ATAF@15

INSIGHTS FROM AN AFRICAN TAX ORGANISATION

Richard Parry and Lincoln Marais

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ATAF General Assembly, Lagos, Nigeria November 2022.

The authors wish to dedicate this book to:

Pravin Jamnadas Gordhan,
the late Minister of Finance and of Public Enterprises of South Africa,
and former Commissioner of the South African Revenue Service (SARS),

Agnes Kanyangeyo,
the late former Deputy Commissioner for Planning and Research
of the Rwanda Revenue Authority (RRA),

and **all those no longer with us who have shaped ATAF**
and brought an African vision to life.

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The Hon. Dr. Aboubakar Nacanabo
Minister Of Economy, Finance
And Foresight
Burkina Faso

I am honoured to introduce this important contribution from the African Tax Administration Forum (ATAF) to taxation and governance in Africa. From my personal experience with ATAF, in particular as a member of the Technical Committee on Cross-Border Taxation, then as Chair of that same committee, and also from occupying a post within the Secretariat, I can attest to the major achievements and impact of the organisation.

I am particularly proud to count myself as one of ATAF's African voices on which this initiative is built. By collecting perspectives from across the continent, along with those partners who have travelled with us on our journey, by reflecting on our past and by listening to the insights which underlie our achievements, we can understand the foundations of ATAF's current success over the past fifteen years and draw lessons from the way the organisation evolved to meet the challenges of the future.

ATAF has had an extraordinary impact in its short life so far, helping African governments raise billions of dollars in additional tax and customs duties, rebuild and develop member country tax systems, improve audit capacity, share innovative African approaches and techniques, and reinforce effective policy decisions. ATAF has become the voice of African tax, a global player, changing the international tax landscape.

But what is ATAF? After ten years of engagement with ATAF, whether in the context of the technical committee on cross-border taxation or at the Secretariat, I am able to say that ATAF is not simply a Secretariat of tax technocrats. Instead, it is primarily a network of 44 Anglophone, Francophone and Lusophone member countries drawn from the whole African continent, driven by the desire to improve conditions for all its peoples, to co-operate and learn from each other, and share through peer-to-peer dialogue and information exchange, the best of Africa in the interests of all.

ATAF's strength lies, like the continent itself, in its people. This publication tells their stories, of how they have been able to provide frameworks for countries to work together inclusively and on an equal basis, where sovereignty and international engagements are respected, and barriers are broken down in the cause of mutual advantage. But it is not just a catalogue of achievements – it is the sound of many African voices, which together explain how an independent African organisation was created by Africans, delivered value to its members, and became successful and sustainable.

It is a story which provides broader insights about the African continent and how it can achieve its hopes and aspirations. I hope you enjoy it.

Aboubakar

ATAF's People

The African Tax Administration Forum and its achievements are the product of the efforts and experiences of tens of thousands of African tax officials. Fifteen years after its launch, it is time to take a step back and listen to the voices of those that have engaged with and been enriched by its work. These voices provide insights relevant for ATAF's future trajectory on the continent and globally and, it is hoped, may also inspire Africans to create other successful, independent and Africa-focused institutions.

The restrictions of time and space sadly leave room for too few voices from the ATAF family. But all of you who have taken part in ATAF training, capacity building and peer-to-peer learning, represented Africa in international events, been Chairs or members of the ATAF Council, represented your countries as Commissioners-General or Country Correspondents, served on ATAF Technical or Governance Committees, worked in the ATAF Secretariat or engaged with ATAF as a development partner, this is your story.

The authors would like to acknowledge your input. This story is told primarily through your voices, recounting your experiences, sharing your passion, describing the foundations and building of ATAF, analysing its impact, and staring into a few crystal balls to look at the next decade. Much of the raw material comes from thirty face-to-face and online interviews conducted by the authors. Additional ATAF sources have been drawn upon when interviews have not been possible. Your voices have on occasion been edited to clarify the points made and ensure the coherence and focus of the narrative. *(An index of ATAF's people referred to in the text is included in Annex 3.)*

The authors apologise in advance for any misinterpretations and regret that shortages of time and space have meant much wisdom expressed has not made it into the final draft. We hope that the final product nevertheless reflects your perspectives and the authentic spirit of ATAF's people.

The authors would like to sincerely thank all those who shared their knowledge with us for their time, patience, insights and, not least, their overwhelming enthusiasm for ATAF. We are also grateful to the ATAF member country teams that supported

> ‘The work of ATAF is to help transform lives. Today we are not merely participants, but we are catalysts for change, architects of a future where fairness and equity in international tax systems prevail’

the interviews. Within the Secretariat, Logan Wort, Mary Baine, Varsha Singh and the senior management team were generous with their time and knowledge and dug deep into personal reflections on what ATAF really means to them. Eugene Southgate and the production and communications team, Ziggy Fikiri Nshimiyimana and Desire Ottner, provided essential support and plenty of online meeting time. And Fazila Malherbe threw herself into the project after her retirement from the South African Revenue Service (SARS).

VISIONS

Uganda’s President, **Yoweri Museveni**, launched ATAF’s Inaugural Conference in 2009, explaining that ***‘tax revenue mobilisation in Africa is the … lifeblood of all state services…taxation strengthens democracy, increases incentives for public participation and strengthens the social compact between citizens and the state’***.

According to **Dr Aboubakar Nacanabo**, Minister of Economy, Finance and Foresight of Burkina Faso and formerly Chair of the Committee on Cross Border Taxation and ATAF Senior Manager, **the secret of ATAF’s success is ‘*primarily passion. The passion of Africans convinced that no one else could develop Africa for them’*.**

Edward Kieswetter, Commissioner of the South African Revenue Service (SARS) and Deputy Chair of the ATAF Council, declared that ***‘I’m still inspired by its transformative and higher purpose to improve the material conditions of our people, especially the poorest and most vulnerable’***.

Mary Baine, the ATAF Deputy Executive Secretary and former Commissioner-General of Rwanda, brought her own vision: ***‘I don’t see ATAF (simply) as an employer. The work of ATAF is to help transform lives. And so that is what it means to me… today we are not merely participants, but we are catalysts for change, architects of a future where fairness and equity in international tax systems prevail’***.

We should also not forget the significance of the COVID-19 pandemic, the tragic loss of human life and its impact on the living in Africa and applaud the outstanding efforts made by African tax officials to maintain a recognisable world. **Dr Philippe Kokou Tchodié**, Commissioner-General of the Office Togolais des Recettes (the Togolese Revenue Authority), having taken over as ATAF’s Chair in 2020, admired ATAF’s resilience during this tragic period. ‘***Looking back at what a harrowing year 2020 was due to the COVID-19 global pandemic, it is most gratifying to note that both the ATAF membership and the Secretariat, were able to emerge even stronger with the virtual delivery of our obligations, despite the near total departure from our normal way of life.’***

THE STORY

This narrative begins by acknowledging the emotional and people-centred nature of what ATAF is and what it does by focusing on two ground level projects – one relating to auditing the coffee industry, the other to building a revenue forecasting model. These exemplify the dramatic and measurable impact of collaboration between members within ATAF, the insights that such engagement and cooperation can generate, and the lessons to be learned. The commitment and passion of **Robert Luvuuma**, **Vivian Adong**, **Lee Corrick, Agnes Kanyangeyo, Denis Mukama, Wynnona Steyn** and **Mamiky Leolo** and their respective teams exemplify ATAF's people.

After a brief taste of ATAF in action, the story starts, as it must, with the retiring Executive Secretary **Logan Wort**, the prime mover in ATAF's conception and its leader for its first fifteen years. His political context shaped his vision. ***'My own strategic process in terms of establishing ATAF as an organisation'*, Logan explained, *'I drew from my experience as a political activist in the struggle against apartheid.*** *As an 18-19-year-old, I was required to establish organisations throughout the country. You had to start organisations from nothing. We had to take a lot of social, political, religious, and cultural issues into consideration in establishing popular organisations to mobilise for resistance. I used that experience in my own strategic considerations when thinking about the establishment of ATAF.'*

It was not a conventional background for setting up an African tax organisation. But it captured a compelling vision of Africa creating the means to achieve its own independence and build self-sufficient and effective states in the interests of the people. The time was right. **Pravin Gordhan**, the then South African Revenue Service Commissioner, pledged South Africa's commitment. **Trevor Manuel**, South Africa's Minister of Finance, told African tax administrators *'...not to waste the [financial] crisis'* and **Mary Baine**, **Allen Kagina** and **Ifueko Omoigui Okauru**, among others, led a Steering Group to spread the idea across the continent. Meanwhile, **Logan Wort** led the Technical Task Team, including **Moses Kajubi** and **Lincoln Marais**, supported by an informal Chief Operating Officer (COO), **Varsha Singh**, who collectively built the framework that made it possible.

Logan's political background had taught him that action was more important than talk and that ATAF needed to deliver immediately to persuade tax administrators of the value of the initiative. **Sam Shivute,** Commissioner of the Namibia Revenue Agency (NamRA), noted that, unlike many international organisations, **from the start ATAF gained a reputation for '*under-promising and over-delivery*'**. It was the beginning of an unusual organisation.

ATAF began to develop its own tax positions to improve domestic resource mobilisation within developing countries, with committed experts like **Ron van der Merwe** providing critical tax analytical skills, particularly in the tax treaty domain. At the same time, ATAF delivered a programme of technical assistance with the support of development partners, including the OECD's **Jeffrey Owens**, **Ben Dickinson** and **Richard Parry**; officials from the German GIZ, as well as those from other countries and foundations.

The financial crisis and declining revenues also created a significant political imperative among OECD countries to challenge the global tax avoidance industry. The OECD Tax Centre, under **Pascal Saint-Amans**, developed the Base Erosion and Profit Shifting (BEPS) project and argued that profit shifting and base erosion were equally applicable to African countries seeking to mobilise domestic resources. ATAF brought together a team of African technical experts to explore the implications of BEPS from an African perspective. The group was formed into a Cross-Border Taxation Committee, including **James Karanja** from Kenya as Chair and **Matthew Gbonjubola** from Nigeria. **ATAF decided that Africa *'should not run away from BEPS'* but participate in the project on their own terms**.

From these tentative beginnings, ATAF began to speak with increasing confidence as the acknowledged voice of Africa. '*We participate in standard-setting in the UN and OECD because we live in a global village. **We need to influence global issues so that solutions reflect African needs.***' said **Anthony Munanda**, Head: Domestic Resource Mobilisation.

ATAF's flexibility and agility created other initiatives, often led by member countries. Resources strained to the maximum, this often meant improving auditing techniques. **Thulani Shongwe**, Head: Africa Multilateral Cooperation, explained how '*an early VAT Audit course in Accra was inspirational, (resulting in) a three-stage process of analysis of the challenges; articulation of potential mechanisms for unblocking problems and carving out space for homegrown solutions.*' A VAT Committee, for example, chaired by **Stephen Kyande** from Kenya, developed a whole new Africa-focused approach to audit while an ATAF Exchange of Information Committee, chaired by **Femi Edgal** from Nigeria, provided the framework for African countries to access and implement international structures, including ATAF's own African Mutual Agreement on Tax Matters (AMATM).

ATAF's growing technical excellence and international profile was a key factor behind a partnership with the African Union (AU), which turned ATAF into Africa's undisputed voice on taxation. **Dr Patrick Ndzana Olomo**, Head of Economic Policy and Sustainable Development at the African Union, pointed out that ***'Africa has corrected its historic side-lining and is now firmly engaged in reforming the global financial architecture**. This partnership is instrumental in advancing our collective aspirations for mobilising domestic resources and combating illicit financial flows.'*

The partnership with the AU not only provided a new impetus in the continental battle against Illicit Financial Flows but reinforced engagement between policy makers and tax administrators. The AU-ATAF partnership also facilitated an extended programme with the African Development Bank, which shares ATAF's principles and priorities. The Bank is a key strategic partner, not only as a potential funder, but as a partner for African Tax Reform and the tax aspects of African Public Finance Reform. Apart from having a significant impact on tax reform across the continent, it is an African source of funding which shares ATAF's ultimate objectives and provides a partial stabilisation of a difficult financing balance.

ATAF exists for its members and its ability to deliver defines its success. The ATAF Tax Academy, created to develop and co-ordinate services for member countries,

is focused, according to ATAF's **Emeka Nwanko**, on '*improving quality and democratising access*' to training, capacity building and research. Uganda is a happy customer. **Stella Nyapendi**, Uganda's ATAF Country Correspondent, explained how it was one of 35 countries that have received direct ATAF assistance, including setting up of an international tax unit to counter IFFs, the development of legal frameworks for the automatic exchange of information (AEOI), and audit of the coffee industry.

ATAF is based on a triangular architecture of ***the General Assembly*** representative of all members, including all development partners as observers; ***the Council,*** whose role, as the former ATAF Chair and former Executive Chairman of Nigeria's FIRS **Tunde Fowler** explained, *'is to serve in the interests of members.* ***While our role is to provide leadership and direction, I can safely say, we listen to our members and take our cue from them'***; and ***the Secretariat***. This edifice is supported by institutionally-focused ***Committees*** on Governance and Organisational Development, Finance and Audit, and Capacity Building, Research and Technical Assistance. In addition, it is supported by technical committees dealing with current tax issues.

Building networks has been a theme of much of ATAF's impact – through training, technical and capacity building events, and research activities – and it has contributed directly to ATAF's ability to bring its membership together and represent the continent with a single voice. ATAF's Women in Tax Network (AWITN) was launched in March 2021 under the leadership of **Varsha Singh** (named as one of the top 100 women in tax), **Nana Akua Mensah** (the AWITN's technical lead) and other influential women in tax such as **Dr Amélia Muendane**, President of the Tax Authority of Mozambique and the first Chair of the AWITN Board. **Veronique Herminie**, the former Seychelles Commissioner-General and current AWITN chair, explains, '***Diversity, including gender diversity, is crucial for tax administrations to develop comprehensive strategies and innovative solutions. Yet bias and prejudices persist in this male-dominated field, requiring women to be resilient and well-prepared for their roles, but mentorship and continuous training can help women navigate these challenges.'***

The AWITN epitomises ATAF's focus on improving the quality of working life and the opportunities available and its desire for continuous transformation of lives. Mary Baine sums up her own growth over fifteen years with ATAF: *'I looked at ATAF as an avenue of hope to help me build capacity within the tax administration to realise our targets. I grew as a Commissioner-General by working with other tax administrations, I didn't have to scratch my head to try and find a solution when there was already a solution among the membership. As a member of staff at ATAF, I have grown in terms of understanding where the continent stands and negotiating continental needs. So, I've become a better leader, understanding where we can take the continent if we get our tax affairs right.*'

Moses Kajubi, former Commissioner of Domestic Taxes in Uganda and now working with the World Bank in Nigeria, explains how his formal interaction with ATAF was '*humbling, and an experience for learning, challenging, but also exciting. I got an opportunity to get into the kitchen preparing an international organisation as part of the Technical Task Team. I now knew how international agencies operate and*

interacted with people who are knowledgeable in various aspects of tax administration, international relations and diplomacy. To me, it's in the strategic journey'.

It was a hub of excellence, whose members have gone on to achieve significant things. Among many examples, **James Karanja** headed up the OECD/UNDP Tax Inspectors Without Borders initiative, **Matthew Gbonjubola** became Co-Chair of the UN Tax Committee, **Varsha Singh** (ATAF's former Head of Strategy, Planning & International Cooperation and Senior Advisor to the Executive Secretary) recently became the Commissioner-General of the Seychelles Revenue Commission and, of course, **Dr Aboubakar Nacanabo** is now the Minister of Economy, Finance and Foresight in Burkina Faso.

The current Chairman of Nigeria's FIRS and member of ATAF's Council, **Zacch Adedeji**, welcomed the Council to Lagos in May 2024 and said that **practicable solutions to address the challenges confronting the continent, particularly domestic resource mobilisation, could '*only come from wearers who know where the shoe pinches*.** *In Nigeria, we recognise that solutions to our challenges reside with us in Africa.* ***Nobody can tell our stories better than ourselves'.*** The ATAF structure provided remarkable agility in responding to the 'shoe pinches' of its members, to their evolving needs, and engaging with the challenges of the changing international tax arena. In fifteen years, ATAF has moved from foundation to consolidation and is now on the brink of transformation.

Transformation means Africa setting its own tax agenda through ATAF, rather than simply adopting frameworks and solutions set by others. ATAF's work, underpinned by technical assistance and robust research, rests on a commitment to innovation through a project-driven work ethic, the adoption and adaption of state-of-the-art technologies and the intelligence from the research and data laboratory.

The nature of taxation is on the brink of transformation, whether in the international environment, the new demands around domestic taxation including the green revolution, or the implications of new technologies and artificial intelligence to reshape the global landscape.

TRANSITION

With transformation, the ATAF Secretariat is also facing a fundamental transition when the term of the current Executive Secretary comes to an end in March 2025. Above all, ATAF has been a triumph of leadership. There have been many leaders in the Secretariat, in the Council and Committees, and in the member country tax administrations. Many leaders, but only one **Logan Wort**. Despite, or perhaps because of, the lack of a conventional tax background, he has married a rare vision to his humanity, empathy, charisma and communication skills, which have informed his ability to listen to and understand Africa, to develop strategies, build bridges, and implement his vision.

His passion and his belief in the people of Africa have built and carried ATAF on its fifteen-year journey. He has taken it from the germ of an idea to an organisation of 44 member countries responsible for the collection of additional billions of US dollars to be used to fund development and create better lives for countless citizens.

It was predominantly **Logan** who made ATAF happen, who started its heartbeat and gave it breath. Working tirelessly for fifteen years, he turned it into a remarkably mature and capable teenager, conscious of, and equipped to face, the challenges and grasp the opportunities that glide like clouds across ATAF's sky. ATAF stands as a fitting tribute to him.

But now, it is time for **Logan** and for ATAF to move on. Whoever replaces him will bring their own authority and their own vision. They will take the organisation in new directions as the world changes around them and face challenges with passion, humanity, resilience and skill. We are confident that this story will provide hope, comfort and challenges.

ATAF wishes them well. The organisation is in their hands, in partnership with all ATAF's members and supported by its development partners.

CHAPTER 1

ATAF on the Ground: Two Stories

With its bold vision and broad Africa-wide scope, ATAF has achieved a significant impact within the complex reality of tax administration across the continent. This is an immense and ongoing challenge. Tax officials are under immense political pressure to improve resource mobilisation and are inevitably under-resourced for the tasks at hand. In Africa, tax systems face potential challenges of ineffective infrastructure and technology, lack of information, inadequate training, suffocating bureaucracy, corruption and low morale.

From its initial evolution as the first member-government based organisation for strengthening Africa's tax systems, ATAF's establishment and survival has depended on its flexibility and ability to break down resource barriers and sidestep bureaucratic and administrative obstacles.

But given the right people and circumstances, these challenges can be overcome, and success achieved. This chapter listens in to two teams talking about how relationships developed between ATAF experts and country tax officials. While the first case demonstrates the engagement between Ugandan tax officials and technical experts from the ATAF Secretariat, the second highlights a successful example of peer learning among ATAF members through the engagement of Rwandan tax officials with their South African counterparts. In both cases, this cooperation had a dramatic and measurable impact on the tax administration's work. Perhaps more significantly, these projects generated significant insights beyond the intervention. The sharing of knowledge broadened capacity, leading to the organic growth of good practices through dialogue and co-operation applicable across regions and subject areas.

A. Tax and the Ugandan Coffee Industry

PEOPLE

Robert Luvuuma is the Manager of the International Tax and Transfer Pricing Unit in the Uganda Revenue Authority (URA) working with a small team. **Vivian Adong** is a member of his team. The story of ATAF's engagement, supervised by **Mary Baine** and delivered over several years by **Lee Corrick** (ATAF's technical advisor on cross-border transactions) with support from the World Bank's **Ben Stewart**, began with a training programme. It then evolved into a strong peer-to-peer partnership based on sectoral analysis, enabling the URA to pass on their expertise to colleagues across Africa.

Given the URA's remarkable success in the auditing of the Ugandan coffee industry, ATAF invited Robert and his team, as well as the ATAF staff, to share their views on the origins of the transfer pricing project, its development, evolution and implementation. The team also provided their thoughts on the impact of the project and shared the wider insights they have gained from this process.

ORIGINS AND INPUTS

For **Robert**, the **main elements behind effective transfer pricing work are *'clear domestic legislation, a good treaty network with effective exchange of information provisions to access information, and adequate staff capacity'*.**

The URA's transfer pricing journey began in 2014 with the setting up of its Exchange of Information Unit and an ATAF capacity building programme on transfer pricing delivered in partnership with the OECD and World Bank. The programme began with technical discussions on the OECD Transfer Pricing (TP) Guidelines conducted through twice-yearly weeklong events led by ATAF in a classroom environment. The discussions progressed from an initial analysis of the Transfer Pricing Guidelines to presentations of anonymised Ugandan case studies.

Robert explained the significance of a change of emphasis from a broadly theoretical approach to the Arm's Length Principle in the context of the TP Guidelines, to a new focus on lines of enquiry aimed at understanding the specific industrial/agricultural sector and the factual and functional basis of its operations. The new focus was to 'follow the money' on an industry level and compare this to the actual value created. This approach had been initially used with some success in audits related to the beer industry.

Vivian thought that *'the tragedy of the COVID pandemic paradoxically proved a real game-changer for the programme'*. The travel shutdown required a new, more flexible approach. The ATAF expert (**Lee**), supported by the World Bank (**Ben**), signed oaths of secrecy and, instead of weeklong discussions of anonymised cases, focused support was now available online at key moments. The URA was initially sceptical of what they saw as a less comprehensive approach.

Remote working between ATAF and a trained team relied heavily on the availability of communications technology and enough functioning bandwidth. Where this was available, flexible working changed the emphasis from capacity building set-piece discussions led by ATAF to a Ugandan-based leadership model. The emphasis rested on the ability of the auditors to plan and implement the detailed development of the overall project based on their priorities and objectives.

For **Robert**, this laid the foundations for the URA's work with the coffee industry. He explained that the initial decision for a transfer pricing audit of the sector was based on IMF figures, which indicated that the share of Corporate Income Taxes from agriculture was very low while the profits were potentially significant. An analysis of the coffee industry showed that the main coffee exporters which were trading high quality coffee with connected parties offshore reported annual losses. Something had gone wrong.

The overall objective, according to Lee, was the *'holy grail of tax administration – to reduce non-compliance and increase voluntary compliance in the sector as a whole'* – and not to simply address the taxes payable in respect of any one entity in a particular year.

The starting point was to understand the overall shape of the industry on a global basis and then apply this to Uganda. The operation of the Ugandan Coffee Regulator responsible for quality control provided a wealth of information regarding the operation of the industry at ground level. The consensus was that Ugandan coffee – whether arabica or robusta – derived its intrinsic value from the quality of the beans produced at farm level.

The next stage, according to **Robert,** was to follow the cross-border payments from trading companies to vehicles in Singapore and Switzerland. The Ugandan Coffee Regulator set export prices for the crops, but investigation determined that these were effectively a floor, indicative across time, rather than a comparable uncontrolled price (CUP) relating to specific transactions at a particular moment. Given this, the transfer pricing focus moved to a resale minus approach based on profits made by a foreign related company. Although the local company claimed they had no access to information in relation to external links in the chain, a breakthrough came with the use of Exchange of Information powers in the tax treaties between the countries of the traders / distributors and the ultimate destination companies which produced contracts showing how profits were allocated.

The issue, **Robert** explained, was complicated by the treatment of what were said to be interest-free loans. But backward integration allowed for the sourcing of beans, based around two six-monthly crops, investing in maintaining quality and storage and enabling a network of supply for the trading company. Crucially, research demonstrated that *'interest free loans were commonly used at arm's length and were not just provided by related parties'* and were therefore simply part of the commercial operation'.

IMPACT

As **Vivian** noted, **part of the benefits arising from the work with ATAF lay in the focus on the audit process itself. '*Cases should be prepared as if for litigation, even if this involves a settlement prior to a court judgment'*.** The quality of the approach sent important messages to multinationals across the sector, not only reflecting the administration's capacity to audit locally, but understanding the international focus and structure of multinational operations. Settlement of the audited cases, even if not the result of a court judgment, effectively redefined industry behaviour. They rested on principles that would ensure overall improvement in taxpayer compliance and provide a foundation for fair and accurate tax treatment in the future.

