

Minutes of the 7th Meeting of the ATI Consultative Group 2

13 December 2023, 14:00 – 15:00 (CET), Microsoft Teams

Participants

Aniket Bhusan (GAC Canada), Eva Horvathova (MF Slovakia), Fanou Rasmouki (ITC), Federica Boncristiano (MoF Italy), Gabriella Ossicini (MoF Italy), Jonas Nyrop Henriques (MFA Denmark), Maria Altavilla (MoF Italy), Steve Rozner (USAID), Taís Chartouni Rodrigues (ITC).

Agenda

1. Welcome, agenda and a short round of introductions
2. Discussion on the proposed activities
3. ATI Matchmaking Platform
4. Further ideas to enhance donor coordination and country ownership in DRM support
5. Closing remarks

Objectives

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 objective of the 7th Meeting of the ATI Consultative Group 2 was to agree on priority activities and products amongst those outlined in the 2023-2025 work plan, namely activities/products to strengthen country ownership in relation to Domestic Revenue Mobilisation (DRM) support, activities/products to enhance donor coordination in DRM support, and ideas and actions to revitalise the ATI Matchmaking Platform. The proposed topics emerged from the ideas and discussions on the previous ATI Consultative Group 2 meeting, convened in June 2023.

Strengthening Coordination and Country Ownership of DRM Support

The ATI Secretariat sought the views of the participants on the activities and products that members of Consultative Group 2 would be interested in pursuing. Fanou Rasmouki opened the meeting and moderated the discussion about the following proposals to strengthen coordination and country ownership of DRM support.

Diagnostic Tools

Aiming to provide an opportunity for ATI Partner Countries to share their experience and provide feedback, the Secretariat proposed the organisation of a focus group¹ to shed light on the effectiveness and usefulness of diagnostic tools². The CG2 participants agreed on the importance of such a space to maximise the opportunity for assessment by the partner countries and thought it would be beneficial to look at aspects suggested by the ATI Secretariat such as adequacy of existing instruments to the current challenges of tax administrations; clarity and guidance for use; overall transparency and impact on the ability of tax administrations to devise and implement new strategies.

Monitoring and evaluation tools

Denmark expressed its support for the idea compiling the ATI development partners' matrices for monitoring and evaluation of programmes and projects in a summary document or through a virtual round table. This would foster peer learning amongst development partners, provide valuable insight to ATI partner countries and lay a foundation towards aligning the evaluation process for international development cooperation in the context of DRM support.

Portfolios of technical assistance

The Secretariat also recommended mapping ongoing (and planned) portfolios of technical assistance for DRM by the ATI development partners if they are willing to share this information. Alternatively, the ATI Secretariat suggested to summarise development partners' international development strategies on DRM and tax topics if they are available in the form of a product such as a blog article. To Jonas Nyrop Henriques (Denmark), the mapping of technical assistance portfolios would be helpful insight, in learning what partners are doing and coordinating ongoing work and initiatives. He also stated that learning about the international development strategies of partners would be inspiring. He also suggested building a list of contacts of agencies working with the ATI DPs in DRM matters.

¹ Compared to interviews or surveys, focus groups create a dynamic that fosters more insights through the exchange of different views which, in turn stimulates the increase of views in depth and breadth.

² This refers to tax administration analytical assessment tools. A few examples include Tax DIAMOND (Development of Implementation And Monitoring Directives for tax reform), Tax Administration Diagnostic Assessment Tool (TADAT), OECD FTA Maturity Models.

Thematic case studies

To encourage development partners to share their successful cooperation initiatives in the field of DRM, the Secretariat proposed compiling thematic case studies in a portfolio of assistance. Ideally, this would be a joint initiative led by multiple development partners who have worked on the same thematic issue and demonstrated well-coordinated approaches as well as enhanced country ownership.

