

**Ministry of Foreign Affairs DANIDA
of Denmark**

Resource Mobilisation for Development

Anti-Corruption and Domestic Resource Mobilisation Programme

Research and Capacity Building for Domestic Resource Mobilisation

**The University of Copenhagen Development Economics Research Group (UCPH-
DERG) in partnership with the Global Trade Analysis Project (GTAP)**

2026 Mid-Year Narrative Report

17 June 2026

MFA Ref.: 360 No.: 25/05740

1. Introduction

The project document for the present Danida funded UCPH-DERG/GTAP Domestic Resource Mobilization (DRM) project was formally approved by Danida on 1 September 2025, and after the submission of the inception report dated 25 November 2025 the Steering Committee was formed. The committee held its first meeting on 5 December 2025, and the 2025 End of Calendar Year Report was submitted on 26 February 2026.

The end of the year report included:

- Information on the formation of the Advisory Committee.
- Progress realised during the initial months of the project under the two project sub-components (1: Five In-depth Studies, and 2: Research, Data, and Training for Domestic Resource Mobilisation).
- Plans for the first half of 2026.

The present narrative report was prepared ahead of the bi-annual Steering Committee to be held on 26 June 2026. This meeting will in accordance with the project document take stock, evaluate progress, adapt the programme considering events, and share planning for the six-month period ahead (i.e., the second half of 2026). The report is structured accordingly focused on progress achieved under the two components. It also includes a concluding section.

By way of general introduction, it is noted that the UCPH-DERG/GTAP senior management had successful in-person meetings with the senior management of the African Tax Administration Forum (ATAF) on 10 and 13 March in the ATAF offices in Pretoria. Further observations are made in the concluding section. There is no updating of the results framework to report.

2. Component 1: Five (now Six) In-depth Studies

Context

The focus in Component 1, which is under the direct responsibility of the University of Copenhagen Development Economics Research Group (UCPH-DERG), is on current behaviour and issues with a focus on corruption at the border, social preferences, and dynamic effects of moving from informality to formality. Emphasis is on Ethiopia, Kenya/Uganda, and Tanzania, and a 6th study was added during the reporting period on Optimal Tax Enforcement of Corporations in Uganda.

A postdoctoral researcher was recruited though the process took longer than originally expected, owing to bureaucratic hurdles in the recruitment procedures at the University of

Copenhagen. The delay, however, proved to be a blessing in disguise. It allowed the project to align our hiring cycle with the academic job market, and we were therefore able to secure a top hire. Flavio Malagutti, currently a postdoctoral researcher with the Environmental Markets Lab (EmLab) at the University of California, Santa Barbara. He will join the team in June, and his research sits at the intersection of development and behavioural economics, with extensive field experience across Sub-Saharan Africa, including studies in Kenya, Ghana, and Zambia. He brings a broad range of interests spanning subsidy design, cash transfers, and labour productivity, together with top publications in outlets such as the *Journal of Development Economics* and *Nature Energy*, and a paper currently under revision at the *Journal of Political Economy*. His combination of rigorous field experimentation and policy-relevant work will allow him to contribute uniquely to component 1 studies.

In what follows progress and plans for each of the six in-depth studies are summarized.

Study 1. Does Public Goods Delivery Influence Trust in the State?

The objective of this project is to strengthen state-citizen relations and enhance the state's ability to collect information and taxes, as well as respond to citizens' needs. To this end, a randomized controlled trial (RCT) is administered that delivers solar-powered water purifiers to a random sample of households in Singida, a region in Tanzania that periodically suffers from water scarcity.

Work on this Tanzania focused project began in September 2025, and the study is well under way. During the reporting period the team has secured the central physical input for the intervention, namely the solar water purifiers supplied by Solvatten, a Swedish company specialising in this technology. The units have been procured and are at the time of writing in transit by ship, with delivery routed through Kenya before onward movement to the field sites. Alongside procurement, the team has been meeting regularly to design the intervention itself and to develop the full set of survey instruments that will support data collection. This work covers the sampling approach, the structure of the baseline and endline questionnaires, and the operational protocols for distribution. The project has progressed on schedule, and the team views it as a promising and well anchored study.

