

# Outcome of the meeting of ATI Consultative Group 1

Date:	1 July 2019
Location:	Berlin, Germany
Participants:	Rocio Calidonio (World Bank, PCT Secretariat) Tobias Fleckenstein (ITC Secretariat) Robin Huguenot-Noel (ITC Secretariat) Essa Jallow (The Gambia) Raphael Kamoto (ATAF) Mathieu Lafreniere (Canada) Jihyeon Lee (Korea) Henrik Lund (Sweden) Hasina Rakotondrainibe (Madagascar) Maria Reese (GIZ) Jenny Russel (Save the Children) Cosimo Scagliusi (Italy) Anca-Maria Szigeti (European Commission) Timo Voipio (Finland) Tatiana Žilková (Slovak Republic)
Agenda:	<ol style="list-style-type: none"><li>1) ATI Study on Donor Coordination</li><li>2) ATI matchmaking mechanism</li><li>3) Monitoring of ATI Commitment 1</li><li>4) Potential future activities</li></ol>

## 1) ATI Study on Donor Coordination

During the meeting in Stockholm, Sweden, in June 2018, the ATI Consultative Group 1 discussed the need to improve coordination between all relevant stakeholders when it comes to the provision of DRM support. It was agreed that, as financing for DRM increases, so does the need to have improved coordination and coherence. This will ensure that support made available complement each other and is harmonised to achieve maximum impact. The Consultative Group 1 members agreed to commission this ATI Study on Donor Coordination. The study aims to provide a conceptual framework for DRM support based on principles of development effectiveness, ownership, alignment, harmonization and managing results.

Tobias Fleckenstein (ITC Secretariat) presented findings of the study. Results of the study indicate that current pattern of donor support to DRM is fragmented and

unevenly allocated, with some partner countries receiving less support than is needed to implement DRM reforms. The study suggests that official development assistance (ODA) for domestic revenue mobilisation could either be allocated on the basis of objective measures of need, to avoid aid orphans and darlings, or to countries where it is most likely to be effective. Another option suggested from the study is to concentrate ODA in countries with an enabling environment, including country leadership of DRM reform and absorption capacity for technical assistance.

The study also explored the potential for improving coordination at the country level. The identified building blocks for a coordination cycle include development effectiveness principles (country ownership, alignment, harmonization, managing for results and mutual accountability) to improve donor coordination.

The ATI Consultative Group 1 members welcomed the study report, and discussion focused on the importance of having a diagnostic tool that facilitate the sharing of reform priorities and challenges of partner countries. It was reported that the Platform for Collaboration on Tax (PCT) has undertaken an initial mapping of diagnostic tools and the Government of Norway is currently undertaking a technical assessment of the same. Norway offered to share findings of the study. Results from these ongoing studies of the diagnostic tools will help ATI members in terms of which diagnostic tool to use.

Meeting discussions also included DRM strategies and action plans of ATI members. Key challenges include the need to improve the quality of national DRM strategies and action plans and fostering strong ownership by governments and other national stakeholders. Some strategies and action plans were found to lack sufficient focus or prioritisation to provide a sound basis for development partner alignment. Discussions also highlighted that many development partners still struggle to align their support with national priorities, owing to rigidities or time lags in their allocation processes and programming cycles. The IMF led medium-term revenue strategies (MTRS) might improve coordination, yet evidence on the implementation of MTRS is not sufficient yet.

Essa Jallow (The Gambia) reported that a country-led donor coordination group is crucial for functioning coordination. Some development partners reported that they would encourage partner countries to publish and share Tax Administration Diagnostic Assessment Tool (TADAT) assessments.

ATI Consultative Group 1 members emphasised the usefulness of the recommendations provided in the study. It was decided to establish a core group that will identify recommendations to be implemented by the Addis Tax Initiative. The core group will prepare a note with concrete measurements to be implemented by the Addis Tax Initiative. This note will be shared and discussed with the ATI Consultative Group 1 in fall 2019. Mathieu Lafreniere (Canada), Essa Jallow (The Gambia), Henrik Lund (Sweden) and Tobias Fleckenstein (ITC Secretariat) volunteered to be in the core group on donor coordination

## 2) ATI matchmaking mechanism

Tobias Fleckenstein (ITC Secretariat) announced a delay in the launch of the ATI matchmaking mechanism, which will be launched in September 2019 on the ATI website. The ATI matchmaking mechanism aims to support and promote collaboration between the ATI members by pairing countries and organisations on a reciprocal offer/need support basis. In doing so, the mechanism effectively facilitates the matching of the ATI partner countries and the ATI supporting organisations with ATI development partners.

The “Request for Assistance” and “Offer of Support” templates provide a simple and concise way for the ATI members to outline their specific requests for, or offers of support. Requested and offered assistance can cover technical assistance, expert support, study visits, training and financial assistance. If an ATI member has a request for, or offer of support, it can fill out the respective form. Then, the templates will be made available in a restricted online area on the ATI website.

Partner countries reported difficulties in filling in the templates in order to meet the expectation of development partners. ATI Consultative Group 1 members agreed to provide an expert pool of people who can support partner countries to fill-in the templates. An expression of interest to be in the expert pool will be shared shortly. The expert's name and contacts will be provided upon request

## 3) Monitoring of ATI Commitment 1

Unfortunately, discrepancies between the ATI data and the OECD DAC data have been noted in 2017 again. ATI Consultative Group 1 members agreed that development partners are supposed to provide the identical reporting to OECD DAC and the ATI. Consultative Group members proposed to interview development partners with reporting discrepancies for the reasons. The OECD also offered to provide assistance. In 2020, at the latest, the ATI dataset should be identical to the OECD DAC dataset.

## 4) Potential future activities

Timo Voipio (Finland) reported that other sectors like environmental or climate support have recently drawn more attention in international development cooperation than domestic revenue mobilisation. He suggested linking domestic revenue mobilisation to the support of other sectors relevant for the Sustainable Development Goals (SDGs). Specifically, he mentioned environmental taxation, which could possibly contribute to both domestic revenues and a reduction in carbon dioxide emissions. He asked whether the Addis Tax Initiative could conduct a study on environmental taxation and, furthermore to share experiences of how domestic revenues can contribute to other relevant SDG sectors. ATI Consultative Group 1 members agreed that this has become an emerging field, which is interesting. After having done an analysis on whether other actors are already working on this, the Addis Tax Initiative could potentially conduct a

study on environmental taxation or provide a collection of good practices of domestic revenues contributing to SDG relevant sectors.