



# Collaboration Case Note

## Tax and Civil Society Organizations

March 2020

*Transparency and Accountability Initiative (TAI) seeks to foster collaboration between two or more members around our shared strategic priorities. Collaboration case notes document and assess the utility of such initiatives from the funder perspective.*

### What Problem(s) Were We Addressing?

International donors participating in the Addis Tax Initiative (ATI) have committed to doubling their funding for domestic revenue mobilization (DRM) and taxation. While civil society (CS) has a natural role to play in DRM work, it has largely been left out of this funding equation. The purpose of this collaboration was to assess if and how CS actors are engaging around domestic tax reform and administration and identify how best to support their work.

“The challenge is that it’s a very young but a pretty fractured field. We’ll all be challenged by how our idea to scale up tax work meets these challenges and how you push a field that’s not quite sure it needs to be pushed.”

- Non-funder stakeholder

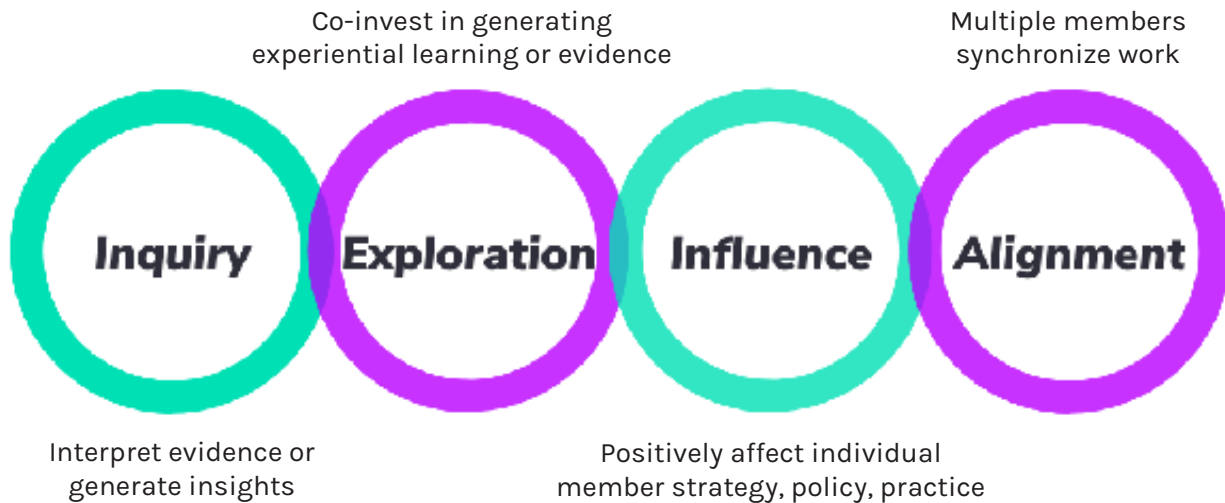
### Who Collaborated and How?

While all TAI funder members participated in this collaboration, the TAI Secretariat took the lead along with the Bill and Melinda Gates Foundation (BMGF), the International Budget Partnership (IBP), and Oxfam America. This collaboration is somewhat unusual in that it includes actors beyond TAI funder members. IBP and Oxfam America are grantees of multiple TAI members, as well as of non-TAI member BMGF. Overseas Development Institute (ODI) and an independent consultant produced specific products that contributed to the collaboration.

Participants collaborated via email, in person, and through phone calls to coordinate events and presentations and produce documents. In addition to coordinating and following up on calls and meetings and collecting feedback on document drafts, the TAI Secretariat conducted regular outreach to ensure participation in events.

## What Type of Collaboration Was It?

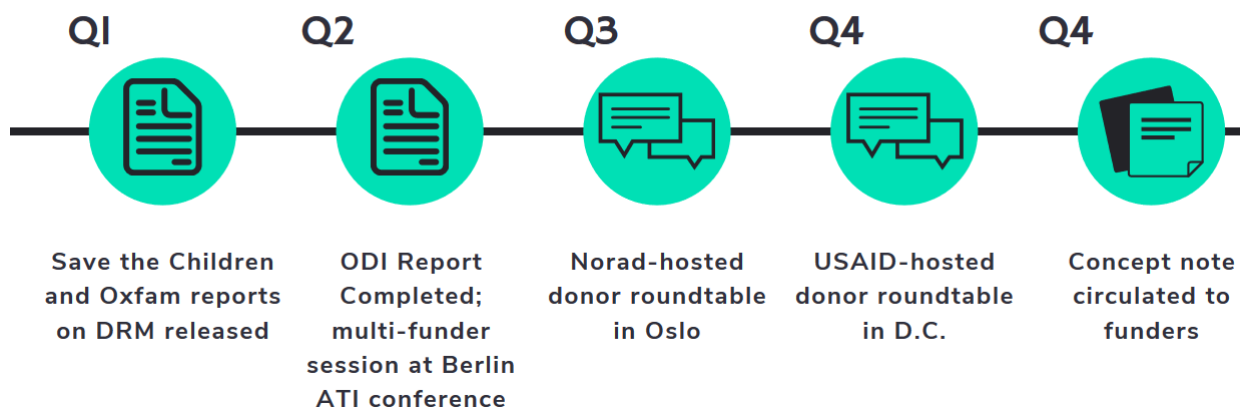
This collaboration began as inquiry through TAI’s standing tax working group, and has evolved into exploration with the ODI-authored report. The initiative is currently engaging in potential alignment with discussion of pooled funding among funders within and beyond TAI’s current membership.



