Addis Tax Initiative

Country-ownership in technical assistance for DRM

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Ownership and Development

- Core principle in development since PD in 2005
- Importance of partner countries being proactive
  - Determine the scope and terms of cooperation
  - Alignment to national policies, strategies etc.
- Partner countries take lead in aid/TA coordination
- DPs support partner countries in their ambitions

➢ This discussion also needs to be applied to DRM

- **Ownership:** Developing countries set their own strategies for poverty reduction, improve their institutions and tackle corruption.
- **Alignment:** Donor countries align behind these objectives and use local systems.
- **Harmonisation:** Donor countries coordinate, simplify procedures and share information to avoid duplication.
- **Results:** Developing countries and donors shift focus to development results and results get measured.
- **Mutual accountability:** Donors and partners are accountable for development results.

Source: OECD

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ATI, DRM and Ownership

ATI Declaration 2025 promotes partner country-driven development efforts

Degree of ownership:

- §16.i Responsibility for own economic and social development.
- §16.ii Alignment of TA to partner countries tax and revenue priorities, strategies and policies.
- §12.i Coordination of DRM collaboration by partner countries.


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

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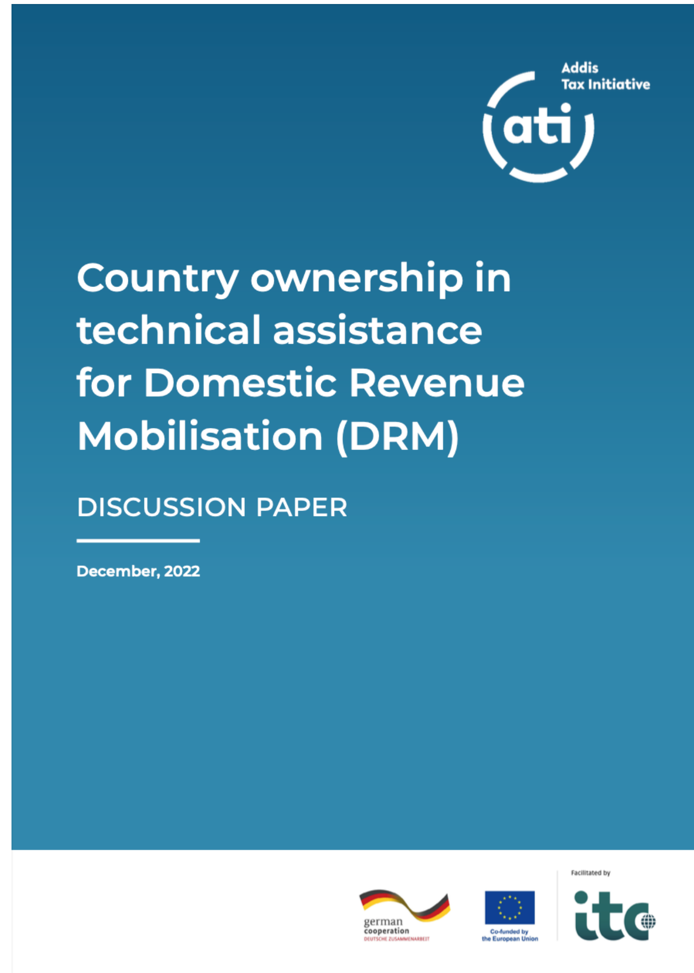
ATI Declaration 2025

DRM, TA and Ownership

Discussion Paper: DRM, TA and Ownership

- Initiate Discussion on DRM and Ownership.
- Part A: 3 Good Practice Case Studies.
  - Ghana, Nepal, Philippines
- Part B: ATI Framework
  - Principles, recommendations, opportunities and challenges derived from case studies and literature research



Case Studies

- 13 expert interviews, grey literature and government documents
- Ghana: tax administration reform
- Nepal: tax administration reform
- Philippines: tax policy and tax administration

ATI Framework

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Principles for strong country ownership:

- Partner countries are primarily responsible for their development
- Alignment
- Share control over the substance and process of providing TA
- Ownership includes both state and non-state actors

Principles and recommendations for strong country ownership

Principles:

- Partner countries are primarily responsible for their own social and economic development. They need to manage and coordinate DRM cooperation at the country level to stimulate the trust and broad-based support necessary for building equitable, effective, and efficient tax systems.
- DPs have a responsibility to align their TA with the recipient countries' DRM strategies, policies, and priorities. This includes sharing control with partner countries over the substance of TA and the process of providing it.
- Ownership is not limited to governmental actors but includes both state and non-state actors.

Recommendations for partner countries to enhance country ownership:

- Partner countries should actively claim ownership.
- Partner countries need to develop a certain level of capacity sophistication to exercise ownership. For instance, partner countries must to have the capacity to develop consistent DRM strategies/plans and a thorough understanding of DPs processes, perspectives, and mandates.
- Partner countries need to demonstrate a long-term development-oriented stance on DRM-related reforms. This includes the provision of sufficient domestic funds for DRM reforms through the budget.
- Partner countries should openly embrace participative governance modes to reflect a broader set of perspectives in tax policy making and administrative reforms as well as to strengthen the social contract between citizens and the state.

Recommendations for development partners to enhance country ownership:

- DPs need to prioritise partner countries' demands over their own interests.
- DPs should ensure that a broad range of views is reflected when planning TA, including views of non-state stakeholders. In the implementation stage, DPs need to involve partner countries more directly, to a greater extent and as early as possible.
- Ownership should be secured not only at the political and management level, but also at the operational level of partner organisations, i.e. ministries of finance and tax administrations.
- DPs should assist partner countries to develop capacities to exercise ownership. DPs should assist partner countries in developing coherent DRM strategies/plans.

Recommendations

Development Partners

- Prioritize partner countries' demands
- Involve partner countries and non-state stakeholders in planning and implementation of TA
- Secure ownership at different levels
- Assist partner countries in developing capacities to exercise ownership

Partner Countries

- Actively claim ownership
- Develop "ownership capacity"
- Demonstrate a long-term development-oriented stance
- Embrace participative governance modes

Conclusion

- Plenty of space to strengthen country ownership
- Adaptations by both partner countries and development partners are needed
- Capacity building, involvement of non-state actors, and alignment with partner countries' strategies are key to promoting ownership

Thank you for your participation!

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