATI Monitoring Report, which will be released at the conference.

Launch of the ATI Monitoring Briefs 2 and 3

A highlight of the session was the launch of the 2016 ATI Monitoring Briefs on the ATI Commitment 2 and the ATI Commitment 3. The [ATI Monitoring Brief 2](#) depicts how the ATI partner countries have progressed in stepping up their DRM efforts and their future priorities as they strive to fulfil the ATI Commitment 2. Similarly, the [ATI Monitoring Brief 3](#) highlighted key findings of how the ATI members reported their efforts in pursuing policy coherence for development. The [ATI Monitoring Brief 1](#) was launched in May 2018 but was also distributed as part of the three ATI Monitoring Briefs package given to delegates.

Introduction of the ATI Consultative Groups

The final item of the session afforded time for each coordinator of the three ATI Consultative Groups to provide an update on the work of their respective group and outlined the agenda points for the meeting of the ATI Consultative Groups, scheduled to take place the following day. Please visit the following links for minutes of the last meeting of the [ATI Consultative Group 1](#), [ATI Consultative Group 2](#) and [ATI Consultative Group 3](#). These documents also contain the 2018 ATI Work Plan of each group.

Session 4: Outlook and vision for the Addis Tax Initiative after 2020

The last session of the day provided an opportunity for the ATI members to reflect on their experiences in the Addis Tax Initiative and identify potential roadmaps for the Initiative beyond 2020.

Potential roadmaps for the Addis Tax Initiative beyond 2020

For this session, the meeting room was divided into five brainstorming stations, with delegates divided into five groups and allocated time to brainstorm on three guiding questions. These were centred on what actions to continue, start and stop in the Addis Tax Initiative after 2020. After their initial brainstorm, the teams moved together from one station to another to study the outputs of other teams. Finally, the groups decided on one action to continue, one action to start and one action to stop after 2020. The results of this session can be found in the table below.

Groups	Actions the Addis Tax Initiative should continue doing after 2020?	Actions the Addis Tax Initiative should start doing after 2020?	Actions the Addis Tax Initiative should stop doing after 2020?
1	Monitoring of the ATI commitments	High-level event with new ATI commitments	Stop focusing on inputs
2	ATI Monitoring Briefs and sharing of lessons learned	Direction setting	Meeting only in development partner countries
3	Multi-stakeholder space to discuss tax	Include quality of support	Monitoring only volume of support
4	Continue monitoring, coordination and facilitation	Linking revenue mobilised to expenditure (efficiently and effectively)	Stop focusing on inputs
5	Renew political commitment to work on tax reform	Facilitate collective donor fund - to be scoped	Better balance of meetings in partner countries

ATI Post-2020 Task Force

This session marks the initiation of discussion on the Addis Tax Initiative post-2020, a process that is still ongoing and is expected to be carried forward by a task force, which will oversee its consultative process with all ATI members and other relevant stakeholders. The next steps will be the formation of the task force, with an expression of interest to partake to be sent out to all ATI members. The task force is expected to deliver the ATI post-2020 report, which will be finalised by mid-2020.

Evaluation of the Addis Tax Initiative

In support of the task force, the Secretariat of the Addis Tax Initiative will carry out an evaluation of the work of the Initiative since its launch in 2015. The evaluation will cover all aspects of the Addis Tax Initiative, including priorities and objectives, organisational framework and governance structure, working processes and activities, value addition by the Initiative, and its contribution to progress in the areas defined as commitments by the ATI members. The final evaluation report, which is expected to feed into the work of the task force, will be presented in July 2019 at the ITC/ATI Conference on Tax and Development in Berlin.

Summaries of the meetings of the ATI Consultative Groups

Meetings of the three ATI Consultative Groups took place on 28 November 2018. After a round of separate group meetings, a plenary session was convened, where the respective ATI Consultative Groups presented the results from their meetings. A separate and detailed report of each group meeting will be made available on the [ATI website](#).