## How Did the Collaboration Evolve?

The collaboration has shifted from a general awareness-raising goal to a more specific call to action of international donors. TAI members (and non-members) have engaged in various conversations around enhancing support for CS work on tax. TAI first commissioned a 2018 think piece exploring the role of CS engagement on tax. Building on interest in this work, TAI commissioned ODI to examine the appetite, capacity, and influence of CS actors to work on tax issues, existing international support for their work, and how that support could be more effective. ODI’s research confirmed that skill and funding gaps were impeding

## 2019



iments. In particular, bi- or multilateral financial support to CS actors working on tax was practically nonexistent, with less than 3% of donor support being directed to local civil society. Ahead of the July 2019 Addis Tax Initiative conference, several actors in the field [wrote](#) of the need for accountability stakeholders to help close this equity gap, and donors seemed ready to talk more concretely about this on the margins of the event.

Seizing on this window of opportunity, in the fall of 2019 TAI, Oxfam and IBP coordinated two roundtables to discuss why and how to support civil society work on tax with Norad, the UK Department for International Development (DFID), the World Bank, USAID, the Swiss Agency for Development and Cooperation, Netherlands Development Cooperation, the European Commission (EC), and the Australian Embassy.

These events benefitted from the leadership of hosting organizations, Norad and USAID. TAI and IBP (drawing on BMGF support) then worked with a consultant to develop a concept note for a pooled fund to support CS tax work, which was circulated among a group of donors in December 2019. Funders continue to consider the pooled fund concept note and have requested more detail on types of groups and activities that could be funded.

## What Have We Achieved?

**Normalizing the idea that CS has a role in tax work.** Several respondents commented that, while the ultimate goal was for donors to be better supporters to CS, the first step in that process was convincing them that non-state actors have an important part to play, and this collaboration contributed to that shared understanding. Multiple respondents considered this the most significant achievement of the collaboration to date. While the focus of this collaboration has been on donors committing to act collectively, one respondent also noted that there have likely been some residual impacts on individual bilateral donors' perspectives and priorities.

“We’ve learned that donors think they can focus on government first and then tie in some accountability later, so we’re trying to work on this.”

– Non-funder stakeholder

**Relationship building.** One non-funder stakeholder appreciated the trust, understanding and “strong nucleus of a partnership” that emerged as the group navigated how best to maximize their window of opportunity. This process facilitated relationships between TAI members and bilateral funders such as Norad and USAID, and “opened some eyes to value of collaborating with private foundations.” Another non-funder stakeholder

noted the indirect impact these strengthened institutional relationships have across different initiatives, as connections are made and conversations overlap. The collaboration also built connections between TAI and CS organizations (CSOs) on the ground with whom it shared findings.

**Key knowledge products developed with and used by partners beyond TAI.** The ODI study commissioned by TAI is itself an achievement, but this content also sparked conversation and provided an evidence base both for awareness-raising and the subsequent concept note. The concept note presented a call to action, which built on momentum generated from the ODI study findings and donor meetings. The Secretariat and member staff informed both products but leveraged the expertise and time of non-TAI stakeholders.

## 3 Transparency and Accountability Initiative

**Information sharing and cross-learning** to improve work in the tax space has led to a **more rounded understanding** of the problem and the players, as well as why a pooled fund might be useful and what the pitfalls of this approach could be.

**A shared common agenda and consistent message** on the importance of CS in tax has allowed overstretched partners to be present in multiple forums. As one non-funder stakeholder said, “this means where we’re present, we can reflect the work of TAI and vice versa...[so] we’ve been able to reach different arenas.”

**A broader change in the tenor of the debate.** Although not directly attributable to this collaboration, one respondent noted an uptick in blogs and articles on tax and CSOs that represent a tangible shift in the conversation. “We got them thinking about not just government capacity but also accountability via media and CSOs to audit the work...and then recognition [that it’s important] to support the accountability side as well as government side,” said one non-funder stakeholder.

