

Report on the 6th meeting of ATI Consultative Group 4

Enhancing space and capacity for accountability stakeholders in partner countries in tax and revenue matters.

Date: 21 June 2023, 14 :00 – 16 :00 (CET)

Participants: Hon. Alhajie Mbow (the Gambia), Arnold Chimfwembe (Zambia), Christian Hallum (OXFAM), Daniel Nuer (Ghana), Eliya Lungu (Zambia), Everlyn Muendo (TJNA), Fariya Mohiuddin (IBP), Hon. Fred Chaatila (Zambia), Hon. Gladys Ganda (Malawi), Henrik Lund (Sweden), Ishmael Zulu (TJNA), Kwesi Obeng (OXFAM), Nathan Coplin (OXFAM), Romeo Nkoulou Ella (ATAF), Steve Rozner (USAID), Stina Färje (Sweden), Varsha Singh (ATAF), Wapinu Ndule (WATAF), Wilson Prichard (ICTD), Altayesh Taddese Terefe (ITC), Markus Paffhausen (ITC), Michelle Ordonez (ITC), Nouhaila Zaki (ITC), Stephanie Rauscher (ITC).

Agenda:

1. Welcome and presentation of agenda
2. Session: “Parliamentarians as actors and enablers of accountability in tax and revenue matters”
 - a. Video interventions from a member of parliament (MP) (remote).
 - b. Group dialogue
 - c. Moderated discussion with MPs (in-person)
3. Presentation on developments since December 2022
4. Open discussion: Proposals for upcoming activities and defining a workplan for CG4 for 2023–2025.
5. Next steps and closing remarks.

1. Welcome and presentation of agenda

On 21 June 2023, the Addis Tax Initiative (ATI) Consultative Group 4 (CG4) met at the sixth consultative group meeting since the signature of the [ATI Declaration 2025](#). The meeting was co-moderated by **Ms. Fariya Mohiuddin** – the International Budget Partnership (IBP) and **Mr. Steve Rozner** – US Agency for International Development (USAID). The ATI Secretariat staff in attendance were **Ms. Altayesh T. Terefe**, **Mr. Markus Paffhausen**, **Ms. Michelle Ordonez**, **Ms. Nouhaila Zaki**, and **Ms. Stefanie Rauscher**.

2. Session: “Parliamentarians as actors and enablers of accountability in tax and revenue matters”.

a) Video interventions from members of parliament (MPs) (remote).

In a short video intervention, **Hon. Mr. Alhajie Mbow**, Vice Chair of the Finance and Public Accounts Committee of the Gambia, underscored the decisive role of members of parliament (MPs) as accountability stakeholders in domestic revenue mobilisation (DRM). He emphasised their role in determining how to finance budget deficits through domestic channels to reduce borrowing. He also shared encouraging insights from the Gambia where parliament's engagement with the ministry of finance (MoF) and the revenue authority contributed to increased DRM. However, he noted that the high turnover of MPs poses a

serious threat to effective oversight which the Gambia has been attempting to address by training the permanent support staff of the parliament for continuity of expertise.

b) Group dialogue

The meeting moderator **Ms. Mohiuddin** kick started the group dialogue by asking the attendees to split into groups of four and attempt, based on their professional experience, to answer these two questions:

- What do you see as your biggest challenge in engaging MPs/the legislative ecosystem?
- What is your organisation/agency/department's role in helping overcome this challenge?

In response to the first question, the audience cited the following as some challenges faced when engaging the legislative ecosystem in tax and revenue matters:

- **Unavailability of parliamentarians owing to their dense schedules** – Overburdened by queries from various stakeholders, MPs have limited time for tax and revenue matters.
- **Lack of interest in tax issues** – MPs have different understanding of the parliamentary function and with such variations come variations in interests and agenda.
- **Limited (technical) expertise of parliamentarians** – MPs lack the technical background which is necessary to grasp tax issues and exercise their oversight power/function.
- **High turnover of parliamentarians** – The efforts and resources invested in training MPs as well as their acquired expertise leave with them when their term ends.
- **Supremacy of the executive** – The executive's strong dominance shrinks the space available for MPs to uphold accountability and transparency both at national and regional levels.
- **Difficulty balancing political interests** – Reconciling the (taxing) interests of the ruling party with those of the opposition to stir meaningful change proves to be very difficult.
- **Inefficiency of communication channels with relevant stakeholders** – There is no direct communication mechanism between the revenue authority and the parliament and the MoF typically acts as an intermediary. This closed communication results in “information getting lost in transit” further compounded by bureaucratic red tape mandated by MoF. Responding to numerous queries from parliament can be time-consuming for ministries and generates an additional hurdle on effective communication.

