

Q&A

Regarding the ATI

What Is the Addis Tax Initiative?

The Addis Tax Initiative (ATI) is a multi-stakeholder partnership in capacity building in the area of domestic revenue mobilisation (DRM) that assembles more than 45 countries and organisations, committed to step up their efforts to enhance DRM in partner countries.

What Is the Aim of the Addis Tax Initiative?

The Addis Tax Initiative (ATI) aims to enable partner countries to more effectively mobilise their own resources for financing development and attaining the Sustainable Development Goals (SDGs) – by increasing technical assistance and by stepping up efforts to enhance domestic revenue mobilisation (DRM) as well as to ensure policy coherence for development. All countries subscribing to the ATI declare their commitment to enhance the mobilisation and effective use of domestic revenues and to improve the fairness, transparency, efficiency and effectiveness of their tax systems.

How Does the Addis Tax Initiative Work?

The Addis Tax Initiative (ATI) assembles more than 40 countries and organisations, committed to enhance domestic revenue mobilisation (DRM) in partner countries, in a broad, international network. ATI partner countries might use this network to reach out to development partners with requests for technical assistance to enhance DRM, or for support in undertaking a TADAT assessment. Development partners might address the network to look for co-financing or for partners with which to organise joint activities.

The ATI itself does not have own funds to initiate programmes in partner countries. Also, the coordination of technical co-operation at country level remains the responsibility of partner countries. The ATI network provides the opportunity to enhance coordination among providers of development assistance. For that purpose, in a first step, a database of technical assistance projects in the area of DRM will be provided on the ATI website. Also, a catalogue of technical assistance in the area of DRM available to partner countries will be compiled and provided online.

Guidelines and studies to support coordination efforts in the area of DRM will be prepared if needed. The annual monitoring report will look at the progress made against meeting the ATI commitments.

It will provide all ATI signatories with the chance to elaborate on their progress made as well as to contribute good practices, lessons learnt as well as an outlook on their future activities. For details on the monitoring of the ATI, please refer to the [ATI monitoring framework](#).

Who Can Participate in the Addis Tax Initiative?

All countries that:

1. **provide development assistance to enhance domestic revenue mobilisation (DRM) in partner countries,**
2. **and/or are interested in receiving technical assistance for enhancing DRM in their country,**
3. **and are willing to sign up to the ATI Declaration,**

can join the Addis Tax Initiative as ATI signatories and are invited to do so.

Organisations that provide Official Development Assistance (ODA)-funded technical assistance in the area of domestic revenue mobilisation (DRM) in partner countries and that endorse the objectives of the ATI can join the Addis Tax Initiative as supporting organisations.

What Are the Benefits of Participating in the Addis Tax Initiative?

ATI partner countries benefit from:

- signalling their strong interest in receiving technical assistance on domestic revenue mobilisation (DRM), allowing potential 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.

ATI development partners and supporting organisations benefit from:

- connecting with a broad, international network of development partners active in the area of domestic revenue mobilisation (DRM) as well as partner countries committed to step up DRM in their countries;
- enhanced coordination among development partners, including international organisations 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.

What Are the Implications of Signing up to the Addis Tax Initiative?

Partner countries that join the Addis Tax Initiative (ATI) are effectively subscribing to the principles that are outlined in the ATI Declaration, particularly as regards commitments #2 and #3. Joining the ATI simply signals their support for domestic revenue mobilisation (DRM) as a key means of financing their development priorities and achieving the Sustainable Development Goals. Adhering to the ATI does not require meeting specific targets. However, ATI partner countries are encouraged to share their DRM strategy and actively contribute, to the extent possible, with monitoring progress on DRM through the use of national indicators.

Development partners that sign up to the Addis Tax Initiative (ATI) are effectively subscribing to the principles that are outlined in the ATI Declaration, particularly as regards commitments #1 and #3. Development partners commit to report annually their international development assistance that includes DRM, to monitor their progress against commitment #1 (For details, please refer to the [ATI monitoring framework](#)). The ATI development partners are also invited to share information on on-going technical assistance projects and the different types of DRM assistance they can provide.

Giving up tax exemptions under ODA in partner countries is **not** part of the scope of the ATI Declaration. Both ATI partner countries and ATI development partners are included in all official ATI communication and are invited to participate and contribute to ATI activities and discussions. All ATI signatories are encouraged to actively support, present and advocate for the ATI, when possible and relevant.

What Counts as 'Support for Technical Cooperation' that ATI Development Providers Are Committing to Double by Signing up to the ATI (Commitment 1)?

Support for technical cooperation includes all activities that contribute to domestic resource mobilisation (as defined by the new DRM code 15114, see below) in countries and territories on the DAC List of ODA Recipients (available at oecd.org/dac/stats/daclist) either delivered bilaterally or through contributions to multilateral development institutions. The definition of domestic resource mobilisation for the purposes of the ATI monitoring is the following:

OECD code 15114: Domestic Revenue Mobilisation

Support to domestic revenue mobilisation/tax policy, analysis and administration as well as non-tax public revenue, which includes work with ministries of finance, line ministries, revenue authorities or other local, regional or national public bodies (use code 16010 for social security and other social protection.)

