Minutes of the 6th meeting of the ATI Consultative Group 2

DATE: 20 June 2023, 16:00 – 18:00 (CET) in Lusaka, Zambia (hybrid)

Agenda:

1. Presentation of discussion paper on "Country ownership in technical assistance for DRM"
2. Examination of the quality and quantity of ODA flows for DRM (until 2020)
3. Discussion on the workplan 2023-2025 for ATI Consultative Group 2

Peter Wiezel from the ATI Secretariat opened the meeting by referring to the ATI discussion paper on strengthening country-ownership in technical assistance for domestic resource mobilisation (DRM) as well as a study recently published by Oxfam[1] on the quantity and quality of ODA. Following, the author of the ATI discussion paper, Mr. Christian Schütz, started his presentation by connecting ATI Commitment 2 with the historical development and overall role of country ownership in development cooperation. Due to its equal significance also for technical assistance in the area of DRM, members of ATI Consultative Group 2 previously asked for a framework and compilation of good country cases in that regard which yielded in the preparation of the aforementioned discussion paper. As described by Mr. Schütz, the discussion paper shall initiate discussions on DRM and ownership and is divided in two parts: a) good practice country examples from Ghana, Nepal and the Philippines as well as b) a country ownership framework, including principles and recommendations on how to achieve country ownership in technical assistance for DRM. Christian Schütz concluded his presentation with a summary of recommendations from the discussion paper for both development partners and partner countries in order to enhance their country ownership in DRM cooperation. The ATI discussion paper on strengthening country-ownership in technical assistance for DRM is accessible at the respective section of the Consultative Group 2 on the ATI website.[2]

In addition to the presentation and launch of the discussion paper, Mr. Isaac Amoako from the Ghana Revenue Administration (GRA) briefly presented GRA's experience towards stronger country ownership in technical assistance for DRM cooperation. GRA in recent years went through an internal restructuring process from which a dedicated Donor Management Unit was created. This aim of the unit focuses mainly on the coordination, harmonisation, and alignment of donor activities in the field of DRM against the backdrop of Ghana's own national development and DRM policies and priorities. Mr. Amoako presented some backgrounds and previous challenges, such as overlapping and uncoordinated donor activities, that led to the creation of the new department, the structure of the unit as well as the implementation so far.
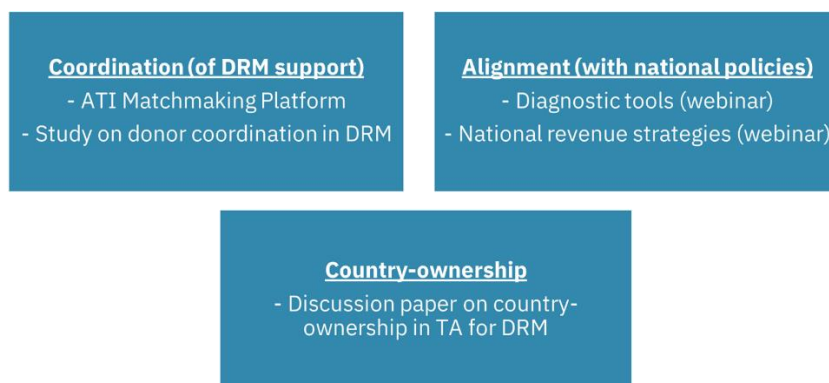
The last presentation was held by Mr. Kwesi Obeng from Oxfam and he revealed findings from studies conducted between 2017-2020 and provides a synthesis to give a better understanding and draw lessons to move forwards to the agenda of the ATI. While some of the key findings outlay that donors have improved their ODA flows for DRM during the last five years, Mr. Obeng also underlined that donors didn't meet the ATI commitment[3] to double support for technical cooperation in the area of taxation/DRM by 2020. The speaker emphasized that an increasing and significant part ODA is coming in the form of debt and not grants, leading to increased debt burdens of partner countries. Through the presentation, the importance of country ownership and the inclusion of non-state stakeholders in processes related to DRM/taxation has been underlined, while examples of strong country ownership in DRM vary strongly among DRM donor activities in recipient countries and not always aligned with partner countries' national priorities. . To conclude the intervention, the main outcomes of the presentation held by Mr. Obeng is that donors need to scale up ODA flows for DRM in order to achieve the ATI commitment on ODA for DRM as well as strengthen the country ownership to increase the social contract between the state and taxpayers.