“Although it hasn’t necessarily led to a shift in funding yet, I see a lot more discussion among donors on how to do this and recognition that it’s important. It’s not such a foreign concept as it was. For example, [a bilateral aid agency] hadn’t really discussed this and now they’re looking into it. I think we’ve really been able to elevate it.”

- Funder stakeholder

### Was the Collaboration Useful to Members?

All respondents found the collaboration useful. In particular, one funder member stakeholder found the sharing and learning around tax, as well as some of the emphasis on coordinating tax work in the field, helpful. A non-funder stakeholder stated that it was, “very

Barriers to Collaboration Use	Enablers of Collaboration Use
Tight timeframes meant the research was not as rigorous or representative as some stakeholders wanted, favoring breadth versus depth. Expectations had to be re-aligned.	A small, nimble leadership team, including but not limited to Secretariat staff, allowed participants to move an ambitious idea forward quickly.
The organic way in which things unfolded meant there was no clear plan, which made it hard to foresee roadblocks and perhaps limited what was accomplished.	The release of several reports in 2018-2019 contributed to visibility of the topic around the July 2019 ATI meeting.
Competing schedules and commitments across different time zones made it difficult to collect feedback from stakeholders in a timely manner.	The ability to leverage non-member participant resources, relationships, and leadership was key.
A shift in focus from awareness raising to an emphasis on pooled funding made continued engagement challenging both for TAI member and non-member funders.	TAI’s neutral role and understanding of both multilaterals and CS helped facilitate constructive dialogue, as well as in mediating and setting expectations.
Momentum started to slow once the initial donor events were held, in particular after the concept note was circulated.	TAI members’ willingness to challenge their thinking and be open-minded allowed for recognition that this could represent a bigger win than what they could do themselves.

useful because the issue of tax is now exploding on the international development stage [and it] was really important to think about this in a more nuanced or different way, that in this particular space has not been done at all.”

### Lessons Learned

**The tight leadership group allowed for near-term progress.** This collaboration was led by a small number of integrally involved players, including but not limited to Secretariat staff and a non-member funder. This group saw a gap and engaged other actors to explore this gap and think creatively about how to fill it. The alternative of building a broader coalition might have missed the window of opportunity at the ATI conference. As one non-funder stakeholder noted, this was “the right small group of...the right people at the right time... [and] a good group of thinking partners,” each with their own expertise to offer, and a genuine interest in filling a gap.

**Consider different strategies to pursue collective goals,** particularly when collaboration involves a diverse set of stakeholders, with different areas of expertise. One funder respondent commented that obtaining more intelligence from the start about donors’ appetites for investment might have shaped the group’s plan of action differently, and perhaps more effectively.

“Pushing donors more strongly in this kind of safe space is important, and I wonder if there’s something more we could have done from the beginning to ensure this.”

- Funder stakeholder

**Establish a clear, shared purpose and revisit as the collaboration evolves.** Several respondents commented on the importance of being more intentional from the start. One non-funder noted that they had hoped the concept note would have put forward a few more options than the pooled fund; a funder remarked on the importance of separating and balancing the principal versus funding conversations. One TAI funder member felt there was not enough focus on competing or non-aligned grants to CSOs working on tax reform, and emphasized the importance of pushing a common agenda as opposed to a new funding mechanism.

**Determine leadership to fit the collaboration purpose.** Different objectives and target stakeholders may imply different leadership roles. For example, field leadership may be more appropriate where the initiative has direct implication for grantee organizations or other practitioners. TAI Secretariat or funder leadership may be best when members or other types of funders are the target of an initiative. In this instance, the TAI Secretariat’s strong lead in coordinating was useful and timely, but several respondents said it would be preferable for funder member program officers to spearhead the process, with TAI facilitating. Clarity of – and even shared ownership of – a collaborative initiative could also capitalize on the initial intensity of interest, and maximize the investment made by each player.

**Transparency and Accountability Initiative** is a collaborative of leading funders of transparency, accountability and participation worldwide. It envisions a world where citizens are informed and empowered; governments are open and responsive; and collective action advances the public good. Toward this end, TAI aims to increase the collective impact of transparency and accountability interventions by strengthening grantmaking practice, learning and collaboration among its members. TAI focuses on the following thematic areas: data use for accountability, strengthening civic space, taxation and tax governance, learning for improved grantmaking.



TRANSPARENCY &  
ACCOUNTABILITY  
INITIATIVE

1110 Vermont Ave NW #500,  
Washington, DC 20005

[www.transparency-initiative.org](http://www.transparency-initiative.org)

@TAInitiative