

A. DRM reforms in partner countries

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Summary of the main issues discussed

- Quality of tax collection need to be linked to the quality of public service
- Take into consideration the expectations of citizens and companies
- Fighting corruption
- Informal economy/sector
- Expansion of tax base. Restructuring of tax incentives
- Platform for Collaboration on Tax (MTRS)
- Digitalisation
- Donor coordination
- Enhance the use of assessment tools (e.g. TADAT)

Summary of the main recommendations, incl. who could contribute what?

Support in different areas:

- ICT-tools
- Human resource development (vocational trainings)
- Development of assessment skills
- Capacity building in technical matters
- Cooperation among different sectors
- South-South Cooperation
- Digitalisation
- Donor coordination

Summary of recommendations to the ATI

- Donor coordination
- Integration of all stakeholders: politicians, tax administration & citizens
- Regional organisations should be more involved

B. Aid effectiveness of development cooperation in the area of DRM

Summary of the main issues discussed

- For aid to be efficient and effective it needs to tackle the root cause, including proper analysis and focus on outcomes not outputs
- Each country has different issues and challenges, there is no one model that can be applied
- Establishing baselines is important and we need to connect together as stakeholders to ensure consistent way of collecting and ensuring data is shared
- Ownership, transparency and accountability need to also link to the citizens of the country and incentivize taxpayers by seeing direct benefits
- Donors need to be flexible, it is not just about selling assistance or a solution
- There are issues around short-term technical assistance and also revenue staff working on reform on a part-time basis. Longer term more regular support is key.

Summary of the main recommendations, incl. who could contribute what?

- MTRS is a solution that can assist with those issues
- Looking at the timelines of existing reforms and introducing a transitional phase for MTRS may assist revenue authorities
- Just as important, building in risk and mitigating factors
- Cost-benefit analysis is required to inform stakeholder engagement
- The country needs to manage demand for support
- The Busan and OECD principles- the session provides us an excellent opportunity to feed in thinking on the detail and application of these principles (on the demand side)

C. Enhanced coordination of development partners

*Moderation: Hubert Perr
European Commission*

Summary of the main issues discussed

- DRM gained enormously on attention and relevance in development policies (Addis Ababa; 2030 SDG).
- So far, DRM still plays a minor role in cooperation.
- There is willingness and commitment (see ATI) from sides, development partners and partner countries, to increase cooperation on DRM.
- This intention needs to be transformed into efficient, effective and tangible cooperation.

Identify country priorities and needs.

- Identify existing and planned support.
- Alignment between country needs and support.
- Deliver the type of assistance required, requested.
- Identify key actors (several): political; technical and admin; non-governmental.
- Cover countries (geographic) / aspects (thematic) and avoid duplications / blind spots.
- Identify delivery modalities that are best adapted to the situation.
- Results focused but long term.

Principles

Country led and driven: Need for a strategy (Medium Term Revenue Strategy).

- Coordination at country level not by 'donors' but by the government.
- Clear political commitment to reform and implementation.
- Development partners should work in alignment with their strength.
- Collaboration beyond traditional development aid but as cooperation, including policy dialogue.
- Work through a set of best placed partners at global / regional and national level.
- Work through a set of implementing modalities that are best aligned to country needs.

Summary of the main recommendations, incl. who could contribute what?

1. Country driven and organised on the ground.
2. Political commitment implementation of strategies.
3. Centred around medium term revenue strategies
4. global level coop
 - Technical cooperation: Platform for Collaboration on Tax (UN, IMF, WB, OECD): Economies of scale; highly specialised technical aspects; Intervention at country level (Global Programmes and Trust Funds). E.g. IMF Revenue Mobilisation TF; Tax Inspectors without borders,... TADAT assessment tool.
 - Overall cooperation on DRM: Addis Tax Initiative: Tackle the implementation of the 3 ATI commitments. Reporting on support (quantitative, qualitative); Political reform commitment; Policy Coherence for Development. UN tax committee.
5. Regional level coop
 - Regional Tax Networks: ATAF, CIAT, CREDAF others. Critical role as intermediaries between countries, regional I integration bodies such as ECOWAS etc. and global. Rep. of countries and regions at international tax governance foras. Advocacy. Technical Assistance.
6. Bilateral cooperation:
 - Larger, multi-annual, tailor made assistance.
 - Coordinated at country level (e.g. PFM group).
 - Different delivery modalities: Capacity development; TA; Budget Support,...
 - Policy Dialogue

Summary of recommendations to the ATI

Provides an insitution forum for collaboration on tax

- joint platform between two parties- governments partner and donor countries

Provide basis for reporting

- Quantitative annual reporting
- But also qualitatitve- have to demonstrate that this actually lead to something
- Wiki-based information sharing website- everything going on- can be sorted on country (donor and partner)

