

ANNUAL REPORT 2021



TAX JUSTICE
NETWORK
AFRICA

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ABBREVIATIONS

AMV	African Mining Vision
APNIFFT	African Parliamentary Network on Illicit Financial Flows
ATAF	African Tax Administration Forum
AU	African Union
CSO	Civil Society Organisation
DRM	Domestic Resource Mobilisation
DTA	Double Taxation Agreement
EC	Executive Council
FDI	Foreign Direct Investment
GATJ	Global Alliance for Tax Justice
IFC	International Financial Centre
IFFs	Illicit Financial Flows
INGO	International Non-Governmental Organisation
MP	Member of Parliament
OECD	Organisation for Economic Co-operation and Development
PAC	Pan African Conference
STBC	Stop The Bleeding Campaign
TJNA	Tax Justice Network Africa





Message from the Chair



“ Development of our Communication Strategy ensured that we continue to reach out to our stakeholders and key constituencies effectively

Jane Nalunga, Chair-Executive Council

It is indeed my pleasure to commend the efforts we have made together; the challenges we have overcome and the milestones we have achieved in 2021.

We experienced a change in the operating environment, for instance, the financial crisis induced by COVID 19 and shrinking civic space.

It is however worth noting that our consolidated efforts have strengthened network members, revamped the Stop the Bleeding Campaign and sub-granting grew by 30 per cent in the last two years.

In the same vein, we strengthened our oversight role by providing leadership through working with established four (4) sub-committees at the Executive Council, Technical Advisory Council providing the much-needed technical support and conducted capacity building sessions to the Executive Council.

The General Reserve was set up and has been running for the last two years. This is an unrestricted fund balance set aside to stabilise our finances by providing a cushion against unexpected events. Our target base level of general reserve is \$650,000 and the ratio calculated is equivalent to approximately 6 months of projected operating expenditure.

External auditors gave us a clean bill of health in 2021, just like in the previous years.

Development of our Communication Strategy ensured that we continue to reach out to our stakeholders and key constituencies effectively.

As part of managing risks, we developed a risk assessment matrix that focused on mitigating potential risks under the following categories: General Tax Justice Ecosystem; Programme Implementation and Reporting; Fundraising and Donor Relationship Management; The morale of other key stakeholders; Tax Justice and Membership or Network Structures; The diverted or captured attention of Government and Other State Agencies; Sustainability of past results and Impact and last but not least, Financial Management, Reporting and Operations.

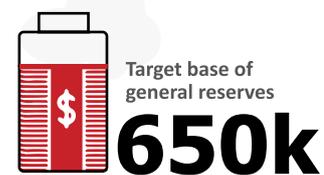
No challenge so far can be said to be insurmountable. In the short term, we are addressing

the issue of the shrinking civil space by increasing awareness of shrinking civil space. In the

medium term,

we are engaging duty bearers to open civil space and in the long term, we are targeting and monitoring reforms to increase civil society participation in tax justice.

On behalf of the Executive Council, thank you to all who have supported us in 2021. We remain indebted to our funding partners, network members and strategic partners.





The Executive Council



Jane Nalunga,
President



Birahime Seck
Vice President



Bertha Phiri



Nicholas Lekule



Jean Paul Mulyanga



Cecile Mattia



Jean Mballa Mballa



Irene Otieno



Chafik Ben Rowine



Alvin Masioma



Message from the Executive Director's office



“ *Our network has grown across the African continent; we now boast of 44 members in 25 countries* ”

Alvin Mosioma, Executive Director,
Tax Justice Network Africa

The year 2021 was indeed a year full of sterling and significant achievements in most if not all of our areas of work.

Achievements with our flagship programmes speak for themselves:

- From the successful launch of three national parliamentary caucuses in Liberia, DRC, and Malawi under the African Parliamentary Network on Illicit Financial Flows (APNIFFT) flagship programme with the main objective of enhancing tax justice and DRM,
- To the launch of the Financing for Health report and strengthened ties with organisations working on taxation and health such as Strategic Purchasing Africa Resource Centre (SPARC),
- Key emphasis was placed on curbing the setting up of International Financial Centres in the East African region. We instituted a public interest case at the East African Court of Justice regional court. The case challenged the low tax incentives provided under the Rwandan investment law in the process of setting up the Kigali International Financial Centre,
- Our advocacy efforts on the G20 global tax deal managed to reach countries like Zimbabwe, Zambia, Uganda, Cameroon, Mozambique, Congo and Angola. This has created

considerable knowledge and awareness on the deal across Africa,

- The Annual continental meeting of the African Parliamentary Network on Illicit Financial Flows and Taxation (APNIFFT) was held in Dakar, Senegal, under the theme “MPs at the Frontline: curbing IFFs on the road to recovery post-COVID-19”,
- At the peak was the 9th Pan Africa Conference, co-hosted with the African Tax Administration Forum (ATAF) under the theme, ‘Combatting IFFs to Bridge Africa’s Widening Inequality Gap’.

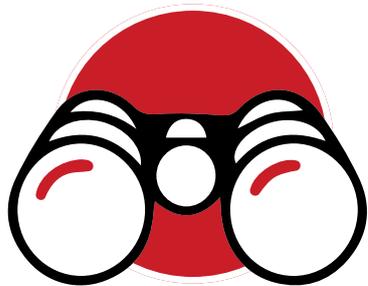
Our network has grown across the African continent; we now boast of 44 members in 25 countries. To strengthen and improve the way we work, coordinate and collaborate the Stop the Bleeding Consortium (STBC) stands at the centre of all we do. In 2021, the collaboration with the STBC to commission research for policy influencing and advocacy on the Africa Mining Vision (AMV) in 4 countries: Zambia, Ghana, Liberia, and Uganda. The key outcome being a process of recommitment amongst several regional and national level CSOs to continue to push African governments to domesticate the Africa Mining Vision (AMV), which has in the recent past lost political momentum.

The climax of the year 2021 was the General Assembly which took place alongside the APNIFFT in Dakar we offered an opportunity for Parliamentarians to engage face to face with our members, our Strategic Plan 2021 – 2025 was approved, the revised TJNA Constitution was adopted, and the Executive Council election process for the new council members was successful.

2021 reflects on the achievements we have made together as we have so detailed in our Annual Report. Our journey of creating a new Africa where tax justice prevails and ensures equitable, inclusive and sustainable developments remains as we progress into 2022.



Tax Justice Network Africa



MISSION

A just, prospering, self-reliant and integrated Africa sustainably harnessing its resources to enable its people to lead a dignified life.



VISION

To mobilise African citizens and challenge public institutions to influence and change policy to enable tax justice to prevail in Africa.



CORE VALUES

INTEGRITY

We make an informed decision based on mutual accountability, honesty, and commitment to deliver.

TRANSPARENCY

We We uphold the value of trust, respect for one another, openness and truthfulness in our relationships and communications, as we walk the talk.

JUSTICE

We accord equal rights, fair opportunities, and treat all without discrimination.