The URA confirmed that the total additional tax assessed under the ATAF-URA programme totalled around US$79M in the three years between 2021 and 2023, with a strong long-term legacy. The result of the coffee industry audit approach shows an improvement in compliance right across the sector – from all Ugandan coffee trading companies previously reporting losses, only one company is still doing so.

Robert and his team emphasized the significance of this work in challenging the inherent imbalance between the URA and the multinationals which they were responsible for auditing. Firstly, the URA has huge resource constraints, both in terms of shortages of trained staff and potential lack of experience. Not only was training required in the application of tax rules, but it was also crucial to understand the economic and financial operations applicable to particular industries. Secondly, they were also often hamstrung by difficulties in accessing information from MNEs who can control the speed and nature of information flows and call upon industry and tax expertise. Thirdly, there is always a balance to be struck between the political pressure from government and within the Revenue Administration itself for immediate revenue collection in pursuit of government targets on the one hand, and the provision of longer-term results. Transfer pricing requires patience.

Countering these challenges, according to the URA experience, required a carefully selected, well trained and stable team. The URA was able to develop this with the support of ATAF from 2014. **A key factor in the teams' success has been the management and motivated and active leadership, which allowed the unit the time and resources to invest in capacity building and analysis and kept the team together to grow in skills and confidence, launch challenges and achieve results as a unit over the term of the project.**

The Mbeki Report on Illicit Financial Flows advocated the creation of transfer pricing units. But these need to be focused in their operation. The concentration on sectors and the structured investigation of how the industry operates were key elements in the transformation which the URA achieved with ATAF's support. As **Lee** put it, **the key was not about transfer pricing rules or royalty levels but in understanding the '*reality of the industry and its practices, the operation of the***

group and Uganda's role in that, where it sits in the value chain, what generates value in the business as a whole and in Uganda in particular'.

This goes beyond individuals developing expertise in particular industries to *the development of collective team knowledge of one industry* to ensure a strong foundation across the team. A key role in the coffee industry cases was played by *sector specialists* who were able to see inside the industry operations and this approach has been used in, for example, the Zambian Revenue Authority's work on copper mining, on banking and on telecoms.

As **Lee** explained, ATAF workshops on renewable commodities (not just non-renewables like oil), including coffee, cocoa and tea, will provide an opportunity to develop capacity for the implementation of these principles in and beyond Africa. For instance, the ATAF workshop on coffee brought in expertise from the World Bank and US coffee industry experts, as well as input from the Colombian Revenue Authority on their experience with the industry. Developing countries outside Africa now also increasingly follow ATAF models, giving ATAF's work a global impact.

This approach, twinning international tax specialists effectively with sector specialists, provides exponential results but places heavy demands on time and resourcing, as well as a premium on planning, to ensure that aggregated revenue flows across the economy as a whole meet fiscal requirements. In addition, this approach allows a holistic approach to risk assessment in the sector which can then consider other related areas – such as capital gains tax – where important adjustments were made by the URA.

The second challenge is to overcome the barriers to provision of information within the global business – its economic functions and its financial flows. The Agreement on Mutual Assistance in Tax Matters (AMATM) model developed by ATAF provides for exchange of information relating to entities within the African continent. This delivers an essential point of comparison between how tax was treated by the same global entity across the continent. To understand the whole picture, Africa requires direct access to information on a global basis. Bilateral tax treaties establish one route and the ongoing global work – including the Multilateral Assistance Convention (MAC) on automatic exchange of information (AEOI) and EOI on request – provide a significant mechanism. **As Robert confirmed, in the Ugandan cases, it was information obtained from European distributors on their relationship with offshore trading companies that provided a key part of the platform for enhanced settlements.**

Third, the URA team emphasised that **a key factor in their success lay in an understanding by management of the structural constraints on transfer pricing work** in the broader Revenue Administration landscape. Acquisition of sector knowledge, the local business, and the group operations relied heavily on exchange of information, which was always a time-consuming process. But the extended time needed, often in the face of taxpayer resistance, to investigate functions, get information through international mechanisms, and assemble and negotiate a case, had to be balanced by high value potential revenue gains. In the

As the ATAF membership have discovered, African experience shared within Africa provides the most effective channel for change on the continent.

coffee sector, no assessments were raised for two years but management resisted revenue collection pressure. They had confidence that their team was building cases that could be litigated, or a settlement achieved, raising increased revenue. The result provides greater tax certainty for industry, increases industry's positive profiles and reduces negative publicity and unfavourable reactions from investors and even consumers. It changes compliance behaviour across the sector, improves economic growth, enables more accurate revenue forecasting and increases future revenue mobilisation.

Finally, **Robert** expressed his strong wish to share the URA's successful experience with others and develop common solutions with African Revenue Administrations on a peer-to-peer basis. Mechanisms available for this include the roster of ATAF experts available to support countries seeking assistance and the Tax Inspectors Without Borders (TIWB) network. In the case of joint interests among African countries, ATAF's AMATM model (which is currently operational even if many members have not yet ratified it) or the MAC provide mechanisms to conduct simultaneous audits, directly sharing and reviewing all relevant materials. **Simultaneous audits are a huge, as yet undeveloped, opportunity that could be an opportunity for Africa to cooperate more closely in the process.**

As the ATAF membership have discovered, African experience shared within Africa provides the most effective channel for change on the continent.

B. Reinventing Revenue Forecasting and Analysis in the Rwanda Revenue Authority (RRA)

PEOPLE

Our second story illustrates ATAF's ability to **convene and inspire tax officials from different countries** to work together. The initiative came from **Agnes Kanyangeyo** who, as the Deputy Commissioner for Planning and Research of the Rwanda Revenue Authority (RRA), worked with her South African Revenue Service (SARS) counterpart, **Mamiky Leolo,** and a team of relevant experts led by **Wynnona Steyn** and which included **Darlington Zhou** and **Winile Ngobeni** and **Theshne Kisten**. **Agnes** sadly passed away and her successor in the RRA, **Denis Mukama**, continued her work in acquiring relevant technical assistance and applying this in Rwanda's interests and in the broader interests of the continent.

ORIGINS AND INPUTS

A fundamental task of a Revenue Authority is to offer advice to government to enable them to make informed and coherent tax policy decisions. The relevance

and appropriateness of this advice relies on the systematic use of revenue forecasting based on models that reflect an accurate analysis of local conditions and can establish the potential impact of a range of policy options.

At the first ATAF research meeting, **Wynnona** pointed out that research was theoretical unless data and analytics were available to quantify or analyse costs or determine benefits. **Agnes** asked her during the break if ATAF could help set up a research and planning unit in Rwanda. In May 2014, the then RRA Commissioner-General, **Richard Tusabe**, contacted **Logan** as the head of the primary independent African tax organisation and requested technical support to enhance the skills and capacity of the RRA in tax analysis and revenue forecasting, including the establishment of a Revenue Forecasting Unit. ATAF reacted immediately and approached SARS on the RRA's behalf.

Mamiky takes up the story. Three months after Rwanda's initial request to ATAF, **SARS technical experts, led by Wynnona, visited Kigali and, working with Agnes, Denis and the team, developed a peer-to-peer programme, assessed the RRA's current methodology, relevant data and information development, and capacity and skills. Wynnona** noted that the first thing they needed was a forecasting model that could set targets and enable deviations to be assessed and analysed. **Denis** described how forecasting had been relatively rudimentary in nature. '*One of the challenges we faced was that we did not have a streamlined way of providing the necessary advice on revenue forecasting … what was done back in the day was to offer revenue forecasting based on a percentage to GDP.*' But this was not sufficiently scientific nor sustainable.

Wynnona started building a model the very first evening of the visit based on the limited information the RRA possessed and, with the team, mapped out how it could be refined, while **Darlington** developed a reporting template to guide the process. They presented the outcomes to the Commissioner-General, who was delighted that he could conduct revenue targeting discussions with the Minister of Finance based on a model that would set a realistic target on a solid base.

They developed an immediate plan for dealing with gaps in the delivery of analysis and forecasting and a longer-term strategy and goals for the Planning and Research Department. The initial process involved collection of relevant material from the Rwandan Statistics Bureau and Central Bank and its transformation followed by its manipulation on a step-by-step basis.

Denis explained that the collaboration with SARS was '*a bit different to the way we'd been cooperating with other development partners.*' Other partners provided pre-determined models that would be worked on with the team. But there was little depth in building capacity or transfer of knowledge. '*With SARS it was different. They diligently tried to understand Rwanda's statistics and information, tried to customize this information to the various Rwandan laws, and then built several models, together with our team, that could then be used to forecast and predict the revenue.*'

For **Denis**, **the key element was that '*building our capacity depended on our people understanding how the information was manipulated or spoke to the legal framework.***

That, for me, presented a much more interesting, more engaging and certainly more useful model, which was a direct benefit of peer-to-peer co-operation'.

Wynnona and her team shared not only the models and techniques but a full understanding of how the models work, the outcomes and how to interpret them. Previous initiatives had simply demonstrated their own models based on their own data and how they work, but left without a clear path to on-the-ground improvement. She thought **the '*main reason for ATAF's success was to ensure that the tool to be introduced could be populated by readily available local data. If you can't access the data, the model is of no benefit; the model must be adapted for local circumstances.'*** It needed to use the RRA's own data and be based on software already available to all.

Mamiky emphasised how peer-to-peer co-operation fostered an ethos of mutual co-operation and learning. A greater cultural understanding facilitated the personal engagement between the teams, coming from countries that had both suffered upheaval and massive change in the first half of the 1990s. Neither side '*walked away ignorant of the progress each country had made in turning itself around*' and this facilitated an understanding of the issues around collection and assessment of data, adjusting the white noise of data, and shaping it into coherent and effective information based on local conditions. It also provided for a strong sense of community based on interpersonal connections. **Agnes** reported that the teams voluntarily worked twelve-hour days, such was their commitment to the project and each other.

The role of ATAF, **Mamiky** believed, was also significant. ATAF is an institution driven by the imperative of mutual improvement for all its members, without a specific technical or political agenda. ***'ATAF carried no baggage and imposed no conditionality.'***

IMPACT

The RRA-SARS-ATAF partnership reinforced the benefits of manipulating information, tying it to the legal framework and administrative provisions, as a basis for model building. It improved the science of revenue forecasting, and the RRA created specialised functionalities to develop revenue tax analysis and forecasting models, along with a modelling team separate from the statistics function.

Rwanda developed four forecasting models with SARS' support, including a Receipts Model; Tax to GDP Scenarios; Sources of Change Model and an Implicit Tax Elasticity Model. All were focused specifically on Rwandan circumstances and their negotiation served as capacity building exercises.

Denis explained that more realistic estimates have enabled the government to earmark its expenditure programmes more accurately, improving the relationship within government and the partnership with the National Bank of Rwanda, which relies directly on data-intensive micro-simulation models. The RRA was now empowered to engage in the revenue target setting conversation with the Ministry of Finance and based on the model, was able to justify analysis, assumptions and

outcomes. ***'This mutual reliance has enhanced the relationship between our respective arms of government.'***

The impact of the SARS-RRA partnership went beyond mere modelling into a focus on improving the quality of information on which the modelling was based. **Denis** expanded *'It also allowed us to think about how we can expand this area in the future. We started with the revenue forecasting unit, and now we'll be prompted to look at other alternatives, other options that we can take forward as a tax administration.'*

Flowing from this experience, the RRA have acted positively to measure the VAT, income tax, and trade tax gaps. *'As we venture into measuring other tax gaps, we still need to build more capacity. We hope to continue working with SARS and strengthen our collaboration through ATAF.'*

The success of the peer-to-peer project was confirmed when the Rwandan Minister of Finance wrote to thank the SARS Commissioner for providing the means to lift Rwanda's ability to forecast revenue and the important clarity which had been achieved.

Wynnona described '*that really true feeling of making a difference and the gratitude that I felt I've made really long-term friends. That will always be special for me because of the people being so special. The real contribution Agnes made before she passed away was her insight, seeing what difference can be made. Before it starts, you have no idea if it is really going to work. But Agnes had so much faith. She kept phoning, saying when are we coming? She just believed it would, and we all put in the effort to make it happen'.*

LESSONS

Rwanda identified this process of engagement and co-operation on establishing a Revenue Forecasting & Analysis Unit as an exceptional example of ATAF's championing of peer-to-peer learning among its members. It also **clearly demonstrates the value of revenue administrations, with a common understanding of the issues, working together to develop African solutions to African challenges.**

As **Mamiky** pointed out, peer-to-peer support from a fellow African tax administration operating within ATAF's overall framework for mutual assistance provided for an experience through which Rwanda and South Africa were able to share common challenges and work through solutions that reflected the RRA reality and did not try to fit that reality into pre-packaged solutions.

The success of this project and subsequent requests from other countries prompted the ATAF-SARS partnership (initiated by ATAF's Tax Academy) to provide further peer-to-peer training in this area, where 8 - 10 key officials in this area from five countries developed a cohort to provide training in revenue statistics across the continent. This is in its final phase and expected to be fully operational in 2025.

Denis and his team, like **Robert and the Ugandan transfer pricing team**, are only too keen to pass on the knowledge and insights gained. ***'The RRA has already been approached by different tax administrations for assistance in this area'*** **and** ***'over the last three or four years, we've been offering support to the French-speaking countries in revenue forecasting, based on the expertise and the knowledge we received from SARS'.***

The RRA has a long relationship with Togo and has been supporting the Togo Revenue Authority in building similar capacity, also facilitated by ATAF. '*We remain available and ready to support others by sharing the same experiences and knowledge we have attained, of course through the ATAF arrangement. Because we've seen and tasted the benefits, we look forward to providing similar support when called upon.'*

INSIGHTS

- Sharing of knowledge is important, but the way in which it is disseminated is of crucial significance.
- The most successful peer-to-peer experience-sharing recognises, as a starting point, the situation-specific nature of the receiving country.
- In the two case studies considered above, the subject matter determined the approach. The RRA benefitted from a focus on specific data generated from within, rather than the imposition of generic categories. The URA transfer pricing work achieved its breakthrough through a focus on the overall nature and structure of the coffee industry on a global basis.
- Ostensibly unpromising circumstances can spur breakthroughs. For the URA, the tragedy of COVID, which led to less face-to-face engagement, moved the work to another level as online engagement speeded up and focused interaction.
- Often, it's about timing. Strong relationships had already been built between ATAF and the URA by the time of COVID, so a more flexible online engagement worked. For the RRA and SARS, face-to-face engagement and a greater understanding of each other's history and culture deepened the engagement and encouraged the development of a product more carefully constructed around the RRA's needs.
- The purpose of the tax audit work is not merely the additional tax collected directly but in the behavioural changes in compliance that will bear fruit over time.
- ATAF's success in its convening and technical roles are an important driver for change and improvement, together with its reputation for neutrality and a clear lack of conditionality.

CHAPTER 2

SPARKS: ATAF's Origins

SPARKS

ATAF's story is the legacy of the tens of thousands of Africans who have contributed to the origins, development, implementation and operations of the institution and its impact on African tax systems. In the previous chapter, we told the stories of participants in just two of the many initiatives that gave ATAF its reality and its impact.

There are as many stories as there are participants, and a focus on some perspectives of the origins of ATAF, how the sparks which ignited the initiative were generated by the founding mothers and fathers, tells some of the story, but there are many others. This chapter recounts ATAF's early history, listening to ATAF's voices describe the ideas that brought the organisation together, and the decisions that gave ATAF its potential for success.

It was from the start an organisation of huge ambition, encompassing the whole, vast African continent, linking millions of people into a common endeavour to support domestic resource mobilisation for the growth of states, the reinforcement of the social contract, the reduction of poverty, and the opportunity for hope. How could the political and financial issues be overcome? What about the communications and administrative challenges, and Africa's limited success so far in creating similar effective and sustainable institutions? No one could have been blamed for calling it a pipedream.

Yet it worked. It was founded, established and made operational, it has changed the face of African taxation along the way, and has impacted on global tax rules forcing developed countries to, at least partially, rebalance inequalities in the operation of the international tax system. This book tells the story of how and why ATAF succeeded.

This chapter highlights the political and economic reasons why the organisation was necessary, and how it came about. It will explain the evolution of the thinking behind ATAF, the vision based on African independence and ownership, the

analysis of key decision-making in its founding and implementation, and its evolution into the organisation which now exists fifteen years later.

It will inevitably be a study of the people who made the decisions and – putting aside their differences of language, culture and politics – worked tirelessly towards the common good. ATAF's origins are the culmination of many threads from within South Africa, the wider African continent and beyond, woven together to create the foundations of the organisation we know today. **ATAF did not arise in a vacuum – it was an idea whose time had come.**

Initiatives to set up an African international tax organisation were not unknown. An Association of African Tax Administrators (AATA) had been established in Cameroon but failed to secure sufficient funding and political influence to compel its wider recognition. A francophone African member country organisation called CREDAF (a structure within the broader *Francophonie*) also operated successfully in its members' interests while based primarily in West Africa and administered from Paris.

Most anglophone African countries were members of the Commonwealth Association of Tax Administrators (CATA), whose Secretariat was based in the United Kingdom, but its aims and reach were relatively limited. Many anglophone heads of taxation were also heads of customs under the semi-autonomous revenue model that became increasingly popular in anglophone countries from the 1990s onwards. It was in the corridors of the World Customs Organization that African heads of tax administrations first mooted the idea of getting together to discuss common solutions to tax administration on the continent.

> ATAF did not arise in a vacuum – it was an idea whose time had come.

Gershem Pasi, formerly Commissioner-General in Zimbabwe, and Chair of the ATAF Council, described a series of meetings with heads of tax – **Pravin Gordhan** (South Africa), **Harry Kitilya** (Tanzania), **Michael Waweru** (Kenya), among others. They discussed the need to set up an independent African forum, '*where we could discuss and come up with solutions to the tax challenges we were facing across the continent*'. **Africa's tax administrators believed that, despite the diversity within Africa, when it came to issues of taxation, '*while the challenges might differ in depth and in detail, they were broadly the same*'.**

The essence of the organisation was the continental recognition of a common African identity forged in the decolonisation struggle and common African economic and structural challenges in the post-colonial period. No other continent, not even Latin America, where the Inter-American Center of Tax Administrations (CIAT) reflected tax administration interests, could match the African experience. This recognition of common interests and challenges was the first stage towards the search for common solutions.

Meanwhile, developments elsewhere combined to provide some impetus towards an independent African organisation on tax administration. Following the collapse of the Berlin Wall, the OECD began to help developing and middle-income countries

implement tax systems. Aimed first at Eastern Europe, as the Iron Curtain was rolled back to Western investment, the programme expanded through a network of regional tax training centres in Korea, Turkey, Mexico, Vienna and Budapest, as well as a series of programmes with parts of Asia, Latin America, Russia, China and South Africa / SADC. The OECD's limited membership (33 countries in 2010) did not include any African countries. Despite adding a further five countries, this is still the case in 2024.

The intersection of the OECD and SARS interests first came in 2007 when **Pravin Gordhan**, Commissioner of the South African Revenue Service (SARS), became Co-Chair of the OECD's Forum on Tax Administration (FTA). The FTA stretched the OECD's mandate to enable Commissioners-General of OECD member countries to engage directly with selected non-OECD counterparts and to discuss matters of common interest. While it had no standard-setting function, the FTA wielded considerable influence in tax administration reform.

At the same time, the challenge of tax evasion or 'harmful tax practices' threatened to derail the international tax system as tax havens and special regimes faced off in a race to the bottom. Politics meant a rocky start to efforts to counter what was a global problem, not least because some OECD regimes were themselves benefiting from bank secrecy and non-transparency. The Global Forum on Transparency and Exchange of Information for Tax Purposes was set up to develop and implement international standards in this area.

The OECD needed Africa to work with it to close down existing regimes and ensure that others were not set up to benefit from squeezing other regimes elsewhere. Africa, on the other hand, suffering from both harmful tax practices and what became known as illicit financial flows, needed enhanced capacity for the effective mobilisation of domestic resources to reduce dependence on foreign aid.

Building on the co-operation with South Africa in the FTA and the OECD's Global Relations programme, **Jeffrey Owens**, Director of the OECD's Centre for Tax Policy and Administration (CTPA), proposed the establishment of an OECD - Africa Tax Centre. **Logan Wort**, then a SARS executive, took part in a conversation between **Pravin Gordhan** and some SARS EXCO members about the possibility of the OECD investing in an OECD - Africa Centre in South Africa.

Logan recognised that there was a bigger picture beyond the Centre. '***My contribution to the conversation was (that) the idea of a tax centre is excellent because it will give training, (build) capacity, it will do all the research especially. But I questioned whether it was the right thing to do for an African country – or South Africa – to establish an African tax centre on behalf of a European organisation without asking Africans if they want it ...*** *The meeting eventually decided not to establish an OECD tax centre but instead to consider forming a tax organisation for Africa.'* He suggested calling a meeting of African tax authorities to put this idea to them, to make sure this was '*demand-side rather than supply-side driven*'.

SARS' responsibility for Customs played a role. **Varsha** oversaw International Customs at SARS in the mid-2000s. '*We had a big Customs programme for the*

continent, with the regional bodies like SADC, the WCO Regional Capacity Building (RCB) Centre, as well as the World Customs Organisation at a global level, we wanted to see could there be something similar for tax on the continent.'

Pravin Gordhan was also the Chair of the World Customs Organisation (WCO) and had significant convening power with those Commissioners responsible for both tax administration and customs across the continent.

In January 2008, a group of African heads of tax administrations attended the OECD's FTA meeting hosted by SARS, the only African member of the FTA, in Cape Town. **Varsha's** paper on capacity building formed part of the discussion, and the debate around setting up an African tax centre morphed into a discussion around how African countries working collectively could enhance their capacity to raise revenue in support of the UN's Millennium Development Goals. It was agreed to hold a high-level African Tax Administration conference later in the year. South Africa continued to take the lead, in line with a foreign policy priority which envisioned *'...an African continent which is prosperous, peaceful, democratic, non-racial, non-sexist, and united, and which contributes to a world that is just and equitable'.*

'DON'T WASTE THE CRISIS'

Timing is everything, and the immediate impetus for developing an independent African-led organisation on taxation was provided by the 'subprime' financial crisis of 2008-09. As 2008 proceeded, markets entered a severe depression, governments began to bail out their financial institutions, aid programmes for developing countries were coming under significant threat and the costs of debt soared. As many African countries were dependent on aid and loans for meeting around 70% of their expenditures, the financial crisis looked like becoming an existential crisis for developing countries.

This crisis drove the argument that Africa had to work collectively to take control over its economic future, to increase its capacity and raise its own resources through reinvigorated domestic resource mobilisation (DRM). It was an opportunity for Africa to shake off some of the dependency relations of the past and build its future on its own terms. South Africa's **Minister of Finance, Trevor Manuel,** who opened the Pretoria Conference on Tax, State Building and Capacity Development in August 2008, called on the assembled representatives of the 28 African countries and eight international organisations, the President of the African Development Bank (**Donald Kaberuka**) and the Deputy Secretary-General of the OECD (**Pier Carlo Padoan**), to take action now and '*not to waste the crisis.*' With this, the idea of ATAF, the African Tax Administration Forum, was born.

Logan remembers the discussions being about sharing experience, capacity building and setting the direction for tax administration in Africa but, for him, the conference was shaped by its underlying theme. ***'What is the connection between taxation and the value proposition of governments, and how does that relate to Africa's huge debt and weak tax-to-GDP ratios and the whole range of social, political and***

economic issues Africa is facing.' **Most African countries fell well short of the UN tax-to-GDP target of 21%, with some well below 10%, in contrast with an OECD average in the 30% range. A restructured approach to DRM was both a necessity and an opportunity.**

> Good taxation meant good governance. Effective tax systems would create effective and efficient states, deepen the social contract between state and population, and increase political accountability.

But, at this stage, the discussion was about politics as much as economics and a drive in the direction of self-sufficiency in Africa. Some of the political fuel that propelled the proposed new African institution was provided by Professor **Mick Moore** from the Institute of Development Studies (IDS) in Sussex, who made the case that revenue raising, crucial as it was for filling a crisis-led gap, had a fundamentally political dimension. African countries could achieve benefits even beyond freedom from external strictures imposed by aid and the debt drain. ***Good taxation meant good governance. Effective tax systems would create effective and efficient states, deepen the social contract between state and population, and increase political accountability.*** Reformed tax systems were thus a platform for reforming other areas of government and for revitalising government's relationship with the people.

