

Minutes of the 3rd meeting of ATI Consultative Group 2: Enhancing DRM cooperation for country-owned tax reforms

DATE: 04 NOVEMBER 2021, 11:00 – 13:00 (CET), VIRTUALLY

Participants: Anca-Maria Szigeti (EC), Aniket Bhusan (Canada), Angela Bellmooney (UK), Ashima Neb (World Bank), Cosimo Scagliusi (Italy), Joseph Stead (OECD), Susan Nakato (ATAF), Steven Rozner (USAID), Gunilla Näsman (Sweden), Christian Schütz (Wins consulting), Jana Leutner (Wins consulting), Stefanie Rauscher (ITC), Taís Chartouni Rodrigues (ITC), Peter Wiesel (ITC).

Agenda:

1. First draft of the ATI post-2020 Monitoring Framework
2. Study on “Country-owned Technical Assistance”
3. ATI Consultative Group 2 workplan for the year 2021/ 2022
4. Next steps

The ATI Consultative Group 2 (CG 2) is dedicated to the implementation of the new ATI Commitment 2: “ATI development partners collectively commit to maintain or surpass the 2020 global target level (USD 441.1 million) of DRM cooperation for country-owned tax reforms”. In the second meeting of the ATI Consultative Group 2 held in March 2021, the participants prioritised a workplan for the activities of the Consultative Group 2 and discussed the development of the new ATI Monitoring Framework (see minutes [here](#)).

The main objective of the 3rd meeting on 04 November 2021 was to discuss the indicators developed by the external consultant Jana Leutner (Wins consulting) for measuring the advancement towards Commitment 2, as well as to exchange opinions on the forthcoming two factsheets containing (i) good practices of country ownership in technical assistance for DRM, and (ii) a framework for country-owned technical assistance for DRM. The meeting intended, additionally, to discuss the current workplan of Consultative Group 2.

Monitoring report

Jana Leutner (Wins consulting) introduced attendees in the general logic of the monitoring framework. The framework should include results indicators (aim to measure respective goals stated in each of the Commitments until the end of 2025), and milestones indicators (aim to measure the progress towards the Commitment until 2023). Each indicator will include an explanation note and, where necessary, a methodological note. The consultant suggested to include one chapter explaining the data sources used in the report and the reasons for excluding other sources, as well as a glossary and an annex with (i) a template for the monitoring report and (ii) the monitoring surveys. For some indicators, several options were presented. In addition, the issue of the periodicity with which the report should be published was raised: a biannual assessment was proposed in order to save costs and resources of ATI members.

The discussion focused on the measurable aspects of Commitment 2, particularly the following ones:

“maintain or surpass the 2020 global target level (USD 441.1 million) of DRM cooperation”

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Option 1: Milestone(s)	Option 1: Results indicator(s)
<p>X development partners maintain or surpass the 2020 global target level (USD 441.1 million) of DRM cooperation by 2023. Source: OECD DAC's creditor reporting system (CRS), CRS purpose code 15114 (available annually with a two-year time-lag) Baseline: OECD DAC data 2015 (doubled by 2020, maintaining or surpassing that level)</p>	<p>Y development partners maintain or surpass the 2020 global target level (USD 441.1 million) of DRM cooperation by 2025. Source: OECD DAC's creditor reporting system (CRS), CRS purpose code 15114 (available annually with a two-year time-lag)</p>

Jana Leutner (Wins consulting) presented the indicators and suggested in the future not to solicitate countries to verify the data but to use the one provided by the OECD DAC. Anca-Maria Szigeti (EC) draw attention to the challenge of entirely relying on OECD data and not allowing for verifications as it does not reflect entirely the volume of DRM cooperation. Jana Leutner (Wins consulting) replied suggesting allowing development partners to include a narration where additional efforts in cooperation for DRM can be showcased, to what Anca-Maria Szigeti (EC) replied affirming that narrations are already part of the monitoring exercise. Moreover, Joseph Stead (OECD) highlighted that according to the DAC rules, budget support cannot be given a purpose code, while sector-specific budget support must be reported with the respective purpose code following the regular process, and underlined the challenge of the methodological differences when reporting ODA compared to the methodology used by the EC. Anca-Maria Szigeti (EC) stated that the EC does not attach a code to each single support action, but it reports its DRM actions under a bigger budget support. Therefore, not all assistance for DRM provided by the EC is counted when analysing the OECD DAC data. In this sense, the EC advocates for allowing the data verification. This issue remains as a future discussion point. Steven Rozner (USAID) clarified that the milestone indicator should be OECD DAC data from 2015, whereas the definition of the correct baseline still needs to be further aligned. Furthermore, Aniket Bhusan (Canada) supported the idea of including narratives.

“country owned tax reforms”

Option 1: Milestone(s)	Option 1: Results indicator(s)	Option 2: Milestone(s)	Option 2: Results indicator(s)
<p>The amount of DRM support towards equitable tax systems has increased for X ATI development partners by 2023. Source: own analysis following the three-tiers assessment approach by Oxfam Baseline: Assessment 2021</p> <p>X development partners increase their DRM ODA supporting projects that promote gender equality as a principal objective by 2023. Source: OECD DAC's creditor reporting system (CRS), CRS purpose code 15114, gender markers (available annually with a two-year time-lag) Baseline: OECD DAC data 2021</p>	<p>The amount of DRM support towards equitable tax systems has increased for Y ATI development partners by 2025 (in comparison to 2023). Source: own analysis following the three-tiers assessment approach by Oxfam</p> <p>Y development partners increase their DRM ODA supporting projects that promote gender equality as a principal objective by 2025 (in comparison to 2023). Source: OECD DAC's creditor reporting system (CRS), CRS purpose code 15114, gender markers (available annually with a two-year time-lag)</p>	<p>X ATI partner countries consider that development partners support reforms towards equitable, efficient, effective and transparent tax policies by 2023. Source: monitoring survey, ticking boxes Baseline: Assessment 2021</p>	<p>Y ATI partner countries consider that development partners support reforms towards equitable, efficient, effective and transparent tax policies by 2025. Source: monitoring survey, ticking boxes</p>