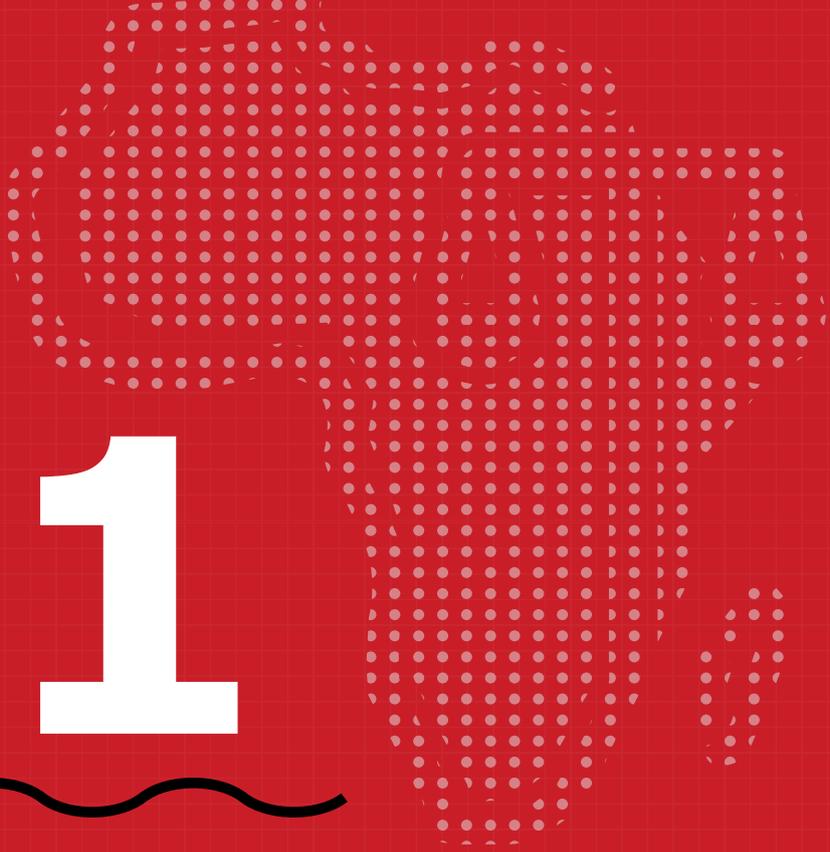
PARTNERSHIP

We commit ourselves to delivering on our objectives through strategic partnerships and by working collaboratively with our members and allies.

SOLIDARITY

Since tax justice is integral to the broader social and economic justice agenda, we commit ourselves to working in solidarity with human rights and economic justice movements to realise the convergence of all justice and human rights struggles.





01

**MOVING FORWARD
WITH A NEW STRATEGY**



The Year That Was!



The year 2021 came at the backdrop of Covid-19 with countries trying to recover from the pandemic-induced economic crisis.

TJNA ushered in the year with a new strategic plan for the 2021- 2025 period. The strategy, which was developed through a consultative and inclusive process, is aligned to the capacity of the network to deliver. It seeks to identify and add value to TJNA’s work in Africa’s policy space.

The building blocks for the running strategy were the Agenda 2063 and the l’engagement de l’UA à lutter contre les FFI to help TJNA promote tax justice in Africa. Although Agenda 2063 does not lay out the policies and strategy to enable Africa to finance its development, the financing dimension is encapsulated in Aspiration 1:

“Africa shall be a prosperous continent, with the means and resources to drive its development, with sustainable and long-term stewardship of its resources”. Moving forward with the new strategy, TJNA is organising its activities around four major policy thrusts, which translate into key result areas of this strategy.

The 2021-2025 Strategic Plan Policy Thrusts for the period will work to focus on the following four policy thrust areas namely: i) Tax and the International Financial Architecture, ii) Tax and Investments, iii) Tax and Natural Resource Governance and iv) Fair and Equitable Taxation. Below is the break-down of each policy thrust:





Tax and the International Financial Architecture (TIFA)

Tax abuse and IFFs from Africa takes place within the context of the International Financial Architecture. The focuses on fostering an inclusive and transparent global financial framework that curbs IFFs. Discourse on the governance structure will target beneficial ownership, taxation of the digitalized economy, and monitoring of commercial IFFs. This creates opportunities for corporations and wealthy individuals to exploit loopholes in the tax system to shift profit and stash wealth in low/ no tax jurisdictions. Under this policy thrust, TJNA will focus its efforts on the following:

- Public Registration of Beneficial Ownership
- Taxation of the digital economy
- Monitoring of reforms of the global financial and taxation system
- Monitoring the implementation of AU Anti-IFF commitments
- Advocating for the implementation of the FACTI Panel recommendations.



Tax and Investments

This pillar calls for supporting domestic resource mobilisation (DRM) by developing mechanisms and incentives to counter harmful competition between countries, advocating against “race to the bottom” trade practices that erode tax bases through the transfer of mis-invoicing and mispricing. Under this pillar, TJNA will focus on promoting transparent national investment regimes that support DRM and prevent unlawful practices, such as:

- The “race to the bottom”. This is characterized by harmful tax competition between African countries to attract Foreign Direct Investment (FDI).
- The use of Double Taxation Agreements (DTAs): Takes place specifically with low tax jurisdictions. TJNA will and raise awareness on how they often serve as conduits for multinational corporations to shift profits by avoiding tax.



Tax and Natural Resources Governance

Africa suffers from what is termed as the ‘resource curse’ or the paradox of plenty. A major contributing factor to this is the dominance of foreign multinational corporations in the extractive industries who benefit more from the sector because of unfair international trade and investment rules and agreements, which disadvantage African countries. The lack of transparency and accountability has enabled these corporations to engage in aggressive tax avoidance and evasion schemes. The lack of economic diversification, value addition and broad-based local linkages to the mining sector continues to reinforce the resource curse in Africa. In response to addressing these identified problems and challenges, interventions under this policy thrust will focus on the following:

- Advocating for the domestication of the Africa Mining Vision (AMV)
- Reviewing fiFiscal terms in Resource Contracts
- Promoting Gender Equality in Africa’s Natural Resource Governance
- Advocating for Contract Transparency and Beneficial Ownership Disclosure.



