

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



ATI Declaration 2025

The Addis Tax Initiative: Declaration 2025

TAX SYSTEMS THAT WORK FOR PEOPLE AND ADVANCE THE SUSTAINABLE DEVELOPMENT GOALS

Vision statement

We, the members of the Addis Tax Initiative (ATI), are united and driven by the vision that partner countries can generate sufficient domestic revenues to deliver essential public goods and services required to advance progress on the Sustainable Development Goals (SDGs). We believe that tax systems can provide manifold benefits to societies and economies, including by promoting investment and economic growth, strengthening gender equality and empowering minorities, protecting the environment, and reducing inequalities.

I. Preamble

1. We affirm our shared commitment to implement the Addis Ababa Action Agenda (AAAA) and the 2030 Agenda for Sustainable Development. In particular, we believe that strengthening domestic revenue mobilisation (DRM) and improving capacities to collect taxes and other revenues in a transparent, accountable, and equitable manner, is central to fulfilling the 2030 Agenda's promise.
2. We recognise that domestic revenues from taxes and non-tax sources are the most reliable and sustainable way of financing the 2030 Agenda. We emphasise that improved DRM is defined by increased public revenues and better governance that promotes tax fairness, transparent, effective and accountable public institutions, gender equality, and environmental protection.
3. We recognise that the COVID-19 pandemic has increased the gap between domestic revenues and financing needs, and has hit the most vulnerable in our societies the hardest. In most countries, economic growth is declining and tax bases are shrinking, while spending pressure is increasing. The pandemic has elevated the need for domestic revenue as a reliable source to strengthen resilience and responses of countries in the light of the crisis. Therefore, we collectively affirm our commitment to support partner countries to address these challenges to strengthen equitable and effective DRM in the context of the global response to COVID-19.
4. We believe coordinated and collective actions at the global, regional, national, and subnational levels are crucial to foster social and economic development. They are vital for strengthening global tax governance, fighting tax avoidance and tax evasion, and improving national and international tax systems in the face of globalisation and digitalisation. We fully support the further integration of partner countries' needs and voice in the global tax debate.
5. We recognise that capacity building and long-term partnerships are needed to reform national tax systems and achieve sustainable results. We emphasise the importance of country ownership in the implementation of tax reforms. Therefore, we encourage country-driven capacity-development efforts and coordinated support from development partners to partner countries. We affirm the need to enhance the quality, effectiveness and inclusiveness of development cooperation in DRM.

6. We acknowledge the need to strengthen political will to implement reforms strategically, overcome vested interests that benefit from existing arrangements, emphasise good financial governance, and enhance partner countries' efforts to implement the 2030 Agenda. Any tax reform is more likely to be successful if integrated in wider public financial management and development reform agendas. We recognise the value of citizen participation in decisions about DRM. At the same time, we emphasise the role of a thriving and tax-compliant private sector as central to enhance public revenues. Tax systems need to be efficient and minimise distortions on savings, investment and economic growth.
7. We are encouraged by our joint achievements. Since the ATI's foundation in 2015, it has evolved into an effective, inclusive initiative for consultation and collaboration on DRM among providers of development cooperation, partner countries and supporting organisations. It has made important contributions to increasing available financing for development through agenda setting, donor coordination, peer learning, and enhancing political commitment. Being inclusive in nature, the ATI plays an impartial and constructive role in fostering dialogue and exchange, allowing the voice of all members, particularly that of partner countries, to be heard in global discussions around DRM.
8. In the spirit of our global partnership, we, the ATI members, have jointly developed and endorsed this Declaration to build on past achievements, proclaim our shared vision and mission, declare our mutual commitments, and guide our future actions.

II. Mission statement

9. **The ATI promotes fair and effective DRM, policy coherence and the social contract through partnerships and knowledge building.**
 - i. We will turn the vision into reality by elevating fair and effective DRM, policy coherence and the social contract as political priorities in the "Decade of Action" to implement the 2030 Agenda.
 - ii. We will provide a common space for effective partnerships and knowledge building to diverse groups of stakeholders to realise our vision. We will strengthen development cooperation on tax and revenue matters in an inclusive, participatory and meaningful manner at subnational, national, regional and international levels. We will cultivate coordinated collective actions and identify suitable modalities to fulfil the social contract, enhance policy coherence, and equitably and effectively increase revenue.

