

# news and developments

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## in the field of tax and development

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international tax compact

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*Dear Reader,*

This ITC Newsletter comes in a different way from the one you might know from previous editions. This time, since the ITC Newsletter will shortly be relaunched in a completely new format, we have refrained from inviting contributions from ITC partners and stakeholders working in the field of taxation and international development. We apologise for those who have counted on us to share their experiences and highlights of the last months – but we will soon provide more information on how to contribute news, success stories, publications etc. from the tax and development world on our new ITC website, which will be launched in the first half of 2019.

Still, the ITC Secretariat would like to use the end of the year to give you a short overview of the latest developments in the ITC work lines. A lot has happened in the International Tax Compact in the last year and we wanted to make sure that our subscribers do not miss out on these news.

Thanks to extensive support by its partners and efforts by the ITC Secretariat staff in 2018, the International Tax Compact has further broadened its scope of activities and made considerable progress in consolidating itself as an important platform helping to promote domestic revenue mobilisation (DRM) as well as fair, efficient and transparent tax systems in partner countries.

In 2018, the *Addis Tax Initiative (ATI)* has continued to advocate for the recognition of domestic revenue mobilisation as a key requirement for sustainable development, establishing consultative groups for and publishing monitoring briefs on the ATI commitments. The official launch of the *Network of Tax Organisations (NTO)* was marked by the ratification of a Memorandum of Understanding (MoU) by the participating regional and international organisations of tax administrations, which was an essential step towards its establishment as a key platform for collaboration and coordination in the international tax landscape. Lastly, the *DRM Innovation Fund* began its operative work after having been introduced at the High-Level Dialogue of the African Tax Administration Forum (ATAF) in July and making a first call for applications shortly afterwards.

The International Tax Compact hopes that the following updates will continue to foster your interest in our work and lead to fruitful exchange and collaboration.

Happy reading and stay tuned for the ITC Newsletter's relaunch in the first half of 2019!

Jasmin Froehling,  
on behalf of the ITC Secretariat

**strengthening  
effective, fair  
and transparent  
tax systems**

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## News from the ITC Secretariat

Next year, the International Tax Compact (ITC) will celebrate its 10th anniversary. Having started as an “informal platform to combat tax evasion and tax avoidance” in 2009, the ITC has since considerably broadened its scope of activities and developed into a neutral platform for all stakeholders in the area of tax and development.

To mark the ITC’s anniversary, the ITC Secretariat will relaunch the ITC website in 2019. The new ITC website will be more comprehensive and up-to-date, bringing together all relevant information in the field of tax and development. The website will not only relaunch well-established ITC formats in a new, more accessible design, such as the *DRM Calendar*, which lists all DRM-relevant events worldwide, or the *DRM Database*, which provides an overview of all technical assistance projects carried out worldwide aimed at mobilising domestic resources. The website will also provide more in-depth information about relevant stakeholders and initiatives in the area of tax and development in order to foster collaboration and facilitate peer-learning. Interac-

tive formats will enable tax and development stakeholders to provide ongoing information and to interact more directly with each other. The relaunch of the ITC website will be accompanied by a relaunch of the ITC Newsletter as well as by a relaunch of the websites of the Addis Tax Initiative and the Network of Tax Organisations.

Our 10th anniversary will certainly also be celebrated at our next ITC/ATI Tax and Development Conference, which will take place end of June in Berlin. Our flagship event seeks to further the dialogue among all relevant stakeholders on the mobilisation of domestic resources in partner countries. Featuring various participatory formats, the conference will bring together representatives from partner countries and development partners, international and regional organisations, civil society organisations, research institutions and private sector firms, to discuss current issues in the area of tax and development. We will shortly provide more information on our conference and we hope to see many of you in June in Berlin!

## New staff member in the ITC Secretariat



Lisa Brinkmann joined the International Tax Compact as Technical Advisor in December 2018. Lisa holds a Master of Science in Economic Policy from Utrecht University (Netherlands) and a Bachelor of Science in International Economics from the University of Tuebingen (Germany). She previously worked for the Sector Programme Good Financial Governance at the headquarters of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) in Germany and for the United Nations Economic Commission for Latin America and the Caribbean (ECLAC) in Brazil, where she tackled matters related to budget and tax policies as well as infrastructure investment and structural reforms, respectively.