Support for technical cooperation entails all transfers of resources, either in cash or in the form of services, which also includes the provision of experts to missions in countries that qualify for ODA.

What if Development Providers Wish to More than Double Their Support for Tax Projects?

This will be most welcome. There is nothing in the declaration that would stop providers from going beyond doubling their support.

Can Countries Join the Addis Tax Initiative Both as a Development Partner and Partner Country at the Same Time? (i.e. Providing Support for DRM and Receiving Support at the Same Time)

A country that joins the ATI does not need to specify whether it joins as an ATI development partner or ATI partner country. All signatories are **listed** on the ATI website on equal footing.

By signing up to the ATI, a country that provides development assistance in the area of domestic revenue mobilisation (DRM) to other countries will be considered an ATI development partner and will commit itself to double this assistance (commitment 1). A country that plans to enhance its own domestic revenues and would like to receive technical assistance in doing so, will be considered an ATI partner country and is expected to follow (and report on) commitment 2.

If a country provides development assistance, while at the same time receiving or seeking technical assistance in the area of DRM, it would be considered both ATI development partner and ATI partner country, and both commitment 1 and 2 would apply to that country (plus commitment 3, which applies to all countries).

By Joining the Addis Tax Initiative (ATI), Do ATI Partner Countries Automatically Receive (More) DRM Assistance?

No. Joining the Addis Tax Initiative (ATI) is not a guarantee for (more) development partner funded DRM support. However, the ATI has been endorsed by more than twenty development partners, which means that by signing up to the ATI, partner countries gain access to a large number of development partners specialised in DRM reforms, which may respond to requests for assistance. The International Tax Compact (ITC) maintains a network of focal points in the ATI signatory countries as well as the supporting organisations that can help obtain support or information when requested.

If a Partner Country Decides not to Join the Addis Tax Initiative, Will it Still Continue to Benefit from Receiving Official Development Aid?

Yes. Countries that do not join will still be eligible to receive Official Development Aid (ODA). That said, by joining the ATI, countries are sending a strong signal that they are committed to domestic revenue mobilisation (DRM). This could potentially garner even greater offers of ODA support from development partners in the ATI.

What Does the Governance Structure of the Addis Tax Initiative Look Like?

Activities in the Addis Tax Initiative (ATI) are overseen by the ATI Steering Committee (SC). It provides strategic guidance, decides on the ATI activities and monitors progress made against meeting the ATI commitments. The SC comprises representatives of two large ATI development partners, two small ATI development partners and two ATI partner countries. The SC is headed by two co-chairs consisting of one representative of an ATI development partner and one from an ATI partner country. The current members of the ATI SC can be found [here](#).

The ATI SC meets virtually and on an ad-hoc basis. If necessary, other ATI signatories or supporting organisations can be invited as observers to participate in the SC meetings. To ensure utmost transparency, all SC meetings are documented and the minutes are provided to all ATI signatories for consideration.

The Secretariat of the ATI is facilitated by the International Tax Compact (ITC), which is based in Bonn, Germany. The ITC supports the ATI SC and carries out the SC's decisions, maintains the network of ATI focal points and ensures a transparent communication with the ATI network.

How Does the Monitoring of the Addis Tax Initiative (ATI) Work?

Details on the monitoring of the ATI commitments are outlined in the [ATI monitoring framework](#).

The monitoring of commitment #1 will be based on the OECD DAC statistics. There will be no additional reporting requirements on the quantitative part of Commitment 1. Should a country join the ATI that does not report its Official Development Assistance (ODA) to the OECD DAC, then establishing proper reporting procedures will be determined on a case by case basis.

How Can a Country or Organisation Join the Addis Tax Initiative?

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

What Are the Implications of Becoming a Supporting Organisation to the Addis Tax Initiative?

ATI supporting organisations are included in all official ATI communication and are invited to participate and contribute to ATI meetings and discussions. Supporting organisations are expected to participate in donor coordination activities and to contribute to the annual ATI monitoring report and the online DRM project database to ensure its comprehensiveness and timeliness, including identifying good practices. Supporting organisations are invited to actively support, present and advocate for the ATI in their respective member countries, when possible and relevant.

For a Country to Join the Addis Tax Initiative (ATI), Are There any Formal Requirements for the Letter of Intent?

The letter of intent shall declare a country's intention to sign up to the ATI Declaration and to fulfil the ATI commitments. It shall be signed by an institution that is authorised to sign and that can provide the necessary political support to fulfil the ATI commitments (e.g. the Ministry of Foreign Affairs, the Ministry of Finance or the like).

Are There any Fees or Other Costs Associated with Joining the Addis Tax Initiative?

No, there are no fees or any other costs associated with joining or being a member of the Addis Tax Initiative (ATI). There might however be financial implications in fulfilling the ATI commitments, e.g. in doubling technical assistance or in stepping up national efforts to enhance domestic revenue mobilisation (DRM).

How to Contact the Addis Tax Initiative?

The Addis Tax Initiative (ATI) can be contacted through the International Tax Compact (ITC) (secretariat@taxcompact.net), or by directly contacting the members of the **ATI Steering Committee**.

ATI partner countries seeking support for domestic revenue mobilisation can also directly approach the local representatives of ATI development partners in their countries.

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

or visit:
> www.addistaxinitiative.net