



**TAX JUSTICE
NETWORK
AFRICA**

Annual Report 2023



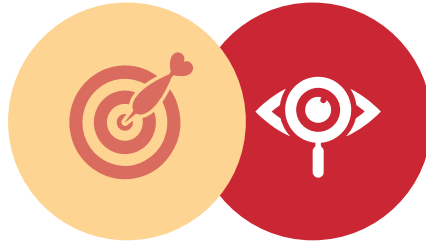
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TJNA's Mission, Vision & Core Values

Mission

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



Vision

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

Core Values

We commit ourselves to work in solidarity with human rights and economic justice movements to realise the convergence of all justice and human rights struggles.

Solidarity

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

Partnership

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



Integrity

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

Justice

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

Transparency

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

TJNA Network Presence



Statement from the Chair, Executive Council



“ Looking ahead, TJNA remains dedicated to exploring avenues for further expanding our programmatic work, enabling us to reach more countries and broaden our influence on the tax justice agenda ”

I am pleased to present the Tax Justice Network Africa’s Annual Report for 2023 and audited financial statements.

In a world where economic disparities continue to widen following protracted conflicts worldwide and escalating climate change-related challenges, numerous African nations are grappling with soaring inflation, debt distress, food insecurity, and disruptions of livelihoods. Our work to promote fair and equitable tax systems has never been more critical.

2023 saw the Global South nations make the boldest statement yet against the current international financial architecture that has for years favoured the rich countries and multinational corporations the drain of much-needed resources in continents such as Africa. I am proud to highlight that TJNA has been an integral part of the journey that culminated in the historic resolution at the United Nations, spearheaded by the African Group, that has initiated the process towards a framework convention on international tax cooperation at the UN.

We also continued to reinforce our work at the global level with continental initiatives that we believe will better position Africa to harness its domestic

resources effectively. Key initiatives such as our flagship anti-illicit financial flows policy tracker will empower African governments to effectively monitor and combat illicit financial flows, safeguarding their economies, promoting transparency, and ensuring that valuable resources are channelled towards sustainable development and the welfare of their citizens.

In 2023, overseas development aid to the lowest-income countries seemed to bounce back after a shock fall in 2022 but fell far short of what is required to combat debt distress and the climate crisis. Our advocacy around Africa’s natural resources has focused on creating a new climate finance regime that creates new taxation instruments, both nationally and internationally, which will ensure that those who bear the greatest responsibility for the continent’s climate crisis contribute their fair share commensurate with their impact in terms of greenhouse gas emissions.

On the institutional side, the appointment of Ms. Chenai Mukumba as our new Executive Director in August 2023, marked a transformative moment in TJNA’s journey. Ms. Mukumba’s leadership builds upon the solid foundation laid by her predecessor to ensure that TJNA continues to be a trusted partner in providing African-centred solutions to the tax justice discourse by delivering on TJNA’s strategic objectives.

In 2023, we remained steadfast in our commitment to holding governments and corporations accountable for their tax practices. Our sustainability and

research initiatives provided invaluable insights into the complexities of tax evasion, avoidance, and illicit financial flows, empowering policymakers, and civil society to enact meaningful reforms.

Looking ahead, TJNA remains dedicated to exploring avenues for further expanding our programmatic work, enabling us to reach more countries and broaden our influence on the tax justice agenda. I am confident that together, we will continue to be a formidable force for change. Let us remain united in our resolve, knowing that our collective efforts have the power to reshape the economic landscape of Africa and build a brighter tomorrow for generations to come.

The Executive Council extends its heartfelt gratitude to all who supported us throughout 2023. We deeply appreciate the invaluable contributions and steadfast support of our funding partners, network members, and strategic allies.

Your unwavering commitment is instrumental in advancing our mission, and we look forward to continued collaboration and mutual success in the future.

Jane Nalunga

Chair, Executive Council

Tax Justice Network Africa

Statement from the Executive Director



I am happy to present the Tax Justice Network Africa (TJNA) Annual Report for the year ending December 2023. This report serves as a testament to our collective efforts, achievements, and challenges in our ongoing mission to champion tax justice and combat illicit financial flows across Africa.

Amidst evolving global and regional dynamics, TJNA remained steadfast in its commitment to advancing the tax justice agenda. Guided by our overall organisational strategy and the midterm plan, we continued to prioritise transparency, accountability, and equitable tax systems, aiming to foster sustainable development and economic empowerment for all Africans.

In 2023, our advocacy efforts yielded remarkable results, particularly at the international level. In November 2023, a resolution on the process's commencement towards a UN framework convention on international tax cooperation garnered resounding support from member states. This resolution sets the stage for inclusive negotiations, ensuring the participation of international organisations and civil society in shaping global tax governance.

Subsequently, we made advancements to the anti-illicit financial flows policy tracker tool. In collaboration with the African Union Commission Department for Economic Development, Trade,

Tourism and Industry, we validated the tracker tool to ensure that it is fit for purpose as a home-grown tool meant to help African countries curb illicit financial flows and improve domestic resource mobilisation.

Under TJNA's key result area two, tax and investments, we continued to carry out capacity building and promoting advocacy on the implications of the global minimum tax for African countries and leveraged public interest litigation to address illicit financial flows and promote domestic resource mobilisation. TJNA also promoted advocacy on double taxation agreements especially in the context of increasing multilateralism.

“ We take pride in our collaborative efforts with our partners in continuously mobilising a movement that is working to transform tax policies, challenge harmful investment practices, improve international tax transparency, and restore the sovereignty of natural resources to African countries ”

Significant strides were made in the third key result area as TJNA advanced the transformative pan-African approach to extracting Africa's natural resources through knowledge generation, policy advocacy and collaboration with strategic allies. We continued to actively engage with key blueprints such as the African Mining Vision to ensure that our natural resources are utilised to achieve broad-based and people-centred socio-economic development. In 2023, we participated in COP28 for the first time, and we held a side session in collaboration with the African Climate Foundation to explore the interlinkages in taxation, climate change, debt, and extractive industries to bolster financing for development and climate action in Africa.

Our fourth key result area, Tax and Equity, saw an increase in the number of projects we implement jointly with our national partners. Under our Scaling Up Tax Justice project, and under our Tobacco Tax Advocacy in Africa project. We are committed to supporting more partners through our joint programming work and this key result area helps us do that and effect change at the national level in a direct way.

On the TJNA flagships, we were pleased to see significant growth and increased interest on the African Parliamentary Network on Illicit Financial Flows and Taxation (APNIFFT). Since its inception in 2015, APNIFFT has experienced remarkable growth, totalling 813 members of parliament and 20 active national caucuses. We believe legislators play a key role in tax policy reform on the continent. The APNIFFT 2023 conference attracted an attendance of over 200 parliamentarians from 34 African countries, an indication of increased interest by parliamentarians from all over Africa.

In collaboration with the African Tax Administration Forum, TJNA with various stakeholders, co-organised

our 11th Pan African Conference on Illicit Financial Flows (PAC2023). The annual conference brought together over 400 representatives from civil society organisations, government institutions, academic institutions, intergovernmental organisations, researchers, media organisations, and parliament members worldwide under the theme 'Making Global Tax Governance Work for Africa'.

We take pride in our collaborative efforts with our partners in continuously mobilising a movement that is working to transform tax policies, challenge harmful investment practices, improve international tax transparency, and restore the sovereignty of natural resources to African countries.

Our resolve remains unbowed as we forge a more promising tomorrow for Africa.

In solidarity.

Chenai Mukumba

Executive Director

Tax Justice Network Africa



Our 2023 flagship highlights



Africa steps calls for reforms of the global financial architecture at PAC 2023

Over 400 delegates who convened in Accra for the 11th Pan African Conference on Illicit Financial Flows and Taxation (PAC 2023) stepped up calls for reforms in the global financial architecture to combat illicit financial flows. Their call emphasised the need for collective action and collaboration between tax justice stakeholders, civil society organisations (CSOs) and policymakers to have a common African position on the reform of the Global Financial Architecture.

PAC 2023 brought together tax justice stakeholders, CSOs and policymakers under the theme “Making Global Tax Governance Work for Africa” to enable them to contribute to the development of a common African position on key international conversations that affect African countries' efforts to raise domestic resources.

In his opening address, the Minister of Finance of the Republic of Ghana, Hon. Ken Ofori-Atta, noted that achieving Africa’s flagship projects under Agenda 2063 requires at least 75 per cent of resources to be

mobilised within the continent. The Commissioner for Trade and Industry of the African Union Commission H.E. Albert Muchanga emphasised the need for Africa to have solid proposals to place the continent on a pedestal when it comes to issues of global taxation.