Case studies from Liberia, Zambia and Ghana

Before addressing the ATI Matchmaking Platform, the ATI Secretariat mentioned the case studies presented during Technical Session 2 at the ATI General Assembly, held in June 2023 in Zambia, and suggested putting together a more detailed analysis of the highlights of the case studies with a view to disseminating good practice in donor coordination and country ownership. Liberia is formulated and implemented revenue reform and donor engagement strategies, while Zambia worked on the modernisation of tax administration by the Zambia Revenue Authority (ZRA). Potentially, the experience of Ghana in creating a Donor Management Unit at the Ghana Revenue Authority (GRA) could also be part of the compilation.

The ATI Matchmaking Platform

The ATI Secretariat initiated the discussion around the Matchmaking Platform by giving an overview of its potential benefits as well as the challenges concerning its take up. Back in 2022, several ATI members gave positive feedback on the usability of the Platform and encouraged the advertisement and active participation of members, but so far, the take up has not been limited, and no match between existing support and need has occurred so far. To address the issue, the Secretariat plans on sending an e-mail to the members to make sure the support offers shared within the platform is up to date. At the same time, the ATI Secretariat will send out a survey to better understand what is stopping the partner countries from using the platform.

The challenges

Steve Rozner stated that the main challenge for USAID has been the nature of the requests received, which are mainly focused on short-term capacity-building activities. Since USAID's aim is to build sustained cooperation programmes, designing specific short term-project such as training sessions is not aligned with the objectives and work approach of the agency. Steve also mentioned that the need to be registered to the Platform may be stopping potential development partners from engaging. To him, a broader number of requests could lead higher chances for a match because it would signal to development partners that there is a need for the Matchmaking Platform. The current low number of requests may suggest that there is no need for the Matchmaking platform and that partner countries are using other channels (e.g. embassies) to obtain DRM-related support.

Another challenge addressed by Eva Horvathova and Jonas Nyrop Henriques is the difficulties of tailoring an offer, which demands human resources, time, and more in-depth information about the receiving country's capacities. Jonas Nyrop Henriques expressed Denmark's willingness to engage, but to him, it would be more effective if national tax authorities from the South expressed the type of expertise they

could benefit from. Nonetheless, both Eva and Jonas will reach out to their national tax authorities colleagues to learn what kind of assistance the Slovak Republic and Denmark could provide.

Aniket Bhusan (GAC) pointed out that in the Canadian context (likely similar to others), on a given DRM topic there can be multiple agencies working, from their own vantage point, mandates and capacities. In the Canadian context on tax capacity building this can include the Canada Revenue Agency (CRA) and the Dept. of Finance, in addition to Global Affairs Canada (GAC). Therefore bilateral requests, at times, may go directly to one or more, without full awareness or necessarily mandate overlap with the others. In general, bilateral donor agencies are not set up to handle one-off responsive requests (but rather to build long-term capacity building programs). In addition, currently the majority of Canada's tax capacity building support internationally is provided by the CRA's [Knowledge Sharing Platform for Tax Administrations \(KSPTA\)](#), a global online resource for sharing knowledge and expertise in tax administration that is used extensively by the OECD, other multilateral partners, regional tax organizations, and national tax authorities.

Scope for improvement

There's a pressing need to adjust the expectations of both partners seeking and offering support, but other more practical challenges also need to be addressed in order to explore the full potential of the ATI Matchmaking Platform. Despite its limited resources, the ATI Secretariat could play a more active role in channeling the requests and trying to land them to a suitable partner. It could also arrange some follow-up meetings with partners interested in the topic. To avoid the duplication of efforts, Jonas Nyrop Henriques also suggested checking if organisations such as the International Monetary Fund (IMF) and the World Bank have similar initiatives since Denmark has been receiving lots of requests for cooperation recently.

Other topics

Aniket Bhusan brought up the importance of preparing for the 2024 session of the UN Economic and Social Council (ECOSOC) Forum on Financing for Development (FfD) and Taís Chartouni mentioned that the ATI will engage in advocacy and will probably host a side event. The ATI Secretariat is still working on narrowing down the topics to be addressed at the event.