Looking ahead to the second half of 2026, the sequencing of activities is clear. We plan to conduct the baseline survey in August, ahead of any exposure to the intervention, so that we capture household conditions and attitudes before treatment. The purifiers will then be distributed in early September to the randomly selected sample of households. An endline survey is scheduled for December. This timing is deliberate, since by December we expect to be able to detect the short-term impacts of the treatment on the outcomes of interest,

including measures relevant to trust in the state and the broader domestic resource mobilisation agenda. The remaining design work will be finalised in the coming weeks to keep the August baseline on schedule.

The study rests on a strong set of local partnerships. We have signed a Memorandum of Understanding with World Vision, a trusted and well recognised NGO with a solid and long-standing presence in Tanzania, and we have been working closely with their in-country team. We also maintain a strong partnership with the University of Dar es Salaam, whose researchers and staff will support both the delivery of the intervention and the data collection. These relationships provide the local anchoring, logistical reach, and institutional credibility needed to implement the study effectively and to ensure that findings are relevant to Tanzanian stakeholders.

Study 2. Do incentives to foster official cross-border trade have lasting effects?

This project will assess the long-term impacts of a randomized controlled trial (RCT) conducted in late 2024 with traders at the border between Kenya and Uganda. The RCT consisted of providing a subsidy to incentivize formal trade and information about the relative risks of choosing official vs unofficial crossings.

Work on this Kenya/Uganda border study project began in September 2025, and is currently in a scoping phase. The work over the reporting period has concentrated on laying the analytical and logistical groundwork for subsequent stages. The team has been analysing the data already at our disposal to design the next phase of the study with precision. This preparatory analysis is helping us understand the patterns in the existing material, refine the questions the next phase should answer, and shape the design choices that will guide fieldwork. Although this phase is less visible than active data collection, it is essential for ensuring that the subsequent work is well targeted and that resources are deployed efficiently when implementation begins.

Going forward, the central operational milestone is the main data collection, which is scheduled to take place in 2027. The intervening period will be used to complete the design of the next phase, to secure the necessary access and agreements, and to prepare the instruments and protocols required for fieldwork. By front loading the analytical and design tasks now, we aim to enter the 2027 data collection phase with a clear plan, established partnerships, and confirmed access to the administrative information the study depends on. This phased approach reduces implementation risk and allows time to align the design with the priorities of the institutions involved.

The study is being developed in close coordination with key partners in the field. We have been in regular contact with Innovations for Poverty Action (IPA), which serves as the implementer and brings substantial operational experience in running rigorous studies in the region. We have also been engaging with the Kenya Revenue Authority (KRA), whose support will be necessary to conduct the work, particularly in relation to the administrative data and institutional cooperation that the study requires. Maintaining these relationships during the scoping phase is a priority, since early and sustained engagement with both the implementer and the revenue authority will be central to a smooth transition into the 2027 data collection and to the ultimate policy relevance of the findings.

Study 3. Do job-search programmes have long-term effects on formal employment?

Promoting formal employment in developing countries remains a critical area of research and a fundamental challenge for governments interested in expanding their tax base. There is however no long-term evidence for one class of interventions that has showed the most promising short-term benefit-to-cost ratios – skill certification. This study will quantify how an intervention conducted in 2021 in Ethiopia affected the amount of tax the state collected as well as the additional benefits individuals received due to the higher rates of formality. The data generated will make fundamental contributions to our understanding of labour markets and formality in developing countries.

Work on this project began in September 2025, and during the first half of 2026, which was a particularly productive period, the project moved to an advanced stage. During this time the team conducted a pilot survey designed to test the questionnaires and to confirm that we can reach the specific respondents we aim to survey. This is a demanding task, because the study is a long-term follow-up to research carried out more than a decade ago, and tracing the original respondents after such a long interval is inherently challenging. Despite this, the results of the pilot have been very positive, and we have been able to achieve very low attrition rates. This is a strong and encouraging signal for the integrity of the main study and for the quality of the eventual evidence base.

In the second half of 2026 the team will conduct the main data collection and will be able to deliver a first set of results. In parallel, we are planning to expand the scope of the work and to devise additional experimental components that will help us further unpack the key mechanisms underlying labour market transitions in Ethiopia. This combination of long-term follow-up and new experimental work is intended to deepen the analytical contribution of the study. Taken together, the study promises to be a unique contribution to our understanding of long-term labour market transformation and the formalisation of economies in developing countries, with important implications for domestic resource mobilisation and the expansion of the tax base.