The delegates were able also to watch live the historic proceedings in New York as UN member states, mostly developing countries, overwhelmingly passed the draft resolution proposed by Nigeria calling for a ‘framework convention on international tax cooperation’. At the end of the 3-day conference, the participants issued a joint communique to reinforce Africa’s global stand on reforming the global financial architecture and combatting illicit financial flows (IFFs).

PAC is an annual event convened by TJNA in collaboration with the African Tax Administration Forum (ATAF), the African Union Commission, and other partners. The event facilitates engagements and collaboration among African CSOs, pan-African institutions, and government agencies in addressing the challenges of illicit financial flows and progressive taxation in Africa.

African parliamentarians pledge to heighten oversight and legislative role in combatting illicit financial flows at APNIFTT 2023

African parliamentarians have committed to continue leveraging their role as legislators to exercise oversight and legislative responsibilities to combat illicit financial flows in the continent. This was during the 2023 African Parliamentary Network on Illicit Financial Flows and Taxation Continental Conference (APNIFTT 2023) that was held in Nairobi, Kenya in October 2023.

APNIFTT 2023 brought together over 200 members of parliament from 34 countries. It provided a platform for its members, African legislators, to draw synergies, learn from each other and boost their capacities in tackling IFFs and tax injustices in the continent.

The conference was graced by the Deputy Speaker of Kenya National Assembly Hon. Gladys Sholei, who stated that Africa's ability to raise sufficient resources to achieve its development objectives is critical. Hon. Sholei further noted that the continent is currently grappling with a funding gap of over \$ 200 billion annually and increased challenges in accessing

private finance and overseas development assistance. At the end of the conference, the MPs committed themselves through a joint outcome statement, to combat IFFs in Africa in their respective countries.

APNIFTT is a flagship program coordinated by TJNA that was first conceptualised in 2015 and eventually launched in 2017. APNIFTT's operational strategy has focused on national-level legislative interventions to combat the continent's IFFs and domestic resource mobilisation issues. The network currently boasts of a membership of over 1,500 parliamentarians from over 40 countries.

In May 2023, Malagasy members of parliament launched the APNIFTT Madagascar national caucus to champion legislative reforms that will boost efforts to combat IFFs and promote domestic resource mobilisation in the country. In July 2023 members of parliament in Uganda launched the APNIFTT Uganda national caucus, which is envisaged to provide a platform for cooperation and shaping policies that can significantly reduce the harmful effects of IFFs in Uganda. In October 2023, members of parliament in Tanzania launched the APNIFTT Tanzania national caucus as a national platform to champion legislative reforms to combat IFFs and promote domestic resource mobilisation.





Over 30 new crop of tax justice champions feted at the revamped ITJA

In 2023, 38 new tax justice enthusiasts from 10 African countries were feted at the International Tax Justice Academy (ITJA) 2023 edition. The International Tax Justice Academy (ITJA) 2023 edition which was relaunched after a hiatus occasioned by the COVID-19 pandemic, saw participants go through a month-long hybrid training schedule that culminated in a week-long physical training in Nairobi, Kenya.

The 2023 ITJA focused on foundation-level skills and was held under the theme “Building the next generation of tax justice champions.” During the training, participants delved into a series of introductory topics that provided a comprehensive foundation in the realm of taxation.

ITJA 2023 witnessed an overwhelming response, with more than 800 applications for the limited slots available at the academy. This underscored the pressing demand for enhanced capacity building in tax-related matters throughout the continent. The topics covered included the foundations of taxation, which served as the cornerstone for understanding the intricacies of tax systems. Participants also explored the concept of tax justice, shedding light on its principles and its role in creating fair and equitable societies.

The anti-Illicit Financial Flows policy tracker tool

In July 2023, The African Union Commission (AUC) committed to supporting TJNA’s fight against IFFs in the continent by championing the rollout of the flagship anti-Illicit Financial Flows policy tracker tool. During the Second AU Sub-Committee on Tax and Illicit Financial Flows of the Specialized Technical Committee meeting on Finance, Monetary Affairs, Economic Planning, and Integration, the AUC committed to championing the introduction of the policy tracker tool to relevant policy organs within the African Union, with this endorsement scheduled to occur after discussions and validation meetings.

In September 2023, Nairobi, TJNA in collaboration with the AUC Department for Economic Development, Trade, Tourism, and Industry, held the validation of the policy tracker tool in Nairobi,



Kenya. The meeting brought together over 70 participants drawn from AU member states, partner organisations, United Nations Economic Commission for Africa (UNECA), African Tax Administration Forum (ATAF) and CSOs, who discussed the scoring criteria and indicators of the anti-IFFs policy tracker tool. The validation meeting followed a series of preliminary review meetings with partners and experts across Africa.

Following the meeting, the next steps were TJNA and AU to jointly identify pilot countries that will spearhead the implementation of the tracker tool, setting the stage for its broader adoption. TJNA also embarked on developing a roadmap to effectively guide the pilot phase and enhance the tool's accessibility in different languages.

TJNA's tracker tool draws upon the recommendations of various high-level reports that have extensively documented procedures required to combat IFFs, including the AUC/UNECA 2015 High-Level Panel on Illicit Financial Flows from Africa report; the 2020 FACTI Panel report, the 2020 UNECA Institutional architecture to address illicit financial flows from Africa report; the UNCTAD's 2020 report on Tackling Illicit Financial Flows for Sustainable Development in Africa and the AUC Tax Strategy for Africa.

The Tax and Illicit Financial Flows Knowledge Hub (TIFF Hub)

In November 2023, TJNA launched the Tax and Illicit Financial Flows Knowledge Hub (TIFF Hub) in Accra, Ghana. The launch saw an inaugural membership of 120 registered members and the



addition of two organisations. TIFF Hub is an online repository of tax justice and IFFs knowledge resources exclusively from across the continent. Its aim is to improve accessibility and awareness among users to strengthen advocacy efforts. TIFF Hub is designed to be open to the public and a member-based network of practice portal.

TIFF Hub will enable tax justice champions and researchers to collaborate, publish and share knowledge related to tax justice. To participate, one is required to register as a member on the platform through easy steps. As of December 2023, TIFF Hub had consolidated 77 publications and garnered a membership of 180 users, including four organisations.



A new dawn for the global financial architecture

Overview

While outlining his priorities for 2023 at the 58th plenary meeting of the General Assembly, UN Secretary-General Antonio Guterres stressed the need to transform the global financial architecture, calling for a global financial system where all countries, especially the global south, can participate in equal footing and also that addresses historical exclusions that developing countries, including Africa, have continued to face in important decisions regarding international tax matters.

This call came against the backdrop of the historic resolution that was spearheaded by the African Group led to the development of a tax report by the UN Secretary-General analysing the current arrangements of international tax cooperation and providing three main options for improving the effectiveness of international tax cooperation and making it truly inclusive.

2023, therefore, witnessed a flurry of partnerships and alliances as countries and institutions joined forces towards supporting a UN Tax Convention. Over 200 Civil Society Organisations (CSOs) and trade sent a letter to governments calling for the adoption of the Africa Group's resolution and stressing that this issue should be treated as a matter of highest priority and urgency. In November 2023, 125 mostly developing countries backed the draft resolution proposed by Nigeria calling for a 'framework convention on international tax cooperation'. Some 48 mostly developed countries and OECD members were against while nine countries abstained, including OECD members Iceland, Mexico, Norway and Turkey.

The adopted resolution in favour of a framework convention outlined the subsequent procedural steps as follows:

- ➔ The establishment of an ad-hoc intergovernmental committee to negotiate terms of reference for a UN framework convention on international tax cooperation.
- ➔ Proposed timelines for the meetings of the

ad-hoc intergovernmental committee to convene in New York and finalise its work by August 2024.

- ➔ The inclusion of the participation of international organisations and civil society in the negotiation process.
- ➔ The submission of the ad-hoc intergovernmental committee's report to the General Assembly at the 79th session.

Tax Report 2023 on Promotion of inclusive and effective tax cooperation at the United Nations

In April 2023, TJNA joined over 90 civil society organisations in making submissions to the UN Secretary-General's Tax Report 2023. The report formed the basis for further discussions on international tax cooperation and analysed relevant international legal instruments, other documents and recommendations that address international tax cooperation, evaluated options to strengthen the inclusiveness and effectiveness of such cooperation.

TJNA's submission highlighted the significance of UN Resolution 77/244 on International Tax Cooperation to African countries. The resolution, which was tabled by the Africa Group and adopted by consensus at the UN General Assembly in late 2022, portends a new dawn for international tax cooperation, which had hitherto been characterised by inadequate prioritisation of the needs of African countries.

TJNA reiterated the need for the establishment of an intergovernmental body with the mandate of setting standards for promoting international tax cooperation. TJNA's submissions re-echoed the recommendation of the High-Level Panel on International Financial Accountability, Transparency and Integrity for Achieving the 2030 Agenda (FACTI Panel) and call for the upgrade of the Committee of Experts on International Cooperation on Tax Matters (UN Tax Committee) to an intergovernmental forum leading the way in setting the standards for tax cooperation and providing an equal footing for all countries to negotiate.

