

## **ATI Side-event at the 2022 ECOSOC Forum on Financing for Development**

### **“Enhancing collective action to promote tax reforms for financing the Sustainable Development Goals”**

28 April 2022| 14:00h – 15.30h (CEST)

One year after the launch of the [ATI Declaration 2025](#) at the 2021 United Nations Economic and Social Council (ECOSOC) Forum on Financing for Development (FfD), the ATI hosted a side event at this year’s ECOSOC FfD Forum on 28 April 2022. This event sought to highlight the key role that accountability stakeholders play in the tax and revenue debate, a new dimension emphasised in Commitment 4 of the [ATI Declaration 2025](#). Accountability stakeholders play an essential role in holding governments accountable, which in turn strengthens tax morale, the social contract and social cohesion, and ultimately helps to narrow the gap between financing needs and available public revenues on the path to realising the Sustainable Development Goals (SDGs). Therefore, ATI members have committed to improving the space and capacity for accountability stakeholders in partner countries to engage on tax and revenue issues.

High-level representatives from Germany, Sierra Leone and the European Commission stressed the paramount importance of domestic revenue mobilisation (DRM) in light of the socioeconomic impacts of the COVID-19 pandemic and the key role that accountability stakeholders can play in this regard. Nathalie Brajard vom STEIN, Deputy head of Unit Macroeconomic analysis, Fiscal policies and Budget support at the European Commission, underlined that although the pandemic has once again widened the gap between financing needs and available public revenues, effective DRM remains critical to post-pandemic recovery in developing countries. Further Ingo DIETRICH, Director “2030 Agenda; social and environmental transformation; feminist development policy” at the German Federal Ministry for Economic Cooperation and Development shared the important statement that “the SDGs can only be achieved on the basis of legitimate, transparent and development-oriented public finance systems” in which accountability stakeholders play a vital role. He further reiterated Germany’s commitment in supporting the work of accountability stakeholders by building their capacity through technical assistance or other means. Jeneba Bangura, co-chair of the ATI Steering Committee and Deputy Commissioner-General at the National Revenue Authority in Sierra Leone further shed light on the pledges made by ATI members to work together to create an enabling environment for accountability stakeholders so they can have a meaningful contribution to the DRM process.

The side-event featured a presentation of a successful country case study from Uganda. Chenai MUKUMBA from the Tax Justice Network Africa delivered an insightful presentation that showcased the crucial role accountability stakeholders can play in the DRM process if the required space is provided. The presentation took a closer look at the Southern and Eastern Africa Trade Information and Negotiations Institute (SEATINI) Uganda and its close collaboration with the Ugandan Ministry of Finance with respect to tax-related matters,

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especially in the renegotiation of Uganda's double taxation agreements (DTAs) over the years. The presentation also addressed how DTAs can be used by multinational entities to pay minimal taxes in the countries where they generate profits and how DTAs can be linked to illicit financial flows (IFFs) in some cases. SEATINI has been actively involved in shaping the narrative on these issues and has made a significant contribution in this process, which has also helped the civil society organisation to gain the confidence of the government. Referring to this successful case, the presenter concluded that governments need to engage accountability stakeholders instead of marginalising them.

The presentation was followed by a panel discussion involving both state and non-state actors from partner countries as well as donors. Nina BOWEN from the USAID's mission in Zambia shared her experiences of working on DRM-related topics and the results so far, which indicate that projects that involve public engagement are more likely to succeed in implementing reforms than those with no public engagement. This is another important reason for involving accountability stakeholders and strengthening their capacity so they can make a meaningful contribution to the process. Jane NALUNGA from SEATINI Uganda emphasised the importance of building trust and confidence between governments and accountability stakeholders, a view shared by the other panellists from Kenya and Uganda. Moses KAGGWA from Uganda's Ministry of Finance, Planning and Economic Development reiterated the constructive role that these stakeholders can play in "bringing a different perspective and in building taxpayers' confidence in the government". Andrew OSIANY, Head of Stakeholder Engagement and Tax Education at the Kenya Revenue Authority (KRA), shared his experience how taxpayers' confidence in the KRA has been enhanced by effectively engaging accountability stakeholders through various platforms. Furthermore, Andrew OSIANY referred to KRA's Stakeholder Engagement Strategy 2020-2024, which constitutes a well-defined medium-term strategy on how the KRA is planning to engage with accountability stakeholders.

Several questions were raised during the Q&A session, although there was not enough time to address all the questions. When asked about the challenges in engaging accountability stakeholders, Nina BOWEN stressed the importance of segmenting the different accountability stakeholders in the context of the tax debate in order to identify their needs and capacities and support them accordingly. The moderator posed the second question of who decides what benefits the people, to which Moses KAGGWA replied that accountability actors certainly play a leading role, but it is the combination of all relevant stakeholders and state actors that determine what direction a country should take, including on tax-related issues. Another question raised by participants was how to effectively invest in progressive tax reforms to make them more efficient and counter IFFs. Jane NALUNGA reiterated the importance of including accountability stakeholders to create effective tax systems that work for people. Progressive tax reforms cannot be carried out without the continued participation of accountability stakeholders at the national and global levels, Jane NALUNGA concluded.

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