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[1] Cohen, M. J., Coplin, N., & James-Finel, M. (2023). *Does Aid to Domestic Revenue Mobilization Support Tax Fairness?: A synthesis of Oxfam research*. Oxfam International

[2] ATI Discussion Paper: country-ownership in technical assistance for Domestic Revenue Mobilisation (DRM) (ATI_Discussion Paper_Country Ownership.pdf (addistaxinitiative.net)

[3] ATI Declaration 2015-2020: ATI Commitment 1 (https://www.addistaxinitiative.net/sites/default/files/resources/ATI-Declaration-EN.pdf)

Peter Wiezel briefly summarized previous activities and products conducted by the ATI Consultative Group 2, which are the following:

Coordination (of DRM support)	**Alignment (with national policies)**
- ATI Matchmaking Platform - Study on donor coordination in DRM	- Diagnostic tools (webinar) - National revenue strategies (webinar)

Country-ownership
- Discussion paper on country-ownership in TA for DRM

After presenting the previous work plan and activities related to ATI Commitment 2, the participants were divided into two breakout groups in order to discuss potential ideas for the workplan 2023-2025. The two groups were allocated into topical areas connected to "coordination" as well as "alignment/country ownership". Some of the main ideas discussed withing the subgroups towards activities for the period until 2025 are briefly summarised in the following:

Coordination (subgroup 1): Participants of this group discussed their experience with the ATI Matchmaking Platform and how it can be further developed as well as how coordination in technical assistance for DRM can be improved both by PCs and between DPs. Mr. Logan Wort from ATAF underlined the importance to also ensure platforms of physical matchmaking whenever possible, where potential providers and recipients of technical assistance in DRM can meet and exchange (like the planned "marketplace session" on day two of the ATI General Assembly). Another example suggested by participants of this subgroup was to extent the ATI Matchmaking Platform as a kind of databank, in which relevant documents (such as TADAT reports or other diagnostic tools results) from partner countries can be stored and retrieved by ATI members, which in turn would lead to a better overview of (already implemented) activities among donor / recipient countries and ultimately provide a positive impact on coordination.

One very practical point raised was the validity of the registered focal points for which an account for the ATI Matchmaking Platform has been created in the past and whether those focal points are being kept up to date, as those persons often change positions and responsibilities and might no longer be the accurate recipients of requests for support. Therefore, one suggestion made was to regularly (e.g., quarterly) circulate a notification email a) to all ATI members (not only to dedicated focal points for which an account has been created), with b) an overview of all available posts available at the ATI Matchmaking Platform, including brief descriptions of each request for support.

Lastly, participants discussed whether the ATI can annually collect and map ongoing (and planned) portfolios of technical assistance for DRM by ATI development partners and multilateral institutions (e.g., PCT partner organisations and regional tax administration forums). However, it remains to be clarified to what extent the aforementioned donors can actually provide such data and whether a "critical mass" can be achieved for this.

Alignment/country ownership (subgroup 2): The other breakout group started its discussion based on guiding questions related to the recommendations from the discussion paper presented by Mr. Schütz as well as the usefulness of diagnostic tools from partner countries' perspectives. Participants agreed that it is important to understand which stakeholders (outside of the government) we think about when aiming towards stronger county ownership in DRM processes. A good starting point to understand country ownership could be stakeholder mapping including an overview of the target groups that shall be considered to be included in processes related to technical assistance for DRM. Here it would be useful to work more closely with Consultative Group 4 as numerous overlaps exist and this group already worked on a definition for a common understanding on what accountability is and who the relevant stakeholders are.

Another question raised was whether the ATI can be a knowledge hub for the different approaches available related to monitoring of evaluation projects related to DRM, and how those approaches can be further aligned so processes can become easier to have common targets, outcomes and indicators for a project. A practical suggestion to work towards stronger alignment could be that ATI development partners share / exchange their matrices for monitoring and evaluation of programmes and projects in order to learn from each other and ideally align the evaluation processes. In this context, it should be mentioned that partner countries also use matrices for the assessment of received projects and these could also be included if necessary.

Furthermore, it has been underlined that funding and implementation of projects need to be allocated based on needs of partner countries and ideally a clear national strategy with priority areas. One potential way to obtain stronger ownership in that regard is to define a medium-term revenue strategy (MTRS), but it would be important to obtain feedback from partner countries if capacity support would be needed to assess, define and ex-post manage the implementation of the MTRS. The ATI could share experiences of successful country experiences from which practical successes and challenges can be revealed.

Finally, the breakout group suggested to provide more thematic case studies, ideally where multiple development partners worked on the same thematic issue and proved well-coordinated approaches. The thematic areas and specific challenges that countries might face can be derived from the ATI Monitoring Report or needs assessment surveys and in-depth case studies can provide examples what worked to solve the problems and ultimately enhance alignment between donor approaches.

Online subgroup: The online subgroup was free to discuss on both topical areas connected to "coordination" as well as "alignment/country ownership". The discussion headed towards the need for a definition of country ownership, but it was also mentioned that depending on the perspective of the degree of technical assistance, country context, and several other factors it could be challenging to develop a common understanding within the heterogenous membership of the ATI. Aniket Bhusan (Canada) emphasised the importance to also differentiate the understanding of country ownership between traditional DRM projects and international tax reform processes.