78th session of the United Nations General Assembly (UNGA)

In September 2023, TJNA participated at the High-Level Dialogue on Financing for Development session during the 78th Session of the United Nations General Assembly (UNGA 78), at the United Nations Headquarters in New York. TJNA's Executive Director Chenai Mukumba was a responder at the session titled 'Promoting inclusive and effective international tax cooperation and mobilising domestic resources'. The forum provided a platform for UN Member States and other stakeholders to review international commitment to the Addis Agenda, which supports implementation of the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs).

Ms. Mukumba reiterated the CSOs' united voice calling for the overhaul of the international financial system, saying it is no longer fit for purpose. She stressed the urgent need for an intergovernmental forum on tax cooperation where all member states can participate on an equal footing. She urged member states to adopt the proposal for a framework convention on international tax cooperation as it

has the most potential to change the status quo for developing countries. She lauded the spirited efforts by the African Group that culminated in the adoption by consensus of the African Group resolution on the promotion of inclusive and effective international tax cooperation.

The 2023 ECOSOC Financing for Development (FFD) Forum

In April 2023, TJNA participated in the Economic and Social Council Annual Financing for Development Forum held at the UN Headquarters in New York. 2023. The forum saw various speakers highlight the urgency of undertaking reforms of international financial architecture in a concerted and consistent effort to achieve sustainable development and overcome the impact of multiple crises. One of the significant discussions at the forum was the need for timely interventions at scale with sufficient resources to achieve the desired outcomes. During the event, developing country governments raised concerns about the new tax rules set at the OECD Inclusive Framework, stating that they need to be more complex and better adapted to their circumstances.



times in response to this resolution, this could not be further from the truth. What I just described earlier, a platform where all members are able to



Speakers at the forum insisted that reforms of the global financial architecture are crucial to overcoming multidimensional crises. Developing countries and civil society organisations called for the UN to play a more significant role in international tax rule-making, stating that international tax cooperation will only improve if discussions are led in an inclusive, neutral arena such as the UN.

TJNA emphasised that reforming the international financial architecture is crucial for supporting developing countries in mobilising much-needed resources and addressing systemic inequality. However, TJNA also acknowledged that governments are not homogenous in their challenges, systems, and capacities. Any calls for reform must recognise the need to innovate solutions that work for the greater majority, including developing countries.

AU 2nd Sub-Committee on Tax and Illicit Financial Flows of the Specialised Technical Committee on Finance, Monetary Affairs, Economic Planning, and Integration

In May 2023, TJNA attended the AU 2nd Sub-Committee on Tax and Illicit Financial Flows (IFFs) of the Specialised Technical Committee on Finance, Monetary Affairs, Economic Planning, and Integration in Addis Ababa, Ethiopia. The meeting was organised by the African Union Commission, and convened experts, policymakers, and stakeholders in the field of taxation with a primary objective of addressing the challenges posed by IFFs and foster tax cooperation in Africa. Participants engaged in detailed discussions,

focusing on pertinent issues, and proposed concrete measures to achieve inclusive growth and sustainable development across the continent.

TJNA participated in a panel discussion on the UN Tax Convention, focusing on Africa’s challenges and opportunities. TJNA used this forum to highlight key elements of its submissions to the UN Secretary General’s Tax Report 2023, calling for the establishment of the UN Tax Convention to set standards and promote inclusive international tax cooperation.

During the meeting, TJNA also presented the proposed anti-IFFs policy tracker tool designed to monitor the implementation of national-level policies to combat IFFs. The meeting underscored the importance of evaluating country-level progress in curbing IFFs and identifying areas requiring attention and further action. The African Union Commission committed to championing the introduction of the policy tracker tool to relevant policy organs within the African Union, with the endorsement scheduled to occur after thorough discussions and validation meetings.

The policy tracker, drawing on recommendations from various reports, offers a valuable resource for African countries to monitor and enhance their efforts in combating IFFs effectively.



Beneficial ownership transparency

In 2023, TJNA and the Tax Justice Network commissioned a new report titled ‘Beneficial Ownership Transparency in Africa in 2022’, which recommended beneficial ownership transparency as a measure that African governments should take to help in the fight against illicit financial flows. The report recommends that all owners of all legal vehicles need to register and keep their information up to date with a government authority.

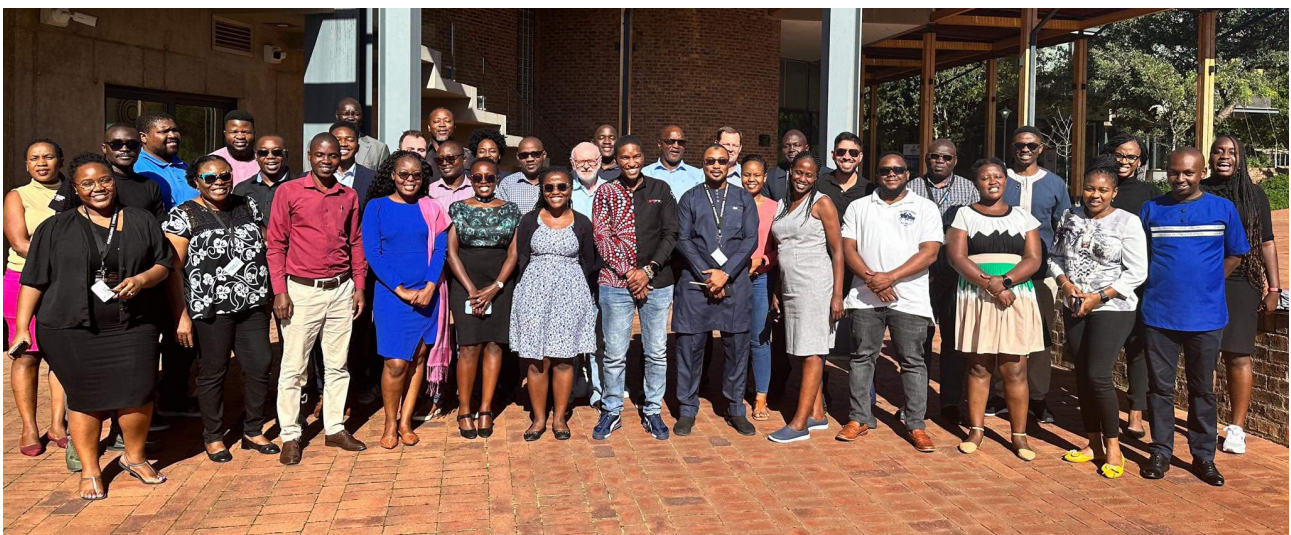
The report also sheds light on the state of beneficial ownership transparency in Africa and examines the commitments of all African countries to beneficial ownership transparency. There are further recommendations that all information should be accessible to the public, and there should be rigorous verification mechanisms in place and sanctions that are strong enough to act as a deterrent.

The report also looked into 18 African jurisdictions covered by the Tax Justice Network’s Financial Secrecy Index 2022. This included assessing who has to register, when they have to register, and whether the general public has access to information on the real owners of companies.

2023 Summer School on Good Governance in a Digital and Open Trading Environment

In February 2023, TJNA joined the Vienna University of Economics and Business Global Tax Policy Centre (WU GTPC) and the African Tax Institute (ATI) at the 2023 Summer School Program themed ‘Enhancing the Capacity of Civil Society Organizations in Efforts to Curb Illicit Financial Flows’. The summer school was held at the University of Pretoria in Pretoria, South Africa.

The Summer School brought together 30 participants from CSOs and media in different African countries. It covered a wide range of topics, including, the application of international tax principles within the African context, emerging areas of focus such as the intersection of tax, trade and investment, the African Continental Free Trade Agreement and the role of technology in enhancing access to beneficial ownership information and regional cooperation. Participants at the summer school were challenged to boost their understanding of technical components of tax matters so as to bridge the capacity gap faced by CSOs working on tax policy reform.





Success Story 1

Chenai Mukumba: The current international financial system is no longer fit for purpose



TJNA Executive Director Chenai Mukumba has supported calls for the overhaul of the international financial system, saying it is no longer fit for purpose.

Speaking as a key respondent during the High-Level Dialogue on Financing for Development at the 78th Session of the United Nations General Assembly (UNGA), Ms Mukumba noted that there was an urgent need for an intergovernmental forum on tax cooperation where all member states are able to participate on an equal footing.

“The current system as we know it was established in the 1920s and 1930s in the League of Nations before many Global South countries were in existence. For the longest time, the OECD has led the development of the international tax system without the effective participation of Global South states.” Ms Mukumba added.

Ms Mukumba recalled that the global south countries began pushing for reform of the international architecture as early as the 1940s and this push did

not receive support from the countries that had established it.

