

# Minutes of the 5<sup>th</sup> Meeting of the ATI Consultative Group 2

07 October 2022, 14:00h – 15:00h (CET), Virtually

## Participants

Christian Schütz (Wins Consult), Jenny Russell (Save the Children), Jonas Henriques (Denmark), Stina Färje (Sweden), Steven Rozner (USAID), Kate Brady (Ireland), Melissa Säiliä (Finland), Benedikt Madl (EC), Maria Altavilla (Italy), Federica Boncristiano (Italy), Aniket Bhusan (Canada), Ashima Neb (World Bank), Peter Wiezel (ATI Secretariat), Tais Chartouni (ATI Secretariat), Michelle Ordonez (ATI Secretariat), Chimezie Anajama (ITC Secretariat)

## Agenda

1. Welcome, introduction, and presentation of meeting agenda
2. Outcome of the voting on the frequency of Domestic Revenue Mobilisation (DRM) data collection/ verification by ATI development partners
3. Status of the discussion paper on “country-owned DRM support”
4. Presentation of the proposed work plan for ATI Consultative Group 2 for 2022/ 2023
5. Open dialogue on the work plan
6. Next steps and closing remarks (co-coordination)

## Objectives

The main objectives of the ATI Consultative Group 2 meeting on 7 October 2022 were to provide an overview of developments such as the ATI Matchmaking Platform and the study on country-ownership in DRM cooperation since the previous meeting in March 2022. In addition, the meeting aimed for a consensus on activities and priority topics that the group would be able to engage by 2022/ 2023. Also, options for enhancing donor coordination within the ATI and the nomination of a volunteering co-coordinator for ATI Consultative Group 2 formed part of the objectives for the meeting.

The ATI Consultative Group 2 (CG 2) is dedicated to the implementation of the 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*”. The current main activities of the CG 2 workplan can be clustered into three working blocks. These working blocks include a) the ATI post-2020 monitoring framework, b) the quality of DRM support, and c) the coordination of DRM support.

## **ATI post-2020 Monitoring Framework and Report**

### *Outcome of the voting on the frequency of DRM data collection*

The ATI Secretariat summarised to the participants of the CG 2 meeting that a detailed discussion regarding the ATI post-2020 Monitoring Framework was held during the last meeting in March 2022. As of April 2022, the framework had been finalised and it forms the foundation of the 2020 ATI Monitoring Report which is currently being prepared. During the previous ATI Steering Committee Meeting on 7 July 2022, a proposal was put forward to adjust the frequency of DRM data collection to the frequency of the preparation of the post-2020 ATI Monitoring Reports. Following the ATI Steering Committee meeting, the frequency of data collection was put to a vote within ATI Development Partners, as ATI Development Partners are directly affected by the periodicity of DRM data collection. The rationale behind this proposal was that for some ATI Development Partners, the collection, verification and allocation of DRM data might be very resource- and time-intensive.

In this context, the ATI Secretariat reaffirmed the fact that data verification not conducted annually might not only potentially simplify and decrease the workload for some ATI Development Partners, but also bear potential disadvantages. The previously annually verified data obtained from ATI Development Partners is usually also included annually in the [DRM Database](#) on the ATI website, which serves the tax and development community as a unique pool of data collection on international cooperation in the field of DRM. Since the OECD is already publishing the DAC data with a two-year lag, an irregular data review only in 2025 and 2027 for purposes of the ATI Monitoring Reports would make the [DRM Database](#) even more outdated and thus less valuable. The ATI Secretariat underlined that the DRM Database would not be updated before late 2025 which in turn implies that the most recent DRM data until the next update in late 2025 would only cover data until 2020, leading to a total time gap of up to five years.

In addition, the ATI Secretariat reported that voting was held to determine the future frequency of DRM data collection and verification. At the time of the CG 2 meeting, the ATI Secretariat received 10 responses from ATI Development Partners, of which five voted for “*Option a.*” (collect DRM data only for purposes of the ATI Monitoring Reports which will imply two requests, one in 2025 and another in 2027) and five for “*Option b.*” (collect DRM data on an annual basis). The ATI Secretariat will soon update the ATI membership on the result once the remaining ATI Development Partners share their vote.

## **Strengthening the Quality of DRM Support**

### *Discussion paper on country-ownership in DRM cooperation*

The ATI Secretariat provided an update on the status of the discussion paper on strengthening country ownership in DRM cooperation which was initiated in 2021 among ATI members. CG 2 was entrusted with completing this task in line with the Commitment 2 of the ATI Declaration 2025 – to enhance country ownership in DRM process. The external consultant, Christian Schütz, who is preparing the discussion paper, already provided in detail a status update of the concept and preliminary outcomes of the paper during the last CG 2 meeting in March 2022. The discussion paper in its present form consists of a general framework for country-owned technical assistance for DRM and three country case studies, namely Nepal, the Philippines, and Ghana. The draft of the most recent version of the paper was shared with CG 2 members immediately after the last meeting in March 2022. Several CG 2 members provided feedback in April 2022, including the Platform for Collaboration on Tax (PCT) Secretariat which asked to include additional projects and activities of PCT organisations in the three country case studies. This led to a new

round of interviews between the ATI and local representatives from three PCT organisations in the respective countries. At the time of the CG 2 meeting, interviews with 13 representatives from partner countries' ministries of finance, revenue administrations and donors had been conducted in total. The final draft of the report will be shared by mid-October 2022 with CG 2 members for their review and approval to finalise the draft document. In addition to that, the ATI Secretariat asked CG 2 members for their feedback and ideas concerning how they would want the final discussion paper to be published and presented.

