

Meeting of ATI Consultative Group 1

The 3 E's of good tax systems

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| Date: | <i>11 March 2021 / 14:00h – 15:30h (CET)</i> |
| Participants: | Brian McAuley (ADB); Peter Hurst (BMGF) Lena Harris-Pomeroy (DeLoG Secretariat); Benedikt Madl (European Commission); Eero Vento (Finland); Daniel Nuer (Ghana); Agnes Rojas (Global Forum); Wim Assink & Myra Flaminiano (IBFD); Paolo de Renzio (IBP); Julius Abagi, Lisa Brinkmann, Tais Chartouni Rodrigues, Berkay Denli, Luise Gloeckner (ITC); Lodovico Muratori (Italy); Decontee King-Sackie (Liberia); Zoniaina Rakotomalala (Madagascar); Simen Bjørnerud & Toril-Iren Pedersen (Norway); Vegard Holdmedahl & Oliver Petzold (OECD); Chiara Putaturo (Oxfam); Julie Murray & Andrew Wainer (Save the Children); Alpha Ngom (Senegal); Marianna Macaskova (Slovakia); Henrik Lund (Sweden); Laura Wilson (United Kingdom); David Dod (United States). |
| Agenda: | Introduction and recap Presentation of the proposed 2021/2022 work plan for ATI Consultative Group 1 Next steps |

Introduction and recap

The first meeting of ATI Consultative Group 1 in 2021 was organised by the International Tax Compact (ITC), in its role as Secretariat of the Addis Tax Initiative (ATI), and chaired by Toril-Iren Pedersen (Norway) and Alpha Ngom (Senegal), in their roles as co-coordinators of the group¹. The meeting had two objectives:

- 1) Agree on priority topics and activities for the group to engage within 2021, based on a work plan proposed by the ITC;
- 2) Identify further (future) areas of engagement.

A short recap of the ATI Consultative Group 1 meeting that took place in November 2020, back-to-back to the virtual 2020 ATI General Assembly, was provided by the ITC. During the meeting, participating ATI members had the opportunity to brainstorm about possible activities and ideas or products that the consultative group could work on to foster the

¹ Since then, Ghana, represented by Daniel Nuer, joined Norway and Senegal as co-coordinator of ATI Consultative Group 1.

implementation of [ATI Commitment 1](#). Please refer to the respective [minutes](#) for more information.

Presentation of the proposed 2021/2022 work plan for ATI Consultative Group 1

The ITC presented the work plan for ATI Consultative Group for the years 2021 and 2022 (see Annex A). The activities proposed were based on the brainstorming undertaken in November 2020 (see above) and were summarised into four work streams: monitoring framework, equitable taxation, subnational taxation, and revenue administration and reform. They are in line with the mission of the ATI as laid out in the [ATI Declaration 2025](#), which focuses on fostering partnerships and knowledge building.

Participating ATI members generally agreed with the proposed work plan. Following a suggestion by Sweden, members of ATI Consultative Group 1 can volunteer to participate in sub-groups for the work streams. ATI members engaged in these subgroups will engage more actively in the specific work streams, provide feedback to concept notes and draft, make own suggestions for potential new activities, and help the co-coordinators and the ITC on strategic issues pertaining to the respective topic. Interested members can contact lisa.brinkmann@taxcompact.net or the co-coordinators.

Monitoring framework

The first work stream for ATI Consultative Group 1 proposed by the ITC and the co-coordinators is the development of the ATI post-2020 monitoring framework. In the round of meetings that took place in November 2020, ATI members across all ATI Consultative Groups stressed the need to develop a sound framework for monitoring the [ATI commitments](#) of the ATI Declaration 2025, building on the work of the consultative groups active from 2018 to 2020.

To ensure efficiency and effectiveness, the ITC proposes forming a subgroup within ATI Consultative Group 1 to develop the monitoring framework for ATI Commitment 1. The ITC will facilitate the process and will include several feedback loops for inclusiveness and to provide ATI members that are not part of the group to provide inputs as well, similar to the ATI post-2020 Task Force. Participants welcomed the proposal and had no objections.