The second question on how participants' respective organisations can support MPs in overcoming those challenges sparked an interesting discussion. Some highlights of the conversation are noted below:

- The **African Tax Administration Forum (ATAF)** aims to uphold its informal cooperation with the African parliament and sensitise MPs on tax and DRM issues. Among others, ATAF's support includes advisory services on tax law and regulation drafting.
- **Tax Justice Network Africa (TNJA)** proposed the continued provision of technical training to relevant parliamentary committees despite high turnover and irrespective of party affiliations to resolve aforementioned challenges.
- **West African Tax Administration Forum (WATAF)** suggested creating a platform for capacity building and sensitisation workshops. It emphasised the need to present technical information in a digestible manner for MPs with limited knowledge of the technical field. It further highlighted the importance of instituting parliamentary budget offices to facilitate MPs' access to data.
- The Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) **GmbH's Good Financial Governance (GFG)** project in **Zambia** reinstated its commitment to dialogue with clerks on tax and revenue matters.

Ms. Mohiuddin concluded the discussion by reiterating the presence of issues on both the demand and supply sides –that is between MPs, their constituents, and governments– which require concerted efforts.

c) Moderated discussions with MPs.

The following panel discussion on "*Enhancing Space and Capacity for Accountability Stakeholders in Partner Countries in Tax and Revenue Matters*" was moderated by **Mr. Rozner**. The esteemed panellists were **Mr. Daniel Nuer** – Head of Tax Policy Unit, Ministry of Finance, Ghana, **Hon. Mr. Fred Chaatila** – Chairperson of the Planning and Budgeting Committee, Parliament of Zambia, **Hon. Ms. Gladys Ganda** – Chair of the Budget and Finance Committee, Parliament of Malawi, **Mr. Ishmael Zulu** – Policy Officer, Tax Justice Network Africa (TJNA) and the African Parliamentary Network on Illicit Financial Flows and Taxation (APNIFTT), and **Mr. Wilson Prichard** – CEO, International Centre for Tax and Development (ICTD).

Mr. Rozner asked **Hon. Chaatila** about his experience on the challenges raised in the group projects. In response, **Hon. Chaatila** reiterated some of the challenges including the high turnover of MPs, the lack of technical capacity, the need to balance political interests, and limited time and attention for parliamentary duties. However, he also mentioned the positive support from CSOs in enhancing the capacity of MPs and the existence of a parliamentary budget office in Zambia to tackle tax-related issues. **Mr. Rozner** turned to **Hon. Ganda** for insights into her committee's role in supporting tax, revenue, and budgetary matters as well as the challenges they encountered. **Hon. Ganda** highlighted that her committee's mandate encompasses scrutinising tax policies, allocating resources to sectors for economic growth, and maximising tax collection. Chaired by the opposition, the committee constitutes an important avenue for checks and balances. However, they face obstacles such as limited access to information, political interference, limited resources, capacity, and time which hinder effective functioning, etc.

Mr. Rozner directed the next question to **Mr. Nuer**, representing the executive side, about positive engagement between his ministry and colleagues in parliament. **Mr. Nuer** identified several avenues for improvement. First, he emphasised the importance of diversifying MPs' profiles to enable them to scrutinise and challenge technocrats' work. Second, he suggested recruiting national service personnel as permanent research assistants to support MPs with time-consuming tasks, e.g., readings and notes preparations. Third, while acknowledging how party affiliations could hinder effective communication, he explained that the MoF in Ghana is responsive to parliamentary inquiries fostering a positive engagement between the entities. The presence of a former deputy minister as part of his finance committee, he stated, has been conducive to expounding complex matters more effectively to colleagues in parliament.

