**MOVING BEYOND AID—REVENUE MOBILIZATION**

**G20 Compact with Africa**

A conference jointly organized by the Government of Ghana, the African Center for Economic Transformation (ACET), and the IMF

April 4-5, 2018, Accra, Ghana

Stepping up domestic revenue mobilization (DRM) could help countries working on the Compact with Africa (CWA) to overcome aid dependence, ease financing constraints, and enhance growth prospects—all key elements to achieve prosperity without jeopardizing debt sustainability. The conference would help dealing with institutional and political constraints in revenue mobilization, improving tax compliance, and alleviating base erosion and profit shifting by multinational companies. It will focus on common DRM challenges and propose short- and medium-term growth-friendly revenue-enhancing solutions. The conference will provide a forum for knowledge sharing and peer-to-peer learning among senior government officials, experts, representatives of the civil society, and development partners.

The conference will start with a discussion of common challenges, including “hard to tax” sectors; the erosion of domestic tax bases; tax compliance issues; profit shifting by multinational corporations; and tax competition. It will be followed by a session on developing growth-friendly tax policies by streamlining tax exemptions, rationalizing tax incentives and limiting rent-seeking, along with a discussion of real estate taxation, tax regimes for small business and informal sector. A special session will be dedicated to improving the efficiency of revenue administration and tax compliance issues. Experts and country participants will discuss strategies for addressing challenges in international taxation—illicit financial flows, profit shifting by multinational corporations, and tax competition. The final session will focus on designing revenue mobilization strategies and integrating them into the CWA work. The following messages may guide the discussions:

* Increasing DRM takes time. Governments should set realistic revenue targets in the context of medium-term frameworks and budget accordingly to avoid stop-go spending patterns. Medium-term revenue targets are important for reforms in tax policy, administration, and the legal frameworks which need to be coordinated.
* Governments should refrain from *ad-hoc* measures that, over time, can erode tax bases and undermine the design of tax systems. Rather than granting tax exemptions and special tax regimes (which often lack transparency), governments may wish to consider transfers and subsidies, whose costs are reflected in the budget.
* Challenges in international taxation and those from regional integration are intensifying and call for closer cooperation on tax policy and administration. With limited scope of raising tax rates, the potential lies in improving compliance and scaling back preferential treatments.

**Logistics:** The organizers will cover accommodation at the Movenpick Ambassador Hotel Accra, including breakfast and lunch, and will offer transportation. We will appreciate it if you could cover the cost of air travel to Accra.

**Moving Beyond Aid: Revenue Mobilization**

**Compact with Africa (CWA) Dialogue**

**April 4-5, 2018**

Draft Program

(Joint Conference with the African Center for Economic Transformation, the Government of Ghana, and the IMF)

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| **April 4** | | | | |
| **Time** | **Topics for discussion** | **Speakers** | **Duration** | **Comments** |
| 8:00-9:00 am | **Registration and refreshments** | | | |
| 9:00-9:30 am | **Opening remarks and Keynote Address (Moderator: Ms. Buddy Buruku)** | | | |
| 9:00-9:10 am | *Opening remarks* | Hon. Minister of Finance  Ken Ofori-Atta |  |  |
| 9:10-9:30am | Keynote Address: [Revenue Mobilization for Economic Transformation] | H.E. Vice President  Dr. Bawumia |  |  |
| 9:30-10:00 am | **Coffee break** | | | |
| 10:00 am-12:00 pm | **Domestic Revenue Mobilization: Challenges, Institutional and Political Constraints (Moderator: Dr. Ed Brown)** | | | |
|  | *Challenges in revenue mobilization*:   * Pressures on revenue from trade liberalization, regional integration and tax competition; * Tax performance; * Efficiency of revenue administration; * Governance issues; data; and capacity constraints;   *Cultivating public support for the DRM*:   * Credibility of policy interventions; * Political commitment to reforms and their implementation. | Prof. Joe Amoako-Tuffour;  Country representatives:   * Egypt * Ethiopia. * Côte d’Ivoire; * Ghana; * Morocco; * Rwanda.   Discussion  Final remarks | 15 min.  10 min.  10 min.  10 min.  10 min.  10 min.  10 min.  40 min.  5 min. |  |
| 12:00 -1:00 pm | **Lunch** | | | |
| 1:00 -4:30 pm | **Building Blocks of a DRM Strategy (Moderator: Hon. Kwaku Kwarteng)** | | | |
| 1:00-2:30 pm | Developing growth-friendly tax policies: broadening the tax base:   * Streamlining tax exemptions, rationalizing tax incentives and limiting rent-seeking; * Moving from production-based to consumption-based taxes; * Taxation of small businesses, real estate and informal sector. | Mr. Sanjeev Gupta, Visiting Fellow, Center for Global Development and non-Resident Senior Fellow, ACET  Country representatives:   * Benin; * Senegal; * Tunisia.   Discussion  Final remarks | 15 min.  10 min.  10 min.  10 min.  40 min.  5 min. |  |
| 2:30-4:00 pm | Improving tax compliance:   * Simplifying the tax regime; * Modernizing revenue administration; * Enforcing tax collections. * Tax amnesty: pros and cons. | Mr. Logan Wort, Executive Secretary, Africa Tax Administration Forum and Mr. Henry Gaperi, Resident Tax Administration Advisor, IMF  Country representatives:   * Rwanda; * Egypt; * Guinea.   Discussion  Final remarks | 15 min.  10 min.  10 min.  10 min.  40 min.  5 min. |  |
| 7:30-9:00 pm | **Dinner hosted by the authorities** | | | |
|  | **April 5** | | | |
|  | **Addressing illicit financial flows and Tax competition (Moderator: Mr. Amadou N.R. Sy)** | | | |
| 9:00-10:30 am | Challenges in international taxation:   * Dealing with illicit financial flows and profit shifting by multinational corporations; * Alleviating tax competition through stronger regional integration. | Mr. Ruud de Mooij, Division Chief (Tax Policy) FAD, IMF;  Ms. Monica Bhatia, OECD Center for Tax Administration.  Discussion  Final remarks | 20 min.  20 min.  45 min.  5 min. |  |
| 10:30-11:00 am | **Coffee break** | | | |
| 11:00-12:00 pm | **Consolidating DRM in the CWA framework** | | | |
|  | Focusing on priorities and designing a coherent DRM strategy:   * Short-term revenue enhancing measures―broadening the tax base; improving tax compliance and scaling back preferential treatment; * Developing consistent reforms in tax policy, administration, and legal frameworks based on realistic medium-term revenue targets; * Addressing challenges in international taxation; illicit financial flows and profit shifting. * Ensuring fiscal transparency. | [Ms. Catherine Pattillo], Division Chief, FAD, IMF  Country representatives:  Discussion  Final remarks | 15 min.  40 min.  5 min. |  |
| 12:00 pm-1:00pm | **Lunch: Overview of a CWA work program (Dr. K.Y. Amoako, President and Founder of ACET)** | | | |
| 1:00-2:30 pm | Offering support to DRM:   * Development partners’ support for implementing DRM; * Civil society. | Development partners supporting DRM;  ACEP; ACET |  |  |
| 2:30-3:00 pm | Closing remarks by Hon. Minister Ken Ofori-Atta |  |  |  |