From the very start, it was clear that the organisation would be pan-Africanist, representing Africa, and built by Africa for Africa. Its ideological hinterland encompassed the continent's colonial and post-colonial experience, and its purpose was building capacity and mobilising resources towards the achievement of self-reliance and freedom from dependence.

> 'When we act together, we are stronger than when we act alone'

But it was not one way traffic. Several African delegations were unconvinced as to the need for another organisation taking up funding and resources. The counter-argument lay in the benefits of **co-operation on a pan-Africanist basis, sharing an understanding of continental challenges and devising African solutions**. As for whether it could be achieved, there was another powerful example of continental unity. *If Latin America (CIAT) can do this successfully for four decades, why can't we?*

Jeffrey Owens recalled a '*rollercoaster ride – initial enthusiasm, followed by raising of concerns around purpose, mandate and the likely success of bringing together different cultures, languages and tax systems, and finally a coming together and a majority in favour'.*

With leadership from South Africa's **Trevor Manuel** and **Pravin Gordhan** and funding and resource commitments from SARS and development partners present, scepticism over function, scope and financing turned to optimism and a drive to work together on a continental initiative. **As Pravin put it, *'when we act together, we are stronger than when we act alone'*.**

This was an invigorating political idea to underlie the discussions on strengthening tax administration on the continent, and the close-of-conference communiqué described the planned establishment of ATAF as '*an opportunity to say what Africa wants in the tax area: for African-based processes and institutions to take the lead on the continent*'.

THE STRATEGIC CREATION OF AN INSTITUTION

Allen Kagina, former Commissioner-General of the Uganda Revenue Authority, recalled how, on the sidelines of the Pretoria event, **Pravin** brought together a group of heads of tax administrations which broadly reflected continental regions. ATAF was '*an idea whose time had come.* ***We realised we had a bigger role to play; it was then that we took on the role of being nation-builders and not just revenue collectors'.***

Botswana (**Freddy Modise**), Cameroon (**Alfred Assobo**), Ghana (**Daniel Ablorh-Quarcoo**), Nigeria (**Ifueko Omoigui Okauru**), Rwanda (**Mary Baine**), South Africa (**Pravin Gordhan**, replaced by **Oupa Magashula** in May 2009), Uganda (**Allen Kagina**) and Morocco (**Brahim Kettani**) were mandated by the Pretoria meeting as a Steering Group to prepare for the launch of the African Tax Administration Forum. They were supported by a Technical Task Team.

Logan was asked to convene the Technical Task Team with representatives from Botswana, Cameroon, Ghana, Nigeria, Rwanda, South Africa and Uganda. '*Essentially, I was tasked to set up the organisation with a team ... I had two very, very capable senior managers [**Lincoln Marais and Varsha Singh**] in the team that helped me a lot to conceptualise and do the strategic thinking.*'

Lincoln described ATAF as '*an opportunity to design and develop an institution which is built by the continent for the continent. In part, it was defined initially by what it shouldn't be. It was very clear to us that it shouldn't be just an outreach OECD project.*'

Mary, at the time still Commissioner-General of the Rwanda Revenue Authority, was part of the Steering Group. '*It was at a time when most of us were struggling because the targets that were being set for Domestic Revenue Mobilisation sometimes were extreme.* ***Every head of tax administration's dream was to effectively collect more revenue, not just to meet their targets, but to meet the development needs of their countries. It was an opportunity to compare what every country was doing and learn through peer support. The ATAF proposal was music to my ears'.***

Bridging the gap from talk to action among countries drawn from across the continent needed leadership, and a common agreement on the objectives and the means to be used to achieve them. It was a challenge that past efforts to set up similar institutions had not surmounted.

In formulating his strategy, **Logan** drew directly on his own experience as a South African political activist in the struggle against *apartheid* in the 1980s. '*As an 18-19-year-old, I was required to establish political organisations throughout the*

country. You had to start civic organisations, youth organisations, trade unions from nothing. We had to do things that we were not trained for and take a lot of social, political, religious and cultural issues into consideration in establishing popular organisations to mobilise for resistance.'

Although it was not necessarily obvious at the time, in a technical tax arena, his political background proved highly appropriate for developing and delivering a continental tax organisation. **Logan's** strategic considerations, when reflecting on the establishment of ATAF, were specifically political. '*In my experience in the Southern African Development Community and in the nature of multilateral organisations and African organisations, when you start a formation, there's often long conversations and battles about who's going to host? Who's going to be the chair? Who's going to be the executive? Who's going to own this thing? Who's going to be in the photograph. And long before you've delivered your first value, you start arguing about who's in charge. I understood that. And my own approach was, this is one thing we must avoid.'*

What **Logan** had learned from establishing youth organisations as a young activist was that '*when you create value, and bring young people together, and they have fun, they'll come back. So you don't bring them together and have heavy discussions about Marx and Lenin with them. You bring them together and they want to dance, they want to play snooker, they want to play table tennis. And over time, you get them involved in discussing their social environment. They will make the link. You need to find a way in which they always want to come back. And so, based on some of those principles, I realised that ATAF must be technical'.*

A key component of strategy was the ATAF leadership's understanding of the importance of the role of development-focused institutions as active partners in the delivery of value to potential members before the organisation was even constituted. The solid support from South Africa as the key sponsor and the decision to engage development partners, including the OECD, in the Pretoria meeting had already ensured a commitment.

By late 2008, **Mick Moore** thought donors still had money to distribute and strongly supported the idea that good tax was about better governance as well as raising revenue. '*I was probably the dominant academic voice making that argument but there wasn't an awful lot of resistance'.*

There was a strong desire among aid agencies to have functioning African regional institutions, and ATAF turned out to be an effective African regional organisation that was sector specific, unusual in the African context. **Ben Dickinson**, then Head of Tax and Development at the OECD CTPA, described how '*ATAF's grasp of the foundational aspect of taxation in the context of the complex project of building effective states meant that it emerged as a champion for the set of issues which forced their way to the top of the development agenda. ATAF was both a leader and a beneficiary and had laid the platform for responsible and accountable government'.*

From the OECD's perspective, the African-led initiative was the best possible approach to the challenge of supporting African tax systems. Building African

institutions is a challenging process, and not all are successful. But the combination of an African-driven ideology, which saw taxation as a key to opening a post-colonial door with practical initiatives that could help officials working at a national level increase domestic revenue mobilisation, all supported by a progressive African country (South Africa) and drawing on leadership from across the continent, provided a potentially successful strategy.

'*We had nothing, we didn't have an organisation, we didn't have a structure. But we used our resourcefulness.*' The old political lessons stood **Logan** in good stead. He needed to find allies that could create value, make tax officials keep coming back, and spread the word that ATAF not only existed but was delivering. The Technical Task Team and Logan's colleagues in SARS decided to offer training events to tax officials under ATAF's banner even before the launch.

Richard Parry, formerly Head of Global Relations in the OECD's Tax Centre and responsible for supporting training and capacity building, recognised the likely impact of an independent African tax institution with technical OECD support delivering a value proposition to potential members. '*A successful independent African membership organisation would not only be a credible vehicle for expressing African perspectives but also have the greatest impact on the development and implementation of tax reform and the strengthening of tax systems. The ATAF imprint on the capacity building in Africa would drive the success of the work more than any externally driven initiative and would reinforce the early impact of the nascent organisation.*'

Thanks to **Logan's** political strategy, the Steering Group had something immediate and concrete to offer. **By the time ATAF was launched in Uganda in September 2009, with the support of South Africa, the OECD, and other development partners, it had already delivered eleven training and capacity building events** on tax treaties, auditing multinationals, domestic audit, VAT and exchange of information, attended by around 200 tax officials from 26 African countries. Countries were already engaging, sharing experience and starting to design and implement African tax solutions.

Uganda had been asked to host the launch and **Allen** and her URA team were prepared to take on the challenge of a major event with the support of what would become the ATAF Secretariat. **Allen** persuaded her Minister of Finance, **Mrs Syda Bbumba**, by stressing the potential of ATAF's work on Domestic Resource Mobilisation. The deal was done when **President Yoweri Museveni** personally pledged his support and his intention to attend. The government and the whole country threw their support behind the initiative.

Allen recalled the work of the Steering Group over the next year as it mapped out the journey towards ATAF's launch. A large part of their task was the marketing of the idea across African capitals. There was strong support for the proposal, even if national politics played a role in final commitments. Domestic resource mobilisation and the promise of African solutions through tax administrations working together to support one another were ideas whose time had come.

KAMPALA: ATAF'S LAUNCH

ATAF's official launch took place on 19 November 2009 in Kampala, Uganda, with participation from officials from 31 African Tax Administrations (of which 25 had committed to membership), eight non-African countries and 18 development partners.

Uganda's President Yoweri Museveni, launched ATAF's Inaugural Conference. He noted that ***'tax revenue mobilisation is the biggest source of long-term financing for sustainable development and the lifeblood of all state services ... [and that] taxation strengthens democracy, increases incentives for public participation and strengthens the social compact between citizens and the state'.***

'We needed to design an organisation for Africa, in Africa, by us Africans,' said **Gershem**. *'We wanted to usher in capacity building as we required, because we understood our problems better than anyone else. But we also needed political support. Very few Ministers of Finance on the African continent at that time were supportive of the idea and President Yoweri Museveni really took the idea on himself, which led to more visible support.'*

Allen agreed. She believed that **the presence of Uganda's President** and **Minister of Finance ensured commitment** from heads of tax administration. The leadership were very present in the decision-making process, and in championing the cause with their ministers of finance and in their governments. For **Allen**, *the most important component of leadership was outside the meetings where, with the support of the Technical Task Team, decisions were actioned and implemented,* building the organisation brick by brick.

Oupa Magashula, the Commissioner of SARS and the ATAF Council's 1st Chair, addressed the gala dinner, declaring that '*the roots of a small but strong baobab have spread into 25 African countries and that, with care and nurturing, it will spread to represent the whole of the African continent'*. **He reminded the participants of the African philosophy of interdependence: '*Umuntu ngumuntu ngabantu*' (I am because we are). '*It is a view of the world in which we are inextricably linked through our shared humanity, our shared Africanness and our shared identity.' Ubuntu*** reflected the philosophy of a common cause rooted in African traditions, and African traditions of dialogue had much to do with the resolution of the key issue of control.

Gershem recalled that three or four countries had volunteered their administrations as a potential host for ATAF. But in most cases, these included conditionalities that would have given the host jurisdiction effective control and significantly impinged on the independence and autonomy of the Secretariat, whose role was to operationalise the new institution on behalf of the membership as guided by the Council.

While the Council was to be representative of the national and regional interests of its membership, the Secretariat responsible for delivery needed to be, and be seen to be, neutral, working in the interests of the whole membership. **Gershem**

told the story of how the issue was informally resolved. When the formal meeting was deadlocked, a small group of 'Friends of the Chair' persuaded the meeting organisers to pause and arrange an unscheduled boat trip, during which the issue was resolved.

The Kampala launch recognised the key role South Africa had played in the preparation for the development of the organisation and unanimously agreed that South Africa should act as host, that the Council should consist of ten members elected by Commissioners-General split into regional groupings, and that **Oupa** should Chair the first Council. As **Gershem** pointed out, it was an early example of leadership in action even before ATAF was launched.

African countries were interested but not necessarily fully committed at this early stage. **Logan** explained that *'heads of tax were busy, and why would you invest time in another African organisation that may or may not survive, given the difficult history of establishing successful organisations on the continent? In any event, it needed significant persuasion and the Steering Group, consisting of, among others,* ***Mary, Allen, Ifueko*** *and* ***Daniel*** *played critical roles in getting buy-in.*

The first ATAF Council consisted of South Africa, Botswana, Gabon, Ghana, Kenya, Nigeria, Rwanda, Senegal and Zimbabwe. It was recommended that Morocco take up the final position representing North Africa. Resolutions were passed to enable the Council to discharge its functions, including transitional arrangements, staffing and budget, and a work programme for 2010.

The Kampala communiqué spelt out the progress made. Twenty-five African Tax Administrations signed an Interim Agreement, formally establishing the African Tax Administration Forum, marking a '*crucial milestone in the realisation of our dream of creating a platform to promote and facilitate mutual co-operation among tax administrators in Africa, and between Africa and the rest of the world'.*

AMBITIONS

ATAF set out its position. '*African led, managed and supported primarily through the expertise, resources and financial contributions of its members.*' The ambition was clear, but the journey would take time, and how far ATAF has achieved its ambitions is a key theme of this book.

Africa's vision, described in Pretoria by Minister Manuel, of how African countries could liberate themselves from the political and economic constraints of aid and debt, was a vision of a new era. It was a vision of independence, beyond the colonial and post-colonial periods that had been characterised by formal and informal control from forces external to the continent. This common cause of African independence was based on domestic resource mobilisation building fiscal and economic strength. **The vision was one of better lives for Africans, and a more prosperous and sustainable future for the continent.**

African leadership and management were present from the start. **Oupa**, as Council Chair, appointed **Logan** as interim Executive Secretary in charge of the Secretariat, awaiting ratification at the first Annual General Assembly in 2010. This provided for the continuation of the team that had brought ATAF into existence starting in Pretoria in 2008. The question of funding reflected ATAF's aspiration for African control over all aspects of the organisation. But the reality was that this would not happen immediately.

Resources from member countries would inevitably be limited in the short term. Some countries were waiting for an indication as to what ATAF would achieve in practice, others would surmount any teething issues, while some faced significant political obstacles to releasing resources to an institution outside their own direct control. Four tiers were eventually negotiated for contributions reflecting the sizes of countries' economies. Even the highest tier, however, charged members at a relatively low level in contrast to other international organisations such as the Global Forum on Transparency and Exchange of Information. Somehow, the gap between member funding and organisational aspirations had to be reduced.

ATAF's ambition of '*working towards increased financial independence for African countries*' situated tax at the heart of economic development, political accountability and good governance. ATAF members and development partners not only shared a common outcome but also the path to achieving it. The effective collection of taxes was one direct solution to the unifying principle behind development itself, the need to make development self-sustainable.

But there was a paradox in this. Donor funding was needed as seed corn to support operational costs and should follow the broad agreement on principles around the efficacy of domestic resource mobilisation. But few donors shared the full extent of ATAF's ambition. Consequently, donor priorities and the bureaucratic frameworks within which they operated potentially risked distorting the priorities of the organisation, as donors encouraged ATAF to focus on specific projects or pet donor topics in particular regions or countries. The question of how donor funding should be used was a struggle still to be fought, but for the moment, it was critical that the infrastructure and Secretariat be installed and operational and that ATAF activities reached into the reality of member country experience.

Allen highlighted the significance of the South African role in providing financially-resilient and administratively-effective foundations. '*I also have to say honestly that I think South Africa doesn't get enough credit. The Secretariat role, carried by SARS, was huge. SARS also agreed to shoulder the financial burden, knowing that some African countries would struggle to meet subscription payments. So South Africa carried that financial burden.*'

It was essential for the venture to stand a realistic chance of success that SARS should provide a substantial contribution, and South Africa's generosity provided the platform for ATAF to demonstrate its potential usefulness to its membership. This involved not just money but human resources and skills, leading and shaping the new entity, building relationships on the continent and beyond, providing

technical expertise in capacity building events, such as on tax treaties, auditing multinationals, and domestic audit.

At its heart, people were the foundation of the institution. The heads of tax who made up the membership, the Council and Technical Committees, the embryonic Secretariat team who drove the initiative and the creation of value, the development partners, the SARS management team, the South African Finance Minister, and of course the President and Government of Uganda, all played their parts in creating an authentic African institution.

But more was needed to enable it to fly to the heights to which it aspired. The next chapter looks at how the sparks, ignited in Kampala, were fanned into flames.

CHAPTER 3

3

Fanning the Flames: Agility and Innovation

FIRST STEPS

From small beginnings, ATAF has evolved into an effective organisation delivering tangible benefits for its members and, in addition, acting on a global level as an increasingly influential voice for Africa. This has taken place within an international tax environment undergoing significant political and structural change in response to global political and economic challenges, including new technology and operational methodologies. ATAF's significance has been built on key decisions and the embedding of values that have given the organisation a unique identity and a remarkable record as a vehicle for enhancing tax systems in member countries.

This section will look at some of the key building blocks of the organisation, picking up themes from previous chapters to consider why and how ATAF had to strike out on new paths. The political and economic ideas – 'the sparks' that brought ATAF to life – burst into flame when ATAF implemented key decisions that would prove their worth and have maximum impact between ATAF's formal launch and its achievement of its own legal identity. This chapter will also share the experience of some of the officials who shaped ATAF and benefitted from its work during its formative period. ATAF developed a tax training and capacity building programme to reinforce member country skills and capacity while simultaneously building a strong institution that was undergoing its own transition to a fully operational independent continental organisation.

Varsha was appointed Head of International Relations at SARS at the end of 2008. *'The establishment of ATAF landed on my desk, and my team and I then worked on what was required to establish a body for the continent. We had to decide whether it was going to be a training organisation for mid-level tax officials, or whether it would deliver technical assistance directly to countries ... We started to map that out together with the*

Steering Group and the Technical Task Team and consider how we institutionalised the organisation.

'***In that first year, we concentrated on two aspects: first, building an international organisation as the African Tax Administration Forum, including putting together a draft Agreement that countries could sign up to, and second, on establishing what African countries really wanted*** *... We took the programme that we were running for SADC with the OECD and started to offer it to (...) all (African) countries, all tax administrations on the continent.'*

As a result, participating countries began to see opportunities for improving the functioning of tax administration on the continent, and by the time that ATAF was formally established, they saw the benefits of potential membership. *'At the launch, when South Africa was nominated as the host country for ATAF, we had to put an interim Secretariat together and take the agreement through the South African (ratification) processes, to establish it as an international organisation. We also had to negotiate a Memorandum of Understanding as the host country and to look at the type of support South Africa would provide to ATAF. At the launch in November 2009, 25 countries were committed to joining ATAF and signed the draft agreement. After that we had to focus on the process for countries to accede to the final agreement, to ratify it for it to come into force.'*

DECISIONS

When an OECD-Africa Tax Centre was originally proposed, African decision-makers grasped the opportunity to develop a tax organisation controlled by, and in the interests of, African members on a continental basis. The model for the organisation put the member country Commissioners-General at the centre, responsible for decision-making and meeting annually in the ATAF General Assembly. Between the meetings of the General Assembly, they were represented by an elected Council reflecting regional interests and which provided guidance and direction. They were supported by technical committees of the Council on governance, organisational development, capacity building and finance, and in due course on technical tax issues. The organisation's operations were led by an Executive Secretary, and a Secretariat responsible for delivery.

This governance framework of member country decision makers and a Secretariat responsible for operations provided an ideal mechanism for an agility of approach balanced by clear lines of accountability to the membership. Gershem considered that the decision to strengthen the internal audit function went far towards guaranteeing ATAF's good corporate governance, which underlay the relationship of trust that ATAF was able to establish early on.

With this model on the table, the Kampala Communiqué described ATAF'S aspirations – the promotion of experience sharing, benchmarking and peer reviewing based on best practices; the development of a database of African tax systems and methodologies; the delivery of capacity development events on

> 'The potential benefits had to significantly outweigh the costs given the considerable risks of organisational failure'.

international and domestic tax policies and administrative issues; and the establishment of an ATAF Tax Centre.

As **Varsha** admitted, it was highly ambitious. *'As the interim ATAF Secretariat, we put together a programme that, with development partner support, we could deliver to countries and in 2010, while continuing with training, we began to offer some technical assistance to countries in areas such as transfer pricing and in treaty negotiations. Not only did this serve as an indication of benefits for potential members, but development partners could see that, right from the start, ATAF was focused on achieving direct impact, and not simply a talking shop.'*

Mary highlights the significance of the first decisions taken by the first few Council meetings to the early growth of the organisation. One was the decision not to just provide one-off training events but to build in-depth, long-term programmes helping countries to build internal capacity and to support each other. ***'We were not just going to deliver training and workshops and have conferences. No, we were going to go into the actual work to look at what the countries needed, to look at it holistically and come up with a solution that would address both the policy and the administrative needs of the countries so that they'll be able to collect revenue and do it effectively and build a tax collection culture on the continent.'***

She thought that a ***'second key decision was to have an autonomous Secretariat, an independent Secretariat that would come up with a plan for the continent to support, to look at the needs, to do a needs analysis. And then provide solutions that were critical to the continent.*** *I think that enabled the Secretariat to respond in an agile manner and comprehensively to these countries. It also allowed a lot of flexibility, because the Secretariat did not have to wait for the Member States to convene before they were then authorised to go and deliver solutions.'*

For **Mary**, the **third critical** ***'decision was to start providing administrative support before it went into policy work, because that allowed it to grow, to make its mark, and achieve concrete results'***, which could act as a solid platform for understanding the issues member countries faced and develop continental solutions to enable the provision of policy advice to countries.

Gershem explained that the broad vision had been part of the dialogue between the heads of tax administrations from the start. Customs, trade and tax policy were always part of the broad agenda but the initial decision to focus on organisational creation, and specifically on tax administration, provided the platform on which the broader range of interconnected technical issues could grow. '*The vision behind ATAF was to have a holistic organisation which would provide the capacity building that was required in tax and customs administrations in Africa and with a strong emphasis on technology and ICT.*'

Logan viewed the evolution of this strategy from his political perspective, the significance of persuading African countries of the potential benefits of putting

resources into their engagement with ATAF. '***The potential benefits had to significantly outweigh the costs (spreading their meagre resources beyond their immediate target-based requirements), given the considerable risks of organisational failure'***.

He explained that in 2010, ATAF had its first series of meetings focused on training, research and technical assistance. *'We ran it professionally – good production, good quality, good activities, good events – and our name began to spread through the continent – and countries, even if they were not members, started to come.'* By 2013 or 2014, ***'ATAF became a known brand, relatively successful, relatively impactful, and people started to want to be associated with it. And so, our methodology was (to be) an organisation that operates technically, that operates under the radar in terms of the politics of an organisation.'***

ATAF's strategy was focused on finding space within the political landscape. '*In the bigger scheme of things, it is governments, presidents, heads of state and ministers of finance that had to buy into this, especially in francophone countries – because in most francophone countries, tax authorities are departments of the Ministry of Finance, they're not autonomous. But even in those countries where they are autonomous, they still were under the Ministry of Finance, so you needed those ministers and Heads of State to buy in, because there's membership fees to be paid, and they have to authorise people to travel to meetings and events.'*

Logan's pragmatism rested on a political understanding of the continent. He noted a tendency in ATAF's early years to look towards the OECD, the IMF, the World Bank and the G20 for policy perspectives rather than take advice from within the continent. '*Instead of fighting that, we worked with it and made it work for us. We worked with the OECD and the German administration through its BMZ (Federal Ministry for International Cooperation) and GIZ (German Agency for International Cooperation), which have offices and development programmes throughout the continent. And through those and many other associations, at the political level, then our political leaders heard about us. They did not first hear about ATAF from us. They heard about ATAF from others who were giving them development support. And that was an important part of the brand methodology.'*

But it didn't take very long for ATAF to get the recognition it needed.

Pascal Saint-Amans, formerly Director of the OECD CTPA, viewed the relationship between the OECD and ATAF as symbiotic. '*While the OECD was looking to globalise, particularly in the tax area, Africa was building its own capacities in tax. These two imperatives led each institution to feed the other. The growth of the tax agenda at the OECD gave material for ATAF to develop its own thing, even though ATAF was much broader than just contributing to the international tax agenda, and vice versa. ATAF became the transition point for feeding African views into the Global Forum first and then the Inclusive Framework. The result was a special relationship between ATAF and the OECD.'*

As described in the previous chapter, the first engagement came through DRM and tax as a driver for development, rather than the technical aspects of the international tax evolution. **Ben Dickinson** remembered ATAF's learning experience with

the language and culture of international development as they studied how development agencies worked, and how domestic resource mobilisation could achieve sustainable development goals. ATAF shared the dominant OECD view of DRM as the engine for an independent and ultimately self-sufficient Africa.

ATAF's immediate strength lay in the fact that the leadership in the interim Secretariat was not dominated by tax-bound technocrats but were expert communicators skilled at providing the bigger picture, explaining how effective, accountable and democratic states rely on the tax system. ATAF took on that narrative very successfully, positioning itself within a complicated international scene, particularly in Africa where everything was a priority. **As ATAF took the key decisions around engagement with the development world, and then with the evolution of international tax reform, it emerged as a champion for issues at the top of the international development agenda. ATAF was both a leader in that agenda, and a beneficiary.**

DELIVERY

The broad principles behind DRM and development were shared by both African members and development partners. In addition, a common understanding and approach to institutional processes were essential in light of the different cultures, models and approaches across the continent, and the need to link the interests of ATAF members and development partners.

