Domestic Resource Mobilization: The Road from Addis

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Today’s Topics

• Revisit DRM

• What’s with Addis?

• Movement since July
What is DRM?

The process in which countries raise their own funds to provide for their people.
The Road to Addis (FFD3)

- Two prior FFD conferences
- Downward trend in ODA
- Growing role of DRM
- DRM took center stage
Countries
Australia
Belgium
Cameroon
Canada
Denmark
Ethiopia
European Commission
Finland
France
Ghana
Indonesia
Italy
Kenya
Korea
Liberia
Luxembourg
Malawi
Norway
Philippines
Rwanda
Senegal
Sierra Leone
Slovenia
Sweden
Switzerland
Tanzania

Supporting Organizations
ATAF
Bill & Melinda Gates Foundation
CATA
Global Forum on Transparency and Exchange of Information for Tax Purposes
CIAT
IIMF
OECD
World Bank
What is ATI?

• A partnership to improve DRM

• Donors agreed to substantially increase funding of DRM by 2020

• Developing countries agreed to raise revenues and use the funds effectively to pursue Strategic Development Goal (SDGs)
ATI Principles Address:

• The imperative to both raise domestic resources and channel them toward effective public services

• The importance of fostering fair, efficient and transparent tax systems and an equitable distribution of tax burdens and benefits

• The role of broad-based dialogue in ensuring country ownership, implementation and accountability
Why We Care about DRM?

- Reducing external dependence
- Adequate funding for post-2015 SDGs
- Stability and predictability
- Ownership and governance

Ethiopia: Sufian Ahmed
Nigeria: Ngozi Okonjo-Iweala
Tanzania
Rwanda
Progress since Addis

- Tax Administration Diagnostic Assessment Tool (TADAT)
  - Joint missions with IMF to Rwanda, Uganda, Jamaica
- Growing Evidence of DRM Effectiveness
Rwanda signs ATI

• After considered thought, Rwanda took the plunge
Afghanistan started to implement a DRM program
Progress Since Addis

- DRM at the UNGA
- MFAN signals support
- Key sector interests recognize possibilities
Final Thoughts

• Amid dwindling aid resources, programs must be cost-effective
  – And return many times what is invested in them
• Help countries meet their own needs
• Lead to more transparent and equitable distribution of tax burdens and benefits
• Good for business, investment and citizens
• Willing partners can make this work!
Questions?