

Monitoring and Reporting of the Addis Tax Initiative

Monitoring of ATI Commitments:

Commitment 1:

Stepping up Technical Cooperation in Tax / Domestic Revenue Mobilization

In the ATI declaration, providers of development cooperation declared “we collectively commit to double our support for technical cooperation in the area of taxation / domestic revenue mobilization by 2020”.

In order to ensure that this collective commitment can be credibly monitored, the following **reporting criteria** need to be respected:

- comparability and consistency,
- credibility,
- accountability and transparency,
- practicality.

To ensure that these criteria are fulfilled, the monitoring of development partner commitments within the ATI will be based on the **OECD DAC statistics**. There will be no additional reporting requirements on the quantitative part of Commitment 1.

For the monitoring of the ATI commitments through the OECD CRS database, development partners are requested to use the **CRS code ‘Domestic Revenue mobilization’** (15114, DRM code) by extracting all revenue generating components from the relevant projects and report them under the DRM code. For the technical details of the DRM code, kindly consult the attached OECD ‘Explanatory Note on Reporting ODA Targeting Tax Systems Development through the DAC CRS’.

Baseline year for the reporting will be 2015. However, ATI development partners can also choose to use 2014 as their baseline, provided that the 2014 data has been or will be reported to the OECD DAC statistics.

In order to enable the monitoring of the specific tax issues mentioned in the ATI declaration, development partners are encouraged to use the following **key words** in the ‘long description’, **if applicable**:

- **BEPS:** In case of activities related to international corporate tax avoidance through, for example, abusive transfer pricing and abuse of tax treaties.
- **Exchange of Information for tax purposes:** In case of activities related to exchange on request, on a spontaneous basis or on an automatic basis.
- **Natural resource taxation:** In case of activities related to tax design and administration through corporate tax, taxes on economic rents, royalties and production sharing agreements, as well as tax incentives.
- **Tax evasion / Illicit financial flows:** In case of activities related to, for instance, regulations regarding the beneficial ownership or money-laundering.
- **Anti-corruption:** In case of activities related to integrity, accountability, and transparency as well as asset-tracing

In preparing the ATI report, the ITC might use the keywords to identify relevant development partner activities for the reporting on specific DRM issues mentioned in the ATI declaration and might get back to the development partners to ask for more information on specific programmes.

Commitment 2: Enhancing Domestic Revenue mobilization so as to Spur Development

In the ATI declaration, partner countries declared “we hereby restate our commitment to step up domestic resource mobilization in order to increase the means of implementation for attaining the Sustainable Development Goals and inclusive development”.

In order to measure progress on domestic revenue mobilization, partner countries can draw on their own **indicators and targets** used for monitoring revenue collection and other aspects of tax system performance, so that there will be no additional monitoring requirements on the ATI commitments.

Furthermore, ATI partner countries are encouraged to initiate **TADAT assessments** in order to monitor progress of their national tax administrations. ATI partner countries that wish to engage in a TADAT assessment and are looking for assessors and/or funding can address the ITC for assistance (see attached ‘ATI note on TADAT’).

Commitment 3: Ensuring Policy Coherence

All ATI signatories have declared “to pursue policy coherence for development”,

i.e. to ensure that their own internal tax policies would reflect the objective of supporting improvements in domestic revenue mobilization in partner countries and of applying principles of transparency, efficiency, effectiveness and fairness. Especially relevant in that regard would be all steps taken to tackle international tax avoidance and evasion at the national and international level.

Duplication with on-going monitoring efforts at the G20, OECD, FATF etc. is to be avoided. However, the ATI countries might report on relevant developments in their country or highlight best practices in addressing policy coherence issues with regard to tax in their narrative report to the ITC. Furthermore, the ITC will conduct interviews with relevant non-state actors, like business representatives, UN Global Compact etc., in order to give further examples of honouring this commitment.

Reporting on the Addis Tax Initiative

The Addis Tax Initiative Report

The ATI Report will be published on a yearly basis. The first report will establish the baseline against which further progress is monitored and will be based on the 2015 data (or 2014 data if 2014 is the preferred baseline). It is foreseen for the end of 2016.