She urged member states to adopt the proposal for a framework convention on international tax cooperation as it has the most potential to change the status quo for developing countries. She lauded the spirited efforts by the African Group that culminated in the adoption by consensus of the African Group resolution on the promotion of inclusive and effective international tax cooperation.

The dialogue was a platform for UN Member States and other stakeholders to reinvigorate international commitment to the Addis Agenda, which supports implementation of the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs).

It brought together Heads of State and Government and other senior officials, representatives of the private sector and civil society, international financial institutions, including multilateral development banks, academia and other relevant actors.



**Investment policy reforms to
enhance linkages and stop leakages**

Overview

Despite the well-documented demerits, many African countries continued to provide non-strategic investment incentives of various kinds, including investment-based incentives and profit-based incentives such as tax holidays or reduced tax rates. The resultant tax competition remains a challenge to Africa’s domestic resource mobilisation efforts as discretionary and often secret investment policies have driven applicable tax rates to significantly low for some multinationals.

In 2023, broader engagements focused on instituting reforms to corporate tax incentives in light of the aspirations of the global minimum tax rules. Many African countries have also begun positioning themselves especially with the Global Anti-Base Erosion (GloBE) rules to be implemented by many developed countries with effect from January 2024. The GloBE rules seek to ensure all the global profits of large multinational enterprises are taxed at a minimum Corporate Income Tax rate of 15 per cent.

Linked to this is the issue of tax expenditure reporting, where there has been some notable progress as countries seek to align with the commitments in the ATI Declaration 2025. However, low data availability, lack of skilled personnel, inadequate financial resources, and weak institutional frameworks have been stumbling blocks for interagency cooperation, regular monitoring, evaluation, and reporting.

Tax Conversations Africa

In June 2023, TJNA hosted a 3-part podcast series on double taxation agreements (DTAs). The podcast series provided a platform to raise awareness on emerging DTA issues with a view to influencing the development of Kenya’s national tax policy on DTAs.

The podcast series focused on an in-depth review of double taxation agreements in Kenya. The featured topics were;

- ➔ Trends in Double Taxation Agreements in Kenya.

- ➔ The relationship between double taxation agreements and investment policy.
- ➔ Dispute Resolution on Double Taxation Agreements in Kenya.



The podcast garnered

331

plays on

soundcloud



Double Taxation Agreements and tax avoidance

In July 2023, TJNA conducted a webinar titled ‘Time for Change? Multilateral Instruments Towards a More Inclusive Tax Framework for Africa’. This webinar sought to raise awareness of the Multilateral Convention to Implement Tax Treaty-Related Measures to Prevent Base Erosion and Profit Shifting (MLI) and the provisions within it. Additionally, it examined the effectiveness of the MLI in Africa and unpack the challenges contributing to its slow uptake with the view to position African countries on the path towards a more inclusive global tax framework and discuss the possibility of having another multilateral treaty or instrument under the auspices of the United Nations.

TJNA thereafter relied to the discussions from the webinar and made written submissions to the Parliament of Kenya, responding to a call for public consultations in July 2023 on the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (MLI) that the Kenyan government was in the process of ratifying. Building upon the MLI submissions made in July 2023, TJNA also made written submissions in September 2023 to Kenya’s National Treasury, responding to a call for public consultations on proposed Kenya-Egypt and Kenya-Belgium DTAs.

Public Interest Litigation



In October 2023, TJNA held its 2nd Public Interest Litigation (PIL) Retreat under the theme ‘Using Public Interest Litigation to Curb Illicit Financial Flows and Tax Injustice’ in Nairobi, Kenya.

The retreat brought together public interest litigation stakeholders, civil society organisations and tax professionals from Africa to explore how to strengthen the fight against illicit financial flows (IFFs) through Public Interest Litigation (PIL). Participants at the retreat also reviewed a draft PIL strategy that will support and harmonise efforts among the various petitioners across the continent by developing a model approach that can serve as a blueprint for new and ongoing PIL cases.

CSO Strategic Meeting alongside the Addis Tax Initiative General Assembly

In June 2023, TJNA, in collaboration with the Centre for Trade Policy and Development (CTPD) Zambia, held a strategic meeting titled ‘The Role of Civil Society in Promoting an Inclusive and Legitimate Global Tax Architecture’ with members of the international tax working group of the Zambia Tax Platform and journalists from various media houses in Lusaka, Zambia.

The meeting brought together over 30 representatives from over 10 CSOs in Zambia and unpacked what implementation of the two-pillar solution means for Zambia, how to carry out a country assessment of the global minimum tax in Zambia and strategising on key advocacy initiatives that CSOs can carry out in response to these changes. The meeting was held on the sidelines of the Addis Tax Initiative General Assembly meeting held in Lusaka, Zambia.

G20 International Tax Symposium

In June 2023, TJNA participated in an International Tax Symposium organised by South Centre during the Indian Presidency of the G-20 to discuss the Two-Pillar solution and its ramifications for developing countries.

During the symposium, TJNA made submissions on selected issues of concern for developing countries and a presentation on the Organisation for Economic Cooperation and Development (OECD) Subject to Tax Rule (STTR). The STTR is a part of the global minimum tax and is meant to address the base-eroding payments that are facilitated through double taxation agreements.



International tax negotiations and reforms

In July 2023, TJNA co-facilitated a training with Policy Forum-Tanzania, the Interfaith Standing Committee on Economic Justice and Integrity of Creation (ISCEJIC), and Norwegian Church Aid Tanzania held a capacity development workshop on tax justice for Civil Society Organisations (CSOs) and Faith leaders in Arusha, Tanzania.

The workshop brought together over 40 participants and covered topics such as the understanding and

significance of taxation, addressing tax injustices, understanding IFFs, assessing the impact of multinational corporations on tax justice, and examining the global context of tax policy.

Following the meeting Faith leaders and CSOs in Tanzania were called upon to enhance their engagement with the government to drive meaningful advocacy for international tax negotiations and reforms.



Success Story 2

TJNA and AU sign MoU for collaboration in championing Tax Justice in Africa



TJNA and the African Union Commission through the Economic Development, Trade, Tourism, Industry, and Minerals Department (AU-ETTIM) signed a memorandum of understanding (MoU) on areas of mutual interest and collaboration on tax justice in October 2023.

The MoU will facilitate cooperation and collaboration between the two organisations to support Africa's strategy for promoting domestic resource mobilisation, curbing illicit financial flows (IFFs), and creating tax strategies and systems for Africa's future of financial independence.

Through the MoU, TJNA and AU will collaborate on the development and championing of Africa's interests on tax policy matters for adoption and implementation at global, continental, and regional levels. It will also enable the two organisations to advocate and defend common positions in global negotiations on tax and IFFs.

TJNA and The AU have a shared vision and mutual interest to support continental integration, economic transformation, inclusive growth, and sustainable development to achieve Africa's economic self-determination as encapsulated in Agenda 2063.

The MoU will ensure that both institutions can

harness synergies in the coordination of policies, strategies, programmes, and activities aimed at realising inclusive growth and sustainable development through improved macroeconomic frameworks, good governance, and efficient utilisation of domestic resources.

This MoU was timely following the big win by the Africa Group after the historic adoption of the resolution on the commencement of the process towards a UN framework convention on international tax cooperation garnered resounding support from member states.

The resolution is rooted in the longstanding calls by Global South countries for a UN intergovernmental tax body and represents a significant stride towards democratising the global tax system. It marks a historic moment to correct the imbalances that currently exist in the global tax system.

TJNA and AU will collaborate on the development of common African positions on tax policy matters for adoption and implementation at global, continental, and regional levels. It will also enable the two organisations to advocate and defend Common African Positions in global negotiations on tax and IFFs.



A pan-African narrative for a just energy transition

Overview

The financial gap for achieving the 2030 Agenda for Sustainable Development (SDGs) in the global south is estimated at USD 3.9 trillion. With the total amount of overseas development aid falling short at a paltry USD 204 billion annually, there has been a growing sense of urgency for a re-orientation to a new system where the vast natural resources in key regions such as Africa will eventually deliver economic, social and environmental benefits for its people.

In 2023, key forums such as the Summit for a New Global Financial Pact resulted in declarations on the need for new taxation instruments to ensure that all economic sectors, especially those that are currently weakly taxed, would contribute their fair share commensurate with their impact in terms of greenhouse gas emissions. Out of these came the international tax task force that is championing a global carbon tax on fossil fuel trade, maritime transport, and aviation, as well as a global financial transaction tax and a global finance charter to support climate-positive investments.

Transitioning to a low-carbon economy means the world must shift from fossil fuels to renewable energy and technologies reliant on minerals and metals abundant in Africa. In 2023, CSOs and communities in Africa continued to put pressure on mining companies and governments to operationalise the commitments of the African Minerals Governance Framework to effectively deal with the persistent challenges of overly generous tax incentives, weak governance, poorly constructed contracts, aggressive tax planning by multinationals, inadequate fiscal policies and support for the artisanal and small-scale mining sector.