As **Lincoln**, who headed up the capacity building programe in the interim Secretariat, explained: ***'It was important to maintain the momentum ATAF had from the launch and to gain credibility among potential members and donors / development partners. The strategy to do this was to start by demonstrating positive impact immediately – through technical assistance, capacity building leading to the development of African-focused soft law, standards and guidelines'***.

Initially training events delivered in 2009 and 2010, with the support of SARS and OECD experts and focusing on international tax issues, tax treaties as well as domestic taxes, brought tax officials together to raise capacity, share experience and work with experts to develop and implement solutions. Most significantly, they spread the ATAF message of mutual support among African countries through practical assistance and made it clear that ATAF was an organisation concerned less about taking positions than about concrete delivery. As **Sam** of Namibia put it, unlike most international organisations, from the start ATAF gained a reputation for '*under promising and over delivery*'.

By 2011, it was becoming clear that ATAF's delivery needed to start with Africa, and training and capacity development needed to reflect the direct experience of African countries themselves. **Logan** recounted how in 2011, ActionAid published the report *"Calling Time"*, which told the story of Ghana Breweries, a subsidiary of SAB Miller. Despite being a highly profitable arm of SAB Miller for five years, Ghana Breweries did not pay a cent in tax to Ghana. ATAF brought together '*experts from SARS, including **Ron van der Merwe**, a brilliant tax treaty international tax guy,*

who in his retirement is still doing training throughout the continent for ATAF. And ***Ron*** *explained how the tax treaty network enabled SAB Miller to use double taxation treaties between Ghana, the Netherlands, Ireland and Mauritius to offshore procurement, HR and IP and minimise profits in Ghana. And that set ATAF onto a path of legislative and policy intervention'.*

Ron had been working on a multilateral tax treaty for Southern African countries which ATAF, with his help, shaped as the African Agreement on Mutual Assistance in Tax Administration Matters, (AMATM). **Logan** explained, '***the idea of a South-South-cooperation-powered engine based on the AMATM was very significant, and then I knew that that was the path. The path is not just (about) giving training. The path is enabling the legislative environment, fixing the policy environment and designing the policy around the conditions of the African continent,*** *because our economies are driven by the extractive industry. Our economy is driven by high informality. Our economy is driven by both subsistence and commercial agriculture, and some parts of manufacturing that had not yet been taken to the East. And so, the type of tax policy and tax legislative environment could not just be taken from an OECD model. We had to design African models.'*

'We called together 26 African countries, and over a period of two years, negotiated a multilateral model agreement, with a focus on allowing countries to exchange information relating to specific cases and set up joint audits, which could have helped Ghana deal with the issues arising in the SAB Miller case ... And so ATAF, in 2011, had to move into (a) kind of adult space, even though we were still a kid. And that is when I knew that, ***if we can get value out of treaties, out of exchange of information, and out of sharing auditors between countries, (then) this is the path of Africans helping each other, this is the broader context of South-South cooperation,*** *before the introduction of initiatives such as Tax Inspectors Without Borders.'*

Matthew Gbonjubola, then Head of International Tax at the Federal Inland Revenue Service (FIRS) in Nigeria, and now Co-Chair of the UN Tax Committee, began his 'romance' with ATAF when he was nominated to join the AMATM negotiating team. Not only did this process start many of the African countries thinking about what technical frameworks could be built to maximise co-operation between them, it quickly created a community of technical tax experts across the continent.

AGILITY AND INNOVATION

The formation of ATAF was stimulated by the arrival of the global financial crisis (*'don't waste the crisis'*). Despite being staffed by only a handful of officials, ATAF had already started to emerge as an African presence in global tax matters as part of the tax and state building initiative, and on occasion chaired the Task Force on Tax and Development work at the OECD. ATAF was both a catalyst and, as a recipient of essential support from development partners, a beneficiary.

The financial crisis and declining revenues also created a significant political impetus among developed countries to challenge the global tax avoidance industry as profits, including those from developing countries, were repatriated

not to developed countries but to tax havens. The OECD seized the opportunity to tackle what it defined as Base Erosion and Profit Shifting (BEPS), essentially seeking to reform global tax systems to challenge tax avoidance and evasion. This began through the development of an Action Plan created by developed countries which, once agreed, was presented to developing countries, including ATAF, with an invitation to join in the implementation process through what became known as the Inclusive Framework.

The OECD argued that base erosion and profit shifting (BEPS) was equally applicable to African countries seeking to mobilise domestic resources. **Logan** told the OECD that '*Profit shifting is not the main reason for our base erosion.* ***Our base erosion is created by transfer pricing, by bad incentives, by poor contracts in our extractive industries.*** *So we will call a meeting on Base Erosion. But it will be our meeting, and we will look at what drives our base erosion.* ***There was a nice convergence because we were part of this global process, but we were always conscious of what the legislative and policy issues are that Africa needs to change.'***

In 2013, ATAF brought together a team of eight African technical experts to consider, from an African perspective, the implications of BEPS and whether ATAF should participate in the BEPS project. The group was formed into a technical committee that later became the Cross-Border Taxation Committee. **James** was elected as the Committee's first Chair and **Matthew**, representing Nigeria, was one of the eight. The meeting decided that Africa '*should not run away from BEPS'*, that they should participate in the project, but on their own terms.

Matthew, who succeeded **James** as Chair, reported that this was where the real work started. The big question was: what are we here for? The Committee was individually tasked with researching and investigating BEPS-related issues applicable in their own countries and make group presentations, which functioned as experience-sharing mechanisms. The Committee developed close links and became a support system for each other. Over time, the Committee began to develop coherent African approaches to BEPS issues and **Matthew** and others found themselves representing ATAF and / or their tax administrations in the Inclusive Framework discussions. The challenges they faced in this environment, and their impact, will be discussed in more detail in Chapter 5 below.

This highlighted the agility of ATAF's evolution in its early years. **ATAF's response to the OECD on BEPS was based on the same principle – first, establish how international initiatives impact on African interests and second, analyse how the initiative could best be turned to the continent's advantage – in essence, how BEPS could be Africanised.**

As a result, when it came to putting African interests and African positions across, organisations in the world started to look at ATAF. And that was a very critical moment. This, according to **Logan**, ***'was the beginning of ATAF's 'African Voice' in the international tax arena'***, a development which, while unforeseen at the founding of the organisation, nonetheless clearly reflected the overall mandate of improving African tax systems. It was the organisation's agility as well as its competence in understanding and communicating African perspectives in the global debate, and

its bravery in taking on unanticipated but important aspects of work related to its core mandate, which underpinned its early success.

Beyond tax and development, and later BEPS, a third area in which ATAF was able to respond swiftly to broader political developments was in combating Illicit Financial Flows (IFFs). As **Logan** explained, '*we were asked at the very last minute to make a submission to* [*the High-Level Panel on Illicit Financial Flows, under the leadership of former South African President Thabo Mbeki*] *and we were very excited – quite surprised, but very excited – and we had overnight to prepare. Our head of research,* ***Dr Nara Monkam****, and I presented our experience and our research on the key drivers of illicit financial flows out of the African continent. And we emphasised the flows through multinational enterprises. The IFF report eventually found that more than 60% of money which leaves the continent, did so through transfer pricing utilising existing tax rules, which also enabled international tax avoidance schemes by multinationals.'*

A key remedy was not simply changes to legislation or regulations – although these were necessary – but the development of strong audit capacity in African administrations linked to a system of exchange of information powers that auditors could use to establish the global profitability of the multinationals.

> 'African countries must want to use our support because we are the best. African countries must prefer our technical assistance because we are agile, we are responsive, and we understand the conditions. And that sets us apart.'

Logan described ATAF's role in quantifying the impact. *'ATAF's contribution to the report, as part of the consortium working on IFFs, was quite significant. By 2018, ATAF could report more than USD 2 billion of taxes assessed that would have been part of (those) outflows, had we not assisted in changing the laws, changing the legislation, providing training and supporting the audit. Today, as we speak, we have assessed – since 2016 – more than USD 4 billion in additional taxes, of which more than USD 2 billion are banked by those countries. And for me,* ***that was a very significant moment in the life of the organisation, because those countries that we have supported now had additional money in the bank. The laws have been tightened and smoothed, and the taxpayers who had to pay did not complain, because we created a tax certain environment for everybody involved'****.*

Many of ATAF's operational choices were limited by the levels of available funding and the constraints of the operational system. But once again, its agility and strength in focusing on delivery over process made a virtue out of a necessity and provided a path towards success.

Logan is once again best placed to articulate the landscape that underpinned ATAF's operations. ***'We ran a small team, and we made a very conscious decision not to be hierarchical. Everybody did everything in this office, from picking up boxes to filing, to having important meetings to making very high-level presentations. Everybody did everything.'***

A second element was the decision to actively avoid unnecessary bureaucracy and to build networks to identify sources of support as well as analysing challenges. ***'Our edge was our agility. You did not have to go through 3 - 4 months of processes, 20 forms and 20 phone calls to get support from ATAF. The way we structured our operations was – one request, immediate answer, and the next day the support starts.'***

ATAF still needs that agility, to make quick decisions and introduce resourcing which reflects local perspectives and not the templates of sources external to the continent. ATAF is not the only organisation working in the African tax field, even if it most directly reflects the needs and perspectives of its members. '*As we grew as a tax organisation, we found that even those who were our supporters and partners in the beginning almost became competitors, because they too were giving support to our members. And so, there was almost a battle for the affection of the countries that were getting the support. And for us,* ***being African alone is not sufficient to win a competition to support African countries, because that cannot be the main reason they want your support. African countries must want to use our support because we are the best. African countries must prefer our technical assistance because we are agile, we are responsive, and we understand the conditions. And that sets us apart.***

'Another important element is – mostly when you get technical and other support from other organisations, it's a workshop here, a meeting there, training here, a document there. ***When ATAF gives technical support and legislative and policy support, it's a three- to five-year journey with that country****. In fact, one of our longest technical programmes here in Southern Africa has been running for eight years. And that also sets us apart from others in this field.'*

Most importantly, ATAF does not only rely on its Secretariat to provide centralised policy formulations, research or analytical thinking. The intellectual drivers of tax change start in ATAF member countries, which are convened in working groups or committees that include the best officials nominated by members. These committees are not only able to determine what needs to be done based on a range of experience from across the continent, but to share experience of practical solutions they have taken, whether developed internally or implemented with external support. Committees can draw from the operational experience of these countries when they design guidelines, for example, on VAT and on thin capitalisation, or suggested approaches on the transfer pricing guidelines and on digital services tax.

Stephen Kyande, formerly Commissioner of Domestic Taxes in the Kenyan Revenue Authority, was the first Chair of the ATAF VAT Committee. The Committee was established in 2017, with the foundational work having begun in a previous working group emanating from the ATAF Technical Conference on Indirect Taxes held in Victoria, Seychelles as early as May 2012, and guided by an ATAF Technical Advisor, it began by identifying construction as the most challenging sector across the continent in respect of VAT evasion. The VAT Committee came up with guidelines on managing audits and ensuring compliance in that sector. It also worked in collaboration with the OECD to develop a toolkit on the collection of VAT in the digital environment. As **Stephen** said, '*the success of this initiative rested on the creation of a platform to share experiences and developed collective solutions for*

the benefit of the continent. This relates directly to the question of training and capacity building, which used resources from within the continent.'

The Exchange of Information Committee, chaired by the FIRS's **Femi Edgal**, began with the convening of the 1st ATAF Consultative Meeting of African Competent Authorities in Accra, Ghana in June 2016. The Committee assists in the development of ATAF products focusing on exchange of information on demand and automatic exchange of information. As such, it provides the key to unlocking audit processes on multinationals and high net worth individuals.

According to Logan, this virtuous circle of training, capacity building, sharing of experiences and peer-to-peer transfer of knowledge, as well as the development of collective solutions available to all, '*provides ATAF with a competitive edge. The methodological cycle links concrete country experience with capacity building and feeds this into operationally framed solutions. It balances a consultative, inclusive, participatory organisation with the ability to be responsive, agile and able to give value when it's needed in the shortest space of time. It is an important balancing act to manage. It's not always easy'*.

ATAF'S WINGS

2014 saw three significant developments marking the five-year point of ATAF's existence and exemplifying ATAF's holistic approach to taxation on the continent through expanding the pool of professionals engaged in African tax systems. First, **ATAF built the African Tax Research Network (ATRN).** This initiative grew out of a research project focused on six regional studies identifying the challenges, needs and priorities of African tax administrations begun in 2012 in conjunction with the African Organisation of Supreme Audit Institutions (AFROSAI) and the Collaborative African Budget Reform Initiative (CABRI). Second, **an Executive Masters Programme in Taxation was unveiled to encourage in-depth academic study and develop leadership skills**. Finally, senior executives responsible for research, planning, statistics and revenue forecasting came together to develop a **framework for the African Tax Outlook, the flagship publication on tax in Africa**. This work related directly to the peer-to-peer work on revenue forecasting in Rwanda described in Chapter 1.

> 'For most tax issues, the literature has been dominated by Western scholars from the global north. There was a need to fill the gap by developing the capacity and growing a pool of young African tax researchers'

Savior Mwambwa, who now represents the Open Society Foundation (OSF), first worked with ATAF from around 2010 while representing tax and civil society networks in Zambia and the Tax Justice Network (Africa). He was invited to sit on the ATRN's first Steering Committee. ***'ATRN brought together a coalition of academics and think tanks, NGOs and Revenue Administrations to push the tax agenda on the continent. For most tax issues, the literature has been dominated by Western scholars from the global north. There was a need to fill the gap***

by developing the capacity and growing a pool of young African tax researchers *who can then be contributing to advancing the knowledge around tax issues from both the research and development point of view and from the policy aspect'.*

ATAF'S flexibility in developing and responding to opportunities in its formative period provided a benchmark for its success. But success also required the ability to surf the successive waves of change in taxation on the continent and globally. This ability to deliver and steer a course that reflects the needs of the membership have provided it with its staying power. And its inclusivity strategy across linguistic, cultural and political boundaries, and efforts to engage the wider tax community, have provided much of its drive and energy. As the next chapter suggests, the sustainability of both ATAF as an organisation, and of its continued ability to sustain its impact by finding solutions to its members' challenges, gives it the wings to fly.

CHAPTER 4

Plucking the Goose: Financial Sustainability in Africa and ATAF

ATAF'S BALANCING ACT

Jean-Baptiste Colbert famously declared that the art of taxation consists in plucking the goose to obtain the largest number of feathers with the smallest amount of hissing. ATAF's day job is about supporting the financial sustainability of governments through assisting in the development of their tax systems and enabling effective domestic resource mobilisation for development. How successfully this is achieved, the impact this has and the communication of this success, drives the sustainability of ATAF itself.

The Kampala communiqué at the ATAF launch in 2009 recognised the relationship between country and organisational sustainability. '*ATAF is African led, managed and supported primarily through the expertise, resources and financial commitments of its members. As an African initiative, it will work towards achieving increased financial independence for African countries.*'

ATAF's success encourages new members to join and current members to pay their fees and contribute to the costs of hosting the institution in South Africa, in-kind benefits such as staff secondees, and the in-kind costs of travel, accommodation or events.

But ATAF has not subsisted on member country contributions alone. Much of the concrete activity costs have come from development partners who share a common interest in the achievement of ATAF's overall goals and use ATAF as a mechanism to achieve their own tax and development objectives. This is supplemented by support from institutions sharing common priorities and looking to achieve specific results in the context of concrete programmes.

There are potential tensions between what ATAF is seeking to achieve – an increase in domestic revenue mobilisation across the continent – and the specific objectives of its interlocutors, whether members looking to maximise the benefits

of ATAF's impact in their own country or region, or development partners looking for specific objectives, which may not fully reflect ATAF's immediate priorities or distract attention from other ATAF work. Inevitably, for ATAF, this is an ongoing balancing act, and the sustainability of the organisation depends on both member satisfaction with ATAF's support for improving their own tax systems and on building lasting relationships with development partners.

This chapter look's at ATAF's approach to member country sustainability through domestic resource mobilisation, and then examine whether, and how, ATAF can deliver for itself what it encourages its members to do – to become a majority African-funded organisation, financially sustainable and politically independent. It will consider the balances between potentially disparate interests that ATAF has achieved so far, the challenges that ATAF might face in the future, and the principles behind ATAF's operations to see how sustainability may be achieved in the medium term.

BUILDING CAPACITY IN AFRICAN TAX SYSTEMS

Minister Nacanabo caught the spirit of ATAF. For him '*the secret to ATAF's success is primarily passion. The passion of Africans convinced that no one else could develop Africa for them ... The essential advantage of ATAF is its deep understanding of Africa's realities, with African experts working on the ground. Naturally, since they understand the realities, they know all the ins and outs of the subject, coordinating all the actions, allowing ATAF to impact the ground significantly. Generally, when ATAF intervenes, it does not come with pre-conceived solutions. It engages with administrations, identifies their needs, and provides tailored solutions'.*

Mary exemplifies that passion. She was part of the Steering Group which served as the predecessor of the Council. For her, the key decision was to come up with *'a protracted programme that would then help the different countries to build internal capacity and to support each other. We were not just going to deliver training and workshops and have conferences. No, we were actually going to go into the actual work to look at what the countries needed and come up with a solution that would address both the policy and the administrative needs of the countries so that they'll be able to collect revenue and do it effectively and build a tax collection culture on the continent.*

> 'ATAF works from within the African tax administrations who bring the local context to the table. Working with African experts has delivered local fit-for-purpose rather than pre-built imported solutions.'

'When we started, we were looking at the capacities of countries, and how each country would get to the next level where it's able to collect revenue effectively and build capacity within the country. But most importantly, to try and build a critical mass of people who would be able to carry out that work because there was also the issue of the quick turnaround of the tax officers.'

Allen agrees that '*the driver at the very beginning was domestic resource mobilisation, and the purpose was for African countries to support one another in building the capacity of tax administrations to mobilise revenue. The whole idea of let's begin with capacity development, let's build that component, gave its importance and momentum for all the administrations to lock in training programmes that were done in different capitals. I remember clearly our hosting one on tax treaties, then the management of the digital economy, and participation in policy formulation from a tax administrator's perspective'.*

Jeffrey argues that '*the real issues of Africa, they're not international, they're domestic. The international issue is the tail of the dog. The dog itself is domestic taxes. The really big issues are property taxes, domestic compliance, taxing capital and income. Personal income taxes are still pretty marginal, given the small base. If you're after money, you go for the VAT.'*

In a situation where everything was a priority, where everything was urgent and resources strained to the maximum, member countries required mechanisms for doing things better with the same resources. This often meant improving auditing techniques. ATAF's **Thulani** explained how events of this kind brought a specifically African dimension to capacity building. *'As an example, an early VAT Audit course in Accra was inspirational. The methodology rested on a three-stage process: analysis of the challenges; articulation of potential mechanisms for unblocking problems and carving out space for homegrown solutions.'*

But industries in the major sectors, whether non-renewable or renewable, inevitably involved external control and a cross-border element, as the example of the Ugandan coffee industry described in Chapter 1 demonstrates. **Lee** recalled that, when international tax rules were involved, the early focus was on the concepts around transfer pricing. This laid essential foundations but, as it was mainly theoretical, it did little concretely to bring in revenue in the short term. Payback came with the introduction of direct audit support, developing sectoral knowledge to understand the economics of the process as well as taxpayer behaviour, sharing details of a case on an ongoing basis, and using vital exchange of information techniques. Sectoral research proved vital in the analysis of the Ugandan coffee industry and, as it has done in the extractive and communications industries, African experience and local knowledge were crucial ingredients in bringing these elements together.

Moses noted that *'ATAF works as much as possible with experts from within the African tax administrations who bring the local context to the table. Working with African experts has delivered local fit-for-purpose rather than pre-built imported solutions.'*

Sam, recent winner of ATAF's Best Commissioner Award *'for furthering ATAF's vision and mission'*, believes in the concept of continuous improvement but understands that success means an increasing demand for capacity building. He strongly supports ATAF's model and argues for the accreditation of ATAF experts to help close the resource gap, multiplying the impact of ATAF's work. This would give ATAF a large database. '*Countries could request experts on refund processing or audit and transfer pricing or extractive industry or oil and gas. The requesting administration*

could pay the travel and local costs of the member country. This would allow the use of active officials at low cost. Sometimes, we bring experts from developed countries, but the context is different. Some of the external experts from Europe or America are coming from advanced systems and unable to easily fit their expertise into African reality'.

ATAF is currently recruiting expert volunteers on its website, building capacity through African expertise multiplied across Africa. It is a key pillar in the sustainability of African tax systems. Of course, these are not cost-free to the providing administration, but as expertise expands across the continent, the initial burden on a few administrations may be more evenly shared, and the providing administrations would gain significant benefits through raising the experience and performance of their experts to new levels and enabling their career progression through the organisation.

If its people are at the heart of building institutional capacity, ATAF has the wider task of balancing its membership and the international environment on every level – political, technical and financial. The collective membership drives the organisation, enabling African countries to set their own priorities, leading to concrete achievements in revenue mobilisation. Domestic tax driven revenue collection forms the basis of most countries' budgets and enhanced mechanisms such as e-invoicing, more closely targeted and focused audit work, and better techniques for collection, have earned the respect of member countries and the international community. Domestic resource mobilisation is not simply about auditing, it's about changing taxpayer behaviour and increasing voluntary compliance. All eight major players reported losses in the Ugandan coffee industry five years ago, now only one still does. But there is much more work to be done.

Namibia had a similar experience. **Anthony** has been working with the transfer pricing audit team. As **Sam** explains, '*it serves as a deterrent. Other multinationals, often in the same sectors which are now subject to audits, who were not filing or maybe were not paying their special taxes, all of a sudden, you see those who are not paying sufficient taxes, now they are declaring and making payments.* ***The audit work improves capacity and sends a message that effective action can be taken. It's had an impact. Since the establishment of NamRA in 2021, we have always exceeded our revenue target. And between 2021 and 2023, we almost doubled our collection****.'*

MAKING ATAF FINANCIALLY SUSTAINABLE

ATAF's financial survival over 15 years reflects the skillful balancing of the needs of its members and the agility of its funding strategy. But its reliance on a relatively high percentage of external funding sources leaves ATAF potentially vulnerable as development priorities change. So, what lessons has ATAF learned about meeting its members' needs, how does it engage with its members and with its development partners in this context on the finances and assistance to the organisation? What can be done to improve the long-term financial sustainability of ATAF?

