

Outcome of the Meeting of ATI Consultative group 3

1 June 2018: 09:30 – 13:00

Location

Ministry of Finance Stockholm, Sweden

Participants

FRA: Romain Ragot

GHA: Daniel Nuer

ITC: Jasmin Froehling

NL: Wiebe Anema (moderator)

OECD: Joseph Stead

Oxfam: Susana Ruiz

PAR: Fabio Ortiz & Carmen Irún Torres

PHI: Mark Dennis Joven

SWE: Gunilla Näsman

Commitment 3: Ensuring Policy Coherence

All participants will ensure that relevant domestic tax policies reflect the joint objective of supporting improvements in domestic resource mobilisation in partner countries and applying principles of transparency, efficiency, effectiveness and fairness.

Presentations/Inputs

1. Monitoring of ATI commitment 3

Jasmin Froehling (ITC) shortly introduced the ATI Monitoring Survey for ATI Commitment 3, which will be sent to the ATI signatories in summer 2018. For the first ATI Monitoring Report, there was only one question on policy coherence, asking all ATI signatories to provide details on their strategies for policy coherence for development in relation to domestic revenue mobilisation. For this year's survey, more detailed questions will be provided, in order to achieve a more comprehensive picture of current policy coherence in the ATI signatory countries.

Joseph Stead pointed that the OECD is currently preparing a survey on "Whole of government approaches to supporting tax and development", which will be shortly sent to all FTA, CFA and DAC members. The draft report for discussion will be circulated by the end of 2018. As there might be an overlap with the upcoming ATI Monitoring Survey, the OECD and the ITC agreed to coordinate in order to minimise reporting requirements for the ATI development partners.

The ATI Monitoring survey on Commitment 3 will be sent around for comments to the members of the Consultative Group before being sent out to all ATI signatories.

2. Tax incentives

Wiebe Anema introduced the topic by giving a short overview about latest recommendations and good practices regarding tax incentives. (see background paper).

Romain Ragot announced that it will shortly organise a seminar on tax expenditures together with the UEMOA and invited interested ATI members to attend.

Mark Joven reported that the Philippines in preparation of the current tax reform have recently undertaken a cost-benefit analysis of tax incentives in the country. Participants agreed that it would be interesting to learn from experiences of other countries and compile good practices and lessons learnt on how to design tax incentive regimes and how to successfully manage the transition to a new regime.

While there is a lot of interest in this topic, no one offered to take the lead on this deliverable. Ghana and the Philippines offered to contribute their lessons learnt.

3. ODA taxation

Romain Ragot presented some findings of a recently published study on ODA taxation, prepared by Foundation for Studies and Research on International Development (FERDI), and made reference to another recent study on that topic by the Overseas Development Institute (ODI).

As reliable data on the total cost of tax exemptions on ODA-funded projects seem to be lacking, the French Ministry of Europe and Foreign Affairs is currently planning to commission a study in order to estimate the total financial and non-financial cost caused by those tax exemptions in one example developing country, ideally in a country in which there are also donor-funded local NGOs.

Daniel Nuer reported that Ghana has recently abolished all income tax exemptions and corporate tax exemptions and is currently working on a new tax exemption policy.

Romain Ragot offered to share the ToRs with the ATI consultative group. Ghana and Sweden expressed their interest to be involved in this deliverable. Joe Stead offered to take over the coordination with the work on ODA taxation currently taking place in the UN Tax Committee.

4. BEPS assessment tool

In the name of Germany, whose representative could not participate in the consultative group meeting, Jasmin Froehling (ITC) gave a short introduction on the BEPS assessment tool, meant to help analyse the country specific needs to counter BEPS in partner countries.

As so far, there does not seem to be a similar tool available, the participants expressed a strong interest in such a tool. Wiebe Anema suggested that rather than to satisfy oneself with a tool, it would be interesting for the ATI to offer interested ATI partner countries a workshop in which, based on the methodology developed in the tool, they could identify and prioritise relevant action points with expert support to help them with the process. Other participant suggested not to limit the tool to BEPS, but to consider all kinds of revenue losses. Please find further information on the BEPS Readiness Tool [here](#).

Daniel Nuer explained that Ghana has not signed up to the BEPS inclusive framework but that it has identified the relevant action points that the country will implement.

Germany will be in the lead for this deliverable, in close coordination with the Netherlands. Joe Stead offered for the OECD to feed into the process as well. Ghana suggested that Senegal might possibly be interested to be involved in this deliverable.

ATI CONSULTATIVE GROUPS ACTIVITY PLAN

		Year	2018/2019		
Name of the Group	Consultative Group 3				
Coordinator	tbd (ITC: Tobias Fleckenstein)				
Group Members					
Wiebe Anema (Netherlands)	Mark Dennis Joven (Philippines)	Gunilla Näsman (Sweden)	Daniel Nuer (Ghana)	Fabio Ortiz (Paraguay)	
Romain Ragot (France)	Susana Ruiz (Oxfam)	Joseph Stead (OECD)	Carmen Irún Torres (Paraguay)		
Mode of Collaboration (How will the group work together to achieve its mandate, frequency of meeting and schedule of meetings)					
<ul style="list-style-type: none"> ▶ Communication mostly per email or virtual meetings, either in the group or within the sub-groups working on specific deliverables. ▶ All deliverables to be finalised until ITC/ATI Conference in June 2019. ▶ Ideally physical group meeting at the end of 2018, if possible back-to-back to DRM-related event. 					

Item	Deliverable	Milestones		Resources Required	Lead Person
		Timelines (dd.mm.yy)	Activity		
1.	Monitoring of Commitment 3	June 2018	Finalisation of ATI Monitoring Survey on Commitment 3		ITC
		Autumn 2018	Comments on ATI Monitoring Brief on Commitment 3		
2.	Tax incentives: How to design tax incentive regime and how to manage transition from one incentive system to the other	September 2018 (based on ATI monitoring report)	Identification of countries with experiences in reforming tax incentive regimes		ITC (PHI, GHA)
		December 2018	Collection of good practices & lessons learnt and preparation of short publication	► Consultant?	
3.	ODA exemptions		Feedback on ToRs provided by FRA		FRA, GHA, SWE (OECD)
			TBC		
			TBC		
4.	BEPS assessment tool	Autumn 2018	Feedback on ToRs provided by GER		GER, NL (OECD)
		Autumn 2018	Feedback during development of BEPS assessment tool by GER		
		Beginning 2019	Application of tool in ATI partner countries?		

For further information, please contact:

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