### *Diagnostic Tools*

The ATI Secretariat informed CG 2 members that an online webinar is currently being organised to cover the overall topic of diagnostic tools with respect to Medium Term Revenue Strategy (MTRS) and ATI partner countries' experiences in this regard. Though the topic is strongly connected to ATI Consultative Group 1, CG 2 members are also engaged to participate since the topic of MTRS encompasses also diagnostic aspects. Inputs are expected from the International Monetary Fund (IMF) and the Asian Development Bank (ADB) during the webinar. The expected date of the event is 22 November 2022. The agenda, date, and invitation will be shared with the CG 2 members in a timely manner.

## **Strengthening of Coordination for DRM Support**

To get a holistic overview of the overall usage and benefits of the ATI Matchmaking Platform, in early 2022 the ATI Secretariat reached out to several ATI members to receive their feedback on their own application and ability of usage of the platform. The feedbacks were positive and ATI members encouraged to further invest in the advertisement and active participation of members in the ATI Matchmaking Platform. During the CG 2 meeting, the ATI Secretariat further requested for feedbacks on further processes and outcomes which might be triggered after a request for DRM support or post on available expertise has been uploaded on the ATI Matchmaking Platform. In addition, the ATI Secretariat called for discussion on ways in order to facilitate more effectively ATI members' requests for support and availability of expertise beyond the ATI Matchmaking Platform.

Responding to the first request, Stina Färje (Sweden) noted that Sweden's post on the ATI Matchmaking Platform received requests from tax organisations from two ATI partner countries. The bilateral approach even led to further ongoing in-country engagements in one of the ATI partner countries. For the other ATI partner country, Sweden was able to link the request for support to the Norwegian tax administration. Jenny Russell (Save the Children) informed that there is an ongoing engagement with respect to the provision of DRM technical assistance between Save the Children and CIAT on the one hand and Save the Children and several subnational counties in Kenya on the other hand. This cooperation was initially initiated through the ATI Matchmaking Platform, which consequently led to further engagements beyond the platform.

Afterwards, the ATI Secretariat presented its most recent informative video about the ATI Matchmaking Platform to CG 2 members. This video can be used for outreach activities, underlying the benefits of an ATI membership and creating awareness about the ATI Matchmaking Platform and its functions. In response to the need for increased efficiency in the participation in the ATI Matchmaking Platform, Steven Rozner (USAID) suggested to set up a notification system to all ATI members (registered and non-registered to the ATI Matchmaking Platform) once a new post appears on the ATI Matchmaking Platform. This way, every member can be instantly updated about the platform's activities. Bendikt Madl (EC) concurred with Steve Rozner's suggestion; he further recommended the EC's *ties and twinning* instrument which concept is

comparable to the ATI Matchmaking Platform. The main tenet of the *ties and twinning* instrument is the collation of assistance requests from developing countries that have a relationship with the EU. This is transformed into a list. Based on this list, the EC then matches available support within the EU member states to these requests. This matching can be instantly or monthly, according to the discretion of the EC.

### *Outreach Activities to Potential ATI members*

The ATI Secretariat informed the CG 2 during the group meeting that four new partner countries – Mauritania, Niger, Zambia, and Ecuador – joined the ATI in 2022. CG 2 members will be updated about future outreach activities to potential new as well as existing members.

### *Joint Programming / “Team Europe”*

Discussions on a potential webinar covering the topic of joint programming / a “Team Europe” Initiative within the European Commission were also raised by the ATI Secretariat. Based on previous exchanges with Anca-Maria Szigeti (EC), an ongoing multilateral project in Africa could be presented by the ATI as an example of strong coordination within DRM cooperation. This is being explored and it could be considered in the next months - to be co-organised with Germany. Benedikt Madl (EC) clarified that the idea of joint programming is not focused solely on DRM projects, but “Team Europe” initiatives have been implemented in different sectors where cooperation is central between EU member states, including other non-EU jurisdictions. Benedikt Madl (EC) also informed that before the formal commencement of the “Team Europe” Initiative, there was already an ongoing EU programme designed based on the “Team Europe” approach. Within this programme, the EU, the African Union (AU), Finland, and Germany cooperated in the topic of illicit financial flows. In addition, there is an ongoing conversation between his team and the “Team Europe” Initiative regarding a possible joint programming that would also include the ATI and its thematic areas.

### *Supporting DRM Coordination*

The ATI Secretariat suggested an informal approach in which ATI members can come together (e.g. during a coffee break) in order to exchange their own activities on significant topics such as the two-pillar solution (to address the tax challenges arising from the digitalisation of the economy) or the digitalisation of revenue administrations. Such exchanges would lead to better coordination and avoidance of duplications of activities between ATI members. No further objections were raised by the participants. In a follow-up connected to the two-pillar solution of the OECD’s Inclusive Framework, Aniket Bhusan (Canada) asked if there will be regular (email) updates from the ATI Secretariat on its own activities and ongoing processes of ATI members as well as the evolving status with regard to the two-pillar solution. Peter Wiezel (ATI Secretariat) noted that due to lack of capacities, it is not foreseen that the ATI will observe and centrally gather all relevant activities and processes from international organisations and development partners with respect to the overall topic of the taxation of the digitalised economy as well as the two-pillar solution.

## **Other**

Lastly, the ATI Secretariat expressed the need for a volunteer co-coordinator for CG 2 that will support the ATI Secretariat, as it would show increased ownership of the CG 2 process by the members. In the absence of no indicated interest, this topic will still be raised among the CG 2 members again during the presentation and dissemination of the ATI country ownership study.