Logan has a clear vision of this most fundamental of issues. '*The issue of financial support and financial sustainability is incredibly difficult to manage.* ***At an ideological***

> ‘… As an African organisation, you kind of enter the world at a deficit. People look at you and think “corruption”. So, you do the right thing because it’s the right thing to do, but you also do the right thing because you think others may expect you not to do the right thing.’

level, you would want to be as financially independent as possible, to ensure independent thinking, to ensure your agenda is your own, and to ensure that you are free to do the things that you can do for your members without simply serving the political or economic interests of those who fund you. *It’s an essential balancing act on a tricky tight rope. With regard to membership fees or other charges, host country contributions, or development partner funding,* ***we always understood that we have to be a high performing, successful organisation, because everybody wants to associate with success.’***

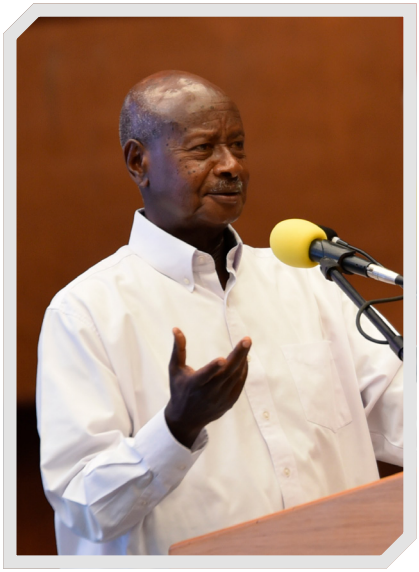
And success includes measurable outcomes, good financial management and administration. ‘*We managed our finances to give confidence to those who support us, we have always kept our non-operational expenses, our administrative expenses, the cost of running the organisation at around 30%, in contrast to other similarly funded organisations – which spend between 50 and 70% of what they get on administration, salaries and offices.* ***Last year, our administrative costs for running the organisation were 23 cents to the dollar.’***

Logan’s transparency exemplifies ATAF’s approach. ‘*It’s really important to spend the money on member value, member activities and on the business of the organisation. It’s important that you have accountability and governance structures in place, so we’ve got a Finance and Audit Committee, we’ve got procurement committees, we’ve got an internal audit system. We jealously guard good financial administration and governance in this organisation, not only because it’s the right thing to do … As an African organisation, you kind of enter the world at a deficit. People look at you and think “corruption”.* ***So, you do the right thing because it’s the right thing to do, but you also do the right thing because you think others may expect you not to do the right thing.’***

Gershem agreed that the emphasis on transparency and fiscal control underlay the success of the organisation as it grew its membership on a continental basis. ‘*Our decision as Council to strengthen the audit function – and I’m talking about the administrative way we audit ATAF itself – I think that was good, that would always guarantee good corporate governance of the organisation. I think that was one of the best things we could have done then. Because you remember, we were from different parts of the continent, and the approach was not always initially acceptable. But at the end of the day, that carried through.’*

Logan continued: ‘*Over time, the balance of our financial sustainability portfolio changed as the organisation’s activities grew. We have a principle of only budgeting annually (with) the money that we know we’re going to get the following year. And so, we’ve been fortunate that, through the initial help of the Development Assistance Committee of the OECD, we engaged with several institutional donors, countries who are members of the OECD’s Development Assistance Committee.* ***Lincoln Marais*** *(who*

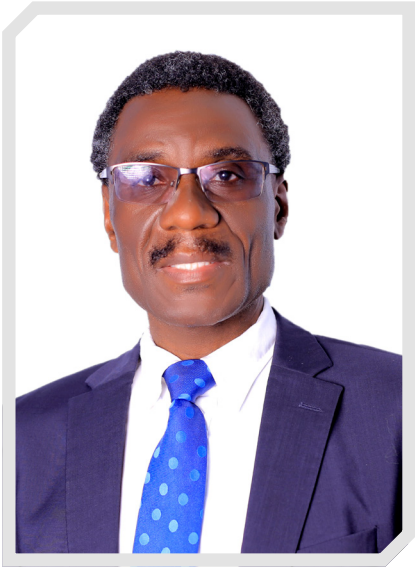
Heads of African tax administrations gathered at the 7th ATAF General Assembly held in Lagos, Nigeria in 2022.



President Yoweri Museveni of Uganda at the opening of ATAF's 10th anniversary celebrations which were held in Kampala, Uganda in 2019.

ATAF Executive Secretary Logan Wort has led the organisation for its first 15 years.

Dr Philippe Tchodie, the first Francophone chair of the ATAF Council, a position he has occupied since 2020.

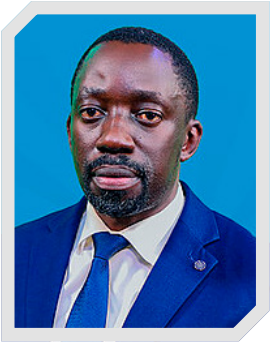


Robert Luvuuma, Manager of the International Tax and Transfer Pricing Unit in the Uganda Revenue Authority, led the team conducting audits in the country's coffee sector.

Lee Corrick, ATAF's technical advisor on cross-border transactions, provided expert advice and skills training to the URA team.

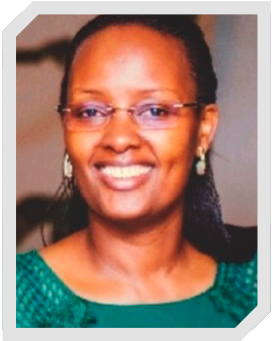
Vivian Adong, Supervisor: International Tax and Transfer Pricing in the Uganda Revenue Authority, a member of the audit team.

Tax officials who collaborated on the revenue forecasting project between the Rwanda Revenue Authority and the South African Revenue Service.



Denis Mukama, who succeeded Agnes and took over the leadership of the project.

Mamiky Leolo, head of macroeconomic forecasting, South African Revenue Service, led the SARS team.

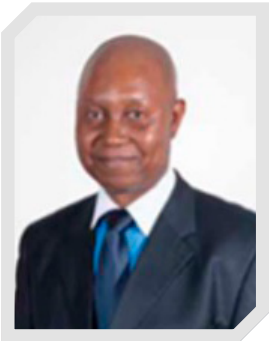


Agnes Kanyangeyo, the late Deputy Commissioner for Planning and Research of the Rwanda Revenue Authority, who led the Rwandan team in the project.

Wynnona Steyn, former economist in the Macroeconomic Research Unit at SARS, who played a leading role in developing the revenue forecasting model for Rwanda.

Trevor Manuel, former South Africa's Minister of Finance and Pravin Gordhan, the then South African Revenue Service Commissioner, played a pivotal role in the inception of ATAF.

Allen Kagina, former Commissioner-General of the Uganda Revenue Authority and a member of the ATAF Steering Group.



Gershem Pasi, former Commissioner-General of the Zimbabwe Revenue Authority and chair of the ATAF Council.

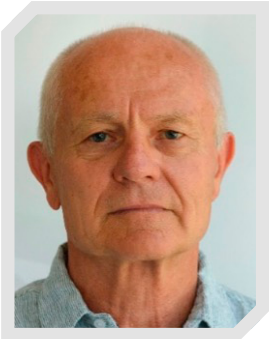
Femi Edgal, Nigeria's veteran country correspondent, also served as the first chair of the Exchange of Information Technical Committee.

Ben Dickinson, Acting Deputy Director of the OECD Centre for Tax Policy and Administration and former Head of Tax and Development at the CTPA.

Ifueko Omoigui Okauru, former Executive Chairman of Nigeria's Federal Inland Revenue Service and a member of the ATAF Steering Group.

Mary Baine, ATAF's Deputy Executive Secretary and a former Commissioner-General of the Rwanda Revenue Agency.

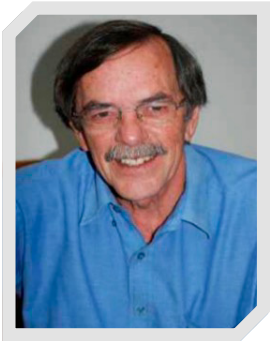
Varsha Singh, former Head of Strategy, Planning & International Cooperation at ATAF, headed up operations at ATAF's birth.



Professor Mick Moore of the Institute of Development Studies, Sussex.

Dr Patrick Ndzana Olomo, Head of Economic Policy and Sustainable Development at the African Union.

Edward Kieswetter, SARS Commissioner and Vice Chair of the ATAF Council.



Ron van der Merwe, former Head of the Tax Treaty Unit at the South African Revenue Service, led training on treaties for African tax officials.

Matthew Gbonjubola, former Head of International Tax at Nigeria's Federal Inland Revenue Service, who chaired the ATAF Cross Border Taxation Committee.

Professor Annet Oguttu, Director at the African Tax Institute of the University of Pretoria and chair of the African Tax Research Network Council.

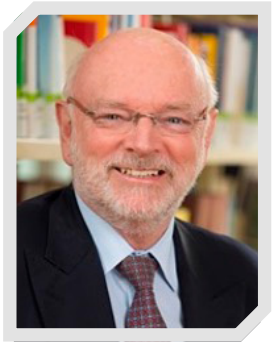
Thulani Shongwe, Head: Africa Multilateral Cooperation

Anthony Munanda, Head: Domestic Resource Mobilisation.

Moses Kajubi, former Commissioner of Domestic Taxes in Uganda, and a member of the ATAF Technical Task Team.

Ronald Niwenshuti, Commissioner-General of the Rwanda Revenue Authority, who also served as the country's Country Correspondent for many years.

Savior Mwambwa worked closely with ATAF from around 2010, while representing tax and civil society networks in Zambia and the Tax Justice Network - Africa.



Jeffrey Owens, former Director of the OECD's Centre for Tax Policy and Administration.

Emeka Nwanko, ATAF head for members services

Pascal Saint-Amans, former Director of the OECD Centre for Tax Policy and Administration.

Stephen Kyande (centre), former Commissioner of Domestic Taxes at the Kenya Revenue Authority, who chaired the ATAF VAT Technical Committee.

Pascal Ruganintwali, former Commissioner-General of the Rwanda Revenue Authority and a member of the ATAF Council.

Loide Hamutumwa, Manager: Legal Services at the Namibia Revenue Agency.

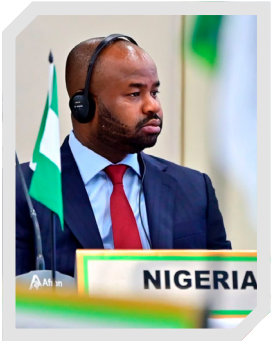
Matthias Witt, formerly senior adviser on Good Financial Governance, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ).

James Karanja, the first chair of the ATAF Cross Border Taxation Committee.

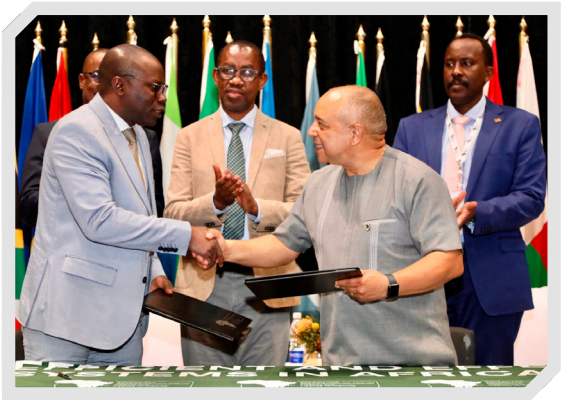
Sam Shivute, Commissioner of the Namibia Revenue Agency.

Tax and Development course awards ceremony, May 2019, Nairobi.

Veronique Herminie, the former Seychelles Commissioner-General and current chair of the African Women in Tax Network.



Zacch Adedeji, Executive Chairman of Nigeria's Federal Inland Revenue Service and member of the ATAF Council.



ATAF welcomes Guinea as a member, January 2024.

Stella Nyapendi (left), Uganda's long-serving country correspondent.

> ‘The whole ATAF project could not have come about without the special interventions of our development partners. They played a significant role in the establishment of this organisation, especially the way it came about, and went out on a limb showing a tremendous amount of trust in funding an idea.’

was really the big driver behind setting up the organisation’s systems and administration and finances) and ***Varsha Singh****, who played an important and critical role in the early years, will tell you that they’ve never really had to write big proposals. We’ve always had donors who trusted and believed in us. And that was simply based on the annual reporting of our activities.’*

The Kampala communiqué made it clear that ATAF would be primarily dependent on the resources of its members, but this remains an aspiration, and the preponderance of development partner and other institutional funding leaves ATAF’s programmes at some risk to circumstances beyond its control. As **Logan** put it: *‘Partners wanted to associate themselves with our success. At some point, South Africa was a 35% donor of the whole organisation. And other members contributed about 20%, which means that traditional donors were not the biggest contributors. But as our activities grow, donors are now the bigger contributors. South Africa’s contribution hasn’t changed. But because our overall budget has changed, their contribution now is around 18%. And the rest of our members contribute a significantly lower percentage, given the growth in our budget, I think around 10%. And that puts us at risk, because if donor priorities change, the operations of the organisation can be significantly constrained.* ***Of course, our success significantly benefits donors themselves, who can see the impact of their support. We must be on our toes all the time, to do the right thing and create the right value.’***

Varsha, who was formerly responsible for the implementation of the ATAF operational framework, explained that *‘ATAF has always been member-driven and members pay their fees. Development partners contribute around 65-70% but don’t come to ATAF and say: “We want you to do this”, instead its ATAF saying “This is what we are doing. Are you able to support it?”. This is the way the relationship should work. ATAF shares with the donors a common commitment to DRM, on building stronger tax systems for the continent, and state building.’*

Lincoln believed ‘*the whole ATAF project could not have come about without the special interventions of our development partners. They played a significant role in the establishment of this organisation, especially the way it came about, and went out on a limb showing a tremendous amount of trust in funding an idea. There was nothing concrete, we had a few things on paper, and we were starting to craft this idea of a continental organisation that was going to focus on developing tax administrations in Africa.*

*‘****Jeffrey Owens****,* ***Richard Parry*** *and* ***Ben Dickinson*** *from the OECD and others played a key role in persuading our development partners like the German GIZ, the Dutch Ministry of Foreign Affairs, the Swiss SECO, IrishAid, Finland and NORAD from Norway to back us. Without their help, we would not have been able to organise the initial conference a year before we even launched ATAF in Kampala. We had shown what ATAF could mean for*

the continent, holding training and capacity building events, and the remaining funding that partners had made available for the initial conference was also used to further establish the value of ATAF. The important message was that this is what the continent needs. We need to make revenue administrations more efficient and more effective to enable governments to implement their development agendas. ***We went out to our partners and said to them: Here is the proposal we have. It would be an organisation that is for Africans, run by Africans, with a very clear African agenda focused on DRM. Please walk this journey with us. And they did.'***

Savior provides a development partner's perspective of the way the relationship works in practice. *'The OSF has been a co-operating partner supporting ATAF since 2017, providing grants and financial support to advance the ATAF strategy. We participate in the donor coordination partner meetings with ATAF, where we share our feedback and some of our advisory opinions and accompany ATAF in its journey as it tells its impact story. I think for us, beyond the grant relationship, what is important is also being able to learn as well from ATAF in terms of its experiences. We find those cooperating partner meetings mutually beneficial to ATAF and ourselves. So, from the donor perspective, but also as a cooperating partner, and as someone who's really interested and who's followed the journey of ATAF, it has been a very remarkable experience.*

'This practical engagement and mutual support are founded on an alignment between ATAF's strategic outlook and our own. One of the key priorities for us is to support, advance and elevate the African government voices in international spaces, specifically in the international financial architecture and the international tax rule-setting arena, and in the regions. We want to see a coordinated African voice translate into real influence in terms of pushing Africa's priorities, as the international financial institutions, rules and norms are being set. ATAF provides a very good mechanism for that. ***It's a very technical body, but at the same time – as an intergovernmental organisation, composed of all the Commissioners-General – it's also a political body. It has both technical and political qualities that will allow us to really navigate some of these complicated intergovernmental spaces. In short, ATAF's goal of supporting African governments' voices aligns with our own strategy.'***

This key strategic element, which links ATAF priorities with those of other African-driven institutions on the continent, lies at the heart both of ensuring a focused and targeted African impact and also helps achieve financial sustainability.

In addition, according to **Logan**, ***'one of the important models that we are working on is when there are public finance reforms, including tax reform programmes, being run by other international funding organisations around the world for African countries, that they contract ATAF to do the tax reform component, because that's our daily work, instead of contracting independent private contractors at high cost.*** *In practice, a lot of those organisations and private institutions come to us for advice anyway, so we might as well do the actual delivery. For example, we are currently working on two programmes for which they have contracted us directly, in addition to two other programmes that we run as funded by them'.*

These symbiotic relationships have evolved from other, more direct, engagements with external suppliers. **Varsha** noted that the OECD was an early partner and has

continued over the fifteen years to be a key supporter of ATAF. In the early days, it provided the technical resources to deliver training on the continent. '*But it also acted as a convenor, providing us with access to potential partners and donors who are members of the OECD's Development Assistance Committee, and our partnership with the OECD in the Task Force on Tax and Development increased our engagement. Donors like the German Development Cooperation Agency (GIZ) supported us in the development of our initial strategy for ATAF, as well as others that are now part of ATAF's current pooled funding system, like IrishAid or the Swiss SECO, were there right from the very beginning, walking this road with us.*'

Among the first development partners to support ATAF, the German Development Agency – then known as the GTZ – had already launched its strategy on Good Financial Governance in 2006, aiming at comprehensively strengthening the capacities of the financial structures of their partner countries, and thereby addressing the underlying question of how to define the role of the state in economy and society.

According to **Matthias Witt**, formerly based at the renamed GIZ offices in Pretoria, South Africa, '*the implementation of the Good Financial Governance strategy comprised of a portfolio review, combining highly specific interventions on national levels with more strategic, global research and advisory projects (for example, the comparison of international tax rates on energy). Against this backdrop, the decision of African states to establish an African continental institution in 2008 that would represent African interests in the global tax arena created an opportunity to support strategy and policy development on the continent. From the founding conference in Pretoria, the GTZ mobilised an immediate seed budget to support the very first steps of decision-making and setting up the nascent organisation.*'

Subsequently, as elaborated by **Matthias**, '*support to ATAF became a lighthouse project for German Development and ATAF's rise continued to support the narrative that any attempt to change and strengthen the role of the state starts with a better understanding and higher commitment to raising taxes in an efficient, transparent and fair way. While ATAF has, to date, scored its biggest success so far in guiding reforms of global taxation and in strengthening the UN's role in coordinating and defining global taxation rights, the GIZ continues its commitment and engagement in supporting ATAF in its quest for a fairer distribution of global tax and a more equitable take among rich and developing nations, as well as curbing illicit financial flows out of Africa.*'

But relations between ATAF and development partners were not always smooth sailing. **Lincoln** pointed out that '*inevitably, differences arose around where to place greater emphasis, on core funding or project funding*'. While ATAF had to contend with development partners having to adhere to their national guidelines and procedures around what they could and would fund, the organisation would also remind them of their participation in and commitment to the global processes resulting in the respective Paris Declaration and subsequent Accra Agenda for Action, aimed at improving aid effectiveness in developing countries, emphasizing ownership, alignment, harmonisation, managing for results, and mutual accountability among donors and recipients.

> ‘ATAF is an institution built by Africans for Africans, enjoys the political support of the African Union, and is recognised by multilateral institutions as a credible voice on behalf of African tax administrations in global tax policy matters.’

Lincoln also recalled how ATAF went as far as *‘politely but firmly declining the offers of funding by some significant donors. We had to get them to understand that we were not in the business of primarily writing numerous and extensive reports on how we spent the funds.* ***While we assured them that everything would be done to report at regular intervals on the status of the specific projects as well as how the funds were being managed, we nevertheless could not allow ourselves to be bogged down with excessive reporting, distracting us from our core business’***. ATAF’s approach to decline some funding offers initially came as a bit of a shock to the potential partners, but discussions later almost always yielded positive results, and solutions were found to take the partnerships forward.

Partnerships with other international institutions followed. **Moses** described how co-operation developed with the World Bank on technical assistance and capacity building work, but also on the implementation of the IMF-developed Tax Administration Diagnostic Assessment Tool (TADAT) – which provided an analytical framework for countries to assess the revenue gap and develop mechanisms for improving revenue mobilisation and collection. It was clear that a partnership with ATAF would mean that an African country could access practical, fit-for-purpose and specifically African solutions. What is more, every intervention would gain the experience and intelligence to produce multiplier effects to the benefit of all future engagements.

If development partners have played a key role in the development of ATAF, it is important to recognise South Africa’s role at the heart of ATAF’s sustainability platform. **Allen** argued that *‘it wasn’t just commitment, but there was action, which was one of the main reasons why things worked out. I also have to say honestly that I think South Africa doesn’t get enough credit. The secretarial role was huge. SARS also agreed to shoulder the financial burden, knowing that some of the African countries tended to struggle with bureaucracy as well as resources.’*

After fifteen years, South Africa’s proportion of contribution to the total budget has declined as pool funding and project grants have increased. Nonetheless, it still contributes around 18% of the overall annual workplan budget of the organisation. South Africa was the key initiator and, fifteen years later, ATAF still commands the strong support of SARS as ATAF’s host.

Edward, who was actively involved in the conceptualisation and initial setting up of ATAF, is *‘still inspired by ATAF’s transformative and higher purpose to improve the lives of our people, particularly the poorest and most vulnerable. ATAF is an institution built by Africans for Africans, enjoys the political support of the African Union, and is recognised by multilateral institutions as a credible voice on behalf of African tax administrations in global tax policy matters. What better reason can there be to support ATAF?’*

POLITICS AND FINANCIAL SUSTAINABILITY: A BRIEF WORD

Today, the question at the heart of ATAF's sustainability remains political as well as financial. Should member countries contribute most of the total funding provided to ensure that the organisation's activities and positions are directly reflective of the immediate requirements of its membership and that priorities are not distorted by external funding? If so, how should this be achieved?

Discussions around representative funding have considered increasing membership fees across the board, developing compliance approaches to members who are behind in their payments, and the possibility of introducing fees for the provision of technical assistance and capacity building. The latter has proved particularly contentious. If ATAF charges for its products, it runs counter to its mission to tackle poverty across the continent. It also risks pricing itself out of the market, though a cost-based arrangement – based on the provision of travel/accommodation costs behind the immediate provision of services to individual members in the form of technical assistance – might be workable. A cost-based approach might reduce the inequity between those countries who are able to effectively access and benefit from ATAF services and those who are less equipped to do so. Separately, as **Varsha** suggests, ATAF could look at increasing potential in-kind contributions covering local costs relating to the hosting of meetings, and payment of incidentals for meetings or capacity building work.

But from a political perspective, ATAF is there to benefit the continent at large, not just those who can afford or are able to access fees, and a charging process may reduce opportunities for the poorest countries even further.

Africanisation of the organisation, from a financial perspective, may be best resolved not simply by further increases in the proportions of member country funding against total resourcing, although increased membership and higher fees would undoubtedly support the organisation in extending its activities. But a focus on membership funding, while supporting sustainability, may also bring political downsides. Inevitably, the differential fee structure, which charges larger countries more, based on GDP type formulae, means that countries are effectively not all equal, and the wider the gaps, the more likely the dominance of the larger countries.

Ultimately, we are back to the balance discussed at the beginning of this chapter. Of course, the aspiration to majority member funding reflects an important political truth – that of African independence – but in the medium term, it may be that this is best achieved through a partnership approach as described by **Logan** above. Closer engagement with the African Union, the African Development Bank and other Africa-focused institutions may produce the resources needed without relying too heavily on membership funding or risking a change of emphasis away from improving African tax systems. This will provide an African financial platform and can be reinforced by sustainable arrangements with the World Bank and other development partners. The wider the range of funding options, the stronger the

organisation will be, the lower the risk of capture by specific contributors, and the better the platform for implementing African-focused approaches to member country needs.

In the end, the question of sustainability and activity is part of a single issue, how can ATAF best use its resources to support its member countries and reduce poverty across the continent? The following chapter looks at ATAF's external focus and the implications for continental interests as well as its own sustainability.

CHAPTER 5

ATAF and the World: Impacting International Tax Rules

ATAF's impact as an organisation has been magnified through its ability to represent (along with its members) the African continent in the redrawing of international tax rules around Base Erosion and Profit Shifting (BEPS), digitalisation and in the development of mechanisms to increase transparency, such as Automatic Exchange of Information.

ATAF's origins as a political and developmental organisation and its work on capacity building in taxation in Africa has provided the platform and impetus for its engagement beyond the continent. ATAF has closely engaged with and helped shape the work of the OECD, and the OECD's engagement has been important for both delivery to members and the development of an African voice on taxation. Recently, ATAF assumed a leadership role among regional tax organisations (including CIAT, SGATAR, CATA, etc.) as the Chair of the Network of Tax Organisations (NTO). And now that the UN, driven by developing countries, is building new capacity to shape the international tax environment, ATAF can play a key role in supporting its members on behalf of the continent.

This chapter looks at how Africa achieved global recognition on the international tax stage and tells the story behind ATAF's impact as an agent of change in international forums. Once again, this is a story about people, about the significant cohort of African tax officials who developed the technical capacity required to engage with the rule-making process, which had hitherto been the province of developed countries, and were able to shape and challenge some of the new rules in the continent's interests.

The first part of this chapter considers ATAF's impact in 15 years on the international tax stage. What key elements have enabled the securing of its global recognition? How has ATAF supported its membership on the continent?

The second part looks at how ATAF might cope with the new challenges and opportunities on a global level in light of its achievements so far. What role should

> 'You cannot tax if you don't have the actual rights to tax, and so that required ATAF also to get involved and speak as Africa's voice. It was a bold move because, at this stage, we were not formally tasked with speaking on behalf of the continent.'

ATAF continue to play in this global tax dialogue and how can this give the tax discussion greater prominence in member countries themselves? What are the lessons that African tax officials learnt through their engagement in the rule-setting processes at the OECD and the UN? What does ATAF's experience indicate about the setting up of successful organisations and the risks of a global role?