## We Are Hiring!

The ITC Secretariat is looking for a new coordinator to succeed Jasmin Froehling. The complete vacancy can be found [here](#). Note that, while the working language is English, candidates also need to be fluent in German to be considered for this position. The new coordinator will be primarily based at the GIZ headquarters in Bonn, Germany.

Please share this information with potential candidates. Interested candidates shall apply via the GIZ career portal until 4 January 2019. We look forward to receiving interesting applications!

## News from the Addis Tax Initiative

### Highlights in 2018

In 2018, the Addis Tax Initiative (ATI) welcomed Afghanistan and Madagascar as new ATI signatories as well as Oxfam International as ATI supporting organisation. The Addis Tax Initiative has now more than **55 members**, of which 20 are ATI development partners and 23 ATI partner countries.

One of the main tasks of the Secretariat of the Addis Tax Initiative is monitoring the fulfilment of the three ATI commitments. Following the publication of the **2015 ATI Monitoring Report** in 2017, which established the baseline for the ATI monitoring, three ATI Monitoring Briefs were published this year, each assessing the progress made towards the achievement of one of the ATI commitments against the 2015 baseline.



**ATI Monitoring Brief 1** revealed that, in 2016, gross disbursements for DRM support accounted for 358.18 million USD and commitments for 375.60 million USD, which represents an increase of 61 per cent and 58 per cent, respectively, with regards to the ATI baseline.



**ATI Monitoring Brief 2** showed that ATI partner countries focussed on improving and simplifying revenue collection, improving tax compliance and building capacities to implement important international standards, frameworks and agreements, such as the BEPS Inclusive Framework or Automatic Exchange of Information (AEOI).



**ATI Monitoring Brief 3** demonstrates that, while ATI signatories take their responsibility to ensure policy coherence seriously, only some of the ATI members follow specific policy coherence indicators. Internationally recognised indicators are still being prepared.

A significant highlight of 2018 was the successful establishment of the ATI Consultative Groups, in which ATI members work together on concrete deliverables to support the fulfilment of the ATI commitments. Example activities include the preparation of a study on donor coordination in domestic revenue mobilisation (DRM) by ATI Consultative Group 1, the development of a set of indicators for measuring progress in DRM-related reforms and identifying current reform priorities of partner countries by ATI Consultative Group 2, and a study on harmful tax incentives as well as a tool for assessing anti-BEPS measures of partner countries by ATI Consultative Group 3.

One exciting result that has already come out of the ATI Consultative Groups is the new **ATI matchmaking mechanism**, which enables ATI partner countries to request support and ATI development partners and supporting organisations to offer support. The matchmaking mechanism is currently being tested by the ATI members and will be eventually integrated into the internal area of the ATI Homepage, which will be relaunched in 2019.

addis tax  
initiative





## Outlook

2019 will be a special year for the Addis Tax Initiative, as laying the foundation for the Addis Tax Initiative beyond 2020 will be of crucial importance. Given that ATI Commitment 1 is to be fulfilled by 2020, the question arises of how to continue with the Addis Tax Initiative after that and how to further develop, change or adapt the initiative to best accommodate the needs and priorities of its member partner countries, development partners and supporting organisations. In preparation of a highly participatory process aimed at developing a new ATI declaration to be launched in 2020, an (external) evaluation will be conducted to develop recommendations on how to improve the Initiative's impact and better reach its aims.

The ITC/ATI Tax and Development Conference as well as the meeting of the Addis Tax Initiative at the end of next year will serve as important fora to discuss options to meeting the ATI commitments, most notably as a means to sensitise ATI development partners to the fulfilment of ATI Commitment 1. Further, these events and meetings will give the opportunity to launch the studies and instruments by the ATI Consultative Groups.

For further information on the Addis Tax Initiative, please visit [www.addistaxinitiative.net](http://www.addistaxinitiative.net) or contact *Tobias Fleckenstein* and *Collen Lediga*.