The report will be structured along the ATI commitments. Special reference will be made to the specific tax issues mentioned in the ATI declaration such as BEPS, exchange of information, etc. that will be covered by the keywords in the ‘long description’ of DAC reporting.

In preparation of the ATI report, the ITC will extract data on development partner engagement from the OECD CRS database (DRM code 15114) and send them to the ATI development partners for confirmation. Development partners will have the opportunity to provide comments on the data that will be incorporated in the ATI report. The following information shall be extracted from the OECD database for each development partner and year:

Country(s) / Region	CRSID	Project number	Project title	Project period	Long description including key words	Commitments	Disbursements
Recipient country [item 7]	CRS Identification N° [item 4]	Donor project N° [item 5]	Short description / Project title [item 14]	Exp. starting date [item 17] Exp. completion date [item 18]	Description [item 19]	Commitments [item 33]	Amounts extended [item 34]
A B							

Furthermore, development partners will be asked to provide additional information relevant for the ATI commitments, for instance concerning the specific tax issues mentioned in the ATI declaration or on steps taken to ensure policy coherence for development on fiscal issues. Development partners might want to use the opportunity to present good practices and results of their engagement.

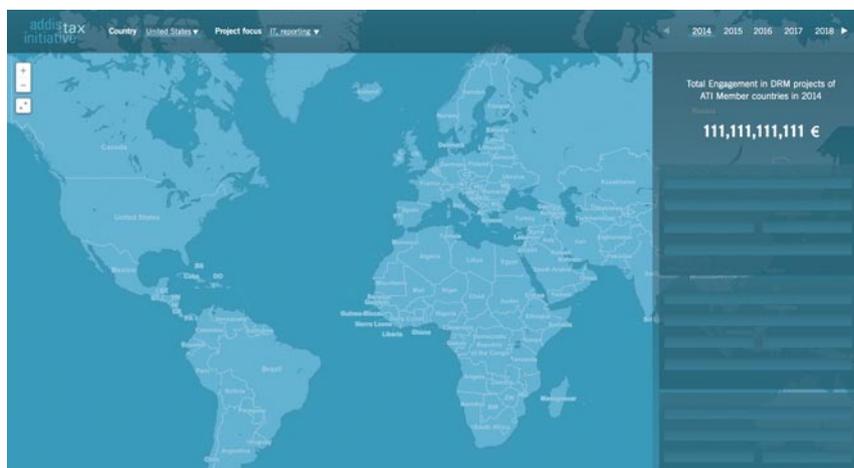
Partner countries will be asked to submit a narrative report on their progress on domestic revenue mobilization, if possible based on their own country-specific indicators and targets. They are also encouraged to present experiences and good practices with regard to the objectives and principles of the Addis Tax Initiative. Partner countries might also use the opportunity to highlight planned activities for which additional assistance might be needed.

From the contributions received, the ITC will compile the ATI report. Narrative contributions to the ATI report are strictly voluntary. However, the ITC strongly encourages the ATI signatories to use the opportunity to showcase their results and good practices as well as to show that they take their commitments within the Addis Tax Initiative seriously.

The Addis Tax Initiative Website

Besides the yearly reports, progress on the ATI commitments will also be presented on the ATI website (www.addistaxinitiative.net). All data reported by the development partners and partner countries will be available on the website, in regular spreadsheet format. Furthermore, the data will also be depicted in a world map, in which all ATI signatories can be selected by a click in order to show their engagement in DRM activities for the respective year.

The initial setting will show the current amount of funds being spent on DRM projects by ATI signatories (Mock-up 1). By clicking on an ATI development partner country, all DRM activities carried out by that country will be visualised and the total amount of funds that are being invested will be indicated (Mock-up 2). The user now has the opportunity to click on a project in that list in order to open a sheet with the full information on a project (title, partners involved, total volume, project description).



Mock-up 1



Mock-up 2

Likewise, the user can select in the initial setting a partner country. By clicking on a partner country, the DRM activities carried out by ATI development partner countries will be indicated.

The map will also feature the possibility to select multiple countries and/or filter the results by key words thus showing the total amount that is being spent on each area of intervention (by countries X and Y for example).

The website will also contain the annual ATI reports any other relevant information.

For further information, please contact:

> secretariat@taxcompact.net

or visit:

> www.addistaxinitiative.net