The 2023 Alternative Mining Indaba

In February 2023, TJNA joined over 500 delegates from governments, the private sector, activists, faith-based organisations, and community leaders at the 2023 Alternative Mining Indaba (AMI 2023) in Cape Town, South Africa. AMI's 2023 theme was

'A Just Energy transition: Unlocking Community Potential and Participation'.

TJNA, in collaboration with the Stop the Bleeding Campaign, the African Minerals Development Centre (AMDC), the New Partnership for Africa's Development (NEPAD) and Oxfam in Kenya, convened a side session titled 'The Africa Mining Vision and the Energy Transition.' The session discussed how Africa can leverage domestic resource mobilisation for value addition, sector linkages, job creation and overall participation across the extractive value chain.

During the session, participants called for accountability and transparency on mining contracts. Panelists noted the importance of holding governments accountable for the effective administration of tax revenues and, more widely, good public fiscal management. TJNA, the Stop the Bleeding Campaign and Oxfam in Kenya also launched a paper on "Fiscal policy notes on Mining in Liberia, Ghana, Uganda and Zambia." The paper explores gaps, challenges, key lessons, and good practices for optimising revenue collection from the mining sectors in Liberia, Ghana, Uganda, and Zambia.



Making the case for just energy transitions in Africa at the UK's All Party Parliamentary Group for Africa

In December 2023, TJNA was invited by the United Kingdom's (UK) All-Party Parliamentary Group for Africa (APPG) to make oral submissions for just energy transitions in Africa. The submissions were made during the APPG's Africa's independent parliamentary inquiry into Africa-UK partnerships and detailed three proposals for mobilising finances for just energy transitions within Africa.

The first proposal was the introduction of taxes targeting corporate windfall profits, particularly in sectors such as oil, gas and mining. These revenue streams could be directed towards financing just energy transitions, renewable energy projects and climate resilience programs.

The second proposal focused on the Carbon Wealth Tax and Pollution Top-Up Tax. These proposed levies aim to hold the world's wealthiest individuals and companies accountable for their significant contributions to carbon emissions. This approach would address the urgency for climate adaptation in Africa and presents an opportunity to alleviate poverty by redirecting funds towards sustainable development projects.

The final proposal was to end fossil fuel producer subsidies, especially in developed countries. Subsidies for the production of oil, gas, and coal, estimated at between USD 70 and USD 100 billion annually, have persisted despite the growing popularity of carbon pricing and other measures to curb demand for polluting fossil fuels. This revenue could support climate adaptation efforts in Africa, which currently stand at USD 53 billion per year.

TJNA also called on the UK to support ongoing efforts to reform the global tax system to one that is more inclusive and democratic and housed at the United Nations. Advocating for progressive taxation frameworks and international tax cooperation will chart the path for a greener and more resilient future for Africa and the planet.

The 2023 United Nations Climate Change Conference (COP28)

In December 2023, TJNA participated in the United Nations Climate Change Conference (COP 28) in Dubai United Arab Emirates (UAE) and co-hosted several side events with its partners. TJNA collaborated with the African Climate Foundation (ACF) in one key side session to explore the interlinkages in taxation, climate change, debt, and extractive industries to bolster financing for development and climate action in Africa.

The session drew from the research work commissioned in Mozambique and Tanzania to critically discuss the opportunities and challenges for financing climate action in economies characterised by elevated levels of resource extraction and how tax through domestic resource mobilisation can be one approach to address the gap in finance and investment. Panel experts included representatives from the Africa Minerals Development Center, Powershift Africa, Policy Forum Tanzania and Center for Trade and Development.



Growing inequalities amidst the climate crisis

In October 2023, A new policy paper commissioned by TJNA, Tax Justice Network and Feminist Nexus Action Group titled ‘The Principles of Tax Justice and the Climate Crisis in Africa’s Resource-rich Nations’ was released. The report recommends the use of tax as a tool for tackling inequality amid the climate crisis by leveraging intergovernmental discussions on international taxation, integration and cooperation through the domestication of the African Mining Vision and the African Continental Free Trade Area as well as the creation of a strategy on the future of strategic minerals needed for the energy transition.

The policy paper also unpacks the five principles of tax justice in Africa’s resource-rich nations within the context of the climate crisis with a gender lens, to address gender inequality in Africa and how tax can be used to reprogram economies to shake deeply rooted inequalities, given the primacy of revenue

from extractives in many African economies. The policy paper highlights that understanding how tax can be used to reprogram economies to shake deeply rooted inequalities is important, given the primacy of revenue from extractives in many African economies.

Exploring the tax justice and energy transition nexus



Zambia

In May 2023, TJNA and Publish What You Pay Zambia commissioned a report titled 'Taxing Zambia's Mining Sector for the Energy Transition: Opportunities and Challenges'. The report highlighted the urgent need for a more sustainable and equitable tax system for Zambia's mining industry and recommended critical reforms to the mining tax regime to enhance domestic revenue collection from the sector. The report proposed vital reforms, including revamping copper mining production, combatting VAT refund fraud, harmonising income tax rates, and conducting a cost-benefit analysis for tax incentives.

It advocated for adopting a more transparent and predictable tax regime that incentivises companies to invest in the energy transition and the development of renewable energy infrastructure. It further recommended enhancing the capacity of tax authorities to monitor and enforce compliance with tax laws and improving collaboration between the government, civil society organisations, and mining companies.



Mozambique

In October 2023, the Centre of Democracy and Human Rights (CDD), in collaboration with TJNA and Tax Justice Network (TJN) with financial support from the African Climate Foundation (ACF) commissioned a report that examined the strategies for achieving tax justice for climate action in

Mozambique's extractive industry by using domestic resource mobilisation as a revenue source for climate financing in the country. The report examined the climate crisis challenge in Mozambique, highlighting the increasing frequency of severe climate events such as cyclones, tropical storms, floods, and droughts and their significant impact on the climate crisis. The report further highlighted how the Mozambican economy is significantly characterised by its reliance on extractive industries, including the export of key resources such as aluminium, coal, natural gas, graphite, and other metals. To achieve its climate financing mandate, the report highlighted the need for continued global advocacy for global north countries to honour their climate finance commitments.



Kenya

In July 2023, TJNA and the Institute of Public Finance (IPF) commissioned a report titled 'A Gendered Perspective on Formalization & Taxation of the Artisanal & Small-Scale Mining Sector (ASM) in Kenya, Lessons from Taita Taveta County'. The report highlighted the need to formalise and tax Kenya's ASM sector from a gender perspective to improve the livelihoods of women in the sector. The report highlighted the benefits of a well-implemented formalisation in addressing challenges unique to the sector, such as the negative socio-economic, health and environmental impacts of ASM activities. Child labour, gender-based violence and tapping into the sector's economic potential for improved welfare and reduced poverty levels.



To mitigate some of the challenges faced in Kenya’s ASM sector, the report recommended the following:

- ➔ The development of value addition centres is akin to supporting value addition, linking miners to official buyers, and being a point of contact between miners and the government.
- ➔ Government and non-state entities to train on various mining elements to benefit women and small-scale and artisanal miners.
- ➔ The national government should issue guidelines on the issuance of permits to artisanal miners.
- ➔ The report additionally called for the amendment of the Mining Act, 2016, and Mining (License and Permit) Regulations, 2017, to redefine artisanal mining to reflect the current reality.
- ➔ The implementation of the Artisanal Mining Strategy and interventions proposed there, as well as the enactment of a royalties-sharing framework, will fast-track the process of paving the way for the national government to transfer the county share of royalties.



Tanzania

In November 2023, TJNA and Policy Forum released a report calling on the Tanzanian government to heighten its efforts and investments to combat illicit financial flows in the extractive sector. The report noted that maximising domestic resource mobilisation for financing climate action in Tanzania could be a reality if the country implements measures to sustainably harness its abundant deposits of transition minerals.

The report noted that Tanzania has experienced severe effects from climate change, with floods and droughts destroying infrastructure and affecting agriculture and other sectors critical to the economy. As a result, the country is part of the global agreements to fight climate change and is implementing several climate-related policies such as the National Climate Change Strategy, the Five-Year Development Plan III, the National Environmental Master Plan for Strategic Interventions, and the Nationally Determined Contributions (NDCs).

The report added that with an abundance of green minerals, the extractive industry in Tanzania could spur a green revolution and economic growth by enhancing the country's domestic resource mobilisation efforts. The report proposed that the

government enforce transparency and accountability in managing revenues from the extractive sector if effective domestic resource mobilisation for climate action is to be realised.