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## New staff member in the Secretariat of the Addis Tax Initiative



Collen Lediga joined the International Tax Compact as Technical Advisor in April 2018, working primarily for the Secretariat of the Addis Tax Initiative. Collen is specialised in tax administration and tax policy reforms as well as international corporate taxation. His PhD research was an empirical assessment of the effects of corporate tax evasion and avoidance on tax revenues. Prior to joining the International Tax Compact, he held a teaching and research position at the Ruhr University Bochum. Collen has also worked at the South African Revenue Service as a tax administrator and as a consultant for tax capacity building projects in Africa.

## News from the Network of Tax Organisations

### Highlights in 2018

The Network of Tax Organisations (NTO) is a network of regional and international organisations of revenue administrations that wishes to develop and promote effective tax systems as a means to contribute to the well-being of all people. Its main objective is to act as a global platform for exchange of experiences, knowledge and best practices on tax administration matters.

With its official launch in May 2018, the Network of Tax Organisations has taken major steps towards establishing itself as a key platform for collaboration and coordination in the international tax landscape.

Nine organisations are currently members of the Network of Tax Organisations: the African Tax Administration Forum (ATAF), the Association of Tax Authorities of Islamic Countries (ATAIC), the Commonwealth Association of Tax Administrators (CATA), the Centro Interamericano de Administraciones Tributarias (CIAT), the Caribbean Organisation of Tax Administrators (COTA), the Cercle de réflexion et d'échange des dirigeants des administrations fiscales (CREDAF), the Intra-European Organisation of Tax Administrations (IOTA), the Pacific Islands Tax Administrators Association (PITAA) and the West African Tax Administration Forum (WATAF).

In 2018, the NTO members appointed the first NTO Council and agreed on the network's governance structure, vision, values and mission. Key short- and long-term priorities were defined, aimed to inform the first five-year strategic plan of the platform and its implementation strategy. Specifically, in the 2018–2023 period, the Network of Tax Organisations will focus on the following priority areas:

1. Fostering the capacity development of its members by organising and coordinating cross-network peer-learning activities, facilitating the access to experts and strengthening research capacities;
2. Enhancing internal collaboration among its members by promoting joint activities and ensuring information and knowledge sharing;
3. Ensuring representation of NTO members' interests in the various international fora. As such, by cooperating with other stakeholders and providing opportunities for dialogue through NTO conferences and other events, the Network of Tax Organisations sees itself as a platform for global tax dialogue.

Finally, in 2018, the NTO members launched their first joint activities and reaffirmed their commitment to strengthen the coordination among themselves. In fact, the *CIAT/IOTA Tax Summit on Digital Economy* held in October in Lisbon has served as a first successful example of a major joint event organised by NTO members.



## Outlook

In the coming months, the Network of Tax Organisations will focus on the implementation of activities agreed by the NTO Council. Most notably, this will include providing e-learning courses (for instance on transfer pricing, tax and ethics) for NTO members' tax administrations, running a series of webinars on administrative issues faced by the tax organisations, and conducting collective research projects on topics of common interest, such as digitalisation.

The Network of Tax Organisations also seeks to further engage in international debates on tax administration matters, an aim for which the ITC/ATI Tax and Development Conference in June in Berlin will serve as a welcome opportunity. The conference will also serve as a major stepping stone towards the first global NTO Conference, scheduled to take place in 2020 in Rome, in cooperation with the Italian Guardia di Finanza.

For further information on the Network of Tax Organisations, please visit [www.nto.tax](http://www.nto.tax) or contact [Sarah Adelberger](#) and [Robin Huguenot-Noel](#).

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## New staff member in the Secretariat of the Network of Tax Organisations



Robin Huguenot-Noel joined the International Tax Compact as Technical Advisor in November 2018, working primarily for the Secretariat of the Network of Tax Organisations. Previously, Robin worked as a tax policy advisor to the UK Treasury (in close collaboration with HM Revenue & Customs) and as a seconded national expert to the European Commission, mainly focusing on corporate tax avoidance issues. He also worked as an economist in a Brussels-based research centre and held teaching positions at Sciences Po Lille (France) and Pacific University (USA). Robin holds a diploma in economics from the University of Birkbeck London (United Kingdom) and master's degrees from Sciences Po Lille (France), the University of Muenster (Germany) and the College of Europe in Natolin (Poland).

