



Good Governance, Better Results

GOVERNANCE
THEMATIC GROUP

Session 9

Developing a strategic plan for Domestic Resource Mobilisation

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Introduction

Improving domestic resource mobilization to meet the Strategic Development Goals involves

- commitment by governments and
 - program of actions by tax administrations
- to develop strong tax systems.

The International Organizations and development partners (including ADB) provide increasing support for such tax systems.

Much progress made in low income countries in the past 20 years, but revenue levels still below that needed to achieve SDGs

What are the key issues in building tax capacity?

Key enablers for capacity development

- Coherent revenue strategy as part of development financing plan
- Strong coordination among well-informed, results oriented providers
- Strong knowledge and evidence base
- Strong regional cooperation and support
- Strengthened participation of developing countries in international rule setting

International Organisations report to G20 *Enhancing the Effectiveness of External Support in Building Tax Capability in Developing Countries* (July 2016)

Actions for Tax Administrations

Implementing international standards on taxation to counter tax avoidance and tax evasion

- Transparency and Exchange of Information
- Base Erosion and profit shifting

But alongside implementing:

Tax policy reform

Taxpayer services, Electronic services

HR strategy – selection and training of tax staff,

Corporate planning, financial and performance management

Risk-based tax audit and investigation

Anti-corruption strategy, and so on...

Strategic approaches to implementing international standards

Road maps and project planning are useful to plan out the sequencing of the major initiatives, example Thailand

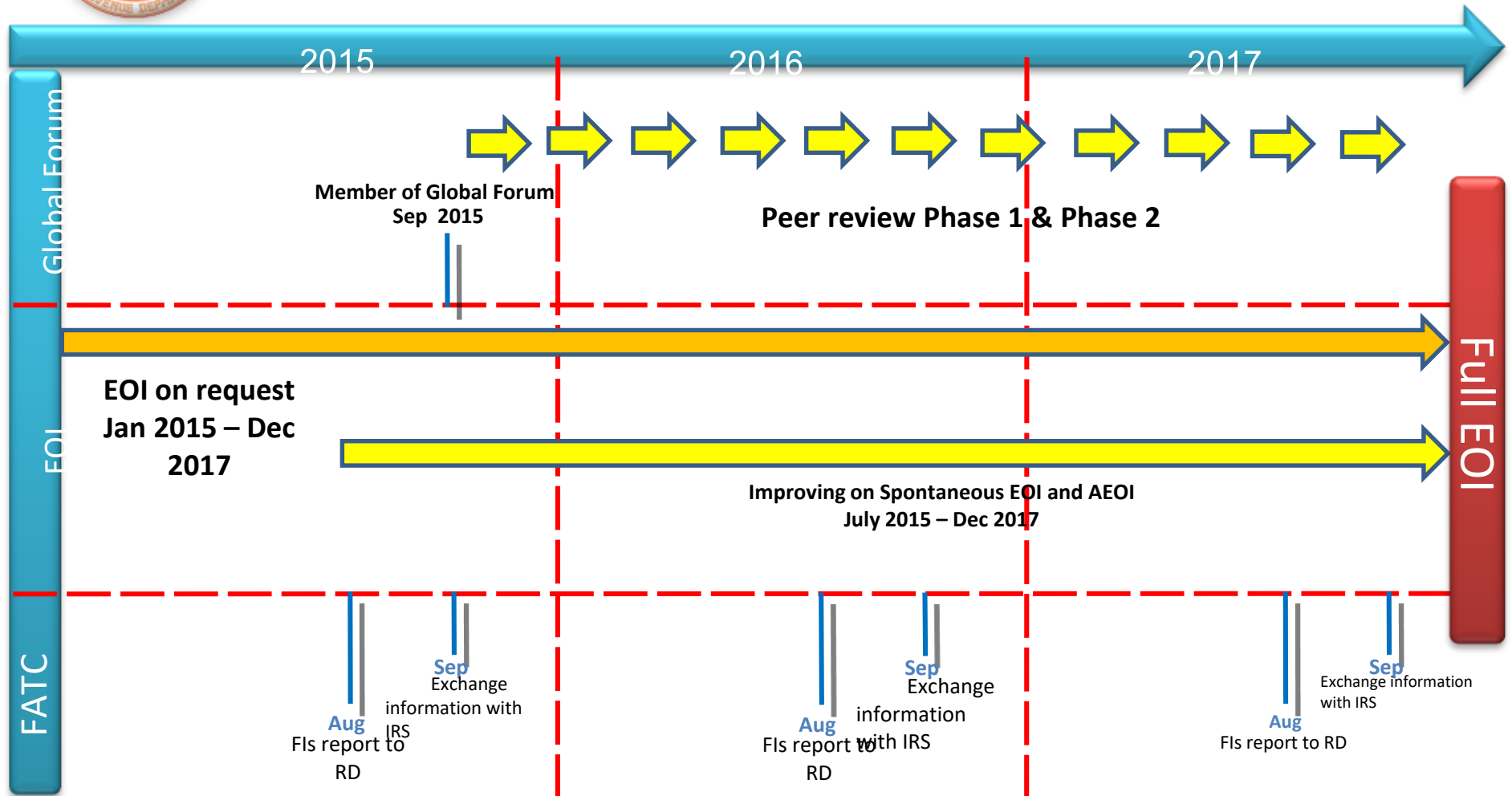
Strategic planning for domestic resource mobilisation brings all project plans together with the critical support activities and the involvement of all key stakeholders

The use of diagnostic and analytical tools – TADAT and ISORA - supports strategy development

IMF has led on supporting Medium Term Revenue Strategies



Building EOI Road Map



Medium Term Revenue Strategy – core elements

Social contract on DRM for medium term (5 to 10 years)

Comprehensive reform plan

- Policy reform
- Tax administration reform
- Legal framework strengthened

Country's commitment to implementation with political support

Secured financing for technical assistance and training

Medium Term Revenue Strategy – key enablers

Adequate diagnosis of problems, risks and options

- TADAT,
- ISORA,
- International organizations working to develop additional tools

Strong management and skills base to develop and implement reform strategies

- Develop and sustain technical and management skills (including mentoring, twinning)
- Focus on change management – driving reform while maintaining routine business