Turning to CSO experience, **Mr. Rozner** asked **Mr. Zulu** about opportunities for improved parliamentary engagement in tax and revenue matters within the context of APNIFT's work. **Mr. Zulu** responded highlighting APNIFT's provision of technical capacity trainings to reinforce MPs efforts in curbing IFFs. He emphasised how MPs political will to eradicate IFFs transcends party boundaries, particularly, when MPs comprehend the impact of revenue leakages on their respective communities. As a follow up, **Mr. Rozner** invited **Mr. Prichard** to discuss the potential of parliamentary voices in addressing tax equity and how the ATI could strengthen the role of parliament in DRM matters. In response, **Mr. Prichard** emphasised the political nature of tax questions and the importance of parliamentary engagement. He highlighted MPs' role in holding governments accountable, engaging with taxpayers, and mobilising political support for positive changes in tax systems. While capacity building and technical support for parliaments are crucial, he underscored to not overlook their existing strong voices. Targeted capacity building with clear objectives can be more impactful than general technical trainings and such programs centred around the key priorities can play a vital role within this consultative group, the ATI, and beyond.

d) Q&A

Before concluding the panel discussion, **Mr. Rozner** opened the floor to the audience. A few of the questions/answers are summarised as follows. **Mr. Chimfwembe** from the Zambian Revenue Authority inquired about the level of engagement between present MPs and CSOs in tax policy approval during budget presentations and its impact on decision-making. **Hon. Chaatila** replied that in Zambia, CSOs influence tax measures by engaging during budget presentations, noting that early CSO engagement would also be beneficial. **Hon. Ganda** explained that, unlike in Zambia, her committee meets with CSOs before budget presentations to gather their expectations. CSOs are also involved in budget analysis and post-budget scrutiny to enhance budget assessment. **Ms. Muendo** from TJNA further posed questions related to MPs challenge with access to information. Although time constraint prevented further discussion, **Mr. Rozner** thanked all the panellists for their invaluable contributions and closed the session.

3. Presentation on developments since December 2022

On behalf of the ATI Secretariat, **Mr. Paffhausen** updated members on the group's progress since the last Consultative Group 4 meeting held in December 2022. In response to the challenge of limited technical capacity of MPs, the ATI Secretariat and TJNA are working on a low-barrier **pocket guide on tax expenditures for MPs** scheduled to be finalised in the second half of 2023. The ATI Secretariat is also planning a webinar on **how supreme audit institutions (SAIs) can engage on the revenue side of public finances** to take place in the last quarter of 2023.

4. Open discussion: Proposals for upcoming activities and defining a workplan for CG4 for 2023-2025

Building on the current activities, **Mr. Paffhausen** introduced the workplan for CG4 for 2023–2025 focusing on workstreams 1-3.

- **Workstream 1: foundational issues** – The ATI Secretariat sustains its stocktaking efforts on initiatives and tools that enhance accountability and continues to draw on the portfolio of ATI supporting organisations and others.
- **Workstream 2: the monitoring framework for ATI Commitment 4** – The 2020 ATI Monitoring report, presented on Day 1 of the ATI GA, was the first one to include ATI Commitment 4 and efforts to monitor this Commitment will continue.
- **Workstream 3: innovating, sharing, and learning** – The ATI Secretariat generates and disseminates *topical research and evidence*, e.g., case studies of best practices. It organises *events* including the webinar on the role of SAIs and develops *analytical tools* like the pocket guide on tax expenditures for MPs. The translation (and dissemination) of the Brazilian Supreme Audit Institution's (TPU) guide on how to audit tax expenditures was also proposed as a potential product for the group. In relation to that, **Ms. Mohiuddin** indicated the possibility of inviting the Brazilian SAI to do a webinar to share experience with other ATI members.

5. Next steps and closing remarks

With the invitation to share future project ideas with the ATI Secretariat in-person, online, or through the workplan available on-site, **Ms. Mohiuddin** closed the meeting expressing gratitude to all the participants, panellists, Mr. Rozner for co-hosting, and the ATI Secretariat for their work and support.