III. Commitments

10. We have developed the following commitments in a spirit of partnership and mutual accountability to enhance collective action and reach our shared vision. Each development partner and partner country adherent has responsibility consistent with its role and capacity to attain the commitments by 2025. We recognise that commitments need to be interpreted in the light of the specific situation of each partner country and development partner.

Commitment 1

11. ATI partner countries commit to enhance DRM on the basis of equitable tax policies as well as efficient, effective and transparent revenue administrations. ATI development partners commit to support such reforms.

- i. We will support reforms to foster equity of tax systems in partner countries in order to reduce inequalities and advance the social contract. In support of SDG 17.1¹ and SDG 10.4², we will work together to gradually strengthen progressive revenue sources and advance the level of progressivity within tax and non-tax revenues. We will monitor the impact of tax policies on equity and equality.
- ii. We will improve the efficiency of revenue administration and, where necessary, counteract the cost pressure in partner countries through further modernisation (e.g. digitalisation) and broader institutional change. We will enhance the effectiveness of partner countries' revenue administrations in curbing non-compliant behaviour by strengthening their capacities and capabilities, including risk management frameworks. In line with SDG 16.6³, we will strengthen the accountability and transparency of revenue administrations by enhancing institutional capacity and human resource development.

Commitment 2

12. 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.

- i. We recognise demand for support to enhance DRM in partner countries. We will ensure that partner countries take the lead in coordinating DRM cooperation at the country level. We aim to meet well-defined demands from partner countries that promote revenue generation through equitable, efficient and effective tax systems, and build trust. We ensure to adequately meet fragile states' requests for DRM cooperation.
- ii. We will support to strengthen capacities of partner countries, both at the national and subnational levels, and foster a diversity of approaches to collaboration and capacity development, including through support to regional tax organisations, South-South and triangular cooperation.
- iii. We will enhance the quality and effectiveness of our support by coordinating efforts, sharing knowledge to reduce the possibility of overlap and helping to better align DRM programmes with country development plans (e.g. DRM strategies). We will support ATI partner countries to formulate and implement comprehensive, prioritised and costed national revenue or reform strategies after public consultation with accountability stakeholders.
- iv. We will align the quantity of DRM cooperation data reporting with the OECD Development Assistance Committee (DAC) database.

¹ SDG target 17.1: "strengthen domestic resource mobilisation, including through international support to developing countries to improve domestic capacity for tax and other revenue collection."

² SDG target 10.4: "adopt policies especially fiscal, wage, and social protection policies and progressively achieve greater equality"

³ SDG target 16.6: "develop effective, accountable and transparent institutions at all levels."

Commitment 3

- 13. ATI members commit to apply coherent and coordinated policies that foster DRM and combat tax-related illicit financial flows (IFFs).⁴**
- i. We recognise that collecting taxes effectively is complex and requires cooperation across state agencies and alignment with anti-corruption efforts, making it the leading edge of the broader development of state institutions. We will work towards implementing a whole-of-government approach on tax and development, working across jurisdictional boundaries of ministries, public administrations and public agencies to improve DRM in partner countries.
 - ii. We acknowledge that we all have a role to play. While partner countries need to improve their tax systems, development partners will undertake, where feasible, the analyses of spillover effects and policy coherence.
 - iii. We will improve tax transparency by publishing tax expenditures regularly to facilitate cost-benefit assessments, ultimately helping to reduce wasteful tax expenditures, improving taxpayers' trust, and creating a more level playing field for all types of businesses. We will improve inter-agency cooperation on tax expenditures and foster the coordination of granting tax concession activities.
 - iv. We will take actions, including implementing multilateral initiatives to facilitate international cooperation, to combat tax-motivated IFFs and tax avoidance by strengthening tax governance and fiscal transparency, eliminating banking secrecy and corruption, ensuring access to beneficial ownership information, and improving the exchange of information and provision of technical expertise. We support, amongst others, the work of the United Nations on tax, the Global Forum on Transparency and Exchange of Information for Tax Purposes, the OECD/G20 Inclusive Framework on BEPS, the Financial Action Task Force and relevant regional initiatives.