Success Story 3

African communities challenged to increase calls for sustainable alternatives in the extractive sector



African communities have been challenged to reclaim back their power, unlock their potential, and execute their rights to hold businesses and governments accountable for people-centred sustainable alternatives around the extractives sector. This was during a session organised by TJNA at the 14th edition of the Alternative Mining Indaba (AMI 2023) in Cape Town, South Africa.

AMI 2023 brought together over 500 delegates from the private sector, government, CSOs and affected communities. It sought to facilitate engagements among participants to expand the voice of African citizenry to demand policy reforms, transparency and accountability and responsible supply chains in the mining sector for the benefit of current and future generations.

TJNA, in collaboration with the Stop the Bleeding Campaign, the African Minerals Development Centre (AMDC), New Partnership for Africa's Development (NEPAD) and Oxfam in Kenya convened a side session titled 'the Africa Mining Vision and the Energy Transition'. The session deliberated on how Africa can leverage domestic resource mobilisation for value

addition, sector linkages, job creation and overall participation across the extractive value chain.

During the session, participants called for accountability and transparency on mining contracts. Panelists noted the importance of holding governments accountable for the effective administration of tax revenues and, more widely, good public financial management. Accountability and transparency are highlighted as key factors for the domestication of the AMV and re-evaluating how it can best benefit African nations.

In addition to an engagement session, TJNA together with the Stop the Bleeding Campaign and Oxfam in Kenya, also launched a paper on "Fiscal policy notes on Mining in Liberia, Ghana, Uganda and Zambia." The paper explores gaps, challenges, key lessons, and good practices on optimizing revenue collection from the mining sectors in Liberia, Ghana, Uganda and Zambia.

Having assessed the four countries against the African Minerals Governance Framework (AMGF), the report shows that the mix of measures highlighted in the AMV needs to be implemented holistically with a coordinated approach for the ambitious targets to be met. The assessment further finds that fiscal regimes are vulnerable to profit shifting due to the non-transparency of tax exemptions related to the mining sector.

The AMI is an annual event implemented every year in Cape Town, South Africa, providing a space to discuss more solution-oriented strategies to ensure community representations and participation in decision-making, at all levels, in respective national contexts.



**Addressing inequality through
progressive and redistributive taxation**

Overview

Since COVID-19, the progress in reducing poverty has been slow and highly uneven. Reports indicated that an additional 18 million new poor emerged in Africa, further adding to existing statistics that the continent is home to more than 50 per cent of the world's poor. Projections further suggested that the pace towards poverty reduction will further stall due to factors such as the Ukraine war, natural disasters, debt as well as high food and energy prices, and, most notably increasing gap between the wealthy and the poor.

In 2023, key partnerships and engagements re-examined social contracts from an African lens with the view to improve social accountability, give voice to citizens, and hold governments accountable to ensure citizens receive the services they deserve. African governments and policymakers were challenged to implement political and fiscal policies that will promote equitable taxation, expand transparency and provide clear linkages between revenue and quality public services.

In 2023, Malawi became the latest country to ratify the Framework Convention on Tobacco Control (FCTC), bringing to 52 the number of African countries that have established high-level political commitment to combatting the global tobacco epidemic and prioritising public health and well-being. Key stakeholders continued to call for optimal tax regimes that serve to raise excise tax as a percentage of the price, and that also earmark such tax revenues for targeted public health programmes.

There were also calls for the urgent adoption of wealth taxes to advance towards the realisation of gender equality, and the empowerment of women and girls. This also included strengthening of international commitments for progressive and gender-just taxation as well as investments in gender-responsive public services that are key to advancing the rights of all women as they continue to carry a disproportionate burden of unpaid care and domestic work.

Increased national awareness on the risks of OECD's Global Tax deal on DRM in Tunisia

Tunisia is among the countries that joined the "OECD October 2021 Statement on a Two-Pillar Solution to address the tax challenges arising from the digitalization of the economy", also called the "Global Tax Agreement" (GTA). Analysis by TJNA member Tunisian Observatory of Economy (TOE) showed that under this agreement, Tunisia will give up its right to tax digital enterprises under Pillar1, and will lose up to 5% of its Corporate tax income on Multinational Enterprises under Pillar 2 to the benefit of the countries of residence, which are based in the Global North.

Through the Scaling Up Tax Justice (SCUT) project, TOE conducted campaigns that broke the silence surrounding this agreement and shed more light on its characteristics and the potential harm it could cause if implemented. TOE produced monitoring articles on the evolutions of the discussions regarding Global tax reform, displaying threats to Tunisia's right to tax under the OECD agreement, criticising the government's position to remain under the OECD agreement, and informing about the benefits that a UN tax convention can bring.

Through the campaigns, TOE made strong recommendations for Tunisia to withdraw from the OECD Two Pillar Solution, and this became evident as Tunisia adjusted its position during the vote on the UN tax convention in November 2023.

Boosting transparency through mandatory beneficial ownership in Mozambique

After years of comprehensive discussions and advocacy work, the Mozambican government finally decided to enact a legal instrument mandating the register of beneficial owners. Although the effects of increased transparency will take some time to materialise, this represents a big win for the country and has long been awaited as a crucial measure to fight tax injustices and curb leakages that drain

critical resources meant for sustainable development, such as illicit financial flows.

The milestone is a result of consistent pressure from the demand side from various stakeholders, mainly Mozambican civil society, driven not only by growing awareness of the role of ownership transparency in combatting corruption and illicit financial flows but also since now it emerged as one of the requirements/action points for removing the country from the Financial Action Task Force's (FATF) grey list.

Within the SCUT project, the efforts were pursued under the “Stop the Anonymity” Campaign, aiming to foster national consensus and contribute to the establishment of a comprehensive and accessible system of beneficial ownership transparency in the country. In pursuit of this objective, numerous initiatives were undertaken as part of the campaign in collaboration with the Ministry of Justice. These efforts encompassed awareness raising through articles, social media engagements, and the facilitation of multistakeholder dialogues that yield not only political public commitments but also concrete actions for the establishment of a proper beneficial ownership transparency regime, mandating the creation of a central registry easily accessible and enforcing economy-wide disclosure of beneficial ownership information.

The campaign was being run in line with SCUT's goal of promoting financial transparency and accountability and increasing domestic revenue mobilisation in Africa.

Excise duty amendment in Ghana

In April 2023, the Ghanaian Parliament passed the Excise Duty (Amendment) Act, 2023 (Act 1093), largely influenced by the research and advocacy work of TJNA and Vision for Alternative Development (VALD) over the past few years. Under this new Act, manufacturers and importers of tobacco products are now required to remit GHS0.28 for every cigarette, equivalent to GHS5.6 per 20-pack of cigarettes, in addition to a 50% Ad-valorem rate calculated based on the Cost, Insurance and Freight (CIF) value.

Notably, this new Act ushers in a revamped tobacco tax structure, departing from the previous prevalent Ad-valorem system to adopt the more effective mixed system, combining both specific and Ad-valorem elements. According to the Ghana Revenue Authority (GRA), the implementation of the new excise tax law generated an excise tax revenue of GHS 140,245,004.48 (USD 12,749,545.86) from May 1 to September 20, 2023. GHS 107,998,254.64 (USD 9,818,023.15) had been collected for the same period in 2022, indicating a 29.86 per cent increase. With the reported economic growth of slightly above 2.8 per cent and an increase of VAT (based on producer-tobacco industry prices) from 12.3 per cent to 15 per cent in 2023, this increase is consistent with the predicted total government revenue by May 2024.

Tobacco tax earmarking for health financing in Nigeria

In recognition of the Tobacco Tax Advocacy in Africa Project (TTAA) project's impact in Nigeria, President Bola Ahmed Tinubu outlined a plan in his manifesto to raise healthcare funds through excise taxes on tobacco and alcohol. To put this plan into action, alongside other domestic resource mobilisation efforts, the President formed a tax reform committee aimed at overhauling Nigeria's tax system.

The Tax Justice and Governance Platform (TJ&GP) was nominated as one of only two civil society organisations to the Nigerian presidential committee on tax reforms. This presented a dual advantage for the Civil Society Legislative Advocacy Centre (CISLAC) and the TTAA project in Nigeria. CISLAC serves as the TJ&GP's secretariat, and the committee membership empowered CISLAC to promote an effective tobacco tax regime in the country.

Excise duty increases for tobacco products in Zambia

In September 2023, Zambia's Minister of Finance, through his budget address, announced the government's intentions to increase specific excise duty for tobacco products from 361 Kwacha per mile

to 400 Kwacha per mile. This translated to a 10.8 per cent increase in the specific excise duty. With the current cost-push inflation of 10.3 per cent predicted to stabilise at an average of 9.8 per cent throughout 2024 and a standard price elasticity of demand for tobacco products of -0.6, it is projected that tobacco companies will shift the whole tax burden to the consumers with an expected retail price increase of between 5 to 7 per cent.