The study has benefited from a strong network of local partners and researchers. Over the course of the work, we have interacted with key institutions including the Policy Studies Institute (PSI), EconInsight, Addis Ababa University AAU), and the International Growth Centre (IGC). Beyond these institutional connections, we have been working directly with local researchers, who have proven pivotal to the success of the project, contributing both the contextual knowledge and the practical capacity needed to locate respondents and manage fieldwork. These relationships are central to the local anchoring of the study and to ensuring that its findings are credible, relevant, and useful to Ethiopian policy stakeholders.

Study 4. Informality and Horizontal Inequality in Optimal Taxation: Evidence from Kenya

This study will benefit policy makers in Kenya by giving them actionable insights into the preferences of the Kenyan population. This will be done by investigating the relationship between tax evasion and revenue mobilization, focusing on the challenges posed by informal labour markets. Using Kenyan tax and survey data, the research will explore how social preferences for horizontal equity can justify high exemption thresholds in tax systems characterized by significant informality.

Over the past six months, we have completed the fieldwork for the project and finalized the first full draft of the paper. We have also substantially strengthened the policy engagement around the project. This includes formal engagement with both the Kenya Revenue Authority (KRA) and the Kenya Institute for Public Policy Research and Analysis (KIPPRA). In collaboration with Dr Rose Ngugi, former Executive Director of KIPPRA, we will prepare a policy brief based on the project findings.

The project has also been presented in several high-visibility academic and policy settings. At the Oxford CSAE conference in March, the paper was presented to a broad audience of leading researchers and policymakers working on African economies. At Harvard Kennedy School, the presentation was attended by, among others, former Indonesian Finance Minister Chatib Basri and African Union Special Envoy Bineta Diop. The project was also presented at the KIEL-CEPR conference, hosted by the German Ministry for Economic Cooperation and Development, which allowed for direct engagement with aid agencies and policy actors working on domestic revenue mobilization.

Over the next six months, the main objective is to publish the final paper and continue stakeholder engagement. This will include a presentation in Kenya and broader dissemination through a policy-oriented blog post.

Study 5. Reducing Taxpayer Attrition Using Compliance-Tested Benefits

This study aims to become a tool for tax authorities (e.g., the Kenya Revenue Authority, KRA) to increase tax morale and thus compliance, proposing a novel strategy to address the challenge of taxpayer retention. Rather than concentrating on the formalization of informal workers—a strategy deemed ineffective—this study will evaluate methods to reduce taxpayer attrition.

Over the past six months, we have developed the initial project design for the intervention in close collaboration with key stakeholders at the KRA. The roll-out and detailed implementation design are planned in collaboration with Dr. Jane Kanina at the KRA, with scope for additional KRA-based co-authors as the project progresses.

We are currently seeking further input and feedback from Commissioner Alex Mwangi at the KRA to ensure that the project aligns with KRA's strategic objectives, operational constraints, and research guidelines. This step is important before moving to implementation, as the intervention must be both policy-relevant and practically feasible within KRA's systems.

Over the next six months, we expect to receive final inputs from the KRA, conduct focus group interviews in Nairobi to refine the targeting and messaging of the intervention, and launch the full-scale randomized controlled trial.

Study 6. Optimal Tax Enforcement of Corporations in Uganda

In addition to the originally agreed five studies, we have been able to initiate a related collaboration with the Uganda Revenue Authority (URA). This project builds on earlier work on audit targeting and studies how tax authorities can optimally target audits of formal firms. The project is conducted in collaboration with Dr. David Henning at Oxford University and Joseph Okello Ayo at the URA.

The project is at an early stage, but we have already established a collaboration agreement with the URA and received administrative data on audit targeting scores and outcomes for affected firms. We have developed a theoretical model of optimal audit targeting, which we will calibrate to the Ugandan data. The project responds directly to strong interest from the URA in understanding how audit targeting affects long-run tax revenues, rather than only short-run enforcement outcomes.

Over the next six months, we expect to receive additional data from the URA, calibrate the first version of the targeting model, and present initial findings to the URA.