Commitment 4

- 14. ATI members commit to enhance space and capacity for accountability stakeholders in partner countries to engage in tax and revenue matters.**
- i. We define accountability stakeholders as state and non-state actors that work to ensure that governments are held accountable for their actions. These include, but are not limited to, civil society, academia, the media, trade unions, members of parliament or supreme audit institutions.
 - ii. We will collectively contribute to provide an enabling environment for accountability stakeholders in partner countries by involving them in the formulation and implementation of tax and revenue policies in a meaningful, substantial and timely manner. We will strengthen their role in analysing tax policies, advocating for or against policy proposals, fostering greater government transparency, and raising awareness on tax rights and obligations.
 - iii. We will increase efforts to enhance the capacities of accountability stakeholders in partner countries to engage in tax and revenue matters through technical assistance and other means of support.
 - iv. We will protect and promote the civic space for holding public revenue institutions accountable as a means to ultimately strengthening tax morale, the social contract and social cohesion. This includes bolstering legal and regulatory frameworks to allow for greater public participation and scrutiny.

⁴ IFFs constitute money that is illegally earned, transferred or used and that crosses borders. Three types of flows are generally considered, which are not mutually exclusive or comprehensive: IFFs originating from (a) criminal activity; (b) corruption-related IFFs; and (c) tax-related IFFs.

IV. Partnership principles

15. In line with the Busan Partnership for Effective Development Cooperation, the ATI is founded on a common set of principles that underpin all forms of development cooperation in the area of DRM. We recognise that the ways in which these principles are applied differ across countries at various stages of development, and among the different types of stakeholders involved.
16. Embracing the diversity that our partnership is based on, we share common principles which – consistent with our agreed international commitments on human rights, decent work, gender equality, environmental sustainability, and inclusiveness – form the foundation of our cooperation:
 - i. **Ownership of development priorities by partner countries.** Each country has the primary responsibility for its own economic and social development. Development partnerships can only succeed if implemented approaches are driven by country-specific situations and if needs respond to common interests.
 - ii. **Alignment of technical assistance.** Development partners align their support for DRM with tax and revenue priorities and policies set out by partner countries and use local systems.
 - iii. **Coordination of support.** Development partners coordinate their support for DRM, simplify their procedures and share information on their ongoing and planned development cooperation activities to achieve synergies and avoid duplication.
 - iv. **Focus on results.** Our investments, efforts and development partnerships must have a lasting impact on enhancing partner countries' capacities to foster DRM for sustainable development.
 - v. **Evidence-based policies.** Policies should rely on the best available evidence from in-country or regional research to ensure that policy makers take well-informed decisions.
 - vi. **Inclusiveness of development partnerships.** Openness, trust, mutual respect and learning lie at the core of effective partnerships in support of development goals, whereby the different and complementary roles of all stakeholders are recognised.
 - vii. **Accountability and transparency to each other.** Accountability and transparency between ATI members as well as towards citizens and taxpayers for the management of public finances are ensured.
 - viii. **Addressing climate change and protecting the environment.** We aim to place protecting environmental resources, promoting environmental sustainability and addressing climate change at the heart of our partnership.
 - ix. **Promotion of gender equality.** We strive to promote gender-responsive action as part of all ATI partnerships and initiatives, including by collecting and evaluating appropriate data within the ATI.

V. Monitoring progress

17. Monitoring our progress will help us to hold each other accountable for our actions. We will regularly assess our mutual progress towards attaining the commitments, both qualitatively and quantitatively. We will collectively work to improve data collection, transparency, disaggregation and accessibility. This will provide an overview of the opportunities for, and obstacles to, aligning our efforts, as well as good practices from which to draw lessons.
18. The monitoring exercise will inform our decision-makers and the international financing for sustainable development community about the progress made and provide recommendations on how to adjust our actions or our partnership to achieve our collective goals. The monitoring framework will build on the previous mandate, retaining existing frameworks where possible, and be developed in a participatory manner by a designated expert group of representatives from ATI members.
19. An evaluation of results should be the basis of the extension of the partnership beyond 2025 to 2030 to support the complete period for the Decade of Action.