ATI Consultative Group 1

***ATI Commitment 1:** ATI development partners commit to collectively double technical cooperation in the area of domestic revenue mobilisation and taxation by 2020.*

The ATI Consultative Group 1 met to discuss existing approaches to monitoring the ATI Commitment 1 and possibilities for making the monitoring exercise more efficient and effective. It was broadly recognised that current key words/tags included in the survey do not get populated by ATI development partners in their completion of the survey and, thus, should be reviewed to provide better qualitative information (for instance on the nature of support provided). Participants discussed potential activities/deliverables that could be considered for the ATI Commitment 1. The group further examined the outcomes of the post-2020 session. There was a broad consensus on the need to go beyond solely the value (“how much”) and look at the nature (“what”) and parameters (“how”) of the support provided by development partners.

Following the overview of the proposed ATI matchmaking mechanism provided in the first day of the meeting, participants discussed the “Request for Support” and “Offer for Support” templates, which will be used to facilitate the matchmaking process. It was suggested that requests for support could be extended to sub-national governments and local civil society organisations to highlight specific needs for technical assistance, funding or other types of support in domestic revenue mobilisation. Participants also reiterated that the “Request for Support” template should be piloted with selected ATI partner countries and supporting organisations in order to get their feedback on the template and ensure it meets their needs.

ATI Consultative Group 2

***ATI Commitment 2:** ATI partner countries commit to step up the mobilisation of domestic revenues in order to create the financial means to implement development programmes, attain the Sustainable Development Goals (SDGs) and achieve inclusive development.*

The ATI Consultative Group 2 met to discuss its ongoing work on the mapping of the ATI Commitment 2 monitoring indicators and its envisaged work plan for 2019. The group’s current focus of reviewing the list of indicators for monitoring the ATI Commitment 2 serves as a response to requests from all ATI members to develop a set of performance indicators that can be used to better measure the progress of ATI partner countries in stepping up their domestic revenues. Both quantitative data from partner countries and existing data sources – such as the International Monetary Fund (IMF), the World Bank or the Organisation for Economic Co-operation and Development (OECD) databases – and qualitative data sources from the ATI partner countries – most notably a survey questionnaire – are used to monitor the ATI Commitment 2.

The meeting opened with presentations from the OECD and Oxfam International. OECD provided updates on the work done under the International Survey on Revenue Administration (ISORA), which collects comparative data for over 150 tax administrations from around the world. As such, ISORA is an integral tax administration data source for the monitoring of the ATI Commitment 2. The presentation took participants through the updated ISORA questionnaire, which accounts for comments received from countries about ensuring that the survey is user friendly. Participants were also taken through some of the discussion from a brainstorming meeting between the ATI and ISORA partners on working together for mapping out the monitoring indicators. Oxfam International presented the six thematic categories it uses for evaluating tax systems in developing countries. These include the progressiveness of the tax systems, sufficient revenues, pro-poor government spending, and accountable public finances. The presentation also proposed ways to measure political commitment as part of DRM reforms.

During the meeting, participants went through the shortlist of performance indicators and agreed on consulting the entire ATI membership within a two-week deadline to ask for comments on the proposed list of indicators. The agreement is to have a consolidated list of indicators, which will be used to prepare the 2017 ATI Monitoring Report, by the end of January 2019.

Based on the outcomes of the ATI post-2020 discussion and the defined deliverables for 2019, the ATI Consultative Group 2 discussed the importance of bringing into considerations topics like linking revenue to expenditure or having a stronger focus on tax policy reform. The conclusion was to use the next meeting of the ATI Consultative Groups to discuss how to enhance capacities of ATI partner countries. The Secretariat of the Addis Tax Initiative will organise virtual meetings for the ATI Consultative Group 2 to discuss the feedback provided by the ATI members on the proposed list of indicators and include a section on capacity enhancement possibilities at ATI partner countries.

