

ATI Roundtable on IDA21 Policy Commitment: Progressive DRM

6th June 2024 – 15:00 to 16:30 CEST | Online

Background

The Addis Tax Initiative (ATI) sets clear commitments for its ATI members, including the World Bank and many other donors that provide assistance to DRM. The ATI, among others, stresses the importance of not only raising more revenue, but ensuring that this is done in a progressive way that reduces inequality. [Commitment 1](#) of the ATI Declaration 2025 states: ‘...In support of SDG 17.1 and SDG 10.4, 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.’

While the new World Bank corporate scorecard includes a vision goal on reducing inequality, the DRM indicator (focused only on tax-to-GDP) fails to ensure that World Bank tax work contributes to that goal. Therefore, it is imperative that IDA21 builds on previous IDA commitments to support more progressive DRM.

The World Bank has acknowledged the importance of progressive taxation in IDA context for several years. The IDA19 Deputies’ Report emphasised the ‘importance of helping countries to collect not only more, but better tax revenues’. Better revenues means more progressive taxation of wealth, capital, high net-wealth individuals and corporations and less reliance on indirect taxation. Tax revenues in IDA countries are not only low but their composition is also skewed toward indirect taxes, with direct taxes contributing only 35 percent of the total revenue collection. The [World Bank’s IDA20 report](#) was clear on how to respond ‘there is a need to address this over-reliance by IDA countries on regressive taxes.’ Nevertheless, there are concerns on whether this need has been addressed.

Agenda

Time	Item	Responsible
15:00-15:10	Welcome and introduction	Anca Maria Szigeti, European Union & ATI Steering Committee
Overview		
15:10-15:25	IDA21 policy commitment	Kenya (tbc)
15:25-15:40	Impact of IDA20 DRM commitment and indicator	Oxfam
Discussion: Breakout groups		
15:40-16:20	Guiding questions:	All participants

	<ul style="list-style-type: none">a. What kind of DRM support should IDA/WB be providing?b. What should a progressive DRM Policy Commitment look like?	
16:20-16:30	Closing remarks & next steps	Anca Maria Szigeti, European Union & ATI Steering Committee

The virtual meeting will take place via the application “Microsoft Teams” and will be conducted in plenary. The meeting language will be English and will not be recorded.