Fair and Equitable Taxation

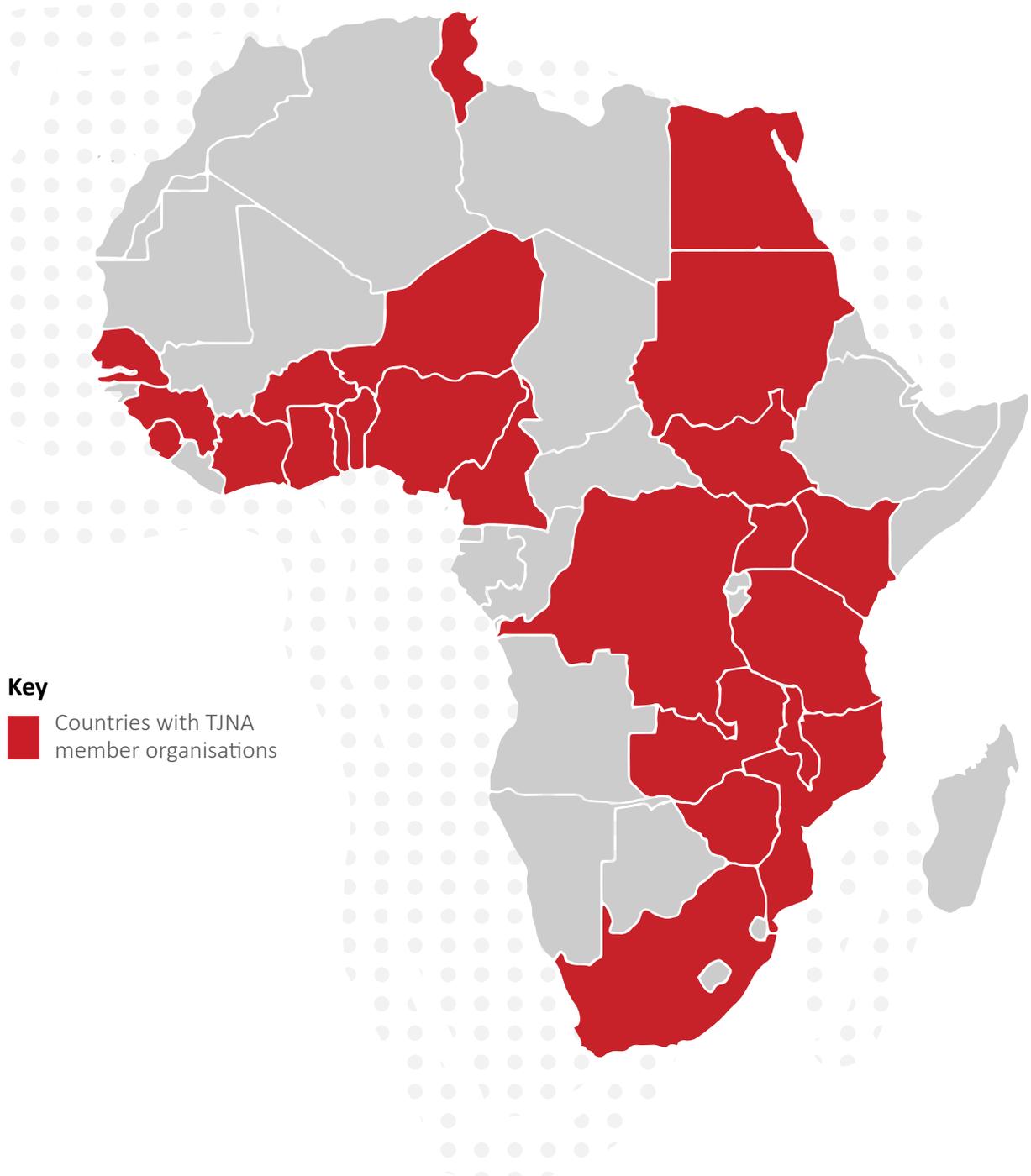
This pillar of work aims at reducing unfair tax practices through evidence-based research and policy advocacy. This will help build the capacity for monitoring fairness and transparency within the tax system as well as influencing policies on revenue generation. Tax revenue remains the most reliable and sustainable source of finance to provide adequate social services. However, tax is not only a revenue collection tool but also has redistributive and regulatory functions. As such, the focus of this policy thrust will be to:

- Champion the implementation of citizen-centred domestic resource mobilisation policies and encourage progressive forms of taxation.
- Promote progressive and redistributive national tax systems to address inequality.



THE NETWORK

Where We Are





02

**HIGHLIGHTS
FROM 2021**

Legitimizing Tax Havens? International Financial Centres

The High-Level Panel Report on Illicit Financial Flows noted that many African countries are making efforts towards setting up International Financial Service Centres and cautioned that they could be grossly misused and abused for tax avoidance as well as other illicit financial flows. Since 2015, this sentiment has rung true. African countries such as Kenya and Rwanda have been in efforts to set up International Financial Service Centres or international financial centres (IFCs).

African governments, in the name of attracting foreign investments, have provided minimal to zero taxes as incentives. They have introduced corporate structures that encourage secrecy and widened their double taxation agreements (DTAs) treaty network that reduces their taxing rights. The low tax incentives will further add to the problem of harmful tax competition, especially in the context of East Africa, where two African countries are attempting to set up such centres. It is worrying that in essence, governments are clamouring towards setting up offshore financial centres despite the harm such centres have been proven to have.

In an effort to curb the setting up of International Financial Centres in the East African region, the Tax Justice Network Africa instituted a public interest case at the East African Court of Justice regional court. This case challenged the low tax incentives provided under the Rwandan investment law in the process of setting up the Kigali International Financial Centre. TJNA brought to light the

harmful tax competition that is to be caused by these incentives and the need for harmonization of tax policies within the East African Community. Realizing the importance of increasing awareness of what International Financial Centres are within the region, TJNA began a sustained social media campaign to highlight the risks they pose. The media campaign has increased awareness within the region with regard to the risks posed by the centres, a regional newspaper reported that: ‘Tax Justice Network- Africa (TJN-A) and the East Africa Tax and Governance Network (EATGN) have long argued that the Nairobi International Financial Centre NIFC might undermine domestic resource mobilisation capabilities, especially with regards to the incentive structure.

Further, TJNA in collaboration with the legislative arm of the East African region, provided technical capacity building to members of Parliament enhance their understanding of the impact International Financial Centres will have in the region. A motion that urged the need for increased oversight over the two members of the East African Community establishing International Financial Centres was passed.

TJNA looks forward to furthering the court case and anticipates that the regional court will historically establish a position that harmful tax competition is a regional responsibility.

IFCs
INTERNATIONAL FINANCIAL CENTRES

#MakeIFCsWorkForUs

What they are and how to make them work for us.

TAX JUSTICE NETWORK AFRICA



The G20/OECD tax deal and what it means for Africa



Watch the video: <https://www.cnbc africa.com/media/6293553543001/>

In June 2021, the G7 group of wealthy nations announced a deal to tax multinational corporations and change where they pay their taxes. The negotiations for this deal were led by the OECD through the inclusive framework on base erosion and profit shifting. This deal was later adopted by the G20 and has now been endorsed by about 120 countries and jurisdictions. However, at least 28 African countries, that are not members of the OECD inclusive framework, were not involved in the negotiations for the deal and their views were not taken into consideration during these discussions. In addition, Kenya and Nigeria were not part of the deal and therefore 30 African countries were not part of this deal christened a “global deal”.

TJNA together with the Global Alliance for Tax Justice (GATJ) has been at the forefront of creating awareness of the deal and calling for its rejection by developing nations.

The OECD proposal is comprised of the following two pillars:

- Pillar One: It proposes to reallocate taxing rights between market countries and home countries where multinationals are headquartered. Consequently, large profit-making multinationals would pay a share of taxes in countries where they sell their products and services and not just where they have their headquarters.
- Pillar Two institutes a global minimum corporate tax rate of 15% which would go to where multinationals are headquartered.

The following are the main concerns by African CSOs around the 2-pillar proposal:

- First, a lower corporate tax rate levied on companies that are making millions of dollars in profits will drastically reduce African governments’ tax collections.
- Secondly, because foreign direct investment is sensitive to tax rates, a higher levy of 25 per cent to 35 per cent and failure to ratify the agreement means a hit on





RELOCATE TAXING RIGHTS

Between market countries and home countries where multinationals are headquartered.

CORPORATE TAX RATE

Global minimum which would go to where multinationals are headquartered.

15%



TWO PILLARS OF G20/OECD TAX DEAL

investment inflows as multinationals may continue to favour developed countries. This will be an additional burden to African economies that are coming out of the COVID-19 pandemic.

- Thirdly, in the future, the strategy of using tax as a tool to attract companies to invest in Africa may become largely redundant. Africa has untapped business potential, it has a growing population, meaning a larger pool of consumers compared to developed nations, and a skilled, youthful, affordable, and educated workforce. These will attract new entrants, both small and big multinationals, to the continent.
- Fourth, while the OECD/G20’s global minimum corporate tax agreement has been hailed as “historic”, it does not take into account the realities of developing countries’ tax systems.

To galvanize efforts on this deal, TJNA organised several events to create awareness of the deal. The first engagement involved members of parliament (MPs) drawn from 20 countries. The MPs had

convened under the umbrella of the African Parliamentary Network on Illicit Financial Flows and Taxation (APNIFFT). TJNA used the APNIFFT continental meeting to share information on the deal with the parliamentarians. The meeting came up with a resolution calling on all African governments to conduct a cost-benefit analysis to identify whether endorsing the deal was good for each country.