Component 1: In sum

The five plus one in-depth studies are progressing as planned and will provide additional tangible analytical input and support to development partnerships, including the tax administrations in the countries mentioned, facilitating evidence-based policy making, where existing evidence is extremely scarce. The major challenge confronted has been the delay in the recruitment of the UCPH-DERG post doc. However, extraordinary efforts by all involved have ensured the component is on track.

Furthermore, the planned two additional policy briefs entitled “Global Profit shifting and cross-country inequalities” and “Detecting hidden wealth and mitigating IFF: policy evaluations” have been published as follows:

[UNU-WIDER : Policy Brief : How global profit shifting contributes to cross-country inequalities](#)

[UNU-WIDER : Policy Brief : Effective policies to detect hidden wealth and mitigate illicit financial flows](#)

Finally, engagement with ATAF (see below) has opened a promising pathway for collaboration, particularly through the African Tax Research Network and the planned Kigali conferences in September 2026 and September 2027.

3. Component 2: Research, Data, and Training for Domestic Resource Mobilisation

Context

The Global Trade Analysis Project (GTAP) at Purdue University implements Component 2 of the Research and Capacity Building for Domestic Resource Mobilisation project. The component strengthens analytical capacity to inform fiscal policy and domestic resource mobilization (DRM) and conducts leading analytics. It complements Component 1 by providing the data, analytical tools, and training necessary to translate research insights into evidence-based policy design. Component 2 is organized into three mutually reinforcing subcomponents: (i) data development, (ii) training, and (iii) simulation and applied analysis.

Sub-component 2.1. Data and database development

The data component is progressing well. A major milestone was reached with the publication of the full GTAP Data Base, version 12, in February 2026. This is important

because it allows the project to work with the most recent GTAP data release, including for Africa and the countries of particular focus under the DRM project.

In addition, GTAP completed and distributed to consortium members a Critical Minerals dataset. This dataset has reference year 2017 and links to GTAP Data Base, version 11. Despite the somewhat dated reference year, it is, to our knowledge, the best and most comprehensive global dataset related to critical minerals value chains available. GTAP is working to produce a 2023 Critical Minerals dataset that links to Version 12 by Q4 2026. The current critical minerals dataset already provides an important analytical foundation for work on critical minerals and related supply chains.

The GTAP Data Base details tax revenues from multiple sources including trade (import tariff and export taxes), output (production and intermediate taxes), employment, and income taxes. The trade and output taxes are based on commodity value flows while factor and income tax information are drawn from the Global Financial Statistics (GFS) data by the International Monetary Fund (IMF) and the Global Revenue Statistics Database by the Organisation for Economic Cooperation and Development (OECD).

Over the coming six months, GTAP will review available global datasets to assess what tax data improvements can be made on a global basis and across African countries in preparation for release of Version 13, with 2025 reference year. A graduate research assistant has been assigned to this work over the period. With this baseline established, GTAP can then identify and undertake specialized tasks related to the public finance data. Overall, the data and database development sub-component is on track.

Sub-component 2.2 Training

The training sub-component has two major elements. The first is the design of an overall comprehensive training course in economywide modelling. The project is now around midway through the elaboration of the comprehensive course design. The first draft design will be completed over the coming 3 months and circulated to stakeholders for comment.

Operationalizing the full comprehensive course is outside the scope of the DRM project. However, under the DRM project, GTAP committed to developing and delivering a public finance module of high relevance to domestic resource mobilisation efforts. Work on developing and delivering this public finance module will begin mid-2026. The leading group of participants will be from the four focal countries: Ethiopia, Kenya, Tanzania, and Uganda. We expect to engage various institutions with whom we have good relationships to identify participants including ATAF, UNECA, UNDP, AERC and others. Depending on timing, there

may be scope to develop a training of trainers approach with the trainers delivering training in the countries in focus. This can be a point of discussion at the Steering Committee.

Sub-component 2.3. Applied modelling and research papers

This subcomponent includes two major applied research papers.

The first paper will focus on critical minerals, with particular attention to Southern Africa. Work has been initiated to model critical mineral supply chains for Southern Africa using the recently released Critical Minerals dataset. Under DRM, the plan is to build on this work to examine the revenue implications of critical minerals and critical mineral supply chains for the Southern Africa region.