The responsibility of the sub-group within ATI Consultative Group 1 will be to propose relevant indicators for the elements to be measured in the commitment, participate in respective meetings and provide feedback as well as establish work processes for effective collaboration and transparency. An expression of interest will be sent out by the ITC. For more information, please refer to the respective [concept note](#).

Oxfam expressed interest in being actively involved in this work stream.

Equitable taxation

The second work stream for ATI Consultative Group 1 proposed by the ITC and the co-coordinators relates to equitable taxation, a topic that was largely discussed during the meeting in November 2020. Participating ATI members reiterated once again the importance of having activities on equitable taxation that are driven by the interests and needs of the ATI partner countries.

To account for the interest voiced by ATI partner countries in understanding the processes, challenges and stakeholders involved in tax policy and administration reforms for more fairness and progressivity, the ITC proposes to develop a compilation of detailed case studies (“brief”) showcasing member countries’ perspectives in moving towards equitable tax systems. The brief will not include fiscal incidence analyses from ATI partner countries. Instead, it will take the vast literature in this field as a basis and aim to serve as a reference document for ATI partner countries that are in the process of integrating, redesigning or evaluating an equitable approach within their tax systems. A concept note has been drafted and will be shared with the members of ATI Consultative Group 1 for feedback.

In addition, multiple formats (e.g. webinars, coffee break presentations) of different initiatives, publications and tools in the area of equitable taxation (e.g. Fair Tax Monitor by Oxfam Novib and Tax Justice Network Africa) are planned. IBP suggested using the ATI network to share information materials and assessment tools for equitable taxation, which will be implemented by the ITC.

Oxfam and Sweden expressed interest in being actively involved in this work stream.

Subnational taxation

The third work stream for ATI Consultative Group 1 proposed by the ITC and the co-coordinators relates to subnational taxation, a topic highlighted in multiple consultative groups during the meetings in November 2020.

In this context, the ITC and the Norwegian Agency for Development Cooperation (NORAD) have teamed up with the Development Partners Network on Decentralisation and Local Governance (DeLoG) to organise and implement a series of webinars on the role of local governments in raising revenues for local public service delivery. A first webinar will take place in April 2021 and aims to raise awareness for the importance of subnational domestic revenue mobilisation (DRM). A second webinar will provide an opportunity for participants to deep dive into specific topics related to subnational DRM programmes in breakout groups. An invitation for the first webinar will in due time.

Oxfam and Sweden expressed interest in being actively involved in this work stream.

Revenue administration and reform

The fourth work stream for ATI Consultative Group 1 proposed by the ITC and the co-coordinators relates to revenue administration and reform. ATI partner countries, in particular, stressed the importance of these issues during the meeting in November 2020.

One of the envisaged activities relates to the sharing of data for better revenue administration. Many ATI partner countries face the challenge of lack of data and data sharing both within and between government institutions. There are obstacles in terms of efficient technology, legal constraints and an inherent institutional culture. The idea would be to examine good practices, uncover what mechanisms are at work, and identify which measures could tackle such challenges.

Another of the envisaged activities relates to digital solutions for revenue administrations. With IT solutions often mis-used and/or underused in revenue administrations, it could be interesting to uncover why the IT potential is not reaped to its fullest and to foster a discussion around these challenges.

Further activities are the organisation of a webinar or round table on ATI partner country's experiences with formulating and implementing national revenue reform strategies. The format would provide a forum to assess the challenges and lessons learned, as well as lessons learned for other partner countries.

Lastly, the ATI Matchmaking Platform will be catalysed to address country-specific concerns regarding revenue administrations' efficiency, effectiveness and transparency. Potential ideas are setting up a "matchmaking week" and creating tandems.

Next steps

The work plan for ATI Consultative Group 1 for 2021 / 2022 has been adapted accordingly and includes specific responsibilities by the ITC and the participating ATI members. Several concept notes will be shared in the upcoming weeks for feedback. The ATI website will be used more systematically to share information about the group's work and meetings.