A BOLD MOVE: ATAF'S VOICE IN INTERNATIONAL TAXATION

As **Edward** recalls, *'when ATAF was first conceptualised around 2008, it was based on the simple premise that a tax risk anywhere is a tax risk everywhere. And if we want to improve our capacity and capability in tax administration and revenue collection, we must collaborate as leaders of African tax administrations. The sharing of best practices, learning together and building the enabling capacity of people, technology and data was at the core of the ATAF mandate.* ***Today we can proudly say that ATAF is an institution built by Africans for Africans. We enjoy the political support of the African Union. And it's recognised by multilateral institutions around the globe as a credible voice on behalf of African tax administrations in global tax policy matters.'***

Mary explained how ATAF's early engagement on the international tax stage demonstrated the flexibility of the young organisation. The logic was simple, improving tax systems inevitably had a broad scope. '***You cannot tax if you don't have the actual rights to tax, and so that required ATAF also to get involved and speak as Africa's voice. I must say that it was a bold move because, at this stage, we were not formally tasked with speaking on behalf of the continent ... But we knew we had the mandate of our members.*** *And we consulted the members and put on the table what we were going to negotiate ... ATAF's response to OECD on BEPS was based on the principle – first, establish how international initiatives impact on African interests and second, analyse how the initiative could best be turned to the continent's advantage – how BEPS could be Africanised. And so, with that flexibility, we were able to make partnerships and articulate what we thought was really Africa's position. In the end, as we grew, we were able to put forward a strong case for ATAF's ability to act as Africa's voice in the technical tax arena.*'

The G20 countries began to feel the impact of the financial crisis on their budgets by 2010 and the OECD was mandated to develop an Action Plan for countering 'Base Erosion and Profit Shifting' (BEPS). The OECD's Committee on Fiscal Affairs (CFA) developed a fifteen-point Action Plan, but it soon became clear, in the principle noted by **Edward** above, that '*a tax risk anywhere is a tax risk everywhere*' applied to the architecture of the global tax system. This architecture included a plethora

of tax havens and 'competitive' regimes challenged by the Global Forum on Transparency and Exchange of Information for Tax Matters. Developing countries as well as tax havens found themselves often unwilling participants in the Global Forum, but it was obvious that the problem had deeper roots. BEPS was designed to reshape the international tax system so that it could be better implemented by all countries, but did not fundamentally change the underlying model which favoured developed ('residence') countries over disadvantaged developing ('source') countries.

> 'Even before the OECD was listening directly to developing countries in the creation of the international tax rules, ATAF was the focal lobbying point for change.'

Around 2013, the OECD first made significant overtures to ATAF and its members on the issue of BEPS. ATAF created a group to consider their response, which **Matthew** described in Chapter 3. The group became the Cross-Border Taxation (CBT) Committee. It noted that, **while ATAF was not invited to be part of the initial BEPS process until the Action Plan had been developed and agreed, there were still potential advantages to be gained from taking part in the process. It recommended that Africa *'should not run away from BEPS'* but should use this engagement as far as possible to its advantage.**

Anthony explains that '***we participate in standard setting in the UN and OECD because we live in a global village****. Cross border transactions, understanding and assessing the reality of transactions and allocation of taxing rights have a key impact on DRM. We need to play a role in addressing challenges of global tax standards so that solutions reflect African needs.'*

Thulani considered that the CBT Committee was to have a huge impact across a range of international tax issues – transfer pricing, permanent establishments, interest deductibility in the interests of the membership – and that this was the real African voice.

Matthew had first engaged with ATAF over the negotiation of the AMATM agreement and, in 2013, was sent as a delegate to the CBT Committee. It was a huge challenge for Committee members. Technical guidance was provided by **Lee**, but the learning curve was both steep and long. Committee members were tasked with researching and making presentations on key topics, effectively educating each other and simultaneously developing common positions and conceptualising potential solutions to African challenges. In 2014, Nigeria was invited to represent ATAF as an Observer in the OECD's Committee of Fiscal Affairs, supported by the ATAF Secretariat and South Africa, which was also a CFA Observer. The Committee acted as a think tank, and **Matthew** was quickly required to master volumes of information on how technical positions had developed and get up to speed with the form and substance of open BEPS issues, working with OECD countries that had had the advantage of shaping their development from the start.

Ben thought that **'even before the OECD was listening directly to developing countries in the creation of the international tax rules, ATAF was the focal lobbying point for change'**.

Anthony reinforced the point that ATAF's involvement with the OECD's Inclusive Framework, which included developing as well as OECD countries, not only provided a huge reservoir of international tax experience, but the very ubiquity of ATAF gave them the political ability to punch above their weight. *'ATAF was, and still is, an observer on Working Parties 1 (on tax treaties), 6 (on transfer pricing), the Task Force for the Digital Economy (TFDE) as well as the Steering Group of the Inclusive Framework. This was active participation, seeking to change the direction of policy from Africa's perspective. Engaging in this conversation helped African countries develop and understand their own positions and played a role in steering some of the outcomes.'*

Matthew described how, operating in an alien environment, and trying to master unfamiliar issues, the African culture of congeniality and co-operation provided a vital skill set for operating within a forum of this kind. The personal touch was very important as their proposals began to be taken seriously and gather momentum.

When the Inclusive Framework opened the debate beyond the OECD, for Africa the key remaining Actions (1, 4, 15 and 8-10), which framed what has since been called 'BEPS 1.0', were focused on transfer pricing and financial transactions. Tentatively, but with increasing confidence, Matthew and other African delegates started to put forward proposals. Initially these were ignored, but there was a growing realisation that Africa had a contribution to make. **Africans were getting more surefooted as they raised their game and ATAF countries subsequently influenced the definition of a Permanent Establishment, the interest limitation rules under Action 4, as well as transfer pricing rules.**

As **Thulani** noted, in the context of the Inclusive Framework on BEPS Action areas 8-10, the US and other major economies were persuaded by technically sound arguments to reconsider their perspective on the value added by services that had been seen as insignificant, whereas for Africa this played an important role. The result was the introduction of specific guidance on this aspect in the Transfer Pricing Guidelines.

Anthony worked on this first African example regarding transfer pricing methodology to be included in the OECD Transfer Pricing Guidelines, which was based on the use of the profit split method. It described a case relating to agricultural commodities, where two parties are both contributing something unique and valuable. The example shows the possibility of using profit split by developing countries in transaction involving commodities, a methodology that allows for the sharing of profits rather than using methods that allocate routine profits such as a return on costs. ATAF's capacity building programmes on transfer pricing continues to reinforce the relevant skills on selecting and applying the most effective transfer pricing method to ensure increased profit allocation in African countries. *(See the Ugandan coffee industry example described in Chapter 1 above.)*

ATAF's technical capacities and its convening and coordinating power were exemplified by its invitation to become the only organisation to join the Steering Group of the Inclusive Framework. Its impact was demonstrated by resistance from some in the decision-making body, objections that were overridden. It was argued that it was in the collective interest to understand African perspectives, but some developed countries felt this diminished their own power in the negotiations.

BEPS 2.0 AND BEYOND: A PROACTIVE AFRICAN VOICE

During the BEPS 1.0 implementation phase, ATAF successfully 'mutualised' bringing together and creating a very strong technical committee representing individual African countries. Although not all African countries had the same specific priorities in tax policy, those African countries that contributed to the continent's technical expertise focused on their common interests and worked together to share experiences and develop solutions in a collaborative manner, which was rapidly becoming an ATAF trademark.

Fast forward to the second phase of the BEPS project (BEPS 2.0). Introduced to focus on digitalisation by OECD members and based on a two-pillar approach, this was of particular significance for developing countries.

Under the source-residence rules, physical presence played a key role and developing countries had difficulty in establishing taxing rights over highly digitalised businesses which lacked a sufficient physical presence (a nexus) in any specific country. As **Anthony** put it, **'*the current international tax rules are no longer fit-for-purpose in an increasingly digitalised and globalised economy'*.**

ATAF was quick to seize the opportunity in the Inclusive Framework. **Mary** recalled that ATAF presented a proposal suggesting how one of the two pillars could be drafted. *'At the time, everybody was shocked that we had come up with this proposal but, in the end, some of the proposals on the issues that we were putting across were adopted, and the continent gained much from that.'*

Pascal, who was responsible for the work of the OECD/G20 Inclusive Framework, was well-placed to assess ATAF's contribution. **ATAF shaped significant elements of Pillar 1 and Pillar 2 '*by doing their job, which was to explain what was going on to African countries, by understanding the African perspective and by being able to sit at the table and explain the African view'*.** ATAF was able to stand up for developing countries, in the face of developed countries, and sometimes in opposition to larger developing countries such as India, whose interests often diverged from the smaller, poorer countries in Africa and the global South.

This created a new dynamic, which ATAF skillfully exploited to shape the work in the interests of African and other developing countries. On Pillar 1, the work on exemptions, particularly the carve out in Amount A for low-capacity countries and the subject-to-tax rule, were battles fought and won by ATAF. ATAF's major achievements were bringing service fees into the rule, a category of huge

importance for developing countries, and persuading developed countries to allow a transfer pricing simplification for Amount B, which provides an optional streamlined approach to in-country distribution activities, including sales agents and commissionaires. As **Lee** explains, ***'in many African countries, up to fifty percent of distributors are reporting losses. The introduction of Amount B will provide money where currently the tax take is zero'.***

But there were limits to what ATAF could achieve through negotiation. As far as Pillar 2 is concerned, aimed at countering base erosion through the Global Anti Base Erosion (GloBE) Model Rules, the key lies in two interlocking domestic rules: 1) it imposes a top-up tax on a parent entity in respect of low taxed income from a member of an MNE, and 2) if low taxed income is not subject to tax under 1) above, then an equivalent adjustment can be made in the source country. As a result, the ordering of the GloBE rules generally works in favour of residence countries (in most cases developed countries) to the detriment of source countries (usually developing countries). ATAF called unsuccessfully for the latter to be the primary rule under Pillar 2 to help in redressing the current imbalance in the allocation of taxing rights between residence and source jurisdictions.

However, ATAF was able to negotiate a rule for source countries to take priority in certain circumstances. They may be able to collect a top-up tax on taxes below 15% generated by tax incentives in their own country (rather than residence jurisdictions). ATAF countries had fought for a 21% Global Minimum Tax Rate, not 15%, to close the gap with average African Corporate Income Tax rates at 28%, which would act as a significant deterrent to profit shifting – the purpose of the rule – on the continent. Still, the difference between 15% and 28% meant that profit shifting would continue to be lucrative.

The GloBE rules, apart from a relatively small amount of additional income, potentially have an additional impact by relieving some of the pressure that African countries face to grant tax incentives which, in many cases, are inefficient and often wasteful.

But BEPS 2.0 has run into a catalogue of delays while the benefits for developing countries, despite Africa's heroic efforts, even assuming ultimate agreement on the rules, are still relatively small. Pillar 1 is limited to a small proportion of the profits of a few major multinationals and Pillar 2 is resolutely set at 15%, despite the efforts of developing countries to negotiate a higher rate.

Meanwhile, the increasing urgency to ensure the appropriate taxation of digital businesses in Africa has led ATAF's CBT Committee to develop alternative policy options to waiting for the Multilateral Convention on Amount A to come into force, which is unlikely to happen before 2026 at the earliest. Other options to explore include a Digital Services Tax, alternative nexus arrangements or the use of Article 12B of the UN Model Convention.

ATAF's strategy for growth was to use capacity building as a launch pad from administrative technical issues into tax policy decision-making and implementation. ATAF's engagement with Tanzania over digital services taxation

provides an example of its ability to span the roles of its global voice in the drafting of international rules and integrating this with its core work of technical assistance and implementing alternative policy options.

As ATAF reported in 2023, six countries revised their international tax and transfer pricing policies based on ATAF's suggested approaches, leading to significant legislative changes such as the adoption of the Domestic Minimum Top-Up Tax (DMTT) in Eswatini. Furthermore, Tanzania, led by the Commissioner-General of the Tanzania Revenue Authority (TRA) **Alphayo Kidata,** introduced regulations to tax the digital economy through income tax (2%) and VAT (18%). Within a couple of months, a TRA technical unit was formed, with ATAF assistance, on effective implementation, including legislative enhancement. By February 2024, tax collection in this area had increased twentyfold and the number of registered digital service taxpayers had doubled.

THE FUTURE OF AFRICA'S VOICE ON TAXATION

ATAF countries' commitment to the achievement of a necessary level of technical expertise and the huge collective effort regarding the second stage of the BEPS project set a new benchmark. African countries could no longer be ignored and negotiating tax rules, wherever it happened, would no longer be the privilege of rich countries.

ATAF's relative success reflects their skill in effective negotiation. ATAF managed to maintain a clear focus on African considerations and African interests and maintained a collective position that avoided broad-brush North-South, rich-poor battle lines. In short, ATAF has a direct technical focus, supporting its membership to raise developing country interests, whether at the UN or the OECD, and comply with the systems and processes for country engagement. **As Ben put it, *'ATAF has had the courage to call out things that they see as technically wrong.'***

Nonetheless, the whole digitalisation debate, and the difficulty in finding a resolution to the two-pillar construction, has made it clear to African countries – half (27) of which are members of the OECD / G20 Inclusive Framework – that the international tax system as it stands is dominated by developed countries. This realisation led to Resolution 78/230 for the introduction of more inclusive processes at the UN.

The question of how and where this can be addressed by developing countries will inevitably form part of the tax debate in the next decade. The development of terms of reference for a UN Framework Convention on International Tax Co-operation by the UN *Ad Hoc* Committee has just been concluded, but many of the technical and fiscal challenges facing developing countries will remain even if the political terms of the debate may be moving in their favour.

In May 2024, ATAF had called for all parties to close ranks and agree robust terms of reference for a framework convention that promotes effective and inclusive

global tax governance at the UN. The UN narrative should be about sustainability, inclusivity of tax policies and removing tax injustice. The negotiation of a UN Convention is a rare opportunity for developing countries to alter the terms of the debate to address the skewed design of African tax and the balance between source and residence taxation. The outcomes will depend on the strength of the UN institutional framework to ensure that the convention be guided by the principles of equality, fairness, simplicity as well as ensuring special and differential treatment for developing countries.

The *Ad Hoc* Committee on the UN Tax Convention adopted the final terms of reference (ToR) in August 2024 with 110 votes in favour, 44 abstentions and 8 against. The Africa Group played leading technical and diplomatic roles in this achievement. 45 African countries voted in favour. Compromises were reached on aligning tax cooperation with obligations under human rights law, strong advocacy of environmental concerns was heard from developing countries and the framework aims to integrate the economic, social and environmental dimensions into tax policies. The ToR proposed initial protocols first addressing cross-border service taxation and second, a choice from a range of priority areas, including taxing the digital economy, IFFs, dispute resolutions and High Net Worth Individuals.

The adopted terms will be voted on by the UN General Assembly in September and, if approved, a member-state committee will draft the convention and the protocols, with a finalized treaty expected by 2027. ATAF is an observer and has no direct role in international organisations such as the OECD or the UN, beyond providing technical support to the tax officials from 54 African countries who wish to take an active role in these forums. **Sam** commended ATAF's dual role – explaining the ongoing work at global level to its members and advising them of the potential impacts, should countries take specific decisions, particularly responses to the OECD / G20 Pillar 2 solutions. He also appreciated ATAF's responses on taxation of the airline industry at the UN Tax Experts meeting on behalf of its membership in 2024.

As **Matthew** argues, ***'ATAF should continue as a UN observer, supporting its members' positions in the technical, policy and diplomatic areas'***. **Lee** agrees that ATAF '*should support, but not specifically represent African countries.'* Capacity is key, whether the venue is the OECD or the UN. ATAF could reinforce its backroom role, providing support to African country negotiators who wish to engage in the UN or OECD work, but not directly advise member countries on which body to attend. A technical notes framework has been created to enable countries to make informed decisions as to what might be the best approach for them, and ATAF should support them in implementing their decisions through draft provisions, suggested approaches and toolkits for the implementation of relevant legislation.

As the next chapter suggests, ATAF's new position as technical advisor to the African Union (AU) on taxation following their Memorandum of Understanding signed in May 2023 effectively reinforces ATAF's global role. The AU is now a member of the G20, and ATAF's technical role opens new opportunities for a

balanced approach in the international tax environment. **Anthony** suggests that ATAF needs '*to support the AU to develop an African tax agenda to bring to the G20 table as well as ensure that the AU has full inclusivity and the capacity to advocate and politically support tax agenda for sustainable development of the continent.'*

The Rio de Janeiro G20 Ministerial Declaration on International Tax Cooperation of June 2024 recognises the UN Terms of Reference for a Framework Convention '*in the spirit of inclusive and effective international tax co-operation, building a just world, a sustainable planet and a fairer global tax system*'. The declaration encouraged members to complete the final BEPS 2.0 package on Pillars 1 and 2. It expected the UN Convention to support a focus on initiatives that can be effectively implemented and support a stable and predictable international tax system and called on international organisations and other development partners to support capacity building frameworks. ATAF is well placed to work with other partners to achieve this. But there are risks. The terms of reference could become a catch-all with too wide a focus. Prioritisation and effective resources for in-depth technical analysis of the pressure points in the system that work against developing countries is needed, as are resources in both the UN and in developing countries themselves when it comes to implementation. **Thulani** argues that the fundamental principles behind this tax agenda are to support the allocation of more profits to Africa under the current rules and to extend these rules to further the taxing rights of source countries.

ATAF's international journey has been extraordinary. Almost from nowhere, African tax administrations have come together within the ATAF framework and built a platform for engagement and dialogue based on a unified and focused message. In some ways the journey itself, the exposure to the international tax world, the technical knowledge gained, analytical capacity developed and negotiating skills exhibited have been the shaping of ATAF. Over the last decade, ATAF as an institution has supported African countries which play an active role in international rule-setting and, in doing so, built a global brand that recognises its technical expertise at the cutting edge of the global tax debate. But the struggle has only just begun.

The next chapter looks at the heart of ATAF's strength – its engagement and achievements on the African continent itself, and what this suggests about its capacity and the direction of its future evolution.

CHAPTER 6

ATAF in Africa: Political Winds, Economic Waves and Illicit Financial Flows

ATAF AND THE AFRICAN UNION

As the previous chapter suggested, international tax rule-making may be at a transition moment as 'BEPS 2.0' struggles to reach the finish line, and the momentum for change looks like passing to the UN, whose political relevance and authenticity is unquestioned, but whose capacity to underwrite and implement significant change in the global tax environment will require member commitment and depend on the addition of considerable resources within the Secretariat.

> 'There is a risk in getting swallowed up in international tax wars. To counter this risk, we need to stay close to our roots, to see ATAF as setting an African tax agenda in co-operation with the AU, which reflects the huge economic and political changes on the subcontinent.'

The political driver for developing country-focused reform has gathered momentum, but much will depend on the capacity of institutions to deliver practical, implementable solutions. Successful realistic outcomes will depend on firm leadership. In its engagement with international institutions so far, ATAF has demonstrated a clear tax focus, a fearless capacity to call out inadequate technical solutions, the technical skills required to design new suggested approaches in tune with the needs of its members, and the negotiating skills to get key elements accepted. It has experience to share.

Whatever its future international role, ATAF at fifteen, building on its New Decade strategic plan, should continue to assess its priorities and consolidate its

strengths, given the risks that it faces at home as well as abroad. **Thulani** notes the risks facing the organisation: '*Success breeds complacency. There can be a tendency to see ATAF as a safety net to resolve all of a country's tax issues when in fact these should be resolved by countries themselves with ATAF support. Second, standard-setting work risks a loss of agility and a tendency to construct bureaucratic solutions, which mitigate against impact. It is important to retain a cutting edge in the face of problems, to put forward innovative solutions which change the landscape. Third,* ***there is a risk in getting swallowed up in international tax wars – some elements of which may have little to do with African countries. To counter this risk, we need to stay close to our roots, to see ATAF as setting an African tax agenda in co-operation with the AU, which reflects the huge economic and political changes on the subcontinent.'***

Logan connected the origins and development of ATAF as an agile and flexible institution to its integration into the wider African landscape: '*I think our growth as an organization and our growth as a brand, and the impact we have had both as a voice of Africa in global matters and in the revenue generation success, has made other regional organisations take note of our contribution as an African organisation. And in this regard, I'm very happy that ATAF is now an integral part of the tax programme of the African Union Commission. The major factor in the recognition of ATAF's work and its continental representation in the tax area lies in the impact, both globally and within Africa, of its technical expertise.'*

From the AU's perspective, in addition to the organisation's technical expertise, ATAF's early successes, its systematic achievements, corporate responsibility and Africa-focused approach to taxation and development, all provided the opportunity for the AU to build a partnership in an area which releases resources for sustainable development. It was a win-win proposition.

ATAF and the African Union Commission signed a Memorandum of Understanding (MOU) in 2023, and the momentum was built with joint events in Abuja and Kigali in October 2023 and March 2024 respectively, aimed at reshaping the future on the basis of fairer tax policies in Africa and beyond. **Mary** emphasised the need to recalibrate taxing rights to ensure Africa's rightful position in the global tax landscape. Africa's exclusion from key decision-making platforms has perpetrated an imbalance in taxing rights and on occasion prompted action against African countries that have been denied direct engagement to the decision-making process. **Mary** gave an example, which illustrated ATAF's flexibility, of the '*black- and greylisting of some of our members due to tax transparency issues, by the European Union. And of course, the countries were at a loss, they did not know what to do because it affected their investment portfolio among other things. And they quickly came to us for a solution. So we put on hold our other programs and defended the countries through engagements with the EU on behalf of Namibia, Botswana and others. More importantly, we supported the countries to effect the corrective measures required, and in due course, ensured the countries were taken off the black and grey lists. That flexibility is what makes us unique'.*

As ATAF developed experience and confidence, it was able to be proactive. At the Kigali meeting in 2023, **Mary** declared that ***'Today we are not merely participants,***

but we are catalysts for change, architects of a future where fairness and equity in international tax systems prevail'.

Patrick Olomo of the African Union agreed with this positive direction. *'Africa has corrected its historic side-lining and is now firmly engaged in reforming the global financial architecture. This partnership is instrumental in advancing our collective aspirations for mobilising domestic resources and combating illicit financial flows.'*

The AU consultation discussed the implications of the OECD-G20 Two-Pillar approach and the development of the UN Framework Convention on International Tax Co-operation and explored ways to promote DRM and safeguard Africa's taxing rights.

ATAF is now the recognised technical advisor to the African Union Commission's (AUC) Specialized Technical Committee (STC) for Ministers dealing with Finance and Economics. **This partnership with the AU brings political impetus to ATAF's work in the tax area.** Tax is not always on the top of the Ministerial in-tray. But, through ATAF's office in the AU, the organisation can entrench the tax narrative and regularly put taxation in front of African finance ministers through the AU structure. Given the AU's recent confirmation as a member of the G20, this provides an even greater opportunity for a developing country tax perspective to be influential on the highest political stage.

Moses adds that the relationship with the African Union provides an opportunity for increasing impact in member countries themselves, providing greater political buy-in to the issue of domestic resource mobilisation (DRM) and countering Illicit Financial Flows (IFFs) in Africa, and a greater allocation of resources to improving taxation in national budgets.

The AU-ATAF partnership should provide a broader perspective across the range of DRM initiatives, help increase the membership of ATAF from its current 44 countries to fully embrace the continent, deepen support for members, and enable the implementation of significant policy initiatives. The partnership also forms a vital link between tax administration and tax policy, where ATAF's experience of representing its members on the ground can find its way into an overall strategic approach to the AU achieving the Sustainable Development Goals through its Agenda 2063. From an internal ATAF perspective, this political breakthrough means that the long debate over whether ATAF should have a policy arm or simply reflect the direct needs of tax and customs administrations is no longer a critical issue. '*Our work with the African Union (AU) will be the key driver for ATAF over the next 10 years,'* said **Logan**.

PARTNERSHIPS AND COUNTERING ILLICIT FINANCIAL FLOWS (IFFs)

Tax-to-GDP ratios across Africa, currently averaging around 14-15%, need to be increased to 17-18% to get close to the sustainable development goals. In Africa, according to **Anthony**, *'60% of illicit financial flows are the result of Base Erosion and*

Profit Shifting by multinationals through various mechanisms, including the under-valuation of export commodities to connected parties; manipulation of intra-group debt, service fees and royalty payments; treaty shopping; and avoidance of Permanent Establishment status.' The tax gap, according to IFF analysis, shows a funding gap of somewhere between US$50 and US$80 billion.

