General Assembly ATI 25

ATI Consultative Group 4 Meeting

Strengthening tax morale and the social contract through civic engagement

24 July 2025 09:15-11:00 EAT| Hybrid

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

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Welcome and agenda

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Time	Session	Speaker
5 min.	Welcome and presentation of the agenda	Austin Ndiokwelu, Senior Director of Policy and Global Advocacy, International Budget Partnership (IBP), and co-coordinator of ATI CG4 – Moderator
15 min.	Key findings from the 2023 ATI Monitoring Report	Austin Ndiokwelu, moderator and co-coordinator/ATI Secretariat
10 min.	Q&A	Facilitated by the moderator
5 min.	Presentation of the new Action 4	Austin Ndiokwelu, moderator and co-coordinator
15 min.	Expert input	Wilson Prichard, Chair, Local Government Revenue Initiative (LoGRI)
10 min.	Q&A	Facilitated by the moderator
40 min.	Discussion on the group's work plan	Austin Ndiokwelu, moderator and co-coordinator/ATI Secretariat
5 min.	Closing	Austin Ndiokwelu, moderator and co-coordinator

Key findings from the 2023 ATI Monitoring Report

CG4 Co-coordinator

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Commitment 4 of the ATI Declaration 2025:

ATI members commit to enhance space and capacity for accountability stakeholders in partner countries to engage in tax and revenue matters.

Commitment 4 of ATI Declaration 2025 – Monitoring indicators

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Three focus areas	*ATI Monitoring indictors*	*Sources*
Transparency	Efforts of partner countries to publish (1) an accessible explanation of their tax strategy and (2) core tax data.	• ATI assessment of published tax strategies • Data from Global Tax Expenditures Database *(GTED)* • Assessments of tax transparency by International Budget Partnership *(IBP)* through the Open Budget Survey *(OBS)*
Engagement	Partner country performance in opening up tax processes for engagement from accountability actors	• ATI Monitoring Survey • IBP's OBS on country performance in this area
Capacity	Level of ODA for DRM channelled towards non-state actors and fostering acoountability	• ATI DRM database – drawn from OECD-DAC data on DRM-related ODA flows • ATI Monitoring Survey

Progress on Commitment 4: Transparency

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Transparency of tax strategies

- **22 ATI partner countries published tax/revenue strategies** in 2023 (double from 2020), with 20 outlining specific tax policy goals, 15 provided explanations for the tax base and rates, 10 addressed tax expenditure issues, and 13 gave information on tax administration approaches.

Transparency on tax revenues raised

- **27 ATI partner countries publicly reported on taxes raised** across individual tax types (compared to 22 in 2020); although very few provide disaggregated data (only 1 country by type of taxpayer, 2 by income bands; 8 per economic sectors, 1 by gender).

Transparency on tax revenue forecasts

- **76.7% of ATI PCs** (23 of 30) scored 100, having **published individual sources of tax revenue for all tax revenue** – up from 64% in 2021.
- **63.3% of ATI partner countries (19 of 30) published multi-year revenue estimates** by category (e.g. tax and non-tax) in their budget documentation in 2023 – slightly down from 64% in 2021.

Transparency on tax expenditures

- **12 of 30 ATI PCs presented some information on tax expenditures** but excluded some core elements or expenditures (compared to 12 of 28 in 2021).
- While in 2021, no countries presented all core information on tax expenditures, 2 ATI partner countries (Mongolia and Georgia) met or exceeded the standard.

Progress on Commitment 4: Citizen engagement

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Public consultations on tax policies

- **13 out of 15 ATI PCs** reported conducting consultations (2021–2023)

Open Budget Survey – 2023 scores (out of 100)

- Average scores regarding the five dimensions of citizen engagement in the budget process suggest that **public engagement on tax matters remains limited,** particularly during budget formulation, implementation, and legislative phases. Challenges also persist regarding advance provision of information to citizens and the effective use of public feedback mechanisms.

Budget formulation

✓ Score ↑: 6 countries (Burkina Faso, Cameroon, The Gambia, Liberia, Namibia, Tanzania

✕ Score ↓: Bangladesh, Ghana, Afghanistan

Budget implementation

✓ Score ↑: 8 countries

✕ Score ↓: 3 countries

Legislative deliberations

✓ Score ↑: Mongolia, The Gambia

✕ Score ↓: 3 countries

Prior information to citizens

✓ Score ↑: The Gambia, Liberia, Mongolia

✕ Score ↓: Ecuador

Feedback on citizens' views

✓ Score ↑: Benin

❗ Most ATI partner countries scored **0** on this dimension

Progress on Commitment 4: Capacity

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ODA for DRM projects focused on promoting accountability

- In 2023, **17% of total ODA for DRM** focused on promoting **accountability, transparency and the role of non-state actors in relation to tax policy and practice** – *up from 14% in 2020 and down from 21% in 2021.*

Support to Civil Society Organisations

- In 2023, only **4.5% of total ODA was provided directly to CSOs as primary implementing partners** – down from 5.4% in 2022 and 5.8% in 2021.

Public consultation inputs

- **Only 4 ATI partner countries** (Bangladesh, the Maldives, the Philippines, and the Gambia) provided estimates of the **number of stakeholder that provided inputs into public consultations** on tax issues

Q&A

Presentation of the new Action 4

CG4 Co-coordinator

The Seville Declaration on DRM

Action 4

ATI members commit to enhance space and capacity for DRM accountability stakeholders in partner countries to strengthen the broader social contract

Action 4

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ATI members commit to enhance space and capacity for DRM accountability stakeholders in partner countries to strengthen the broader social contract

Protecting and promoting the **civic space for holding public revenue institutions and governments accountable**. Bolstering legal and regulatory frameworks to ensure greater public participation and scrutiny.

