

Addis Tax Initiative

Presentation at the Follow-up Technical Meeting on Tax Expenditures

Kathmandu, Nepal

9 May 2024

Addis Tax Initiative



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



**Promote fair and
effective DRM, policy
coherence and the
social contract
through partnerships
and knowledge
building**



32 partner countries

**20 development
partners**

**22 supporting
organisations**

ATI commitments



Commitment 1: Partner countries commit to enhance DRM based on equitable tax policies as well as efficient, effective and transparent revenue administrations. Development partners commit to support such reforms.



Commitment 2: Development partners collectively commit to maintain or surpass the 2020 global target level (USD 441.1 million) of DRM cooperation for country-owned tax reforms.



Commitment 3: Members commit to apply coherent and coordinated policies that foster DRM and combat tax-related illicit financial flows.



Commitment 4: Members commit to enhance space and capacity for accountability stakeholders in partner countries to engage in tax and revenue matters

ATI monitoring indicators on TEs

Indicator	Expected outcomes
Transparency on TE	ATI partner countries annually publish core data on tax expenditures by 2023/2025, incl.: - Legal basis, detailed description of the tax expenditure, policy objectives; intended beneficiaries; type of tax expenditure; timeframe of tax expenditure (i.e. sunset clause); a review framework; revenue foregone Source: GTED, governments website
Parliamentary scrutiny of TEs	ATI partner countries present information on all existing tax expenditure for at least the budget year by 2023/2025 as part of the Executive's Budget Proposal. Source: <i>Open Budget Service, question 45</i>

ATI monitoring indicators on TEs

Indicator	Expected outcomes
Inter-agency coordination and parliamentary scrutiny of TEs	ATI partner countries: i. have designated the Ministry responsible for Fiscal Policy as the lead ministry for the process of granting and monitoring of tax expenditures and; ii. ensure that all existing and new tax expenditures are provided for in the tax legislation by 2023/2025. Source: monitoring question to partner countries

ATI Asian Workshops on Tax Expenditures



Manila, Philippines (Mar/2023)

- Regional partners: DoF Philippines and UNDP
- 45 participants from 14 countries



Kathmandu, Nepal (May/2024)

- Regional partners: IRD Nepal, ADB, UNDP
- +60 participants from 11 Asian countries

ATI Asian Workshops on Tax Expenditures: Next steps



- Dissemination of the **Pocket-guide on TE for parliamentarians;**
- **ATI Matchmaking Platform:** to align the demand for technical and financial support from ATI partner countries with available expertise and resources from ATI development partners and organisations
- **Continuation of TE network** via remote Community of Practice

The ATI Matchmaking Platform



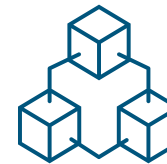
Exclusive online platform to support **DRM collaboration between ATI members**



Development partners can offer **available expertise**



Partner countries can post **requests for support**



Forms of support can vary (financial, technical, etc.)

Upcoming ATI activities and products

- **2024 ATI General Assembly**
- **Tax gap**
 - Activities to follow-up on the workshop held in Tanzania in partnership with IMF / UNU-WIDER / WB; development of a toolkit for tax gap estimation in partnership with UNU-WIDER.
- **Equitable taxation**
 - Case studies on wealth taxation
- **Beneficiary ownership**
 - Training on legal and beneficial ownership, with tools and best practices from partner countries tackling avoidance schemes and manipulation of asset ownership
- **Environmental taxation**
 - Webinar/workshop series on issues such as deforestation, waste management, plastic use, fossil fuels, pollution, congestion...

Evaluation survey



For more information, do not hesitate to
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MANY THANKS FOR YOUR ATTENTION!