

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 Initiative (CWA) to overcome aid dependence, ease financing constraints, and enhance growth prospects—all key elements to achieve prosperity without jeopardizing debt sustainability. The Initiative aims to attract private investment to the CWA countries, including by ensuring macroeconomic stability. Investment-friendly tax systems could help maintain fiscal discipline, while providing adequate financing for governments' development needs. 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, improving compliance and scaling back preferential treatments are essential for revenue mobilization.

**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)

April 4, 2018 (Wednesday)		
Time	Topics for discussion	Speakers
8:00 am-9:00 am	Registration and refreshments	
9:00 am-9:30 am	Opening remarks and Keynote Address (Moderator: Ms. Buddy Buruku)	
9:00 am-9:10 am	<i>Opening remarks</i>	Hon. Minister of Finance Ken Ofori-Atta
9:10 am-9:30am	Keynote Address: “Revenue Mobilization for Economic Transformation”	H.E. Vice President Dr. Bawumia
9:30 am-10:00 am	Coffee break	
10:00 am-12:00 pm	Domestic Revenue Mobilization (DRM): Challenges, Institutional and Political Constraints (Moderator: Dr. Ed Brown)	
10:00 am-10:15 am	Overcoming challenges in domestic revenue mobilization	Prof. Joe Amoako-Tuffour
10:15 am-11:15 am	<i>Challenges in revenue mobilization and credibility of policy interventions (Countries’, experts’, and private sector views):</i> ✓ Erosion of domestic tax bases and tax performance; ✓ Efficiency of revenue administration; ✓ Governance issues; data; and capacity constraints; ✓ Political commitment to reforms and their implementation.	Discussants: • Ghana [Dr. Yaw Ansu, Senior Policy Advisor, Ministry of Finance, Ghana]; • Guinea; • Association of Ghana Industries (AGI); • Mr. Logan Wort
11:15 am-12:00 pm	Informal discussion, Q&A, and final remarks	Moderated by Dr. Ed Brown
12:00 pm -1:00 pm	Lunch	
1:00 pm -4:00 pm	Building Blocks of a DRM Strategy (Moderator: Hon. Kwaku Kwarteng)	
1:00 pm -1:15 pm	Integrating DRM into the Medium-Term Revenue Strategy: Revenue Targets and Growth-Friendly Tax Policies	Mr. Ruud de Mooij, Division Chief (Tax Policy) FAD, IMF
1:15 pm-1:45 pm	<i>Developing growth-friendly tax policies:</i> ✓ Broadening the tax base by streamlining tax exemptions;	Discussants: • Benin;

	<ul style="list-style-type: none"> ✓ Rationalizing tax incentives and limiting rent-seeking; ✓ Moving from production-based to consumption-based taxes; ✓ Taxation of small businesses, real estate and informal sector. 	<ul style="list-style-type: none"> • Senegal; • Ms. Monica Bhatia
1:45 pm-2:30pm	Informal discussion, Q&A, and final remarks	Hon. Kwaku Kwarteng
2:30 pm-2:45 pm	Strengthening Tax Compliance: Challenges and Opportunities	Mr. Logan Wort, Executive Secretary, Africa Tax Administration Forum
2:45 pm-3:15 pm	<p><i>Improving tax compliance:</i></p> <ul style="list-style-type: none"> ✓ Simplifying the tax regime; ✓ Modernizing revenue administration; ✓ Enforcing tax collections. ✓ Tax amnesty: pros and cons. 	<p>Discussants:</p> <ul style="list-style-type: none"> • Ghana; • Guinea; • Mr. Henry Gaperi, Resident Tax Administration Advisor, AFRITAC West 2, IMF • AGI.
3:15 pm-4:00pm	Informal discussion, Q&A, and final remarks	Hon. Kwaku Kwarteng
7:00 pm-8:30 pm	Reception: drinks and hors d'oeuvre	
	April 5, 2018 (Thursday)	
9:00 am-10:30 am	Addressing Illicit Financial Flows and Tax Competition (Moderator: Prof. Peter Quartey, University of Ghana, Legon)	
9:00 am-9:15 am	Legal and Institutional Frameworks for Mitigating Profit Shifting and Tax Competition	Ms. Monica Bhatia, Global Forum on Tax Transparency and Exchange of Information for Tax Purposes, OECD
9:15 am-9:30 am	Addressing the Implications of Base Erosion, Profit Shifting and International Tax Competition	Mr. Ruud de Mooij, Division Chief (Tax Policy) FAD, IMF
9:30 am-10:00 am	<p><i>Challenges in international taxation:</i></p> <ul style="list-style-type: none"> ✓ Dealing with illicit financial flows and profit shifting by multinational corporations; ✓ Alleviating tax competition through stronger regional integration. 	<p>Discussants:</p> <ul style="list-style-type: none"> • Benin; • Guinea • AGI;
10:00 am-10:45 am	Informal discussion, Q&A, and final remarks	Prof. Peter Quartey
10:45 am-11:00 am	Coffee break	
11:00 am-12:00 pm	Consolidating DRM in the CWA framework (Moderator: Prof. Felix Asante, University of Ghana, Legon)	
11:00 am-11:15 am	Key Takeaways: Medium-Term Revenue Strategy and DRM—Short-Term and Medium-Term Policies	[Dr. Yaw Ansu, Senior Policy Advisor, Ministry of Finance, Ghana]
11:15 am-12:00 pm	Discussion and final remarks	Prof. Felix Asante

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	Contributing to Compact with Africa by supporting DRM: <ul style="list-style-type: none"> ✓ Development partners' support for implementing DRM; ✓ The views of entrepreneurs; ✓ Civil society organizations. 	Development partners supporting DRM; AGI; ACEP; IFS; and IMANI.
2:30-3:00 pm	Closing remarks by Hon. Minister Ken Ofori-Atta	