

ATI Side Event at UN High-Level Political Forum, New York City, USA / 18 July 2016:
Harnessing Domestic Resources: How partner countries can benefit from the Addis Tax Initiative

The Side event marked the one-year anniversary of the Addis Tax Initiative and offered the opportunity to welcome new members that have joined over the past year, and to discuss the needs of developing countries in the area of domestic resource mobilisation (DRM), including the role of technical assistance.

The meeting featured opening speeches from Canadian Parliamentary Secretary **Karina Gould**, DFID's Director of International Relations **Gwen Hines** and **Gaspar Frontini**, Head of Unit for Development Policy at European Commission's Directorate General for Development (DEVCO). An overview of Addis Tax Initiative activities over the past year was provided by **Christopher Heffernan**, Policy Analyst, Natural Resources and Governance Division, Global Affairs Canada and ATI Steering Committee Member. The following panel discussion on DRM reforms in partner countries was moderated by USAID Associate Administrator **Eric Postel** whilst the panel comprised of Deputy Finance Minister of Georgia **Lasha Khutsishvili**, Executive Secretary of the Inter-American Center of Tax Administrations (CIAT) **Márcio Verdi**, **Germán Rojas**, Ambassador of the Republic of Paraguay in the United States of America and Canada's **Christopher Heffernan**.

The event was well attended by a diverse range of actors, including the IMF, WHO, Gates Foundation, civil society, and government representatives of development partners as well as partner countries. Whilst the importance of DRM for financing social and economic development was underlined by the participants, it became clear that the key question for all upcoming ATI activities will be to put its full potential to use for partner countries: What does the ATI offer to partner countries besides a doubling of resources for capacity building from development partners?

In her opening speech **Karina Gould** emphasised the importance of DRM for development and highlighted the need for DRM reforms within partner countries as well as the crucial role of high-level political commitment in order to successfully implement reforms. She highlighted the benefits that membership can provide for developing countries, such as having access to a network of development partners and peers committed to strengthening DRM and working towards that objective collectively and on an equal footing. She encouraged all ATI members to embrace innovative approaches and be willing to take risks and furthermore, she called for others to join the ATI.

Gwen Hines stressed the need for increased revenue collection within developing countries, and provided an overview of how the international agenda has shifted in recognition of this fact, such as the inclusion of DRM within the UN Sustainable Development Goals (SDGs). **Gaspar Frontini** outlined that more effective government spending could have a positive effect on revenue collection, if taxpayers can see their money being put to good use.

Christopher Heffernan provided an overview of the ATI's activities over the past year and noted that the Initiative has established a reporting framework that will track on an annual basis whether donors are living up to their commitment to collectively double DRM assistance by 2020. **Eric Postel** welcomed five new member countries that have joined the ATI in the past year – Georgia, Namibia, Paraguay, Rwanda, and Slovakia as well as the Asian Development Bank and the Center of Excellence in Finance, which have joined as supporting organisations.

Lasha Khutsishvili described the reforms Georgia has undertaken as an example for other partner countries to consider. **Márcio Verdi** stressed the importance of South-South co-operation and that countries who are interested in tackling similar issues should learn from one another's experiences. **Germán Rojas** emphasised that the success of DRM reforms is influenced by whether taxpayers notice improvements in government spending and services. The need for further consideration of how the Initiative can assist partner countries was reinforced by the **Gates Foundation**.