Over the coming six months, the DRM team at GTAP will link with the global critical minerals working group that is charged with producing a global critical minerals dataset with 2023 base year. The DRM team will focus on the tax and revenue data issues with emphasis on Africa and Southern Africa in particular. We expect to have an operational simulation model complete shortly and to be able to present preliminary results at the ATAF conference in early September and further refined results within six months.

The second paper will focus on regional integration in Eastern Africa, likely with a focus on the East African Community. This work is expected to begin in July-August 2026. As noted in earlier reports, the paper will examine the revenue implications of regional integration, including the fiscal dimensions of deeper regional trade integration.

As noted in earlier reports and meetings, the Macroeconomic division of UNECA has revenue as a top priority. In addition, CoP32 will be held in Addis Ababa in 2027 and UNECA is deeply involved in those preparations. Earlier reports also pointed out that the regional work under DRM, with revenue as the principal focus, may fit nicely within the context of regional approaches to confronting climate change. Indeed, this is the case. UNECA is very pleased to collaborate on a major high-profile effort to develop key analytical work in the runup to CoP32 in Addis Ababa. An angle of potential interest involves analysis of a customs union. A feature of a customs union is that it generates a regional pool of revenue, which could be used to finance infrastructure in alignment with a regional approach to confronting climate change. UNECA has suggested that initial analysis focus on Eastern Africa with the possibility of extending the analytics to the full continent.

Component 2: In sum

Overall, progress on Component 2 is strong. The publication of GTAP Version 12 and completion of the Critical Minerals dataset represent important milestones. Work on the public finance data is moving forward, supported by planned graduate research assistance

over the coming months. The comprehensive training course design is well advanced, and work on the public finance module will begin around mid-2026. Applied modelling work on critical minerals is already underway. The regional integration paper is taking shape and benefits from a direct pathway to presentation at CoP32 within the framework of revenue generation for financing of climate sensitive regional infrastructure. Finally, engagement with ATAF (see below) has opened a promising pathway for collaboration, particularly through the African Tax Research Network and the planned Kigali conferences in September 2026 and September 2027. Presentation of preliminary results from the critical minerals work in September 2026 represents an ambitious but feasible objective.

4. Concluding Remarks

The project has continued to progress well during the reporting period, and the project is on track. The major challenges included sick-leave of key staff and delay in the recruitment of the Post. Doc. Detailed plans are however in hand for the coming six months and close coordination among the two components have been made.

Furthermore, and as noted, engagement with ATAF has opened a promising pathway for collaboration. The preparatory note for the meetings held with ATAF are included as Annex 1, and the most promising mode of collaboration appears likely to be through the African Tax Research Network. An immediate opportunity is the annual conference planned by ATAF in Kigali in September 2026. As noted, it would be useful for the DRM project to participate in that conference, discuss collaborations within the context of the overall work programme, including both Component 1 and Component 2, and (ideally) present preliminary results from the critical minerals work. This would provide an opportunity to reach out about the empirical studies under Component 1, the GTAP data, modelling, and training work under Component 2, and the potential ways in which ATAF and its network could engage.

The Kigali conference could also be used to discuss training opportunities. It would be useful to explore how participants from the African Tax Research Network, and potentially from ATAF member administrations, could participate in for example the GTAP training activities, especially the public finance module. The September meeting could help establish a schedule and process for identifying suitable participants in the in-person course. A further opportunity would be to discuss the possibility of presenting more developed project outputs at the ATAF conference in September 2027. By that point, results from both the Component 1 studies and the Component 2 modelling work should be complete and ready for presentation and uptake. The 2027 ATAF conference could therefore provide a valuable platform for dissemination and policy engagement.

Annex 1: Collaboration Opportunities between the African Tax Administration Forum and the Research and Capacity Building for Domestic Resource Mobilisation (DRM) Project

Prepared for discussion with the **African Tax Administration Forum (ATAF)**

March 2026

Executive Summary

The **Research and Capacity Building for Domestic Resource Mobilisation (DRM) Project** is a collaborative initiative between the **University of Copenhagen Development Economics Research Group (UCPH-DERG)** and the **Global Trade Analysis Project Hub (GTAP-Hub) at Purdue University**, supported by the Danish Ministry of Foreign Affairs under Denmark's **Resource Mobilisation for Development – Anti-Corruption and Domestic Resource Mobilisation Programme (2023–2026)**.