Recommendation to/from G20: Join the Addis, support UN sub committes on taxation, support developing countries participation (not recommendation, highly political, but something)

Make visibile who are the donor darlings and donor orphans-

Use PFM-coordination groups: Public Financial Management groups- rather than a new DRM group. Now not fully functional- info sharing, but not really efficient. Could revitalize

Include top 10 economies of the world into the equasion

D. South-South cooperation

*Moderation: Elfrieda Stewart Tamba
Liberia*

Summary of the main issues discussed

- Limited number of countries in the ATI framework
- Limited capacity of South institutions in addressing complex BEPS and Transfer Pricing issues and negotiations
- Limited funding for South-South knowledge sharing and capacity development
- Issue of transparency and limited flow of information among South-South countries
- Limited coherence of policy at the South-South level, including need to increase awareness

Summary of the main recommendations, incl. who could contribute what?

- ATAF can contribute to repackaging of South-South cooperation for easy assimilation of ATAF members
- South countries to conduct political analysis of South-South Cooperation, its impact and collaboration with politicians
- Strengthening capacity of tax officials to increase active participation in formulating positions on technical tax issues
- Strengthening South-South voice in the UN Tax Committee
- Sharing experiences on success and failures
- Support for the utilization of technology

Summary of recommendations to the ATI

- Call on ATI in assisting to create the institutions where South-South Cooperation can happen, and utilize South-South expertise
- ATI should set regional membership targets to increase the membership
- IMF, World Bank are asked to support the regional organisations on a sustainable basis (not short-term)
- Creating the platform where Latin America, Africa and Asia can exchange information and share knowledge

E. Measuring progress in DRM reform

Moderation: Victoria Perry
IMF

Summary of the main issues discussed

- Many questions discussed
- Much recognition for TADAT as assessment tool:
 - Described as useful experience
 - Base for designing reform programs
 - Would be good to publish reports for regional learning and use of data
- But TADAT does not cover all aspects / What dimensions of progress to be measured beyond TADAT?
 - Organisational aspects in tax administrations (f.i. HR)
 - Fairness / Tax policy aspects
- Measurements is fine but only useful if it leads to medium term reform strategies

Summary of the main issues discussed ff

- Measuring the progress on the donor side (Donor TADAT – Commitment 1)
- Sequence of measurement and reform: timelines between TADAT assessment – reform programmes – measurement of progress (as result of implementation)
- Inclusion of subnational DRM/ municipal DRM is important especially for reaching SDGs

Summary of the main recommendations, incl. who could contribute what?

- Publishing of TADAT reports would be very helpful (most of all for regional learning)
- Very hard to measure certain and important aspects as fairness and societal choices reflected in tax policies
- Also measure progress on the taxpayers side: as compliance cost

Summary of recommendations to the ATI

- Do not duplicate – use existing measurement systems
- Make sure, that donor commitments are also measured
- Contribute to more transparency of tax measurement results

F. Ensuring policy coherence for development

*Moderation: Wiebe Anema
Netherlands*

Summary of the main issues discussed

- Tax treaties
 - Domestic policies on tax treaties and re-negotiations
 - Donor approach in treaty policies towards partner countries
 - Un-intended impacts?
- Tax incentives/Tax competition/Harmful tax practices
 - Deviation from national tax policies to attract investment in certain sectors
- Spillover effects
- Awareness and comprehension between Ministries/Actors
- Transparency vs. Confidentiality
 - Exchange of Information – access for partner countries
- Political issue, needs to be debated/considered at political level
 - DRM & Expenditure side
- Decision making on global tax standards
- In-country investment in DRM (Allocation of resources to the revenue authorities)

Summary of the main recommendations, incl. who could contribute what?

- Support partner countries to automatically exchange information/all donors must fully adhere to exchange information/commit to fully implement Global Forum standards
- Development partner should work to bring whole of government approach to their programmes
- Support partner countries in strengthening the analytical capabilities of tax policy formulation
- Countries to develop principles informing the tax policy – DTA's, tax incentives
- Conduct spillover analyses – DTA's, tax incentives, including harmful tax practices

Summary of recommendations to the ATI

- Indicator in the Monitoring Report: How many countries conducted spillover analyses – DTA's, tax incentives, including harmful tax practices
- ATI publishes on website what capacity building programmes are in place to support partner countries to automatically exchange information/all donors must fully adhere to exchange information/commit to fully implement Global Forum standards and where it actually has led to actual exchange of information.
- Develop indicators/a framework for monitoring commitment 3
 - E.g. based on TADAT data, partner countries to publish TADAT data