Jana Leutner (Wins consulting) emphasised the difficulty to measure country ownership and proposed to assume that partner countries that have signed the declaration are committed to seeking equitable tax systems and efficient, effective and transparent tax administrations (as described in Commitment 1). In this sense, the indicators could measure whether DRM assistance supports those aims. The methodology would be based on Oxfam's three tier approach towards coding project documents of development partners: it consists in identifying through keywords if the projects support equitable/gender-sensitive tax systems (OECD DAC has a code allocated to gender-sensitive ODA

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projects). The analysis would give helpful insights to determine which projects do support those aims. A second alternative would be to include the following question in the monitoring survey: “do you consider the development support as supporting equitable tax systems?” Steven Rozner (USAID) raised the issue that ownership not only involves the government and that it would be ideal to assess whether reforms are reflective and supported by a wider set of stakeholders. Jana Leutner (Wins consulting) added that the explanation note will remark the importance of accountability stakeholders (aspect that is part of Commitment 4).

General questions

Jana Leutner (Wins consulting) asked attendees whether non-tax revenues should be included in the monitoring framework. Steven Rozner (USAID) remarked the challenges of either including or excluding them. Cosimo Scagliusi (Italy) asked how important the proportion of non-tax revenues of the total revenues is. Susan Nakato (ATAF) suggested not including non-tax revenues. Jana Leutner (Wins consulting) proposed to include one table showing the relation between tax and non-tax revenues, to know the importance of non-tax revenues, without digging into the issue. Susan Nakato (ATAF) seconded the proposal.

Study on country-owned Technical Assistance

Christian Schütz (Wins consulting) described the two outputs (factsheets) to be produced: (i) case studies of good practices of country ownership and (ii) a framework of country-owned technical assistance and asked for clarification about the objective of the products. Stefanie Rauscher (ITC) pointed out the cruciality of country ownership as discussed during the development of the ATI Declaration 2025. Steven Rozner (USAID) underlined the importance of discussing how to assess the degree of country ownership. Moreover, Christian Schütz (Wins consulting) solicited participants for information about national cases that could be useful for the factsheet. Steven Rozner (USAID) draw attention to the example of Rwanda as a country leading a country-owned reform process (by building a new strategy around the results of the TADAT assessment); an additional prospect could be Liberia.

ATI Consultative Group 2 workplan

Webinar on diagnostic tools

Peter Wiezel (ITC) proceeded to give an overview of the advancements regarding the workplan of the Consultative Group 2 for 2020/2021. Concerning the webinar on diagnostic tools held on June, the question whether a follow up is desired was raised. Joseph Stead (OECD) commented that to make that decision, it is necessary to evaluate if the event was successful. Steven Rozner (USAID) added that it is important to hear more about the applications and benefits from different tools. Taís Chartouni Rodrigues (ITC) stated that the event recorded broad participation from development partners and partner countries and shared the main conclusions from the webinar: (i) Donors should conduct a feasibility study before developing new tools (as done for TADAT), (ii) Partner countries shall be able to select tools in a demand-driven manner, (iii) Transparency (e.g. publish results, share experiences, cost estimates) in the implementation of tools is needed, (iv) More clarity on complementarities and synergies across different tools is needed. Joseph Stead (OECD) added that future events should include case studies where the practical applications and the ways how diagnostic tools have supported reform processes are showcased.

Guidelines for assessing aid effectiveness in DRM

Joseph Stead (OECD) draw attention to past work of the OECD in this area, in which it tried to unveil the principle of effectiveness in respect to DRM. He expressed his willingness to share that work with the group yet highlighted that there might not be enough demand to engage on it.

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Ongoing activities and projects

ATI matchmaking platform

Peter Wiezel (ITC) shared ideas to foster the usage of the platform, e.g. contacting members, making a big reach-out campaign, developing a tutorial video, as well as organising an “ATI matchmaking week” with consultation hours and awareness-raising activities. Susan Nakato (ATAF) expressed that the low attendance of the platform is due to the lack of a marketing strategy and of members’ understanding of the benefits of the tool and the way how it works. She suggested to create a podcast where members that have benefited from the tool share their experiences. Stefanie Rauscher (ITC) commented that the biggest challenge lies in the fact that very few members have uploaded their assistance offers/assistance requests and therefore no experiences can be showcased.

Webinar on joint programming / “Team Europe”

Peter Wiezel (ITC) pointed out the possibility of getting input from the European Commission and Germany (in the form of case studies) on joint programming. Since Germany didn’t participate in the CG2 meeting and Anca-Maria Szigeti (EC) was no longer participating the meeting, this topic was not further discussed within the group.

Supporting coordination at country level (framework at country level to support DRM coordination)

Peter Wiezel (ITC) invited attendees to share their thoughts on the potential format of an outcome in this realm.

Harmonisation of data

Peter Wiezel (ITC) raised the issue of harmonising existing databases on DRM support, e.g. by using the ATI DRM database as a central portal. Ashima Neb (World Bank) emphasised the difficulty to harmonise the data, as e.g. the PCT’s integrated Platform has different confidentiality settings, metrics, and reporting standards to the ones applied to data entailed in the ATI DRM database, and suggested to include a link to the PCT’s integrated Platform in the ATI DRM database.

Next steps

The ATI Secretariat will share an updated version of the monitoring indicators based on the comments raised during the meeting and follow up on the discussed activities.

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