Collectively contributing to an enabling environment for accountability stakeholders in partner countries by **involving them in the formulation and implementation of tax and revenue policies**

Enhancing **capacities of state and non-state accountability stakeholders** through technical assistance as well as platforms that facilitate collaboration.

Encouraging complementary efforts to also **increase accountability and transparency on expenditures side** in partner countries, recognising its impact on tax morale and the social contract.

Expert input

Wilson Prichard, Chair, Local Government Revenue Initiative (LoGRI)

Local Government Revenue Initiative

An initiative of the ICTD, based at the Munk School of Global Affairs & Public Policy

Accountability Actors and the Fiscal Contract

Wilson Prichard

Associate Professor, University of Toronto

Chair, Local Government Revenue Initiative

Research Fellow, International Centre for Tax and Development

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Defining the Fiscal Social Contract

What do we mean we we describe a social contract around taxation? Generally along these lines:

“An implicit agreement that citizens will agree to pay taxes to government in exchange for (a) the operation of a fair and equitable tax system, and (b) the delivery of effective governance, goods and services to citizens”

It is a “tax bargain” or implicit contract, involving commitments by both sides. It is not inherently “pro-tax” or “anti-tax” but about a mutual understanding of who will contribute, and how much, to national well being, and what they will receive in return.

ATI Action 4

“ATI members commit to enhance space and capacity for DRM accountability stakeholders in partner countries to strengthen the broader social contract”

Motivation for accountability stakeholders:

- Expanded taxation without accountability and reciprocity may amount to little more than coercion and extortion
- Public participation may be critical to ensure equity in contexts where elites exercise heavy influence over policy

Motivation for government:

- Through public participation governments may build public trust and support, strengthening compliance and the political feasibility of reform
- Public participation may help to balance the demands of elite actors

Creating space for accountability actors

ATI Action 4 is focused on:

- Encouraging governments to create space for engagement by accountability actors around taxation and public spending
- Channelling support to those accountability actors to strengthen their capacity to engage in policy dialogue and demand making

Those are clearly desirable goals in a world in which the design and implementation of tax systems has often been a closed process, and inequitable.

Are the actions that follow from it delivering on the promise of stronger social contracts? In what ways, and what might require more focus?

Conceptualizing a Tax-Based Social Contract

Version 1: Expert Influence and Advocacy

- Create space for tax focused accountability actors to contribute directly to policy dialogues
- Strengthening those voices gives greater priority and recognition to concerns around equity, reciprocity and service delivery
- Relies on expert influence and exercising power through the media etc..

Version 2: Broad-based and non-specialist "tax bargaining"

- Strengthen broad based accountability actors to engage in tax bargaining with government, offering compliance and political support **in exchange for** transparency, fairness and reciprocity
- Influence based on more grassroots political power, and using the power of tax debates as leverage to advance broader concerns. Maybe more relevant to the core idea of a broad-based social contract around taxation.

Strengthening Fiscal Contracts

The past decade has witnessed enormous progress in strengthening the role of accountability actors through expert engagement and policy advocacy. Until recently tax was not a central part of public debates. That has visibly changed.

There has been less progress in fostering broad based and non-specialist "tax bargaining", particularly around domestic tax questions. Most work has remained either:

- "anti-tax", focused on opposition to inequitable taxes, or taxes levied by unaccountable governments, or
- international tax focused, with emphasis on getting (multinational) corporations – and increasingly the most wealthy – to pay their fair share.

Less orientation around a broad based popular engagement around a domestic fiscal contract – a positive vision for tax systems that can mobilize popular support. But there may be openings

New Opportunities

Last summer saw mass protests against proposed tax reform in Kenya. They protests were largely labelled “anti-tax”. But there was an opening for a “pro-fair, equitable, reciprocal tax” movement.

In Ghana a burgeoning project, led by the People’s Dialogue on Human Settlements, Market Associations and others aims to mobilize a “pro-fair, equitable, reciprocal tax” movement, focused on building a fairer property tax system that delivers visible benefits to citizens.

How can governments, funders and accountability actors themselves build upon success in building stronger advocacy movements to then foster broader engagement to build new fiscal contracts for development?

LoGRI Local Government Revenue Initiative

www.logri.org / www.ictd.ac

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Q&A

Discussion on the group’s work plan

CG4 Co-coordinator and ATI Secretariat

Implementation of Commitment 4 (2021-2025)

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Workstream	Activities
Foundational issues	○ Accountability Stakeholder Mapping ○ Stocktaking of initiatives and tools to enhancing accountability
Innovation, sharing, and learning	○ Pocket guide on tax expenditures for members of parliament (a collaborative effort by the ATI, CEP and IDOS) ○ ATI Webinar on enhancing tax accountability through citizen participation and education ○ Webinar on the role of supreme audit institutions (SAIs) in revenue matters ○ ATI-IBP Webinar on women grassroots organisations as accountability stakeholders
Monitoring framework	Regularly monitoring the progress made on ATI Commitment 4

Implementation of Action 4:

Open discussion/brainstorming

Proposed workstreams (2025-2030)

Workstream	Activities
Monitoring framework for ATI Action 4	Regularly monitoring the progress made on ATI Action 4
Building tax morale and social contract	
Strengthening taxpayer education	
Promote transparency and accountability in tax administration	
Synergies across ATI Consultative Groups	

Closing

Austin Ndiokwelu, Senior Director of Policy and Global Advocacy, International Budget Partnership (IBP) and co-coordinator of ATI CG4

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