

ATI Roundtable on IDA21 Policy Commitment: Progressive DRM

6 June | 15:00 h – 16:15 h CEST | EN | Online

Background

The [Addis Tax Initiative](#) (ATI) sets clear commitments for [ATI members](#), including the [World Bank](#) and other development partner countries and organisations, to work together to strengthen the progressivity of tax and non-tax revenues in partner countries, and monitor the impact of tax policies on equity and equality. Progressive domestic revenue mobilisation (DRM) is not only critical for making tax systems more resilient, but essential for achieving the World Bank’s new vision goal on inequality.

The World Bank’s [International Development Association](#) (IDA) is a major instrument for providing financing and policy advice to foster economic growth, resilience, and improved conditions in the world’s lowest income countries. IDA is funded by member governments, who meet every three years to replenish resources and review policies. Officials from over 50 donor governments – IDA Deputies – and representatives from borrowing countries ensure IDA’s policy and financing frameworks are responsive to country needs. IDA’s efforts on capacity building, policy advice, and infrastructure investments bolster 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.

Later, during the negotiations for [IDA20 replenishment](#), the ATI Steering Committee – in its policy advocacy role – submitted a letter to IDA Deputies pushing for ‘strong DRM Commitment in IDA20 that prioritises making revenue systems more progressive and equitable’. This contributed to the World Bank and IDA Deputies adopting a brand-new DRM indicator: ‘*IDA countries with increased tax fairness and progressivity (number)*’. The new indicator has impacted DRM programmes. Since 2021, following the new commitment in IDA20, DRM programmes focused on strengthening progressive revenue streams have increased – largely due to increased support for property taxation.

Now that the IDA21 negotiations are underway, the ATI in collaboration with [Oxfam](#) would like to bring together ATI members and technical experts to exchange proposals and ideas to ensure that IDA21 includes a clear policy commitment to progressive DRM. As a follow-up to the discussion, an official letter from the ATI Steering Committee will be submitted to IDA Deputies before their meeting in Nepal on 22-23 June.

Agenda

| | |
|---------------|---|
| 15:00 – 15:05 | <p>Welcome and introduction</p> <p><i>Anca-Maria Szigeti, European Union & ATI Steering Committee</i></p> |
| 15:05 – 15:15 | <p>Overview</p> <p>Impact of IDA20 DRM commitment and indicator</p> <p><i>Nathan Coplin, Policy Lead, Development Justice, Oxfam</i></p> |
| 15:15 - 15:25 | <p>Perspective on IDA21 DRM policy commitment and DRM support</p> <p><i>Abdoulie S. Bah, Principal Economist, Public Finance Management Directorate, Ministry of Finance and Economic Affairs, Gambia</i></p> |
| 15:25 - 16:10 | <p>Open discussion</p> <p>Guiding questions:</p> <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? <p><i>All participants</i></p> |
| 16:10 – 16:15 | <p>Closing remarks and next steps</p> <p><i>Anca-Maria Szigeti, European Union & ATI Steering Committee</i></p> |

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.

Funded by



Facilitated by