TJNA also organised six (6) country meetings with its partners to discuss the deal and its implications. The meetings took place in Uganda, Zimbabwe, Zambia, Mozambique, Cameroon and DRC. The meetings included advocacy through panel discussions, media interviews, online engagements and social media posts.

TJNA also released a call for the rejection of the deal. This statement sought to provide individuals and organisations with an opportunity to join in the clarion call to reject the deal. The online statement was signed by 112 civil society organisations drawn from regions across Africa. In addition, TJNA has hosted five (5) TV interviews on this deal in Kenya, Uganda, Congo, Zambia and Mozambique.

TJNA believes that any process that seeks to reform the international tax system must be inclusive and led by a neutral UN-type body. This deal fails on many standards and should therefore be rejected by all nations in the global south.





03



SEIZING OPPORTUNITY





Photo: Panel of MPs and CSOs

Building Up Relationships Between Legislators and CRADEC For a Joint Effort in Mobilising Domestic Resources

Centre Régional Africain pour le Développement Endogène et Communautaire (CRADEC) has been appealing for tax justice through the fight against tax evasion, fraud and illicit financial flows for optimisation of tax revenues that guarantee the financing of development objectives in Cameroon since 1996. Collaboration has been central to the scope of CRADEC’s advocacy work, and as such, they are a member of the TJNA network and are part of the Consortium of Cameroonian civil society organisations. As their pursuit to build a

critical mass of actors capable of defending tax justice in the fight against IFFs continues, in line with guaranteeing budgetary sovereignty capable of financing the sustainable development goals in Cameroon, CRADEC, has for a long-time sort political support. But this has faced numerous challenges in reaching and engaging elusive parliamentarians in a bid to exchange, dialogue and advocate with them.

This changed in 2021 when in collaboration with





CRADEC approaches the prospect of collaboration with the MPs in two ways; first, as a short-term engagement where parliamentarians who participate in the various APNIFFT training find themselves disappearing into thin air without having passed on the knowledge gained to their counterparts. Thus, a restitution and debriefing session of the APNIFFT conference by the attending parliamentarians to the other parliamentarians of the Parliamentarians-CSOs platform necessary for strengthening the various capacities of their counterparts. Secondly, as a long-term engagement through the creation and setting up of an Observatory of Tax Fairness for the fight against Illicit Financial Flows in collaboration with TJNA and OXFAM. This observatory will be a tool to evaluate the level of tax fairness in Cameroon.

TJNA, CRADEC co-hosted the 2021 annual meeting of the African Parliamentary Network on Illicit Financial Flows and Taxation (APNIFFT) in Dakar from 27 to 29 September under the theme: *MPs on the front line: reducing Illicit Financial Flows on the road to recovery after COVID-19*. Prior to this workshop, six (6) MPs were mobilised, of which four (4) took part in the exchanges. The four in attendance were Cameroonian parliamentarians (2 senators and 2 deputies), all members of the CSOs-Parliamentary platform which emerged from the initiative of PLANOSCAM (Platform of CSOs in Cameroon) within the framework of the implementation of the ROSFIP project (Capacity Building for CSOs on Public Finance Monitoring).

CRADEC seized the opportunity of the workshop to refine discussions, exchanges and dialogue with the present parliamentarians on issues of taxation and budgetary governance. Following the success in engagement that APNIFFT brought, CRADEC held a debriefing meeting with the Consortium and the CSO-Parliamentary Platform to establish contacts, exchange views and provide feedback on the outcome of the APNIFFT conference.

Following this resolution, CRADEC organised a workshop to present the state of tax equity in Cameroon that was held on 12th November 2021 in Yaounde. The main objective of the workshop was to present the research, share the results and explore national and international policy recommendations on tax issues to support a post-COVID-19 economic recovery in Cameroon.

It is important to note that the diversity of parliamentary committees in the different chambers is an asset for the CSOs in their fight.

As a result, the engaged MPs have, through their legislative function, contributed to the collective effort to fight financial crime by passing appropriate legislation and holding the executive to account. Below are some of the impacts/results of these collaborations with parliamentarians in the context of CRADEC's activities:

- Contributing to the massive collection of signatures and sharing of the petition against the OECD and G20 proposal, following their participation in the national OECD/G20 Global Tax Agreement meeting organised by



CRADEC in Yaoundé, Cameroon in October 2021.

- Participating in the official launch of the National Observatory for Tax Equity in Cameroon and the adoption of the policy note on tax fairness. The developed action plan received the commitment of several parliamentarians to fight against IFFs and manage the observatory to increase its structure in order to carry out advocacy work.
- Consideration massive sharing of CRADEC's activities and discussions in the media and social networks thanks to the good quality of the speakers during the workshops and the collaboration with the MPs.
- The massive sharing of CRADEC's activities and discussions in the media and social networks thanks to the good quality of the speakers during the workshops and the collaboration with the MPs.
- Active participation of parliamentarians of the CSO-Parliamentary Platform in the 9th Edition of the Pan-African Country Conference (PAC), under the theme: *Tackling Illicit Financial Flows to bridge the growing inequality gap in Africa* which presented a great opportunity for exchange with parliamentarians who were open to debate.

What does the future look like for this collaboration that has been established? CRADEC has a series of engagements arranged in the new year that include:

- **Capacity building of parliamentarians,**

CSOs and the media on the analysis of the international tax system and the monitoring of tax fairness in Cameroon: This is scheduled to take place in Kribi, from 25 to 27 May 2022. The main objective of this workshop will be to provide stakeholders with a platform for capacity building and exchange on issues aligned with the national and international tax system and the monitoring of tax fairness for the financing of sustainable development objectives through the NDS30 in Cameroon.

- **A debate conference on the advantages and disadvantages of international tax reforms for Cameroon will follow** the capacity building workshop. This conference will help break down international tax reforms with the aim of showing Cameroonian decision makers (including MPs) the pros and cons of international tax reforms and how to mitigate the cons.
 - **Initiation of advocacy with parliamentarians on the implementation of the Africa Mining Vision (AMV) studies:** The objective of this activity will be to make proposals to influential actors in the Cameroonian government.
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04

**THE TERRITORIAL
COMMITTEES FOR TAX
JUSTICE (CTJF) CAPACITY
BUILDING**



Cascading Tax Justice to Grassroot Levels



Advocacy for the strengthening of tax justice in Senegal is urgently topical. The Civil Forum, in the execution of its strategic framework, intends to support the State in institutional governance. Since 2011, in collaboration with Tax Justice Network Africa (TJNA), Forum Civil has conducted several action research projects to improve the governance of the Senegalese tax system. In recent years, its collaboration has gone in the direction of strengthening tax justice through a series of actions (research, advocacy, awareness, training, etc.) for several actors that include civil society, parliamentarians, decision-makers, journalists, local actors, etc.

Senegal has embarked on a program called “YAATAL”. According to the Director General of Taxes and Domains: “The YAATAL program is an operational vision of the Medium-Term Revenue Strategy (SRMT) which is based on the promotion

of tax compliance, through a simplified legislative system, optimal use of information and the use of land as a lever for promoting business development and household development”.

More abundant public revenues would give states much-needed fiscal space and allow them to devote more resources to everything that can stimulate potential growth in the medium term;

“ Taxation plays a key role in mobilising and allocating the domestic resources necessary for the provision of essential public services and, more broadly, for governments to achieve the SDGs.



infrastructure, health and education. Moreover, more secure tax revenues would allow them to avoid the volatility of public spending.