## News from the DRM Innovation Fund

### Highlights in 2018

The DRM Innovation Fund addresses the lack of access to financial means for piloting innovative ideas that could help tackle challenges faced by African countries in tax-related issues. It has been established with funding provided by the Bill and Melinda Gates Foundation (BMGF) and the German Federal Ministry for Economic Cooperation and Development (BMZ).

The first call for applications of the DRM Innovation Fund was launched in August 2018, inviting all public entities dealing with the mobilisation of domestic resources in Africa to hand in their ideas for innovation projects. 13 proposals were received, of which six were short-listed, based on their innovative potential, relevance to domestic revenue mobilisation (DRM), and the effectiveness, sustainability and efficiency of their initiatives. Among some of the proposed ideas was the development of a strategy on taxing the gambling industry and the improvement of small and micro tax payers' compliance using a mobile application. The implementation of the proposals approved for funding is expected to start at the beginning of 2019.



DRM  
INNOVATION  
FUND

### Outlook

A second call for proposals is being envisaged for the beginning of 2019, providing an additional opportunity for interested public entities across the continent to apply for support for innovation projects. Later in the year, a workshop will be held to bring together African stakeholders interested in developing innovative ideas related to domestic revenue mobilisation. This workshop will serve as a forum for presenting the results of the call for proposals, success factors and lessons learnt, in addition to building networks that aim to tackle the shared challenges and to develop joint proposals. The ITC/ATI Conference on Tax and Development in June in Berlin will also allow for the Fund Secretariat to share successful innovative approaches to enhance revenue mobilisation in partner countries.

For further information on the DRM Innovation Fund, please visit [www.drm-innovation.fund](http://www.drm-innovation.fund) or contact *Tatu Ilunga*.

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## The DRM Innovation Fund

The DRM Innovation Fund provides flexible and quick funding for short-term innovative projects in African countries. The target group of the DRM Innovation fund are public entities that deal with domestic revenue mobilisation and that have their origin in an African partner country. The Fund allows and explicitly encourages cooperation between public entities, as well as joint ventures between with non-governmental organisations, academia and private sector firms from the African continent.

The DRM Innovation Fund aims at supporting projects with short funding cycles of up to 12 months and project budgets that do not exceed 100,000 Euros. The project budgets can be designed individually and can be used, for instance, for technical advice, the purchase of goods or the procurement of services. The supported projects should allow for an implementation within the envisaged period and promptly deliver quick wins. Projects should be innovative in the sense that they develop new solutions for persisting problems. This means that they might develop entirely new approaches to solving a problem or utilise practices from other regions or sectors and adapt them to the application context by blending them with local knowledge.

## New staff members in the Secretariat of the DRM Innovation Fund



Tatu Y. Ilunga joined the International Tax Compact as Fund Manager to the DRM Innovation Fund in June 2018, being in charge of heading and managing the Fund Secretariat. Tatu is a senior tax expert, whose experiences span across multiple sectors and industries with a special emphasis on tax issues related to extractive industries in Africa. Prior to joining the Fund, he worked for the World Bank in Washington D.C. and held positions within the international tax practices departments at KPMG and EY in Luxembourg. Tatu holds a Master of Laws from the George Washington University Law School (USA) and a Maîtrise en Droit des Affaires (Juris Doctor equivalent) from the University of Lille 2 (France).



Katherine Hao-Fei Xiong joined the International Tax Compact as Technical Advisor to the DRM Innovation Fund in December 2018. Katherine has previously worked for the Governance Support Programme at the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) in South Africa, with a specific focus on accountability and oversight. Katherine holds a master's degree in international relations from Wits University (South Africa) and completed the "Managing Global Governance Programme" with the German Development Institute (DIE). Previously, she worked in the media industry and held a fellowship at the United Nations Conference on Trade and Development (UNCTAD).



Kelebogile ("Kele") Nhlapo joined the International Tax Compact as Finance and Administration Officer to the DRM Innovation Fund in September 2018. Kele provides support to the Fund in terms of local contracts, financial and expenses management, working alongside technical advisors based in Pretoria. Previously, Kele worked a senior accountant for non-profit and local government organisations, handling all financial matters. Kele holds a Bachelor of Commerce degree in Accounting from the University of North West (South Africa) and is currently pursuing a Postgraduate Diploma in Management Accounting.