The project aims to strengthen the **evidence base, analytical tools, and institutional capacity needed to improve domestic resource mobilisation (DRM)** in African economies. The work combines **frontier empirical research, data development, economy-wide modelling, and training for policymakers and analysts**.

The purpose of this note is to:

1. Provide a short overview of the DRM project and its current activities.
2. Outline **preliminary ideas for collaboration between ATAF and the DRM project**.

Possible areas for collaboration discussed in this note include:

- Participation by ATAF in the **DRM Advisory Board**
- Linkages with the **empirical research programme**, including randomized policy experiments
- Collaboration on **analytical work related to AfCFTA, fiscal policy, and critical minerals**
- Engagement in **training and capacity development initiatives**
- Joint **policy dialogue and dissemination**, including engagement at the **ATAF meeting planned for Kigali in September 2026** in preparation for greater engagement in 2027 (when results will be available).
- Exploration of longer-term cooperation around **regional modelling and analytical capacity in Africa**

These ideas are intended as a **starting point for discussion** ahead of further engagement between ATAF and the DRM project partners.

Collaboration Opportunities between the African Tax Administration Forum and the Research and Capacity Building for Domestic Resource Mobilisation (DRM) Project

1. Introduction

The **Research and Capacity Building for Domestic Resource Mobilisation (DRM) Project** is a collaborative initiative between the **University of Copenhagen Development Economics Research Group (UCPH-DERG)** and the **Global Trade Analysis Project (GTAP) at Purdue University**, supported by the Danish Ministry of Foreign Affairs under Denmark's **Resource Mobilisation for Development – Anti-Corruption and Domestic Resource Mobilisation Programme (2023–2026)**.

The project aims to strengthen the **analytical foundations for domestic resource mobilisation**, combining frontier research with tools and training designed to support policy analysis and implementation.

The project is organized around two complementary components:

- **Component 1 – Frontier empirical research**, led by UCPH-DERG
- **Component 2 – Data, modelling, and capacity development**, led by GTAP at Purdue University

Together, these activities seek to improve both the **evidence base for fiscal policy decisions** and the **analytical capacity of institutions responsible for tax policy and revenue administration**.

Given ATAF's role in supporting tax administrations across the continent, there are several areas where interaction between ATAF and the DRM project could be mutually informative. This note provides a short overview of the project and outlines several **preliminary areas for possible collaboration**.

2. Overview of the DRM Project

Component 1: Frontier Research on Domestic Resource Mobilisation

The first component focuses on **five in-depth empirical studies** examining key challenges related to taxation, informality, and compliance in developing economies. The studies focus primarily on **Ethiopia, Kenya/Uganda, and Tanzania**.

The research agenda includes:

Public goods provision and trust in the state

A randomized intervention in Tanzania evaluates whether improved access to public services—in this case solar-powered water purification systems—strengthens citizen trust in government and improves tax compliance.

Formal versus informal cross-border trade

Building on a randomized trial conducted at the Kenya–Uganda border, this research examines whether incentives and information can encourage traders to shift from informal to formal trade channels.

Formal employment and tax base expansion

Research in Ethiopia examines the long-term effects of job-search and certification programmes on labour market formalization and tax revenues.

Informality and optimal taxation

Using Kenyan data, this research investigates how tax evasion and social preferences shape feasible redistributive tax systems in economies with large informal sectors.

Reducing taxpayer attrition

This project explores innovative approaches to improving tax compliance and taxpayer retention through targeted policy interventions.

Together, these studies aim to generate **policy-relevant evidence for tax authorities and ministries of finance**, particularly in contexts where rigorous empirical evidence remains limited.

Component 2: Data, Modelling, and Capacity Building

The second component focuses on strengthening **analytical tools and institutional capacity for fiscal policy analysis**.

This component has three sub-elements.

Data development for fiscal analysis

The project is developing a **public finance satellite dataset linked to the GTAP Data Base**, enabling analysts to examine fiscal policy instruments—such as income, profit, payroll, and property taxes—within an economy-wide modelling framework.

The dataset draws on international sources including IMF Government Finance Statistics and global revenue databases.

Training in economy-wide modelling

The project is developing a **structured training programme in computable general equilibrium (CGE) modelling**, including modules specifically focused on public finance and domestic resource mobilisation.