The first phase of strengthening the tax justice project, which linked Civil Forum to TJNA, earned it enormous satisfaction because through it, Senegal cancelled the tax treaty it had with Mauritius. It published reports on the control bodies which had remained unpublished for a long time, asked taxable persons to make their declaration of assets and stimulated a certain number of reforms in the extractive sector among other achievements. Civil Forum also carried out an extensive awareness campaign (stop the bleeding) throughout the country and signatures obtained from its supporters.

In the second phase of the project, Civil Forum continued the efforts undertaken to further push the State and local authorities to reform the tax system, mobilise more domestic resources and optimise public expenditure.

The question of mobilising resources to finance development is at the heart of the Civil Forum's strategy. To this end, several actions were carried out with the support of its partners, in particular the barometer on tax justice, training for citizens on tax citizenship and fair taxation. It is in this perspective that the "strengthening of tax justice phase 2" project that the Civil Forum is still implementing in partnership with Tax Justice Network Africa (TJNA) falls within. This program aims to strengthen tax justice through research and advocacy. Towards this end, a Territorial Committee for Tax Justice (CTJF) has been set up in each partner's local authority as an instrument for promoting fair taxation and promoting the mobilisation of domestic resources.

The Territorial Committee for Tax Justice is made up of representatives from all the territorial forces capable of supporting the State and the Local Authorities in the implementation of fair and transparent tax policies.

The Territorial Committee has been tasked to carry out the following mission:

- To make the sectorial follow-up of the budgets of the Territorial Collectivities.
- To monitor the budgets of decentralized services.
- To monitor the execution of sectoral expenditure.
- To monitor the implementation of territorial

infrastructure projects.

- To support the State in the implementation of its YAATAAL program.
- To support local authorities in setting up local tax commissions as recommended by law 2012-31 of December 31, 2012, on the General Tax Code.
- To support revenue mobilization efforts at the local level by raising awareness and identifying taxpayers.
- To fight against Illicit Financial Flows.
- Promote fair taxation at the local level through forums, capacity building and awareness creation sessions.

The members of the CTJF benefit from training on the themes identified in their missions. Capacity building is done in several sessions around modules related to taxation, resource mobilisation, illicit financial flows, tax justice, budget, financial execution of the budget, participatory budget, budget analysis, dissemination of budget documents, etc. During the training sessions, participants are expected to develop plans composed of activities that are based on the themes developed, specifically, Budget Monitoring Plan (PSB); Resource Mobilisation Plan (PMR); Territorial Infrastructure Monitoring Plan (PSIT).

Regarding collaborations with local public services, and following a meeting held with the central tax services, the CTJFs are working on developing and strengthening synergies of collaboration with the territorial public services of Taxes and Domains, the Treasury and the other administrations at the territorial level for technical support in terms of capacity building and advocacy in the areas of budget and taxation.

The 2021 General Assembly

The 6th General Assembly and inaugural network agenda-setting meeting took place in Dakar Senegal between the 29th of September to the 1st of October 2021 under the Theme: “Net profits: Review the priorities of the defence of tax justice on the continent beyond the Covid”. .

The Sixth General Assembly (GA) was opened by Mr. Alvin Mosioma, Executive Director of TJNA who noted that the GA will have to adopt new statutes and a new strategic plan to effectively address the challenge. It will also have to face the growth and development of the Network and meet different expectations at different levels. This will involve making the voice of civil society heard by facilitating the debate on tax justice at national, regional, continental and global levels as well as developing common positions in the negotiations.

The workshop was co-hosted by TJNA and Civil Forum, a member of the network based in Senegal (the Senegalese section of Transparency International) and was organized as a hybrid event, with a combination of both virtual and physical/ face-to-face participation. Participants included heads of institutions, or their designated representatives, of all 40-network member organisations who make up the General Assembly and members of the TJNA secretariat.

2021 also saw Tax Justice Network Africa (TJNA) turn 14 years. The three-day workshop was an opportunity to reflect on how the network came to be, on what has worked well, what has not worked and on how to better collectively address the future in a world hit by a rapidly evolving pandemic.

Since its inception and throughout its strategic evolution, TJNA has been and remains the only network with a pan-African mandate to consolidate tax justice advocacy. Increasingly, over the years, the network’s influence on policy reform platforms has gained momentum and continues to do so through partnerships with national, regional, and global institutions who are at the heart of its advancements. What remains urgent and critical, however, is the need to strengthen the network’s structures and programmes and consolidate gains

made collectively as well as draw synergies within the network and do together what cannot be done alone.

The General Assembly achieved the following outputs from the three-day event:

i. An elected Executive Council for the period 2021-202:

QUOTE FROM PARTNERS

“Talking about the benefits GII has derived from TJNA after joining is enormous, we have benefitted from capacity building sessions organized by TJNA, we’ve equally benefitted from some funding support which came through TJNA to finance the implementation for a number of projects and beyond that as a member of TJNA it gives us high level legitimacy in the execution of tax related projects and so we have been great beneficiaries of the works of TJNA.

Benedict DOH, Finance Manager - GII/ Ghana

“We don’t boast of having this so called technical competence or lexicons of tax work and so working with TJNA over the years, our confidence, understanding on what tax really means in terms of the basic understanding of it, the rudimentary understanding of it, the technical fundamental understanding of it and of course the development understanding of it has been something we have grasped very well but more importantly the interface under the platform with other organizations have benefitted our work and that together given the network we’ve contributed to a bigger voice on the African continent in dealing with tax issues.

Joel Akhator ODIGIE, Human and Trade Union Rights Coordinator - ITUC-Africa/ TOGO



This was executed through regional representation where each region elected a representative for the Executive Council. The result was an Executive Council (EC) composed of a total of 2 electees from each of the five regions and one regional organisation representative.

ii. Reviewed and endorsed the revised constitution:

Among the highlight of resolutions adopted were that the Indian Ocean Island countries would continue to be attached to the Southern African Caucus until reaching a critical mass of countries and organisations to set up a dedicated caucus for the region. The tenure of the EC will be three years,

To increase gender parity in the governance of TJNA, a provision was made to ensure that elections would result in one man and one woman from each national member organisation’s caucus election.

renewable once; the General Assembly meetings will be held every three years. To increase gender parity in the governance of TJNA, a provision was made to ensure that elections would result in one man and one woman from each national member organisation’s caucus election.

iii. An endorsed 2021-2025 strategic plan and activities:

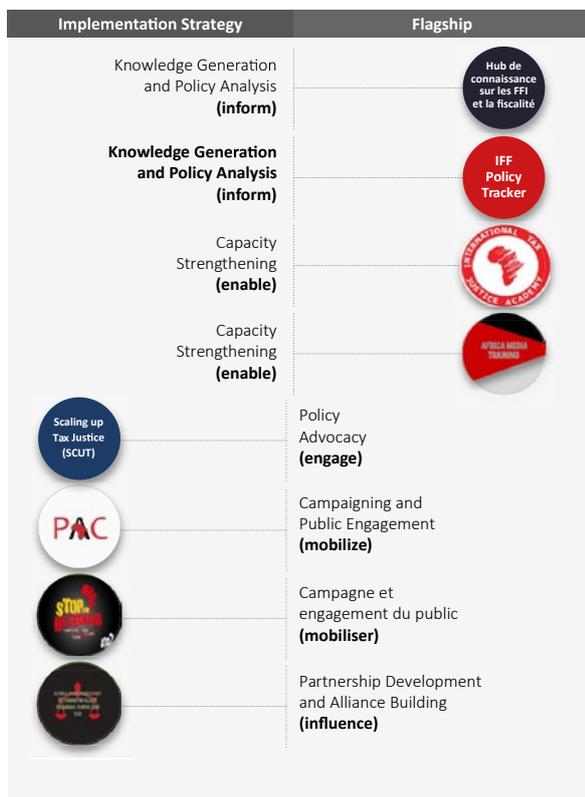
The strategies for implementing the roadmap are as follows: (1) Knowledge development and policy analysis {inform} (2) Capacity building {enable}, (3) Defend public policy and litigation {initiate}, (4) Campaigns and public engagement {mobilise}, (5) Development of partnerships and creation of alliances (influencing). Implementation strategies will contribute to the achievement of these five key result areas. The strategies will aim to, i) inform policy makers and the general public about policy alternatives in the area of tax justice, ii) build the capacities of relevant actors, iii) involve policymakers in tax justice, and iv) mobilise public engagement and influence policies tax through partnerships and alliances. The approach adopted by the network and its strategic plan is inspired by its commitment to have in place comprehensive solutions for African countries in the area of tax justice. All policy directions will be implemented through TJNA flagship programs.

iv. Increased synergies between and among network members:

The synergy of actions included, i) the ability to carry out campaigns and projects together, ii) to continue scaling up the Stop the Bleeding Campaign and iii) the capacity of the network members to amplify the local echo towards the regional and continental level.

v. An action plan for coordinated tax justice advocacy priorities for the continent:

From its earliest beginnings and throughout strategic evolutions, TJNA remains cognizant of the central role played by coalition building and partnership development. It has sought to expand and diversify its membership base throughout the continent to achieve its monumental yet critical pan-African vision. As TJNA transitions into an ambitious third strategic phase for the period up to 2025, it will look to the support of the current membership of 40 CSOs in 25 countries to achieve it and for the network’s continued growth, both in form and function.





THE 9th PANAFRICAN CONFERENCE

Combating IFFs to Bridge Africa's Widening Inequality Gap



The Pan African Conference is an annual event that brings together an array of actors from across the African region who are within the sector. The agenda of the Conference is on combating illicit financial flows in the continent. The 9th Pan African Conference (PAC) on Illicit Financial Flows and Taxation took place between the 25th and the 29th of October 2021 under the Theme: Combating IFFs to Bridge Africa's Widening Inequality Gap.

The regional meeting was opened by the Deputy Minister of Foreign Affairs, Democratic Republic of Congo, on behalf of the President, His Excellency Felix Tshisekedi, and attended by over 90 participants over the three days. In the opening ceremony, it was noted that this conference has come in at the backdrop of the Covid-19-induced

economic crisis that is threatening to wipe out all the economic gains the continent has made over the years. It was said that the crisis had come at a time when the continent was struggling to harness its capacity to raise financial resources to address the adverse negative economic impact resulting from the pandemic. According to figures from the IMF, employment fell by about 8½ per cent in 2020, with more than 32 million people thrown into extreme poverty. Inequality is set to increase because of the disproportionate impact the pandemic has had on vulnerable groups including women, youth, and low-skilled informal sector workers. This growing inequality will also have significant implications on Africa's recovery prospects and macroeconomic stability. Thus, as stated by Prof. Edward Kieswetter during the



conference, “From an Africa perspective – the fight to address IFF and improve DRM is one of the most important areas of collaboration; by doing so we will fundamentally have the opportunity to change the material conditions of African people who become the most vulnerable victims of tax abuse and other economic crimes.”

PAC In-Country Events- Host Members

South Africa- Alternative Development and Information Centre (AIDC)
Nigeria- Civil Society Legislative Advocacy Center (CISLAC)
Kenya- National Taxpayers Association (NTA)
DRC- Conférence Episcopale Nationale du Congo (CENCO)
Cameroon- Centre Régional Africain pour le Développement Endogène et Communautaire (CRADEC)

The 9th PAC was a truly collaborative affair, co-hosted by the Tax Justice Network Africa (TJNA) and the African Tax Administration Forum (ATAF) alongside eleven co-convenors namely, Action Aid, African Union, AFRODAD, Akina Mama Wa Afrika, NAWI Afrifem, OXFAM, The Global Alliance for Tax Justice, The Pan African Lawyers Union, Trust Africa, United National Conference on Trade and Development (UNCTAD) and United Nations Economic Commission for Africa (UNECA).

The conference was conducted as a hybrid event with a combination of both physical in-country events as well as virtual plenary and breakaway sessions. It recorded an attendance of 281 online

participants from across the continent. The 9th PAC stood out for several reasons. One, it was very network driven with 11 co-conveners hosting breakaway sessions in addition to the main plenary sessions. In addition, there were national PAC country events hosted by the network members simultaneously in Nigeria, Kenya, South Africa, Cameroon, and the Democratic Republic of Congo (DRC). These were aimed at deepening the level of engagement at the national level and truly embraced the Pan-Africanism of the TJNA network where members and partners took meaningful space within the conference with their valuable contributions. Two, the conference embraced different forms of expression unlike other PAC events. It encouraged and integrated artistic contributions to the agenda through different artistry representations from musicians to poets to painters/artists.

Lastly, it was a first of its kind in the presentation design in that it gave participants the freedom to focus on areas of interest by covering an array of topics within the breakaway sessions and giving participants the freedom of choice. This was made possible by the contributions of a very supportive network and membership who jointly made the 9th PAC a true success.



9th Pan African conference on illicit financial flow live painting with Remy



05

**HIGHLIGHTS
OF APNIFFT**



A Collection of Parliamentarian's Outlook on APNIFFT

BACKGROUND

Parliamentary Network on Illicit Financial Flows and Taxation (APNIFFT) is a flagship programme coordinated by Tax Justice Network Africa (TJNA). Its overall objective is to provide an opportunity for its members, the African legislators, to strategize, learn from each other and build their capacities in tackling Illicit financial flows and tax injustice in the continent. The platform facilitates its members to undertake advocacy-related dialogue and debates in a simplified manner on Illicit Financial Flows (IFFs), tax governance and Domestic Resource Mobilisation (DRM) in Africa. APNIFFT has a basic governance structure and a constitution; it draws its membership from both national and regional parliaments. The key expected outcomes attached to the network include, i) formalized national-level caucuses preferably christened 'Parliamentary Caucus on

Progressive Taxation' to act as avenues through which MPs' capacities and knowledge on tax justice issues can be strengthened; ii) increased numbers of tax justice champions in parliaments across the continent; iii) developed structures of engagement between Civil Society Organisations (CSOs) and Members of Parliament (MPs) at national and regional levels; and iv) developed sound tax justice legislations in project countries, among others.

In the year 2021, there were several success stories from members of APNIFFT who took the initiative to develop, advocate, build consensus and/or champion legislative interventions on tax justice at both individual and/or caucus levels. Three such stories are highlighted below:



1.0 Hon. Denis Lee Oguzu; MP, Uganda; Generational trailblazer for Tax Justice



Hon. Denis Oguzu making a contribution during the main plenary session of the 2021 APNIFFT Continental Conference, in Dakar, Senegal

Hon. Oguzu is a youthful first-time member of parliament (38 years old) of Maracha East Constituency, West Nile County of the Republic of Uganda and the current coordinator of the APNIFFT national caucus in Uganda. A graduate student of Information Technology at Makerere University in Kampala, Hon. Oguzu has been a person of many firsts; he is a World Health Organisation (WHO) innovation Awardee for National Ambulance Service (NAS) for Uganda’s Ministry of Health to improve emergency care in the Country; the founder of the West Nile Rural Development Agency; the Initiator of Maracha Academic Excellence Award and a former Speaker at Makerere Arua Students’ Union, a position which propelled him to successfully challenge the

former Maracha Constituency MP at the relatively young age of 37 years.