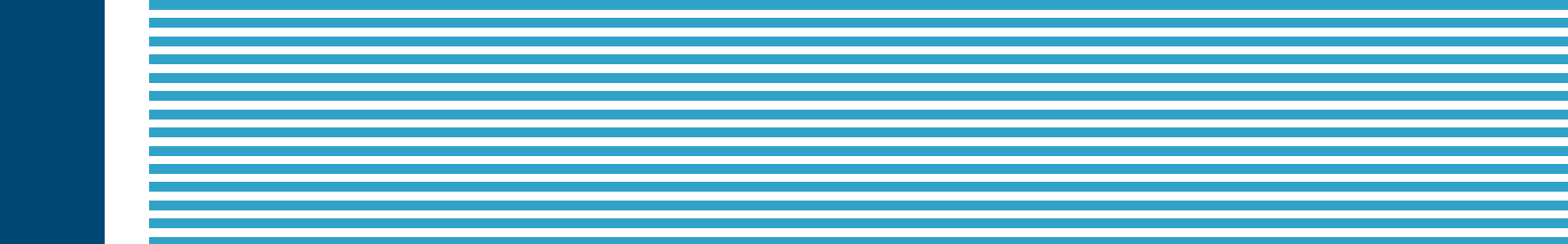
ATI Consultative Group 3

ATI Commitment 3: All ATI signatories commit to promote and ensure policy coherence for development.

The ATI Consultative Group 3 met to discuss lessons learned from the OECD whole government approach, the study on tax incentives, the BEPS assessment tool, the monitoring of the ATI Commitment 3 and policy coherence in the Addis Tax Initiative post-2020. As for the whole government approach, the OECD will share results of the whole government approach surveys. It records good practices on how treasuries/finance ministries, tax administrations and donor agencies/foreign affairs can work together effectively to help developing countries to build tax capacities. The United Kingdom offered to share lessons learned of this process.

The ATI Consultative Group 3 also discussed about the concept for the study on tax incentives. The study aims to provide recommendations on how to design tax incentive regimes and to manage the transition from one incentive regime to the other. It will also provide good examples of inter-agency cooperation to avoid harmful tax practices.

Germany gave an update on the BEPS assessment tool. The objective of the tool is to identify country-specific needs and options to protect the corporate tax base in partner countries. It should help partner countries in opting for tailored measures to counter BEPS, which heeds the country-specific administrative and legal framework and helps to prioritise areas of reform. The piloting will take place in early 2019 in close coordination between Germany and the Netherlands.



As development partners have reported difficulties in coordinating the ATI Monitoring Surveys and it provides activities rather than progress made, the ATI Consultative Group 3 members discussed about options to improve the monitoring of ATI Commitment 3. Madagascar, Senegal, Germany and Ireland volunteered to work on a new ATI Monitoring Survey in the aftermath of this meeting.

Based on the outcomes of the ATI post-2020 discussion, the ATI Consultative Group 3 agreed to increase the political/high-level visibility of the Addis Tax Initiative in the post-2020 agenda, for instance by pitching the Initiative at high-level political events. The group also suggested to include expenditure topics into the ATI agenda to touch upon the interlinkages of revenues and spending.

Closing session

The Co-Chair of the ATI Steering Committee, Ms. Kimberly Rosen, closed the ATI Paris Meeting. Ms. Rosen stressed the importance of the Addis Tax Initiative as a platform that brings partner countries, development partners and supporting organisations together. She emphasised the importance of more partner countries joining the Addis Tax Initiative and playing a leading role in ATI meetings, consulting with the business community on issues related to the ATI priorities, and encouraged all to take advantage of the opportunities the Addis Tax Initiative provides to its members.

ATI members will meet next at the ITC/ATI Tax and Development Conference, which will take place in July 2019 in Berlin. At this occasion, the 2017 ATI Monitoring Report and the ATI evaluation report will be launched. The ATI Consultative Group meetings will continue virtually. All ATI members are welcomed to join any of the ATI Consultative Groups by sending an email request to secretariat@taxcompact.net.

As part of the closing ceremony, ATI members thanked Liberia and Georgia, whose term in office as members of the ATI Steering Committee came to an end in November 2018. The ATI Steering Committee is composed of two partner countries, two large donors and two smaller donors. An expression of interest for two ATI partner countries to fill the vacant partner country spots was sent out, with four countries expressing interests. The Secretariat of the Addis Tax Initiative will set-up a restricted online area for ATI partner countries to vote for their two representatives on the ATI Steering Committee. The ATI partner countries will be notified by email once the voting facility is setup.