

Synchronizing Efforts for Domestic Resource Mobilisation – The Role of the Addis Tax Initiative

November 30, 2016 1:30 p.m. – 2:30 p.m.

Room: Aberdares, Kenyatta International Convention Center, Nairobi Kenya

Objective:

The Side Event provided a brief update on the progress of the Addis Tax Initiative (ATI) and discussed effective development cooperation focusing on coordinated cooperation efforts in the field of Domestic Revenue Mobilisation (DRM).

Participants:

Opening Remarks:

- Klaus Rudischhauser, Deputy Director-General, Directorate-General for International Cooperation and Development – EuropeAid, European Commission

Brief Update on the ATI

- Wiebe Anema, Co-Chair of the Addis Tax Initiative Steering Committee

Panellists:

- Angel Gurría, Secretary-General of the OECD
- Christiaan Rebergen, Director General for International Cooperation, Ministry of Foreign Affairs, The Netherlands
- Elfrieda Stewart Tamba, Commissioner General, Liberia Revenue Authority
- Winnie Byanyima, Executive Director, OXFAM
- Gabriel Negatu, Regional Director Eastern Africa Regional Center, African Development Bank
- John Njiraini, Commissioner General, Kenya Revenue Authority

Moderator:

- Eric Postel, Associate Administrator, USAID

Outlook on Upcoming GPEDC Presidency and Closing Remarks

- Thomas Silberhorn, German Parliamentary State Secretary to the Federal Minister for Economic Cooperation and Development

Key issues discussed:

DRM is at the very top of the international agenda at the moment and it is key to sustainably financing development as well as to reaching the Sustainable Development Goals (SDGs).

Participants expressed that in order to make use of this high level of political commitment, it is now time to start implementing projects on a wider scale than it is currently done. In doing so, assistance to DRM is to be viewed in a broader, institution-wide framework. Especially for least developed countries this would mean that support will very likely not be limited to technical assistance but also include support to IT systems and other infrastructure.

Whilst DRM is viewed to be a sustainable source of funding for future development, it was expressed that domestic revenues should not substitute for official development aid (ODA) but that these two funding channels are viewed as complementary.

Furthermore, it was stated that in order to ensure that improving the efficiency and effectiveness of tax collection will lead to a stronger bond between citizens and the state, taxation needs to be perceived as reasonable and fair. Support to DRM should therefore not be limited to technical assistance in tax administrations but also ideally include support to tax policies.

The Addis Tax Initiative (ATI) is happy to announce that since its launch in Addis in July 2015, 7 more partner countries have joined the ATI. Also, in this past year a monitoring framework was put in place. Currently, the Addis Tax Initiative is working on a new DRM database which will serve as an important coordination tool for support to partner countries in the field of DRM.

Main conclusions and next steps:

In Spring 2017, the first ATI Monitoring Report will be released, setting the baseline against which the commitment to doubling support to DRM will be measured. This will be complemented by the DRM Database which will serve as a coordination tool with regards to support provided in the field of DRM.