Hon. Oguzu first engaged with tax justice issues when he joined parliament in January through a couple of training events organised by TJNA members in Uganda. He, however, got a full deep dive on the issues when he dutifully applied and eventually attended the 2021 annual APNIFFT continental conference held in Dakar, Senegal in September 2022, as a lone representative from Uganda. *“The 3-day conference helped me appreciate the magnitude of the problem, how they manifest and provided ways of dealing with the issues of DRM and IFFs”*, explained Hon. Oguzu. Uganda loses up to \$382,831,205 each year to tax havens and inflicts tax losses to other countries to a tune of \$114,444,870 annually.

Before the close of the year 2021, Hon. Oguzu went back home and mobilised over 42 MPs drawn from different regions, parties and parliamentary committees to form Uganda’s inaugural APNIFFT national caucus.

On the progress made so far by the Ugandan caucus, Hon. Oguzu reported,

“We have, collectively, fully domesticated APNIFFT and mobilised other MPs to join the local caucus, created awareness on APNIFFT, wrote opinion pieces on issues that touch on DRM and IFFs, originated minority reports and contributed to legislation through shared research.”

Members of the caucus have been active in reviewing the national budgets to forestall tax leakages and are currently working on an anti-money laundering Bill and policy options on taxing the digital economy.





2.0 Hon. Francis Dopoh II Saidy: MP Liberia, Mr. Harold Aidoo: Tiers of lions

There is an infamous Ethiopian proverb that goes ‘when spiders unite, they can tie down a lion.’ No one exemplified this possibility better than the Liberian APNIFFT caucus, led by Hon. Dopoh II with support from Mr Harold Aidoo.

When APNIFFT as a platform adopted the use of national caucuses as a primary operational strategy in the first quarter of 2021, the TJNA secretariat reached out to several key contacts in priority countries across the continent to discuss the possibility of establishing a national caucus to serve as a pilot before rollout to other countries in the continent. One of such priority countries was Liberia. These were the lions that needed legislative taming: Firstly, Liberia lost \$145,492,752 in tax revenue every year to global tax abuse, amounting to a staggering 39% of the country’s total revenue collection. Secondly, on account of the highly publicized money laundering reports, Liberia inflicted a total tax loss of \$461 million on other countries in the region. The most affected sector was the mining/extractive industry.

When the clarion call was made, the two gentlemen, Hon. Dopoh and Mr Aidoo stepped forward. Hon. Dopoh, a member of the House of Representatives Liberia, representing District 3, River Gee County, a ranking member of the House’s Committee on Ways, Means, and Finance, and Co-Chairman of the House’s Committees on Public Utilities and Modernization as well as holder of a Master Degree in Policy Economics from Williams College (USA). Mr Aidoo, on the other hand, an Executive Director of ‘Integrity Watch Liberia’ (IWL), a national civil society organisation dedicated to promoting transparent, accountable, equitable and inclusive governance and democracy through public policy reforms, with its headquarters in Monrovia, Liberia. IWL is a member of TJNA.

With support from TJNA’s secretariat, the two gentlemen, mobilised other members of the house of representatives and the Senate, to form an initially informal parliamentary caucus that brought together 15 parliamentarians, members

of civil societies and the academia. The caucus was officially recognized and formalized by the plenary and the Speaker of the House, in August 2022, with the name, Legislative Caucus of Liberia on Illicit Financial Flows and Progressive Taxation. This became the first formalized national caucus of APNIFFT in the entire continent, with Hon. Dopoh, it’s duly elected Chairperson.

“*We hosted the first meeting with like-minded parliamentarians from diverse regions and professional backgrounds, majorly from finance, banking, telecommunication and tax, with a set mind to correct some of the emerging issues on tax justice. We had aspirations to ensure good laws are made and that those laws are well promulgated and aligned to the promotion of tax justice and resource mobilisation in Liberia*”, revealed Hon. Dopoh.



Hon. Dopoh (Left) and Mr. Aidoo



A section of the members of Liberian APNIFFT Chapter, on the sidelines of APNIFFT Continental meeting in Dakar

The caucus set the ball rolling by developing and advocating for the ‘Illicit Financial Flows Bill’. By the time of the drafting of this report, the Bill was already on the Committee stage of the House. The caucus also discussed and proposed amendments to the Anti-Money Laundering ACT of 2015, Mining ACT and the Anti-Corruption ACT to provide more power to the anti-corruption commission to independently prosecute cases. Additionally, the caucus had also started work on developing a creative digital tax Bill to regulate the digital economy in the country.

3.0 Hon. James Chidakwa: MP, Zimbabwe: The king of motion

Hon. Chidakwa is not your typical ‘Honorable’ Member of Parliament. When you meet him, you

will be forgiven to believe that he is your ‘homie’ next door, a musical or a painting artist even. Approachable, friendly and passionately pan-African, he literally wears his heart on a sleeve with youthful exuberance. But don’t be deceived! Hon. Chidakwa is a Member of Parliament representing Mabvuku/Tafara, Zimbabwe and the current chair of APNIFFT Zimbabwe.

Before 2021, Hon. Chidakwa had followed through and participated in several of TJNA capacity building activities at an individual level. The turning point, however, came when he signed up and participated in the 2021 APNIFFT continental conference, in Dakar Senegal. At the conference, Hon. Chidakwa interacted with research data and information on the state of tax justice in the continent and particularly his home country, Zimbabwe. From the conference he learnt that despite the recent economic hardships in the country, Zimbabwe was losing up to \$106,621,273 each year to tax havens alone, a figure that could





finance more than 60% of the health care cost of the country's entire population.

“ Because of the capacity building and research from APNIFFT I can now shape my debate in a well knowledgeable manner and I can now debate from an informed point of view. APNIFFT helps us with research and that has made me become an IFF champion in parliament. Our country's economy is going down while we are blessed with vast minerals, APNIFFT made me raise so many questions and opinions on DRM and proffer solutions”,

conferred Hon. Chidakwa.

Chidakwa happily revealed that “A legislation on Public Finance Management (PFM) was enacted because of our push after joining APNIFFT. Secondly, c 2. Calls upon the Government to put in place laws & measures to curb illicit financial flows and 3. Government to act on perpetrator of IFF and parliament adopted that report. I also raised so many Points of National Interest in trying to hold the Executive to account”.

Legend has it that, Hon. Chidakwa is currently raising a motion on an item on tax justice as you read this report.



“

We raised a motion in parliament praying that Zimbabwe's parliament condemns the practice of Illicit financial flows in Zimbabwe.

Hon. Chidakwa following the proceedings during the 2021 APNIFFT conference, in Dakar, Senegal.

Upon return from Dakar, Hon. Chidakwa mobilised a total of 12 members of parliament drawn from different portfolio parliamentary committees (Finance, Budgeting, Natural resources, Public Accounts...) to form a bipartisan national caucus on tax justice in Zimbabwe.

On some of the successes achieved so far, Hon.

The background is a dark red color with a white grid pattern. It features various financial and economic data points and symbols. At the top, the word "ECONOMICS" is written in a light red font. To its right, the number "16.08" is displayed in a larger, bold, light red font. Below "ECONOMICS", there is a smaller number "537.09" followed by "+2.2". On the left side, the number "211" is visible, with "+135.08" and "+2.3%" below it. A large, semi-transparent map of Africa is overlaid on the right side of the page, rendered in a light red color with a grid pattern. The overall aesthetic is modern and data-driven.