Expanded partnerships through the African Tobacco Tax Consortium

As the number of partners involved in tobacco tax advocacy efforts increased and our programs expanded, the importance of strategic alignment became evident to prevent duplication and policy advocacy disparities. In 2023, TJNA conceived the African Tobacco Tax Consortium (ATTC), a collaborative platform supported, in large part, by the Bill and Melinda Gates Foundation (BMGF). The consortium includes the World Health Organization (WHO), the Economics of Excisable Products Research Unit at the University of Cape Town (UCT-REEP), TJNA, and the African Tax Administration Forum (ATAF)

The consortium committed to creating country-specific models and facilitating the exchange of insights regarding the structure, inputs, and outcomes of the two primary models, namely WHO's Tobacco Tax Simulation (TaXSiM) and REEP's Tobacco Excise Tax Simulation Model (TETSIM). In addition

to their roles within ATTC, UCT-REEP continued to serve as the project's principal peer reviewers. They successfully completed TeTSim models for Kenya and Zambia.



Kenya



The National Taxpayers Association (NTA) organised the inaugural national annual tobacco tax conference. This two-day event convened key stakeholders in tobacco taxation, including representatives from civil society, academia, media, and the government in Kenya. The conference served as a platform to highlight ongoing initiatives, evaluate progress in tobacco taxation efforts, and engage in constructive debates on the optimal path forward.

After debates and edits to the proposed model, participants formally adopted the developed TeTSim model for Kenya as an effective tool for collaborative, non-partisan analysis of tobacco taxation systems in Kenya.





Nigeria



In addition to the national level engagements, the Civil Society Legislative Advocacy Centre (CISLAC) focused on issue-based advocacy work at the subnational government level to demonstrate the potential of state-level tobacco tax and non-tax policies in providing sustainable financing for healthcare, a state function in Nigeria. The advocacy efforts in Gombe State, Northeast Nigeria, led to the state government, through its Ministry of Environment, developing an amendment to the state environment policy to include provisions for levies and tolls for tobacco leaf suppliers and tobacco retailers on account of the product's effect on

consumers' health and the quality of air in the state. The amended policy is expected to integrate new levies, tolls, and fines to curtail the availability, reduce the affordability of tobacco products and earmark the tax revenues for rehabilitation centres in the state.



The Democratic Republic of Congo

The Democratic Republic of Congo (DRC) has an insurmountable problem of illicit trade in tobacco products, with our previous reports placing the prevalence at over 70 per cent of the regular market. The main cause is attributable to the country's multiple and yet porous borders. The illicit products are immune to movements in the excise taxation remit, making the responsiveness/elasticity of prices to tax changes tend towards zero.

In 2023, the National Episcopal Conference of the Congo (CENCO) and Local Initiative for Integrated Development (ILDI) formed an alliance of various civil society organisations and journalists with the objective of building their capacities on the subject and planning for collaborative advocacy around the ratification of the Protocol to Eliminate Illicit Trade in Tobacco Products (ITP) as a matter of urgency.



Success Story 4

Madagascar parliamentarians launch national caucus to tackle illicit financial flows



Madagascar Members of Parliament now have a national platform to champion legislative reforms that will boost efforts to combat illicit financial flows (IFFs) and promote domestic resource mobilization in the country. This follows the launch of the African Parliamentary Network on Illicit Financial Flows and Taxation (APNIFFT), Madagascar National Caucus, in May 2023.

The caucus, which was launched with the support of TJNA, brought together deputies, parliamentary officials, academics, and civil society organizations (CSOs) to embark on the journey of promoting tax justice and transparency to address the harmful impact of IFFs in Madagascar and the continent at large.

Speaking during the launch, the General Secretary of the National Assembly of Madagascar Hon Randriamahafanjary Calvin, emphasised the importance of addressing illicit financial flows and taxation issues. He encouraged the members of parliament to prioritize policies aimed at curbing illicit financial activities.

“The people cannot directly exercise their oversight prerogatives; they delegate them to

their representatives, namely the elected officials sitting in the National Assembly and the Senate. Therefore, with our primary mission of legislating, we also control the government's actions.” Hon Randriamahafanjary noted.

Député Rasolonjatovo Honoré, adding to the significance of the caucus launch, emphasized that the launch addresses the needs of Madagascar, as its contribution plays an essential role in the fight against illicit financial flows and taxation in the country. The caucus launch sets the stage for impending work, with crucial decisions to be made after that.

APNIFFT President Hon. Dr. Khanyisile Litchfield-Tshabalala, noted that that the establishment of the Madagascar National Caucus marks the beginning of a transformative journey for tax justice and the fight against IFFs in Africa.

“As we gather here, let us recognize the urgency to formulate a unified approach to propel Madagascar and the continent towards a brighter future. This opportunity allows us to share knowledge and devise innovative solutions to enhance the well-being of our people,” she elaborated.

Hon Maminiana Rabenirina, treasurer responsible for good governance and transparency of the National Assembly, highlighted notable efforts made by the Malagasy Government from 2004 to 2019 in the fight against illicit financial flows;

Hon Maminiana emphasized that the members of parliament should do more to spearhead a more robust and coordinated approach to combat illicit financial flows and promote tax justice in Madagascar.

During the launch, the Members of Parliament selected Hon. Raconteur Tam to lead the APNIFFT Madagascar National Caucus.

Success Story 5

Ghana's Excise Duty Amendment Bill, a model for revenue, health and tax justice in Africa



When President Nana Akufo-Addo signed Ghana's Excise Duty (Amendment Bill), 2022, the arduous petition by TJNA and civil society organisations had come to a rewarding end. Months of evidence-informed advocacy resulted in legislation that will significantly bolster the objectives of Ghana's Public Health Act 2012 and its obligations under the WHO Framework Convention on Tobacco Control (WHO FCTC).

The new bill, which was signed into law in April 2023, outlines a tax increment on health-harming commodities. It shifts Ghana's tax regime on tobacco products from ad valorem excise to specific excise on cigarettes, cigars, negroheads, electronic cigarettes, and smoking devices.

To start the process, a national stakeholders' meeting set the pace for the need to change the tobacco tax regime in Ghana. The meeting brought together key stakeholders including the Ministry of Finance, Ministry of Health, Ghana Revenue Authority, Food and Drugs Authority, CSOs, Academia, media, youth, and women groups.

With TJNA's support, a study titled 'The Economics of Tobacco in Ghana' was launched to provide evidence

on the need for a change in the tobacco tax regime. The study called for the design and implementation of appropriate policies to curb these adverse effects to public health while boosting domestic revenue.

Vision for Alternative Development (VALD) further commissioned an opinion poll to ascertain public support for tax measures on tobacco products. 72% of respondents indicated their support for a tax increase on tobacco products and 82% affirmed that taxes on tobacco will increase government revenue.

When the Minister of Finance finally presented the 2023 budget statement to parliament in November 2022, it included the shift from the current ad valorem to a hybrid system as recommended by the report. Despite the stiff opposition by industry players, the bill was passed by parliament in March 2023 and sent to the President for his assent. In the face of further opposition by the tobacco industry, the CSOs led by VALD-Ghana appealed to the President to assent the bill for health and revenue benefits.

When President Akufo-Addo finally assented to the bill, CSOs only prayer was that tax revenue from the bill should be geared towards health-promoting initiatives to maximise the envisioned public health benefits. In a statement issued by the CSOs, Mr. Labram Musah, the Executive Director of Programs at VALD, explained that countries with earmarked health tax revenues had reported a sustainable funding source for health interventions and projects.

"We applaud the government for heeding our advocacy calls and taxing health-harming commodities to protect public health, but we want to emphasise that maximum public health and economic gains can only be achieved if the health tax revenue is earmarked." Mr. Musah added.

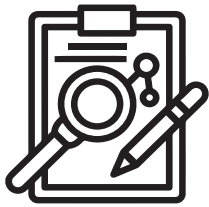


Strengthening a growing network

Overview

To deliver on its mandate of building a new Africa where tax justice prevails, TJNA relies on the contributions and support of its robust network of civil society organisations, other partners, strong brand and the commitment of its talented staff. In this pursuit, TJNA aspires to be a learning, innovative and forward-looking pan-African organisation, delivering impact that centres on African people, African voices and African interests.

Mid-term strategy review



In 2023, TJNA commissioned a mid-term review of the 2021-2025 Strategy. The strategy review also came when TJNA was going through a leadership transition occasioned by the departure. The review focused on five core areas including: Programme Implementation and Strategies, Partnership and Member Engagement, Internal Governance and Operations, Funding and Sustainability and Lessons learned and prospects. The review established significant changes that have taken place in the period under review and drew lessons and recommendations for future programming and implementation. As a result of the review, in 2024, TJNA will embark on the development of its next strategy.