Annex 1: Amended work plan for ATI Consultative Group 1 for 2021 / 2022

| Work stream | Activities / Products | Responsibilities of ITC | Responsibilities of work stream sub-group | Responsibilities ATI Consultative Group 1 members |
|-----------------------------|---|---|--|---|
| Monitoring framework | Development of the monitoring framework for ATI Commitment 1 | <ul style="list-style-type: none"> See concept note | <ul style="list-style-type: none"> See concept note | <ul style="list-style-type: none"> Provide feedback to draft indicators developed by sub-group |
| Equitable taxation | Brief on ATI partner countries' perspectives from moving towards equitable tax systems (case study compilation) | <ul style="list-style-type: none"> Conceptualise the product, including by drafting concept note Identify potential case studies and engage with ATI partner countries Organise and steer the drafting process (probably with external consulting firm) Provide feedback to drafts Organise and implement publication and presentation | <ul style="list-style-type: none"> Provide feedback to concept note Provide strategic orientation on how to improve brief, scope and value added Provide feedback to drafts Suggest or volunteer as potential case study | <ul style="list-style-type: none"> Provide feedback to concept note (if time allows) Provide feedback to drafts (if time allows) Volunteer as potential case study (if relevant) |
| | Presentation on the handbook "Fiscal Strategies to Reduce Inequality" and respective case studies with focus on taxation (developed by Germany) | <ul style="list-style-type: none"> Conceptualise the presentation, including by drafting concept note Identify and engage with speakers Organise and implement event and follow-up | <ul style="list-style-type: none"> Share event with relevant stakeholders and interested contacts | <ul style="list-style-type: none"> Share event with relevant stakeholders and interested contacts |
| | Presentation of Fair Tax Monitor (developed by Oxfam) | <ul style="list-style-type: none"> Conceptualise the presentation, including by drafting concept note Identify and engage with speakers | <ul style="list-style-type: none"> Share event with relevant stakeholders and interested contacts | <ul style="list-style-type: none"> Share event with relevant stakeholders and interested contacts |

| Work stream | Activities / Products | Responsibilities of ITC | Responsibilities of work stream sub-group | Responsibilities ATI Consultative Group 1 members |
|--|--|---|---|--|
| | Novib and Tax Justice Network Africa) | <ul style="list-style-type: none"> Organise and implement event and follow-up | | |
| Subnational taxation | Webinar series on the role of local governments in raising revenues for public service delivery, in collaboration with DeLoG and Norad | <ul style="list-style-type: none"> Conceptualise and organise the webinar series with DeLoG and Norad, including by drafting concept note Identify speakers and case studies Organise and implement webinars and follow-up | <ul style="list-style-type: none"> Provide feedback to concept note Provide strategic orientation on the webinar series and way forwards Share events with relevant stakeholders and interested contacts | <ul style="list-style-type: none"> Share events with relevant stakeholders and interested contacts |
| Revenue administration and reform | Activity on sharing data for better revenue administration | <i>To be defined</i> | <i>To be defined</i> | <i>To be defined</i> |
| | Activity on digital solutions in revenue administrations | <i>To be defined</i> | <i>To be defined</i> | <i>To be defined</i> |
| | Webinar / round table on ATI partner countries' experiences with formulating and implementing national revenue or reform strategies | <ul style="list-style-type: none"> Conceptualise and organise the format, including by drafting concept note Identify case studies and speakers Organise and implement format and follow-up | <ul style="list-style-type: none"> Provide feedback to concept note Provide strategic orientation on the format and scope Suggest or volunteer as potential case study Share event with relevant stakeholders and interested contacts | <ul style="list-style-type: none"> Provide feedback to concept note (if time allows) Volunteer as potential case study (if relevant) Share event with relevant stakeholders and interested contacts |

Tax systems that work for people and advance the Sustainable Development Goals



| Work stream | Activities / Products | Responsibilities of ITC | Responsibilities of work stream sub-group | Responsibilities ATI Consultative Group 1 members |
|-------------|--|---|---|---|
| | ATI Matchmaking Platform as a vehicle for addressing country-specific concerns regarding revenue administrations' efficiency, effectiveness and transparency | <i>To be defined (in collaboration with ATI Consultative Group 2)</i> | <i>To be defined</i> | <i>To be defined</i> |