06

FINANCIAL OUTLOOK 2021



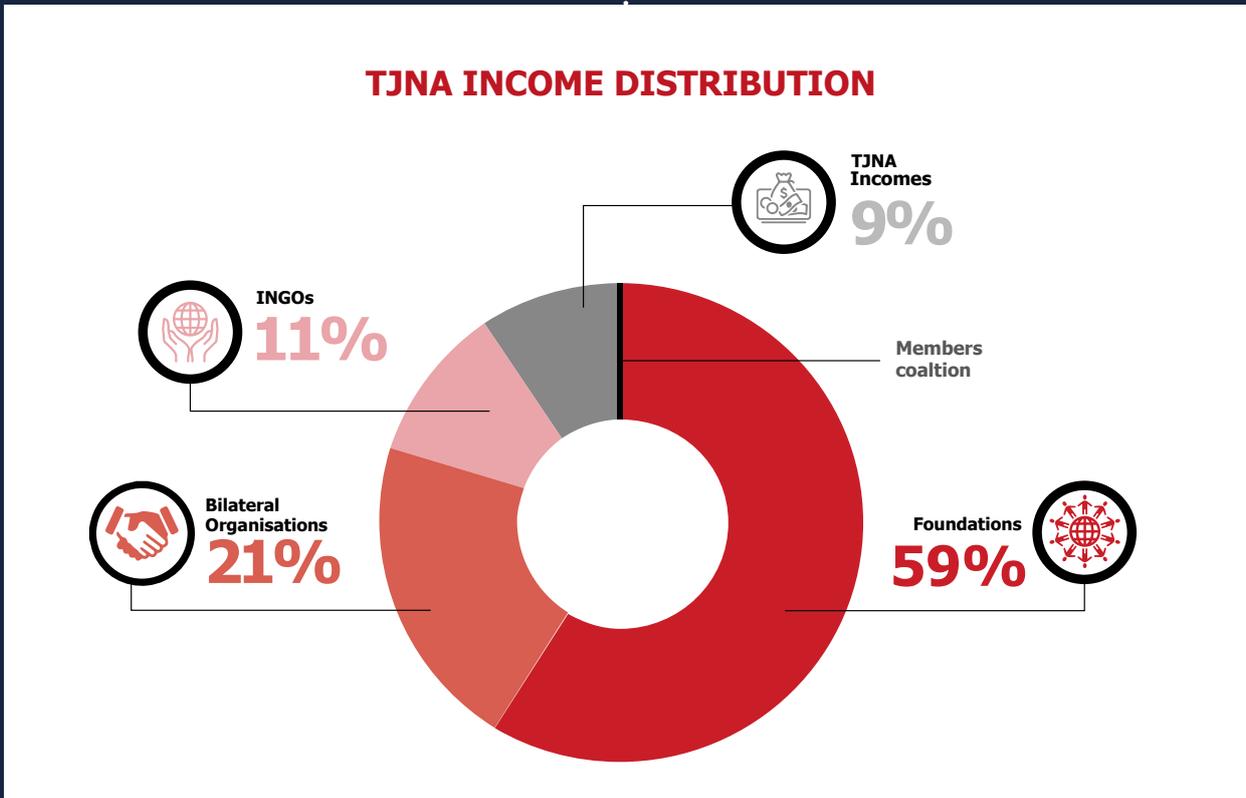
Highlight on Income in 2021 (revenue source) & Expenditure

REVENUES

Donor funds remain an important source of revenue for TJNA. Over the past decade, the network has embarked on diversifying its revenue sources both in terms of donors as well as income-generating activities. In the year 2021, TJNA was able to grow its unrestricted income after it was awarded three core grants by the Open Society Foundation, Hewlett Foundation and Christian Aid. TJNA has also been able to continue

diversifying its funding; securing funding from bilateral, INGOs, Foundations, member coalitions and through its income-generating funds. TJNA also worked on increasing its reserves; in the year 2021, its reserve grew by US\$66,800 which is an increase of 17% from 2020.

Below is a summary of the income received for implementation in 2021:





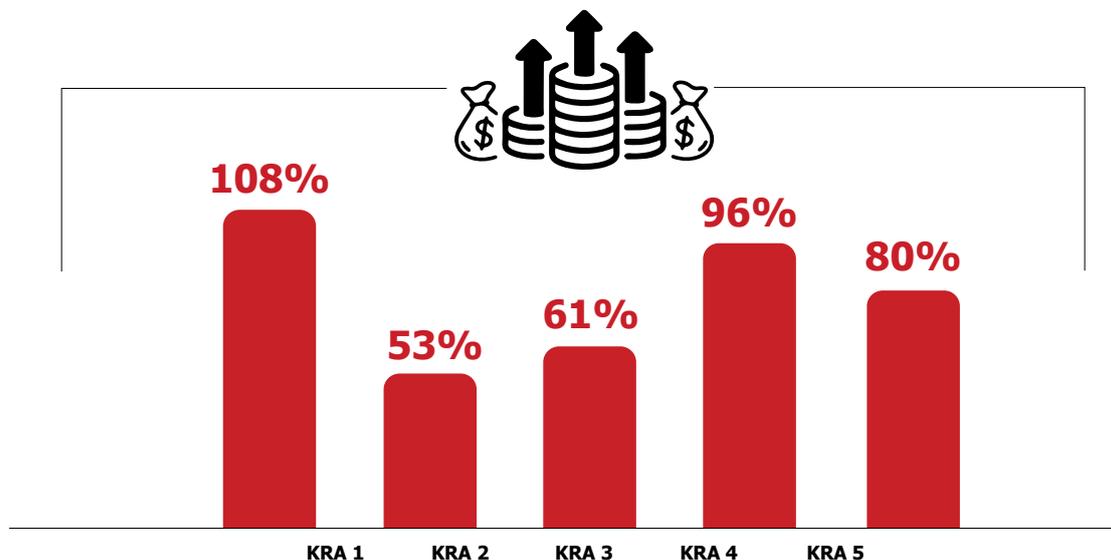
In 2021 its absorption rate against the budget increased to 87 % compared to 2020’s absorption rate of 61%. This was as a result of the mass Covid-19 vaccinations administered that led to the lifting of the ban on physical meetings. TJNA was then able to implement its activities that required physical presence as compared to 2020 when there were no physical meetings held. It also found innovative ways of working during the

pandemic which included hybrid events where regional workshops were mostly done online and then worked with National partners for the implementation of events at the national level.

Below is a summary of TJNA’s expenditure across its five key result areas:

Key Result Area 1	Stimulate and support increasing African voices in the international financial architecture.
Key Result Area 2	African tax, trade, and investment policies supportive of domestic resource mobilization
Key Result Area 3	Natural resource extraction equitably contributing to domestic resource mobilization
Key Result Area 4	Fair transparent and equitable tax systems
Key Result Area 5	Institutional strengthening for effective management and sustainability of TJNA

BUDGET ABSORPTION PER KRA





Tax Justice Network Africa (TJNA) is a pan-African research and advocacy organisation established in 2007 and a member of the Global Alliance for Tax Justice (GATJ). Through its Nairobi Secretariat, TJNA collaborates closely with its member organisations and other civil society partners across Africa to curb Illicit Financial Flows (IFFs) and promote progressive taxation systems. TJNA advocates for pro-poor tax policies and the strengthening of tax systems to promote Domestic Resource Mobilisation (DRM).



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