

Fact Sheet



What is the Addis Tax Initiative?

The Addis Tax Initiative (ATI) is a multi-stakeholder partnership of development partners and partner countries that aims to catalyse significant increases in domestic revenue and to improve the transparency, fairness, effectiveness and efficiency of tax systems in partner countries. The ATI provides a new and dynamic framework for action to enable partner countries to increasingly rely on domestic revenues to fund their development agenda and meet the Sustainable Development Goals (SDGs) by 2030.

Countries subscribing to the ATI declare their commitment to enhance the mobilization and effective use of domestic resources and to improve the fairness, transparency, efficiency and effectiveness of their tax systems.

The ATI aims to significantly increase technical assistance and broad-based capacity building to address the challenges in revenue collection that partner countries face, including narrow tax bases and weak administrative capacity as well as domestic and cross-border tax evasion and avoidance. It stresses the importance of improving policy coherence, strengthening local capacity, establishing strong domestic governance systems, and mobilizing the political will to drive forward tax system reforms in partner countries.

The ATI was launched at the Third International Financing for Development (FfD) conference in Addis Ababa in July 2015, and assembles over 40 countries and organizations as ATI signatories or ATI supporting organizations. The Secretariat of the ATI is facilitated by the International Tax Compact (ITC) which is based in Bonn, Germany.

Commitments of the Addis Tax Initiative

By joining the Addis Tax Initiative (ATI), the ATI signatory countries sign up to the **ATI Declaration** and its three commitments, which are:

- 1. The ATI development partners commit to collectively double technical co-operation in the area of domestic resource mobilization (DRM) by 2020;** ATI development partners are signatory countries to the ATI that provide Official Development Assistance (ODA)-funded technical assistance in the area of DRM.

2. The ATI partner countries commit to step up DRM in order to spur development, in line with the ATI key principles¹;

ATI partner countries are signatory countries to the ATI that intend to enhance DRM in their country and receive or seek technical assistance from development partners.

3. All ATI signatories commit to promote and ensure policy coherence for development, by ensuring that domestic policies reflect the objective of supporting improvements in DRM in partner countries.

The ATI signatories further commit to work together to tackle complex cross-border tax issues, improve collection and management of revenue from natural resources, and integrate developing countries into the global tax debate.

All ATI signatories are encouraged to initiate Tax Administration Diagnostic Assessment Tool (TADAT) assessments in order to identify bottlenecks within their national tax administrations. The International Tax Compact (ITC) stands by to help interested partner countries find support to undertake a TADAT assessment.

Organizations that provide Official Development Assistance (ODA)-funded technical assistance in the area of domestic resource mobilization (DRM) and endorse the objectives of the Addis Tax Initiative can join the ATI as supporting organizations. ATI supporting organizations are expected to participate in and contribute to all relevant ATI activities, such as donor coordination activities and to contribute to the annual ATI monitoring report and the DRM project database. They are invited to actively support, present and advocate for the ATI in their respective member countries, when possible and relevant.

Benefits of Joining the Addis Tax Initiative

ATI partner countries benefit from:

- signalling their strong interest in receiving technical assistance on domestic resource mobilization (DRM), allowing ATI development partners to offer assistance without having to first receive an official request;
- national commitment to undertaking DRM reforms at the highest level;
- connecting with a broad, international network of providers of development assistance in the area of DRM;
- enhanced coordination and coherence of development partners;
- assistance in finding support to undertake a TADAT assessment.

¹ Provided in the annex of the ATI Declaration

ATI development partners and supporting organizations benefit from:

- connecting with a broad, international network of development partners active in the area of domestic resource mobilization (DRM) as well as partner countries committed to step up DRM in their countries;
- enhanced coordination among development partners, including international organizations and south-south co-operation initiatives;
- sharing good practices and lessons learnt through the annual ATI monitoring report and regular consultations;
- showcasing the results of their development assistance through an online database that will be the world's leading source of information on DRM capacity building activities;
- circulating information on and contributing to other DRM-related initiatives of relevance to the ATI.

ATI membership is **not** a prerequisite for partner countries to receive technical assistance, nor does it imply preferential treatment from ATI development partners. Giving up tax exemptions under Official Development Assistance (ODA) in partner countries is also **not** part of the scope of the ATI declaration.

Joining the ATI

Countries can join the Addis Tax Initiative (ATI) by sending a letter of intent by email to the International Tax Compact (ITC) (secretariat@taxcompact.net), declaring their intention to sign up to the ATI Declaration and nominating a focal point. Interested organizations send an email to the ITC (secretariat@taxcompact.net) indicating their intention to join the ATI as a supporting organization and nominating a focal point. The ITC will then forward the letter to the ATI Steering Committee for information and approval.

For further information, please contact:
> secretariat@taxcompact.net

or visit:
> www.addistaxinitiative.net