ATAF's MOU with the AU emphasises the importance of strengthening international co-operation in the fight against IFFs and the organisations have adopted a joint five-year strategy. The first concrete steps were the setting up of an AU Subcommittee on tax and IFFs, as well as an ATAF office within the AU itself. The Subcommittee has engaged the African Union at a policy level and, of the 32 recommendations made by ATAF to Finance Ministers in respect of countering IFFs, 18 have been implemented. Political support provides the vital first step for the implementation of a policy framework for DRM.

ATAF's technical committees are tasked with bringing together Africa's experience on a range of tax issues and developing African based solutions, with the committees being responsible for developing technical notes and guidelines. They also produce a series of Suggested Approaches to developing policies and, where appropriate, to drafting legislation on technical areas. They have been instrumental in supporting the design and implementation of around 40 new legislative enactments by 16 ATAF countries. ATAF's committees on indirect and direct taxes, tax administration, cross border transactions, and exchange of information have been brought together into a Joint Technical Committee to provide a coordinated steer on the development of policy and administrative solutions to IFFs.

ATAF has embarked on meeting these challenges, using its global reach to try and shift the terms of the international relationship (as described in the previous chapter), but also by building capacity and sharing experience between African countries to develop and implement solutions on a continental basis.

The ATAF Tax Academy is the first portal in ATAF's capacity building model focused, according to **Emeka Nwanko**, Head: Member Services, on '*improving quality and democratising access*' and delivering a wide range of programmes aimed at tax officials and targeting the high staff turnover within tax administrations. **ATAF delivered 20 training programmes in 2023 to 2000 tax officials from 47 countries, reflecting the DRM and IFF priorities** with a focus on compliance, on transfer pricing and auditing direct and indirect taxes and including international taxation, exchange of information and tax policy. These were delivered through blended learning programmes, with levels ranging from introductory to advanced.

The second capacity building stage includes country specific support, sometimes targeted to fix an immediate issue – for example, the need to introduce effective legislation to counter avoidance through intra-group debt – but more usually capacity building involved a long-term relationship building broad capacity from conception to collection. The discussion of the Ugandan coffee industry in Chapter 1 provides a practical example of how this works – application for support, needs assessment including legislation, training on transfer pricing, development of

audit techniques based on anonymised examples, legislative support and direct audit assistance in particular cases based on sectoral models in areas such as extractives, telecoms, financial and renewables, and the use of treaties and other tools to gain access to information.

> 'When you want to listen to Africa, you need to hear the thoughts, the feelings and the ideas that have come from the African tax administrators.'

Stella Nyapendi noted that Uganda was a founding country and had seized every opportunity for ATAF support. It is one of 35 countries that have received direct ATAF assistance. **In Uganda's case, this included setting up of an international tax unit to counter IFFs and the implementation of legal frameworks for automatic exchange of information (AEOI).** Uganda was in favour of working regionally with bordering countries which shared experiences and had evolved common solutions.

Sierra Leone's co-operation with ATAF began with an MOU in 2019, as **Dr Philip Kargbo**, Head of Research and Planning, explained. Transfer pricing work started with a scoping exercise looking at gaps and updates. This was supported by training on implementation that, following the COVID break, is still underway.

Ronald Niwenshuti, the ATAF Country Correspondent, and since June 2024, Commissioner-General of the Rwanda Revenue Authority, described ATAF's role in helping set up an international tax unit and providing practical support to the audit function based on sectorisation and techniques to settle cases. Rwanda has used ATAF approaches to introduce new Income Tax and VAT laws and redrafted its auditing manual. Legislation on digitalisation was under review but it was important to develop a cost-benefit analysis to make a clear case for its introduction. ATAF's support on this would be welcomed. **Ronald** concluded that ***'Rwanda's relationship with ATAF has been a most beneficial marriage'***.

Namibia's **Loide Hamutumwa**, Manager: Legal Services (and winner of the Outstanding Contribution as an ATAF Country Correspondent in 2023), explored the **various areas of co-operation between NAMRA and ATAF, including exchange of information, transfer pricing, leadership training, audits and global tax regulations**. NAMRA, with the support of ATAF, is determined to be a successful and innovative revenue agency, bringing all its stakeholders on board and focusing on curbing tax crimes such as tax evasion and illicit financial flows.

Capacity building in Africa has, from the start, leaned heavily on partnerships that have provided financial and / or human resources, technical skills and experience. The South African Revenue Service, apart from its leadership role in the creation and maintenance of ATAF, has provided considerable support across a range of technical areas, including Revenue Forecasting (as **Mamiky** and **Wynnona** described in Chapter 1) and on tax treaties, exchange of information, VAT, audit, and transfer pricing. And many other ATAF members have followed SARS by sharing technical experts in various areas.

> ‘Our politicians do not fully appreciate the direct linkages between taxes paid and service delivery. Tax expenditures proliferate in every budget, but without cost-benefit analyses that balance benefits with revenue foregone.’

The role of the OECD in offering technical support has already been mentioned, and other partners such as Germany’s GIZ, the UK’s FCDO and HMRC, as well as several others including Finland, Switzerland, Ireland, Norway and the Netherlands have played an important role in providing new technical perspectives as African countries consider their options.

ATAF however drives African solutions, which for Moses is the basis of ATAF’s success. ***‘When you want to listen to Africa, you need to hear the thoughts, the feelings and the ideas that have come from the African tax administrators.’*** **Logan** describes the balance that the World Bank has brought to ATAF’s approach in practice: ‘*we lead some projects, they lead some projects. They never try to take centre stage. They work on tax technical programmes and tax reform programmes, taking guidance from the African experts that we provide, who know African conditions’*. A key feature has been the Bank’s technical engagement and support on sectoral approaches – on auditing the coffee and diamond industries, for example, exploring the essence of the business operations as they operate globally and unravelling the value chains.

Logan considers that ‘***our relationship with the AU is strengthened by our engagement with the African Development Bank as our key strategic partner, not only as a potential funder of our activities, but as a partner for African Tax Reform, as an implementor for the tax aspects of their programs on African Public Finance Reform, which is very important’***.

The African Development Bank is an increasingly significant partner for ATAF, sharing common priorities. The ‘Domestic Revenue Mobilisation Project’ provides an example of the partnership, with an ambitious undertaking to conduct regional and country-specific studies with a focus on Central Africa. The DRM project will analyse macro-economic and tax administration data in Cameroon, the Central African Republic, the Democratic Republic of the Congo, Equatorial Guinea, Gabon, the Republic of Congo and Chad, with an objective of providing comprehensive recommendations to enable countries to strengthen their tax systems and improve their economic development and sustainability.

The collaborative work between ATAF and other Pan-African organisations, including the UN’s Economic Commission for Africa (UNECA) and Tax Justice Network – Africa, has yielded positive results. Delegates at the ATAF 2023 Annual Meeting called for increased cooperation in supporting these organisations on IFFs, especially in capacity building, deployment of data and technology and effective international participation in rule-setting. They welcomed the development of an anti-IFF Policy Tracker to allow countries to measure their interventions against set parameters.

CHALLENGES, RISKS AND INNOVATION

For **Moses**, the challenges facing African tax systems reflect the wider political economy, the COVID crisis and the wars in Ukraine and Gaza that are affecting growth and GDP rates in Africa. But they are systemic. *'Many countries that have below 15% tax-to-GDP ratios are in Africa. These countries are not able to support themselves financially, and even where the ratio is higher, debt levels may be unsustainable. And when you look at the expenditure profile, they are not spending enough to be able to spur their economies to higher levels. Which means, if you talk about fiscal consolidation for such economies in Africa, you cannot talk about cutting expenditure.* ***Our politicians do not fully appreciate the direct linkages between taxes paid and service delivery. Tax expenditures proliferate in every budget, but without cost-benefit analyses that balance benefits with revenue foregone. Nor is it fully understood at a tax policy level that cost-based incentives, such as accelerated depreciation, are better targeted to increase investment than profit-based incentives such as tax holidays****. Tax policy faces constraints at an institutional level; we still have a very weak tax policy framework, with little resources or analysis. This is a failure of governance. Taxpayers do not believe that, when they pay their taxes, they will benefit from the result. ATAF's voice at the African Union level is an opportunity to reflect an independent perspective on tax for Africa.'*

One important facet of IFFs (and its impact on tax morale) in Africa is the challenge of the mobility of ultra-High Net Worth Individuals (HNWIs) to tax progressivity. **There is considerable scope for the ATAF-AU partnership working with the international community to play a key role in, and the creation of, fair and progressive tax policies ranging from the informal economy to HNWIs.** While the issue is on the international agenda and part of a list of potential priorities at the UN, at the OECD it seems to be focused in the Committee on Fiscal Affairs, which contains no African countries apart from South Africa and ATAF as observers, rather than in the Inclusive Framework, which contains developing countries 'on an equal footing' including 27 African countries. It is not encouraging for developing countries with limited resources having to choose whether to put resources into the OECD or UN work.

ATAF's member tax administrations recognise the significance of applying evolving technology in improving the capacity of revenue administrations and building simpler and more effective tax systems. But, according to **Moses**, while the integration of tax and customs in several countries has contributed towards achieving more robust economies, limited exchange of information within the institutions constrains tax administration capacities. ***'Tax administrations that have gone digital have generally been limited to enabling online filing, payments or searching online services. Once online services are available, data needed to be integrated to drive the service and compliance actions. We've seen developments in taxpayer service but when we go into risk management, we still have capacity weaknesses.'***

'As a result of an African economy characterised, on the one hand by informality, and challenged by digitalisation where economies have become more service-oriented and

services are delivered without physical engagement, there are further challenges to the tax base.'

The African Continental Free Trade Agreement (ACFTA) has the overall objective of creating a single market for goods and services, facilitated by free movement of persons in order to deepen economic integration of African countries, free movement of capital, a Continental Customs Union (CCU) and a liberalised market for goods and services. **ATAF's engagement in the customs and trade areas reflects the fact that more than half of its members function as semi-autonomous revenue authorities with responsibility for tariffs and customs duties.**

Illicit financial flows through smuggling and customs fraud are a major risk. Information and communication technology (ICT) has helped to accelerate the processing of information, to ensure the accurate interpretation of documentation and tariff application, and to improve the overall standard and speed of customs clearance. Nonetheless, ACFTA will a create a revenue gap to be filled by more effective administration of the existing rules, and new rules are needed to deal with critical areas such as trade mispricing, and the substitution of new domestic revenue sources. Decreasing revenues should be balanced in the longer term by increased cross border trade, lowering trade costs, promoting regional value chains and providing consumers with greater variety.

> 'The same AI technologies for creating business opportunities are available for understanding how tax can improve by reinventing our collection systems, our assessment systems and our laws.'

Artificial Intelligence (AI) creates a completely new set of challenges to both policy and administration. As **Allen** put it, '*It's frightening how much is possible with artificial intelligence now the nature of service is so vastly different. The way to remain relevant as a tax administration, and to continue to collect revenue, is to become an AI user so that you have a better understanding of the advantages.* ***The same AI technologies for creating business opportunities are available for understanding how tax can improve by reinventing our collection systems, our assessment systems and our laws.'***

Data analytics are crucial for the functioning of tax administrations – for risk analysis and management, tax auditing and compliance management. Limited human and computer capacity and inadequate legal frameworks establishing governance and protecting privacy are constraints to harvesting the potential benefits.

Sam emphasises the need to improve data analytics and the introduction of a single system. '*I know that ATAF has offered courses on data analytics, but I think we can do more to understand how many Member States have adopted data analytics. I propose an integrated tax administration system developed by ATAF that can be used by everyone. When we work with vendors, they would want to keep it in a marriage with you forever and you're paying exorbitant amounts. Can ATAF introduce a 5-to-10-year programme to develop a system, which can then be adopted by all Member countries,*

and we know it's owned by ATAF. No corruption. ATAF will create capacity in all the regions, and we are using the same system, because taxation is taxation everywhere'.

Edward also argues that '***we should work to use data science and enabling technology more effectively, both within and between our countries, towards our shared intent of voluntary compliance.*** *South Africa is a helpful case study for countries embarking on an AI-enabled tax ecosystem. We remain ready to share our lessons learned and invite other member countries to reciprocate*'.

The tax treatment of digital assets provides opportunities for significant DRM but are subject to tax policy challenges owing to the nature of the new technology and the need to balance taxation to avoid constraining growth. ATAF has also produced a foundational analysis of income tax policy on cryptocurrency, setting out tax policy options.

Finally, the partnership with the AU allows for a strategic policy-based approach to Africa's role in the green economy, including but not limited to DRM. Delegates at ATAF's 2023 Annual Conference noted that Africa is uniquely positioned to tap into the expanding green financing through innovative financial mechanisms. They called on **African countries to use environmental taxes to reduce damage including pollution and deforestation detrimental to biodiversity, make businesses accountable for their environmental footprint, and encourage eco-friendly practices. On the positive side, these taxes could generate funds for sustainable ventures such as carbon taxes and emissions-trading schemes.** The meeting agreed that countries should begin by putting in place legal provisions for environmental taxes, then implement in stages, and help target funds where they are most needed. Capacity building initiatives are paramount as the road to the achievement of the Sustainable Development Goals grows shorter.

TRANSPARENCY

Tax transparency is a key to dealing with IFFs, whether connected to multinationals, High Net Worth Individuals or other sources. The Exchange of Information framework allows access to information on request (EOIR), or automatically (AEOI) in respect of financial accounts that increasingly challenges financial secrecy, and offshore evasion and avoidance supporting tax enforcement.

> 'In Africa, between 2009 to 2022, 1.6 billion euros of additional revenue were identified through the exchange of information while in 2023 alone, the identified revenue amounted to 2.2 billion euros.'

Historically, this process in Africa begins with the African Multilateral Agreement on Tax Matters (AMATM) and a partnership between the Global Forum on Transparency and Exchange of Information, ATAF, the AU and the African Development Bank. The Africa Initiative, including representatives of 39 African countries, met in Lomé in June 2024. It is co-chaired by **Dr Philippe Tchodie**, who welcomed the

‘*effective use of international information exchange in the fight against evasion and avoidance’* and **Edward Kieswetter**, who reflected that ‘*the greatest value proposition of the Global Forum and its regional initiatives is its unwavering commitment to capacity building aimed at enhancing transparency across the globe’*.

The impact of work in this area, according to the Global Forum, appears to be growing exponentially. In Africa, between 2009 to 2022, 1.6 billion euros of additional revenue were identified through the exchange of information while in 2023 alone, the identified revenue amounted to 2.2 billion euros.

But, as the ATAF Annual Conference in 2023 pointed out, only five African countries are currently automatically exchanging information on the continent and the number of exchanges decreased by 3%. **Clearly the model for implementing exchange of information needs to be improved and capacity built to enable more sustained African participation.** Delegates highlighted the need to reinforce legal instruments, and sign and ratify the African Agreement on Mutual Assistance in Tax Matters (AMATM) to enable African countries to draw on cross-border assistance in the recovery of taxes abroad, conduct joint audits and hold joint enforcement activities, as well as exchange information automatically.

The AU partnership should provide an important vehicle to drive this initiative forward. ATAF has produced a toolkit to provide practical solutions and a step-by-step guide to introducing and implementing AEOI systems and is committed to supporting countries who wish to implement AEOI through capacity building, legislation, peer learning and in the development of an IT platform for AEOI programmes.

Finally, from the African perspective, global implementation needs significant improvement. Even where African requests are made, developed countries can be reluctant to provide the relevant information. ATAF has an important role to play in monitoring the operation of EOI requests and challenging developed country partners to meet their obligations.

This chapter has considered ATAF’s role on the African continent in the light of some of the current challenges to progressive and equitable tax systems in Africa. It has suggested that participation with the AU and other Africa-driven initiatives have laid a platform for tackling Illicit Financial Flows and increasing DRM. Next, the emphasis switches to the real driver for change in Africa – ATAF’s people – and how ATAF’s leadership role has changed the nature of tax administration and policy-making by increasing human capacity and inspiring Africans to greater achievements.

CHAPTER 7

Inspirational Leadership and Owning the Future

THOUGHT LEADERSHIP

ATAF has provided thought leadership on taxation on the continent since its inception. Its challenge now is to extend and enhance its impact as it steers a course through the choppy waters of the global tax environment and seeks African solutions to foster sustainable development through domestic resource mobilisation and countering illicit financial flows.

ATAF has been blessed with a leadership that encourages agility and innovation; that prioritises new thinking and an appetite for new challenges over process; that elevates human improvement over the dead hand of bureaucracy; and that, because of all this, delivers beyond its promises.

Pascal tells the story of meeting the then Acting Executive Secretary. **He asked Logan what his background was, '*was he an economist or a lawyer? And he said: my background is jail'*. Logan** had spent more than a year detained for resistance to the racist apartheid South African regime in the 1980s. This made him the leader he became. As **Pascal** himself understood, '*It completely changes the dynamic. That's big, that's very special'*.

Logan's leadership, integrity and authority were forged in the South African struggle. His Africanist focus, and that of many others across the continent who had played their part in trying to end colonialism, provided a momentum and clarity of purpose which made Africa unique.

But leadership in ATAF was not simply a function of Logan's personal qualities or even those of the South Africans who played an early role in the evolution and implementation of the organisation, such as **Pravin, Oupa, Lincoln, Varsha, Edward, Ron** and many others. Africa had collectively gone through the same decolonising experience that inspired leaders on ATAF's Council who shared a common drive towards self-reliance, independence and autonomy.

Logan's own perspective on ATAF's thought leadership is that '*like parenting, what you put into the upbringing of a child will determine the extent of that child's sense of success, freedom, agility, creativity and impact. If you raise the child with strictness and structure, from the womb to the house to the creche, to the church, to the high school, to the university, to the job, into the building, into the parking lot, the child doesn't live. The child's world is small*'. He recounted an early debate within Council on the relationship between Council and Secretariat. '*ATAF's first leadership struggle was over how to achieve a balance between agility and accountability, and Commissioners-General on the Council gave a good strategic oversight into the work of the Secretariat and allowed ATAF the freedom to operationalise the space, to move and build this organisation, and build the trust that we needed. The Chair's job is to oversee.* ***We've set up a Secretariat to operationally move this thing. And that is where our agility came from. We could not be agile if we were just going to operate like a government.'***

Gershem Pasi as Chair, brought stability and certainty into the organisation at a time when ATAF needed to assure partners that it was going to plot a successful course towards DRM and state building, and new members needed convincing that ATAF's achievements would stand to benefit the whole continent. **Gershem** recalled that **ATAF's core message was that '*we are going to do the work. We believed in our people. We believed in the resources that we have. All we needed was the partners to give us a helping hand*** *... as we cross the river. We were not saying to the partners, no, you cross the river and then we remain behind. Go and catch whatever, then bring it back.* ***We believed in ourselves****'*.

He was followed as Chair by **Tunde Fowler** of Nigeria, who played a dynamic role in terms of the financing and the business side of the organisation, looking at supporting those members who couldn't pay their annual fees, staffing, remuneration and working conditions. He argued that '*you are assembling very talented and well-educated and able experts around you. And if you are not going to be competitive, you're going to lose them'*.

Mary was on the Steering Group when the ATAF concept was developed, and when she later joined the ATAF Secretariat, she was struck by the small size of the Secretariat, but '*the work done was beyond expectations ... ATAF's focused leadership was able to get the maximum impact from the minimal number of staff, minimal resources and creative ways, like using experts from tax administrations to try and support member countries over the years.* ***We have 44 members and are providing short-term or long-term technical assistance in 34 countries with around 35 staff. Excellent leadership has driven the work of ATAF from the outset, when the current Executive Secretary was heading the Technical Team that developed the ATAF concept'.***

ATAF's thought leadership turned the challenge of limited and technical capacity and resources into an insight, counter-intuitive at the time within the development world, which was to find and develop local experts and encourage and develop mechanisms for peer-to-peer learning and not to rely simply on expertise external to the continent. **One key mechanism for this is the use of secondees from ATAF countries within the Secretariat, bringing fresh country experience and providing a broader perspective**.

Africa's diversity and the existential question of convening a continental organisation across the three main linguistic groups has proved even more challenging. ATAF originated in South Africa and is South Africa-hosted, and the first joiners were primarily anglophone countries. But the objective from the start was to represent the entire continent. The make-up of the Council was regionalised to ensure francophone representation at first, and later lusophone countries too, once they came on board.

> 'The election of a francophone Chair for the first time in the history of ATAF is a testament to the organisation's Pan-African spirit'.

Despite interpretation and translation in French and English from the start (and later joined by Portuguese as the membership expanded to lusophone countries), and technical assistance missions and an Executive Masters in Taxation offered in French, there was still a perceived imbalance and understandable francophone caution. This was partly due to differences between francophone tax systems using an integrated policy and administration model within the Ministry of Finance as opposed to anglophone countries who predominantly opted for varying degrees of independence for the tax administration, often as revenue agencies including customs. The challenge was also how to unify parts of the continent that shared different colonial histories and heritages with different outcomes. A more concrete factor was how to work collaboratively with the *Cercle de Réflexion et d'Échange des Dirigeants des Administrations Fiscales* (CREDAF), a francophone tax organisation that provided training and experience-sharing in French for mainly African countries.

ATAF, as a trilingual organisation, has since its inception sought to make sure that all three of the major languages on the continent have equal entitlement to the benefits. All ATAF products are available in the three languages, and interpretation and translation routinely provided. **But there is more work to be done for ATAF to sufficiently balance the needs of all languages on the continent.**

ATAF's partnership with the AU was a significant political factor broadening the membership base. In 2020, when **Dr Philippe Tchodie** accepted his appointment as the Chair of the ATAF Council, he stated that '***the election of a francophone Chair for the first time in the history of ATAF is a testament to the organisation's Pan-African spirit'.*** He pledged to '***use the opportunity of Togo's Presidency to further expand ATAF in francophone countries****, pursue reforms within the Secretariat to ensure greater regional representation and consolidate the progress so far made in the financial sustainability of the organisation'.*

The Chair has been as good as his word. The last nine countries to join as ATAF members have all been francophone countries and the balance between francophone, anglophone and lusophone countries is now 18:24:2. Membership remains relatively limited in North Africa, but it may be that, now with 44 members out of the continent's 54 countries, ATAF is close to a tipping point.

> 'Diversity, including gender diversity, is crucial for tax administrations to develop comprehensive strategies and innovative solutions. Yet bias and prejudices persist in this male dominated field, requiring women to be resilient and well-prepared for their roles.'

Savior, who has observed ATAF since its early days, provides an external perspective. '*ATAF started off as a small Secretariat hosted by SARS and faced similar challenges to start-ups around institution development and fundraising. As a membership-based entity, it faced issues around representation, meeting venues and language. It has been very interesting to see ATAF navigate these challenges, see a growth in francophone membership and see it find its place within the African institutional architecture.*'

Logan agrees that the journey has not always been smooth. ***'But we have a leadership that is mature and focused on the job in hand, that is not short-sighted in terms of ownership, or which plays politics.*** *Because when things are successful and when things produce results, people tend to want to own it. And then you begin to have politics entering this space. Who does what? Where is the meeting held? Why don't we have officers? Why can't I have the Head Office? Why can't the leadership come from my country? We're not immune to these issues. We're aware of the possibility of these things creeping in, and alert to the dangers.*'

Success, in short, requires a clear focus on common priorities and an alertness to, and the courage to counter, tendencies towards competition, conflict or fragmentation. Leadership is about vision as well as inspiration. **In ATAF's case, it was its vision that made it fly. And its vision started not with policies, structures or processes, but with changing the lives of its people.**

INSPIRING WOMEN

In the light of ATAF's focus on building capacity and maximising the potential of the whole workforce, the question of female empowerment and inspiring women to develop and achieve their ambitions was intrinsic to ATAF's evolution. The ATAF leadership group at the start of the journey included three female Commissioners-General. Back in November 2009, **Mick** wrote in Nigeria's *This Day* that, while there was no mention of gender in ATAF's founding documents, ***'Allen, Mary and Ifueko had set the tone for the ATAF launch in Kampala and provided inspiring leadership for other women to follow'***. As he said, ***'Taxation now relies on persuasion and dialogue rather than authority and force. Anyone trying to reform the traditional tax systems dominated by robust male attitudes is likely to seek more women recruits, for their skills and to improve the overall organisational culture'***.

