

Panel discussion 1 - Increasing revenue for achieving the 2030 Agenda: Which are the untapped sources?

2-4 July, Berlin/Germany

Day 1, 11:40 – 13:00

Background

Mobilising domestic revenues, in particular through taxation, is key for achieving the 2030 Agenda for Sustainable Development. Albeit much has been achieved in the last years, partner countries still face significant **shortfalls in domestic public resources for financing the Sustainable Development Goals (SDGs)**. Additionally, **meeting the SDGs is expected to require a vast amount of additional resources** to scale up investment in e.g. education, health or information technologies to achieve a more inclusive development path. Closing this financing gap requires **sustained improvements in domestic revenue mobilisation (DRM)**. This situation highlights a need for improving tax policies and strengthening the political will and the administrative capacity to implement them.

Financing needs also call for **exploring new avenues for mobilising additional sources of government revenue**. To achieve the aspirations of the SDGs, governments will be increasingly required to fight tax evasion, access and **reconsider the repertoire of fiscal policy instruments**. Examples are numerous. Reducing tax expenditures and integrating the informal economy into the tax system could increase revenues dramatically.¹ Moreover, the issue of local government taxation has remained relatively untapped in developing countries despite their significant revenue potential, in particular through property taxes. Last but not least, widening the revenue portfolio to e.g. environmental and excise taxes could help further strengthen DRM while promoting other sustainable development objectives.

Building on the findings highlighted by the presentation of the 2017 ATI Monitoring Report, this panel discussion will highlight progress made on DRM in partner countries in the last years, identify which challenges remain, and consider which untapped sources should be considered for further increasing domestic revenue mobilisation.

Intended outcomes

- Untapped sources for increasing revenue have been considered;
- Reform options to tackle them have been discussed;
- The role for the Addis Tax Initiative in mobilising new revenue from untapped sources after 2020 has been debated.

¹ Estimates suggest that broadening the base and simplifying collection could help the African Continent as a whole raise over \$99 billion each year for the next five years. United Nations Economic Commission for Africa (2019), Economic Report on Africa 2019: Fiscal Policy for Financing Sustainable Development in Africa, Addis Ababa Ethiopia. Please refer to <https://www.uneca.org/sites/default/files/PublicationFiles/era-en-final-web.pdf> for more information.

Guiding questions for the panel

- Which are untapped sources for increasing revenue in developing countries?
- What are country examples of successfully tapping into untapped sources?
- What were the challenges and how did countries overcome those challenges?
- What should be the role of the ATI in mobilising revenue from these sources?

Moderator

Monika Jones

Speakers

1. Jenebe BANGURA, Deputy Commissioner General, Sierra Leone
2. Attiya WARIS, Associate Professor of Fiscal Law and Policy, University of Nairobi
3. Mick MOORE, Chief Executive Officer, International Centre for Tax and Development (ICTD)
4. Felix FERNANDEZ-SHAW, Director for international cooperation and development policy, DG International Cooperation and Development (DEVCO)
5. Martin KREIENBAUM, Director for International Tax, Ministry of Finance, Germany