The programme is intended for **staff from ministries of finance, revenue authorities, and research institutions**, with the aim of strengthening analytical capacity within government institutions.

Simulation and policy analysis

Finally, the project applies economy-wide modelling tools to analyse policy scenarios relevant to domestic resource mobilisation.

Current areas of analysis include:

- **Revenue implications of deeper regional integration under AfCFTA**
- **Fiscal implications of critical minerals and energy transition minerals in Southern Africa**

3. Potential Areas of Interaction with ATAF

The following ideas represent **initial possibilities for engagement** between ATAF and the DRM project.

Again, these ideas are offered as a starting point for discussion.

3.1 Participation in the DRM Project Advisory Board

One possible avenue for engagement would be for **ATAF to participate in the Advisory Board of the DRM project**.

The Advisory Board provides strategic guidance to the project partners and helps ensure that research and analytical work remain aligned with policy priorities.

The current members of the Advisory Board are:

- **Elizabeth Gavin**, Senior Economist, Fiscal Affairs Department, International Monetary Fund
- **Stephen Karingi**, Director, Macroeconomics, Finance and Governance Division, UN Economic Commission for Africa
- **Jane Nalunga**, Executive Director, Southern and Eastern Africa Trade Negotiations Institute (SEATINI–Uganda)

Participation by ATAF would bring the perspective of **African tax administrations directly into the project’s strategic discussions** and could also help facilitate the dissemination of research findings to ATAF member administrations.

3.2 Engagement with UCPH and the Planned RCTs

ATAF may also find it useful to engage with aspects of the **empirical research programme**.

Possible forms of engagement could include:

- Sharing perspectives from tax administrations on policy priorities
 - Facilitating connections with relevant institutions
 - Supporting dissemination of research findings across ATAF’s network
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3.3 Collaboration on GTAP – Related Analytical Work

Two areas of analytical work currently under development within the project may be of particular interest for discussion with ATAF.

AfCFTA and revenue implications in Eastern Africa

This work examines how regional trade integration may influence government revenues, economic activity, and fiscal policy options.

Critical minerals and fiscal revenues in Southern Africa

Given growing global demand for energy transition minerals, the project is also examining the fiscal implications of mineral production and trade in Southern Africa.

3.4 Capacity Development and Training

Capacity development is a central element of the DRM project.

Potential areas of interaction include:

- Identification of participants from ATAF member administrations for **training in public finance and economy-wide modelling**
 - Dialogue on how analytical training could complement ATAF's existing capacity-building activities
 - Possible engagement in the development of a **comprehensive modelling course focused on public finance**
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3.5 Joint Policy Dialogue and Knowledge Dissemination

Another area of potential interaction relates to **policy dialogue and dissemination of analytical findings**.

The **ATAF event planned for Kigali in September 2026** provides a timely opportunity to begin **present/discuss the collaboration between ATAF and the DRM project with key ATAF stakeholders**, including representatives of African tax administrations and ministries of finance.

The Kigali meeting could also provide a useful forum for identifying **opportunities to leverage and apply collaborative work between ATAF and the DRM project in specific country contexts**.

Looking further ahead, a more extensive engagement could potentially take place in **September 2027**, when results from the DRM project—including outputs emerging from interactions with ATAF—could be presented to a broader policy audience.

4. Longer-Term Perspectives: Regional Analytical Capacity

A longer-term perspective for discussion relates to strengthening **regional analytical capacity in Africa**.

GTAP has recently been exploring a concept known as **Country Communities**, which seeks to strengthen modelling capacity by supporting collaboration among leading institutions within emerging economies.

In the African context, a regional variant of this concept could potentially (very preliminary) involve cooperation among institutions such as:

- ATAF
- The African Network of Agricultural Policy Research Institutes (ANAPRI)
- The African Economic Research Consortium (AERC)
- The UNDP Regional Bureau for Africa (UNDP-RBA)

Such an initiative could support stronger modelling capacity, data development, and analytical collaboration across the continent.

5. Concluding Remarks

The DRM project has recently begun implementation and is developing several analytical and capacity-building activities related to domestic resource mobilisation.

Engagement with ATAF offers an opportunity to ensure that these activities remain closely informed by the priorities and experiences of African tax administrations.

The ideas outlined in this note are intended as **a starting point for discussion**, and we look forward to exploring them further in our upcoming meeting.