

## **Minutes of the 2<sup>nd</sup> Meeting of the signatories of the Addis Tax Initiative**

19 October 2016, OECD Conference Centre, Paris

- Agenda:
1. ATI work plan 2016/2017
  2. ATI Baseline Monitoring Report
  3. ATI Governance

### **Background**

The 2<sup>nd</sup> Meeting of the signatories of the Addis Tax Initiative (ATI meeting) took place back-to-back to the *Meeting on Strengthening External Support for Building Tax Capacity in Developing Countries* organised by the Platform for Collaboration on Tax (IMF, OECD, UN and the WBG) with the Ministries of Foreign Affairs and of the Economy and Finance of France on 17 and 18 October 2016. The ATI meeting was preceded by a joint session of development partners and members of the Forum on Tax Administration (FTA) on Wednesday, 19 October.

### **1. ATI work plan 2016/2017**

The International Tax Compact (ITC) presented the ATI work plan 2016/17. A draft of the work plan had been circulated to all ATI members prior to the ATI meeting. It is the first work plan of the Initiative and outlines its key priorities until the end of 2017. Building on the foundations laid since its launch, the ATI will focus on becoming more effective in furthering its objectives by extending the scope of its activities, by better involving ATI members and by expanding its membership and reaching out to interested partner countries.

The participants welcomed the work plan and the increased scope of ATI activities. However, they agreed that any additional burden on ATI members, e.g. regarding the provision of additional information for the planned DRM Catalogue should be kept to a minimum. Already existing information should be used and reporting activities not be duplicated.

**Priority 1 (Further development of Addis Tax Initiative):** In order to engage more members in ATI activities, the ATI Steering Committee (SC) invited all ATI members to become involved in smaller groups of interested members to work on specific issues. Possible activities that would benefit from more involvement of the ATI members are for instance:

- the development of Practical Guidelines to operationalise the *OECD Principles for International Engagement in Supporting Developing Countries in Revenue Matters* and to develop them further, e.g. into a voluntary monitoring and assessment framework,
- the preparation of an ATI paper on policy coherence in domestic revenue mobilisation (DRM), or
- the organisation of an ATI event.

**Priority 2 (Monitoring the ATI commitments):** discussed separately in item 2 of the agenda (please see below)

**Priority 3 (Expanding ATI membership):** The participants agreed that both raising the number of ATI partner countries as well as their active involvement in the ATI activities should be given a priority. The benefits for joining the ATI must be clearly communicated. Germany could play a role in flanking the ATI outreach efforts via its G20 presidency in 2017.



Priority 4 (Enhanced and more effective support of ATI partner countries): Michael Keen will seek the TADAT Steering Committee's approval to share requests for TADAT assessments with the group of ATI development partners so that they can advise on their interest to sponsor and/or lead a specific assessment.

Priority 5 (Development partner coordination): Participants agreed that it could be useful to better link up with existing DRM coordination groups in the respective ATI partner countries.

ATI Events:

- The ATI has registered a side event at the 2<sup>nd</sup> High Level Meeting of the Global Partnership on Effective Development Cooperation from 28 November to 1 December 2016 in Nairobi. The side event will be used to foster a discussion on how to enhance development coordination in the field of DRM. The concept note for the side event can be found [here](#).
- An ITC-ATI conference on capacity building in the area of DRM is envisaged for the second half of 2017. Sweden offered to host the conference. An overlap with the planned biennial conference of the Platform for Collaboration on Tax is to be avoided. Dates for both conferences should be coordinated – or alternatively, the two conferences merged.

**All ATI members are invited to provide their comments on the ATI work plan by 7 November 2016.**

## 2. ATI baseline monitoring report

Progress made with regards to meeting the three ATI commitments will be monitored by the International Tax Compact (ITC). The ITC gave a quick overview over the reporting process for the 2015 ATI Monitoring Report (ATI Baseline report), which will be based on OECD DAC data, other official data and indicators on DRM-related activities as well as on additional voluntary narrative contributions. The reporting process for the Baseline report will start with a Monitoring Survey as soon as the OECD DAC data on flows in 2015 has been finalised (by end December).

Regarding the narrative contributions, the participants called for as little reporting requirements as possible. The ATI SC stressed that all narrative reporting was voluntary but encouraged all ATI members to use the opportunity to showcase their progress against meeting the ATI commitments as well as their success stories and lessons learnt.

According to Yasmin Ahmad from the OECD Statistics and Development Finance Division of the Development Cooperation Directorate, the data reported in 2015 against the new purpose code for Domestic Revenue Mobilisation (code 15114), which was agreed by the DAC Working Party on Development Finance Statistics in March 2016, should be validated with DAC donors to ensure that the Creditor Reporting System reflects their complete expenditures in this area. Several providers have not yet used the code for their 2015 reporting; some indicated that this was due to the fact that the new CRS code was introduced in the middle of the reporting cycle, others seemed to have technical issues implementing the new code. The OECD will send the data compiled against the new DRM code back to all DAC donors for validation. Yasmin Ahmad confirmed that the DAC WP-STAT had also agreed on the implementation of multi-purpose codes, but this would only be applicable as of 2018 reporting on 2017 flows.

Participants stressed the need to ensure comparability of the data and called for further guidance on how to implement the new DRM code. OECD invited everyone to contact them for questions to solve remaining issues and concerns. Most participants agreed that it would be important to base the ATI monitoring on the official OECD DAC data, which is transparent, credible and accessible. To have a different ATI dataset would risk affecting the transparency and hence the credibility of the ATI commitments as the data would not be replicable. A compromise



would be for some development partners to use provisional data for the 2015 baseline report and to finalise their 2015 data until the reporting for the 2016 ATI Monitoring report. If data used for the ATI monitoring is different from the OECD DAC data, those deviations must always be made transparent.

**An updated Guidance Note on Reporting against the 15114 CRS Purpose Code will be circulated to all ATI Members in November.**

### 3. ATI Governance

The ATI Steering Committee (SC) provides strategic guidance to the ATI and oversees the implementation of the ATI activities. It consists of six members that serve for two years, one time renewable. The current SC members are Canada, the European Commission, the Netherlands, Senegal, Tanzania and the United Kingdom, with the Netherlands and Tanzania being co-Chairs.

As all development partners in the SC have expressed their willingness to continue in the SC and as there were no objections from the participants, NL, CAN, UK, European Commission will serve for a second term as Steering Committee members. Tanzania and Senegal will be contacted in order to determine their interest in continuing for another year. **Interested partner countries are highly encouraged to step forward and inform the ATI Secretariat about their readiness to serve as Steering Committee members.**

As the two co-chairs (one from a partner country and one from a development partner) are to rotate on an annual basis, Canada has declared its readiness to step in for the Netherlands from December 2016 onwards. There were no objections to this.

#### Next meeting

**The next ATI meeting is envisaged to take place on 22 March 2017 in Paris, before the meeting of the Task Force Tax and Development on 23/24 March 2017.**