Fundraising and membership growth

In 2023, TJNA welcomed four new members, increasing the network's membership to 48 across the continent. The new members are Civil Society for Poverty Reduction (CSPR) from Zambia, Citoyen Actifs Pour La Justice Sociale (CAJUST) from Senegal, Tax Justice Coalition from Ghana, and Vision for Alternative Development (VALD) from Ghana.



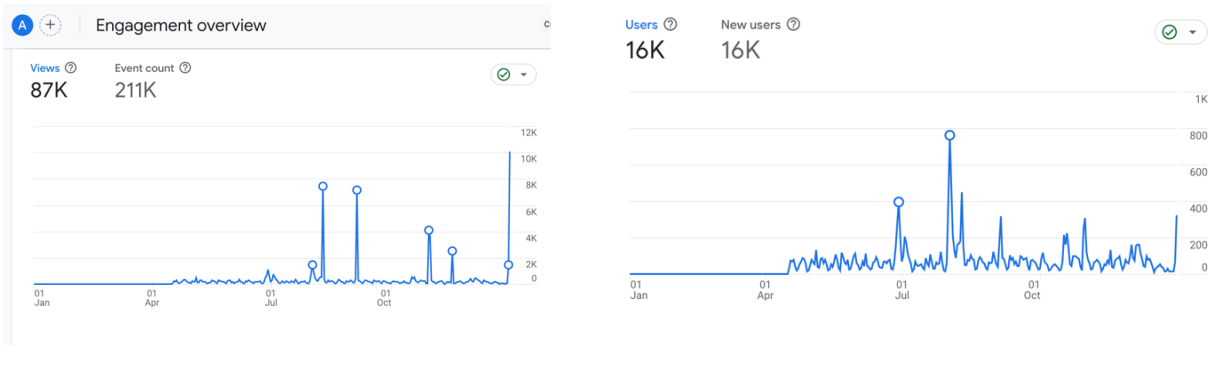
Significant efforts were made in 2023 to bring on board additional resources to support our programmes and interventions. TJNA received programme and institution support from Hewlett Foundation, Ford Foundation, Open Society Foundations and Wellspring Philanthropic Fund.

Amplifying impact



In 2023, TJNA embarked on implementing its communication strategy 2023-2026, which seeks to strengthen TJNA's profile as a critical partner in the fight against illicit financial flows and the promotion of tax justice in Africa. A particular part of the strategy was the deployment of metrics to measure the impact of communication and outreach activities.

In 2023, TJNA's website became the focal point of bilingual communications activities and recorded a total of 72,332 views from 16,212 users as a baseline. TJNA also conducted 89 campaigns on our social media channels and published 100 blogs and articles on the website, compared to 18 in the previous period. We also created and uploaded 969 photos on Flickr and our new channel for podcasts recorded 344 plays.



On social media TJNA acquired



1,254
new followers



2,257
new followers



133
new followers

TJNA Cumulative Audience



13,184
new followers



7,200
new followers



5,972
new followers



568
subscribers



969
photos uploaded



344
plays

In 2023, TJNA curated and disseminated four online newsletters in English and French, each offering a comprehensive overview of the organisation's quarterly activities and updates.



65 total number of campaigns on the mailchimp communication platform



42.5% readership on the communication platform

↑ from **5%** at the beginning of the year

93,645

total number of emails sent

92,259

total number of deliveries

Human Resources



Attracting, developing, and retaining highly qualified staff is key to TJNA’s success. To achieve and sustain this, TJNA stepped up its efforts to attract talent from across Africa. In 2023, TJNA created a fully-fledged human resources function placed at the senior management team to drive the vision of a high-performing and cohesive pan-African team.

In 2023, TJNA made a total of 8 recruitments that included Human Resources and Administration

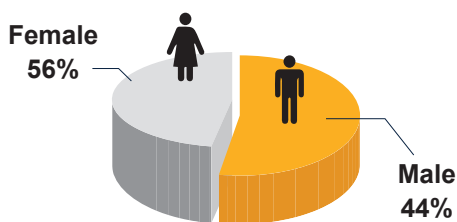
Manager, Policy Research & Advocacy Manager, Human Resource Officer, Communications Officer, Finance Officer, Policy Officer and two Policy Assistants.

Information Communication Technology

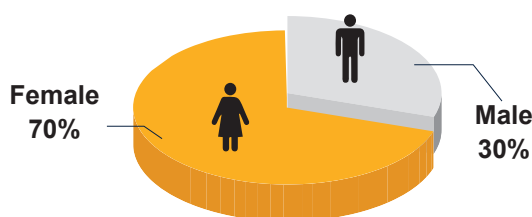
ICT continues to serve as a strategic enabler and tool for TJNA in the implementation of its programmes by providing state-of-the-art IT services and flawless support to the organisation, staff and network members. In 2023, the ICT unit continued with infrastructure modernisation through the second phase of the Enterprise Resource Planning (ERP) System that seeks to strengthen key components of TJNA’s operations. The unit also continued to perform the management of the Microsoft Azure platform that hosts the organisation’s Dynamics 365 and Employee Self-Service (ESS). Other key functions in 2023 included the management online tools for collaboration and knowledge sharing, development and maintenance of flagship websites and regular servicing of equipment such as Servers, Staff Laptops, Printers, Access Points and PABX Phones.

The unit also continued to stay abreast of the latest developments, including the need to adapt to artificial intelligence (AI) and continuously update risk management strategies due to cyber security’s constantly evolving nature.

Staff Gender Balance



Senior Team Gender Balance





Financial Statements

Profit and Loss Account For The Year Ended 31st December 2023

Income	Notes	2023 Ksh	2022 Ksh
Grants and donations	4	804,012,198	499,605,914
Other income	5	<u>142,374,935</u>	<u>24,743,757</u>
Total income		<u>946,387,133</u>	<u>524,349,671</u>
Research and development expenses		228,200,282	140,439,705
Awareness and capacity building expenses		232,553,677	143,729,349
Policy and advocacy expenses		228,929,459	143,440,014
Governance expenses		<u>112,540,173</u>	<u>70,732,975</u>
Total expenses		<u>802,223,591</u>	<u>498,342,043</u>
Surplus before tax	6	144,163,542	26,007,628
Tax expense	7	<u>8,978,764)</u>	<u>(5,995,696)</u>
Surplus for the year		<u>135,184,778</u>	<u>20,011,932</u>

Balance Sheet at 31st December 2023

	Notes	2023 Ksh	2022 Ksh
Capital employed			
Accumulated funds		209,394,749	74,209,971
REPRESENTED BY			
Equipment	8	7,177,465	5,424,531
Current assets			
Receivables	9	72,259,818	132,483,613
Cash at bank and in hand	10	940,262,609	456,194,816
		1,012,522,427	588,678,429
Current liabilities			
Payables	11	141,396,450	46,084,445
Tax payable		1,465,644	838,416
Deferred income	12	667,443,049	472,970,128
		810,305,143	519,892,989
Net current assets		202,217,284	68,785,440
		209,394,749	74,209,971

Statement of Cash Flows for The Year Ended 31st December 2023

Cash flows from operating activities	Notes	2023 Ksh	2022 Ksh
Surplus for the year		133,537,578	20,011,932
Adjustments for:			
Income tax expense	7	8,978,764	5,995,696
Depreciation of equipment	8	4,511,305	3,143,665
Interest income	5	(16,001,329)	(9,382,753)
Assets written off		-	50,160
Changes in operating assets and liabilities:			
Decrease/(Increase) in receivables		60,223,795	(72,962,461)
Increase/(decrease) in payables		95,312,005	(7,613,720)
Increase in deferred income		196,120,121	203,175,723
<i>Cash generated from operations</i>		482,682,239	142,418,242
Interest received	5	16,001,329	9,382,753
Income tax paid		(8,351,536)	(6,374,343)
<i>Net cash generated from operating activities</i>		490,332,032	145,426,652
Cash flows from investing activities			
Purchase of equipment	8	(6,264,239)	(4,457,696)
Net cash used in investing activities		(6,264,239)	(4,457,696)
Net increase in cash and cash equivalents		484,067,793	140,968,956
Cash and cash equivalents at start of year		456,194,816	315,225,860
Cash and cash equivalents at end of year	10	940,262,609	456,194,816

Our supporters in 2023

1. African Climate Foundation
2. Bill and Melinda Gates Foundation
3. Center for Research on Multinational Corporations (SOMO)
4. Christian Aid
5. Diakonia
6. Eurodad
7. Financial Transparency Coalition
8. Ford Foundation
9. German Agency for International Cooperation (GIZ)
10. Hewlett Foundation
11. Ministry of Foreign Affairs, Finland
12. Norwegian Agency for Development Cooperation (NORAD)
13. Open Society Foundation
14. Oxfam
15. Third World Network
16. Wellspring Philanthropic Fund

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