A decade later, while women continued to play leadership roles within tax administrations (including the first ATAF Deputy Executive Secretary, **Mary**) and took charge at various times of all senior management functions within the Secretariat, **the pandemic brought into sharp relief the difficulties faced by**

women in balancing professional and personal responsibilities and led to further consideration of how to promote equality and inclusivity.

In March 2021, under the leadership of **Varsha** (who had returned to the organisation from a spell at the OECD) and **Nana Akua Mensah** (an ATAF consultant and international tax policy adviser), **ATAF launched the ATAF Women in Tax Network (AWITN).** As **Veronique Herminie**, the former Seychelles Commissioner-General and current AWITN chair, explained, '*the majority of the tax and customs officials at the Seychelles Revenue Commission are women, and I appreciated the importance of gender-neutral recruitment and advancement policies. Over the 15 years, ATAF introduced capacity-building programs for knowledge generation and sustainable development efforts of Tax Administrations across its member states, thus closing the knowledge gaps of Taxation officers at different levels and genders, essential in the achievements of our functions and missions. The AWITN complements these career development efforts and ensures that our women in tax are given equal opportunities to grow in their roles.* ***Diversity, including gender diversity, is crucial for tax administrations to develop comprehensive strategies and innovative solutions. Yet bias and prejudices persist in this male dominated field, requiring women to be resilient and well-prepared for their roles – but mentorship and continuous training can help women navigate these challenges.'***

The big idea of the AWITN, according to **Varsha**, was '*to bring women in taxation on the continent together, not just tax administrations but women in the private sector, academia, etc. – and the AWITN already has a story to tell'.* A mentoring programme began with the first cohort in 2022 and one of the first mentees – **Dr Altayesh Taddese Terefe** from Ethiopia, mentored by **Varsha** – has herself become a mentor, stressing the importance of *'understanding the power of networks and mutual learning'.*

The second gender leadership conference, hosted by **Dr Amélia Muendane**, President of the Tax Authority of Mozambique and the first Chair of the AWITN Board was held in Maputo and entitled 'the role of tax policy and leadership in addressing gender inequality in Africa'. The conference drew almost 400 participants and ATAF launched the second AWITN mentorship programme – pairing 45 mentors and mentees from 13 African countries, including tax administrations, academia and the private sector. The commitment to equality extended beyond this programme. In 2023, in the first eleven training events delivered by the ATAF Tax Academy, the 710 participants were split 50:50 between male and female.

Veronique, as the current Chair, has high aspirations for AWITN, '*driving policy changes for gender equality, collaborating with partners to promote the 2030 Sustainable Development Goals (SDGs), particularly goals 4 and 5.* ***By supporting women through mentorship and education, and with help from its partners and members in sharing experience and success through leadership conferences, soft skills training and virtual platforms, AWITN aims to empower inspire future women leaders.***'

Sam strongly supported the initiative. *'Some of my young professionals have paired with experienced female colleagues. I've received good feedback from our members who*

are part of that network, and it's something that we need to encourage because we need to be intentional about capacitating the current young generation of tax administrators to become the best, for them to be able to take over when our time is over'.

TRANSFORMATION

The passion that lies behind the work of the AWITN transforms lives as well as the effective resources available to tax administrations. **The task for ATAF after fifteen years of success, building and learning, according to Logan, is no less than '*the transformation of the African tax landscape'*.**

Transformation means Africa setting its own tax agenda through ATAF, rather than simply adopting frameworks set by global organisations. ATAF's work, underpinned by hands-on technical assistance and robust research, rests on a commitment to innovation through a project-driven work ethic, the adoption and adaption of state-of-the-art technologies and the intelligence from the research and data laboratory.

The key to transformation lies with thousands of tax officials across the continent, with their passion and commitment to improving the lives of their fellow Africans. ATAF's efforts to support tax administrations to transform African taxation should **begin with the recruitment process to assist them to select and integrate the best candidates, considering equality of treatment and diversity of experience, which evolving skill sets like data analysis and modern audit methods require.** New officials should be provided with opportunities for learning, growth and achievement that match their ambition and increase their commitment, building strong cultures and encouraging staff retention. The ATAF Tax Academy could further support member country administrations to build a framework for staff retention and progression through continuous professional development.

The first direct engagement of a tax officer with ATAF is often the first step towards fostering intellectual leadership among tax officials, and typically occurs in a training context. The training experience is not simply the acquisition of knowledge but a collective occurrence where diverse experience and common challenges encourage the sharing of knowledge and communication between and among peers. It opens doors to a new network and an experience that will be memorable all their working lives.

A recent gathering of training managers and heads of training schools, convened to provide input into the architecture of the ATAF Tax Academy, emphasised the significance of peer learning both in how to create as well as improve training institutions within countries. **Ernest Mendy** and **Fanuel Uugwanga**, of the revenue agencies of the Gambia and Namibia respectively, spoke about how they were on the verge of opening new academies, leveraging insights and networking, and learning and benchmarking against existing institutions to elevate staff skills and professionalism. And the meeting's content provided participants with a big leap forward in their technical skill sets as well as an ongoing support network. **Oliver Chasiyeni**, training manager for domestic taxes in Zimbabwe, enumerated the

tangible benefits – '*from mining taxation to digital tax policies, ZIMRA staff are now equipped to implement these ideas into their daily work*'.

> 'Research in tax matters is pivotal for Africa's growth as tax is key to addressing our socio-economic challenges'.

A key element of the transformation effort is to intensify the interconnections between training, capacity building, research and the development and delivery of products, whether cutting-edge policy briefs or suggested approaches, including draft legislation. In short, transformation will require the data and research laboratory to help drive and support the ATAF agenda and build capacity, for example, in supporting member countries to do tax impact surveys before taking hard decisions on policy, legislation or institutional development. The African Tax Academy is well on its way along this path. It is not simply a training institution but a knowledge hub, hosting the African Tax Research Network (ATRN). But the drivers for this work should come directly from member needs analyses.

Lee argues for the significance of an ATAF-integrated country model. This links training programmes, capacity building in audit skills, research and data analysis, including revenue forecasting and tax impact analysis, support in the development of new legislation and toolkits for the implementation of new provisions. Co-ordinating these elements creates a concentrated focus to maximise impact.

The 8th ATRN Conference in Tanzania in 2023 opened with a message that stressed the new path to intellectual leadership on tax in Africa, with a call to action that '*we must set our own agenda*'. It launched the 3rd Volume of the African Multidisciplinary Tax Journal (AMTJ), and the Chair of the ATRN Board, **Professor Annet Oguttu** of the University of Pretoria**, emphasised that '*research in tax matters is pivotal for Africa's growth as tax is key to addressing our socio-economic challenges*'.**

Building networks has been a theme of much of ATAF's impact – through training, technical and capacity building events, and research activities – and it has contributed directly to ATAF's ability to bring its membership together and represent the continent speaking with a single voice. Two further people-focused initiatives have brought the tax institutions of the continent together.

First, **the ATAF Country Correspondents (CCs) provide a permanent bridge within member countries on ATAF work, and between member countries and the Secretariat**. Annual meetings allow information sharing on trends, needs, new issues and solutions to be disseminated across the network. Once again, there is a strong focus on the human dimension, building informal networks and sharing experience. The meetings also build on annual member needs surveys. The CCs are the centre of ATAF's operations. As **Varsha** points out, '*they tell ATAF what programmes have worked, what impact they may have had, what hasn't worked as well and why*'. They each represent their own country, making it clear that there are no one-size-fits-all solutions and that programmes fit their specific and unique requirements in terms of content and delivery, and that the country's objectives are met.

> ‘ATAF must make sure that there is a human relationship between the institution and its member states, because the relationship with ATAF is very human, it’s not robotic’.

In Livingstone, Zambia in February 2024, the 14th meeting of Country Correspondents focused on evaluating exchange of information mechanisms in member countries. As noted in Chapter 5, improved exchange of information is key to tracking and taxing income and assets held offshore, increasing DRM and countering IFFs. The CCs act as a mirror, reflecting their immediate country needs, and suggested that these were: the development and use of databases; staff retention mechanisms and leadership training; the further rollout of longer-term capacity building programmes; support on tax evasion prosecutions; and greater involvement in tax policy. The conference strongly advocated member country accession to the Agreement on Mutual Assistance in Tax Matters (AMATM).

The AMATM, drafted soon after ATAF’s launch, has undergone a long journey before being finally ratified by sufficient countries to allow it to come into force. As an international agreement, it now provides the legal framework for co-operation among those African countries ratifying it. The agreement covers all taxes imposed by contracting parties, except for customs – which are dealt with under WCO conventions. It enables automatic exchange of information and EOI on request, information relating to administration and compliance improvement between signatories, mutual assistance in collection, and simultaneous or joint tax audits. **Romeo Nkoulou-Ella**, ATAF Senior Specialist for External and Member Relations, noted that ‘*this collective effort underscores the vital role of stakeholder engagement and member country relations in achieving ATAF’s objectives.*’ ATAF has launched a campaign focused on the procedural advice and model legislation it has developed to enable members to take advantage of this agreement as soon as possible.

Second, the annual Heads of Tax Administration Masterclass is a unique ATAF opportunity for Commissioners-General to meet their peers in a relatively informal environment to discuss current issues and learn from each other and their predecessors. The Masterclass in Kigali, Rwanda in 2023 focused on ‘Purposeful Leadership’, the essence of which was set out by the outgoing Rwandan Commissioner-General, **Pascal Ruganintwali,** as ‘*setting clear priorities; understanding the operational environment; resilience in the face of challenges; building competent teams and driving transformation through innovative strategies*.’

Sam has ‘*never missed any of the CG Masterclasses. You meet with other tax administration leaders, you share best practices, you speak to each other frankly about the challenges that you are experiencing. Whatever challenge I have, or a specific policy that we want to have, it’s a matter of just getting on my phone. We have become like a family. And when we meet, it is not only about sharing your challenges that keep you up at night. We had a taste of advanced leadership last year in Kigali, when* ***Logan*** *interviewed* ***Trevor Manuel****, the former Finance Minister of South Africa who had played a key role in the origins of ATAF.* ***Mr Manuel*** *explored his own leadership journey and the significance of an equitable tax system in fostering a thriving democratic society*’.

OWNING THE FUTURE

As the previous section suggests, ATAF's inspirational leadership generated belief, enthusiasm and confidence among member country tax officials, creating new visions, new insights and providing the agility and flexibility for ATAF to transform both itself and approaches to tax on the continent. And as **Minister Nacanabo** emphasises, ***'ATAF has truly represented Africa, has allowed Africa's concerns to be considered, given that ATAF understands Africa well, knows its realities, and fights for African tax administrations to succeed'***.

Edward believes that the '*secret to its success to date has been that ATAF listens to member countries, understands the requirements and needs of members, and provides programmes aligned to these requirements and to the needs of members. Therefore,* ***ATAF's future success will be to retain its strong member orientation and involvement; to lead with a clear vision and strategic intent, mindful of its transformative impact on people; and to continually evolve and respond to the changing geopolitical context as well as (the) financial and tax landscape due to the impact of data and technology'***.

This narrative has considered ATAF's history, its institutions and what has made it valuable. It has reflected on the scope of its activities, the collective human engagement and initiative in creating and building it while, most of all, listening to a selection of the thousands of people who have made the organisation. **ATAF's transition after fifteen years parallels a transition in the global environment and on the African continent, and is a stark reminder that complacency is the enemy of success, and that ATAF must keep swimming to avoid sinking.** It needs to evaluate itself constantly to successfully address the future challenges that it will face, to create and improve its communication mechanisms, refine its messages to maximise its impact, and to maintain and strengthen the accountability of ATAF to its members, its development partners and the people of Africa. '*Above all, you must'*, as **Sam** insists, '*make sure that there is a human relationship between the institution and your Member States, because the relationship with ATAF is very human, it's not robotic'*.

Varsha sees '*ATAF in 2030 as looking at what we can do better, how we get to meet the AU's Agenda 2063 and building better solutions.* ***When talking at a public forum in the future, I want to quote only from ATAF products and to say, this is what ATAF has done in the following countries.*** *This is the data showing what ATAF has been able to achieve, and where our ambitions still lie'*.

Focus

ATAF's core vision of domestic resource mobilisation through improving African tax systems to provide better lives for all Africa's citizens remains as clear and compelling as it did fifteen years ago. The narrative so far suggests that ATAF has taken two separate, if inter-connected, journeys. The first brought the continent together, reflecting its needs, building networks and using African expertise to help shape solutions in tax administration. A second journey lay beyond the continent where ATAF has, to some extent, helped shape the international tax rules in Africa's interests.

While the two journeys lead to the same destination, that is, improving African tax systems and financing African development, the challenge is how to balance the political and technical demands on an institution with limited resourcing. The 'international' journey supporting member countries in the UN and other international forums potentially promises a greater impact as the terms of the debate are still under negotiation and not pre-determined. This is about tax, but just as much about politics and Africa's collective role.

The focus on international tax issues, while an important element in countering IFFs, will impact mainly on corporate taxes. Even if transformation happens at the international level and the source element of the source-residence tax balance is improved (and the outcomes reflected in tax treaties), the corporate income tax take is still likely to remain significantly lower than domestic revenues. The current proposed changes in the 'BEPS 2.0' project – including responses such as the Digital Services Tax – may provide some revenue raising possibilities for African countries. But African tax officials have been disappointed by the complexity and lack of inclusivity of the process.

'BEPS 2.0' did not include African priorities around reinforcing source-based taxation. It was primarily this frustration that BEPS, while containing some elements aligned with developing country interests, was not focused on their agenda that generated new interest in the UN. The ongoing negotiations over the UN Tax Convention provide Africa with an opportunity to play an important role as the largest bloc in the UN in resetting the international tax agenda, rectifying imbalances in current international tax arrangements and highlighting the collective responsibility for tax systems which address global inequalities. But the short- to medium-term future suggests some degree of fragmentation in the global rule-setting environment as the OECD focuses on trying to get its reforms implemented and the UN strives to define and implement its own priorities, given the competing demands of the international tax agenda and other taxes of critical significance to developing countries, including carbon and other environmental taxes, aviation taxation, the taxation of the rich, etc.

Africa faces a major challenge to achieve its developmental needs. Current UN estimates suggest USD3.3 to 4 trillion additional investment is needed to meet the Sustainable Development Goals. Tax plays a key role, not only in mobilising essential resources, but in creating the environment needed to promote growth, investment and development as well as equality and social justice.

Domestic taxation within Africa itself may produce more direct benefits, and transformation could include the digitalisation of tax administration. For tax administrations, AI and data analytics offer opportunities to enhance efficiency, increase compliance and reduce evasion, including the use of data to underpin risk assessment in economic sectors like the informal economy, refocus auditing programmes and the use of cost-benefit analyses to assess tax expenditures. In addition, new sources of taxation that influence behavioural change towards development – like health, tobacco, the environment and carbon taxes – provide opportunities to develop specific African positions and fit into the broader social policy as well as fiscal debate at the AU.

Funding

Financing is the existential question for ATAF. The organisation needs to look more closely at financial sustainability as around 65% of its funding still comes from external sources and, as the host country, South Africa continues to cover a significant proportion of local costs. Funding inevitably carries a political burden. How to balance the needs of its members and the strategic outlook of its development partners? The usual starting point is to try and increase the share paid by member countries, which has the political dividend of providing members with a stronger stake in the organisation itself. A review of membership fees, perhaps including reflection by the wider membership on the benefits they can hope to achieve, may shift the dial in this direction, particularly given the success and impact of ATAF over the past fifteen years and a greater *rapprochement* with finance ministries, which hold the purse strings. Paying for services is another possibility, but this may end up benefiting the richest countries, reduce opportunities for the poorest, and there is little appetite for charging for specific products.

The fundamental reliance on South Africa, and the steadfast support which it has provided, has been essential to its existence and has earned the gratitude of the continent. **Edward** has already made clear his continued personal and country's commitment, but it is not impossible that, in the longer term, this situation might change. A back-up plan would be prudent.

As for external funding sources, ATAF emerged as a champion for the set of issues that have clearly found their way on to the top of the international development agenda. Domestic resource mobilisation is a top priority, and as a purely Africa-driven and -focused institution, all conditions are met to ensure sustainable funding. **The prioritisation of DRM is in everyone's interests and strengthening tax administrations' capacities will remain a top priority for the foreseeable future, as long as there is support for effective, accountable states.**

Funding from outside institutions does not necessarily challenge ATAF priorities where there is a shared vision, particularly when this is anchored within Africa itself, and here African institutions such the African Development Bank and Trust Africa, for example, can enable ATAF to achieve common objectives. So can the World Bank, where a Trust Fund programme over an extended period – with a broad mandate around shared objectives – could, in principle, provide another anchor for ATAF's medium-term future. ATAF could play a significant role in taking on contracts related to tax aspects of public financial reform generating new revenue streams.

Other foundations that have a clear focus on tax and development and are in harmony with ATAF's priorities may also reinforce the delivery of ATAF's work programmes. The Addis Tax Initiative, where donor agencies have prioritised tax for delivering assistance, is also helpful as a commitment to tax and African development, but individual donors may present more complex issues when their perspectives on African development or political positions on the development of

international tax rules may vary. However, generally, it is the shared commitment to delivery of capacity, in line with ATAF's wider strategy, that counts.

Challenges and opportunities

Transformation means Africa setting its own tax agenda through ATAF, underpinned by technical assistance and robust research, and the adoption of state-of-the-art technologies complemented by intelligence from the research and data laboratory. The nature of taxation itself is on the brink of transformation, whether in the international environment, the new demands around domestic taxation including the green revolution, or the implications of the new technology and artificial intelligence to reshape the global landscape.

ATAF's transformation may also encompass the way in which it interacts with the membership and other African countries. From the start, ATAF has sought to bring together countries on the continent to share experience and build collective solutions. **One way of increasing engagement, deepening understanding of needs, decentralising delivery and increasing impact is through regional pathways.** Regional structures can, in principle, carry out ATAF's objectives, build partnerships with local stakeholders, and promote strong tax systems. They can also spread costs.

Minister Nacanabo describes the challenge of making African administrations, ***'especially Francophones, understand that ATAF is a tool for them to achieve their goals. It's like having a gold mine that can help you achieve many things, but you ignore it and look elsewhere.*** *ATAF should further strengthen communications to demonstrate benefits to African administrations.'*

The question of linguistic and cultural diversity faces any organisation hoping to bring the African continent together under a common vision and objectives. ATAF has been very conscious of the need to balance this diversity from the start. ATAF has 44 members, of which 18 are French speaking and two are lusophones, with 24 anglophones. As **Mary** points out, **ensuring linguistic diversity and equality is a priority of the ATAF New Decade strategy**. Most recent members are francophone countries, and members from this community have become more active since 2020. In 2023, special initiatives and capacity building missions have included 14 francophone countries and, in 2024, Niger, the DRC and Gabon participated directly in the capacity building pathway.

A critical aspect of working regionally is to reflect the distinct cultural, as well as linguistic, needs of the francophone and lusophone communities. Regionalisation can also focus on local products and delivery techniques and reflect not only linguistic differences, but identify the differences between anglophone, francophone and lusophone administrations. **Diversity may be challenging, but it is also an opportunity for ATAF to learn new lessons and become stronger and more relevant to its members, who stand to gain much from that diversity**.

A further challenge relates to the fine line between tax policy and administration, which is based in practice on some level of creative ambiguity. Policymakers and

administrators, while institutionally separated, are linked in a relationship where implementation and policy-making work together to effect real change in member countries. Closer engagement between policymakers and tax administrators, based on in-country coordinated revenue strategies, can improve the overall effectiveness of the tax system, for example, in the granting of tax incentives. **A strategic, policy-administration collaboration within member country governments is likely to be even more important as new areas of domestic resource mobilisation around digitalisation, artificial intelligence, carbon taxes and the green economy, for example, are likely to take centre stage.**

ATAF's navigation of the African tax environment and its formal advisory role in the AU has established a symbiotic relationship between policy and implementation. From ATAF's perspective, this reinforces its role of supporting members to build stronger tax systems and makes it unique among regional tax organisations such as CIAT, CATA, SGATAR, IOTA, etc, whose focus lies specifically in the tax administration area.

ATAF's broad reach reflects the original state-building vision whereby effective revenue collection is a step towards construction of the tax system that builds a direct democratic alliance between state and people. As **Philippe**, the current ATAF Chair, reflected in the ATAF Annual Report for 2023: ***'the social contract between our respective governments and our citizens must be evident through improved public services to reinforce accountability and transparency, and thereby build public trust. As heads of African tax authorities, we implore our governments to prioritise the effective use of resources in a manner where the public can feel the positive impact of the sustainable development projects funded by our tax revenues, underscoring that not only will this sustain confidence and belief in the social contract, but also improve tax compliance – with the multiplier effect of making revenue available for development financing.'***

Tax is never welcome to the payers, but the greater the public engagement with transparent and fair tax systems, providing visible benefits in public goods, and based on simple processes supporting voluntary compliance, the greater the likelihood of effective and efficient systems. Risks of inefficiency, ineffectiveness or corruption are always present. But so far, ATAF's record in this respect speaks for itself, based on a multi-faceted assessment framework in place to maintain excellence in strategic development, administration and delivery. **The Council, however, must continue its constant and proactive vigilance to maintain ATAF's high standards of fairness and transparency.**

Leadership

ATAF has, after fifteen years of evolution, surmounted many challenges and achieved remarkable results. Its focus on its core mission, to improve the quality of life for Africa's citizens, its ability to maintain independent member-focused decision-making, and its implementation of a solid yet representative governance structure, have enabled a significant level of maturity and stability. ATAF provides

a platform for future growth and sustainability through the transition it now faces, and beyond.

At this juncture in its evolution, the organisation faces a fundamental transition when the term of the current Executive Secretary comes to an end in March 2025. We have listened to **Logan's** voice explaining how ATAF came about and how the organisation navigated the choppy seas of the global tax agenda and the pressing needs of Africans for domestic resource mobilisation. **Above all, ATAF has been a triumph of leadership. ATAF shaped itself and its environment proactively and on its own terms. It has succeeded because African countries and leaders of tax administrations are passionate about the future for their countries and believe that development on the continent and better lives for Africa's citizens is a goal worth striving for.**

ATAF has had good fortune with its leadership – in the Council; in the Chairs (namely **Oupa Magashula** and **Ivan Pillay** of South Africa, **Gershem Pasi** of Zimbabwe, **Tunde Fowler** and **Mohammed Nami** of Nigeria, and **Philippe Tchodie** of Togo); in the operational and technical committees; in the member country tax administrations; and in the managers and staff responsible for the functions of the Secretariat. The Council has also benefited from a combination of stability and innovation. Four countries have been members of Council from the start (South Africa, Nigeria, Rwanda and Uganda) providing continuity and direction, and a further fifteen countries have provided new and fresh ideas. This has proved to be a productive balance.

Gershem has called for the institution to maintain a strong sense of the journey it has undergone, particularly when faced with transitions and a new future. The past should not drive the future, but leadership can be reinforced by an understanding of the past and by learning its lessons. He suggests that ATAF should continue to engage the experience of former office holders at all levels who can share experience and knowledge.

ATAF has been blessed to have had only one Executive Secretary, Logan Wort, at its helm since its inception, critically providing an extensive period of continuity and the time to build and embed ATAF's vision and culture. We hope that this narrative has done justice to Logan's personal qualities, his passion, his humanity, his commitment to both principle and innovation, and his leadership as Executive Secretary. Without him, ATAF would not have taken its current form, nor delivered its achievements.

There will be many tributes to **Logan** and his leadership as his term draws to a close. **Gershem,** as an experienced former ATAF Chair, highlights one particular quality. '***We put him through some fire on many occasions, but he had the tenacity to hold fiercely to his beliefs and to ATAF's vision. He would convince the Council by the power of his logic. And look where we are. So we need that kind of leadership.***'

But Logan would be the first to say that no organisation is the result of one man. ATAF is the result of thousands of Africans working together towards a common goal. Its success is built on the collective efforts of thousands of unsung heroes – ATAF's people. One of these was a former SARS official, **Ron van der Merwe**. An

expert on the global international tax stage, and a long-term participant in the OECD working parties and the UN Committee of Experts, **Ron** has worked with ATAF from its embryonic beginnings to help build capacity in the negotiation and design of tax treaties across Africa. **Ron** exemplifies ATAF, balancing the personal and the technical, to deliver events that were exhilarating to those fortunate enough to participate. Generations of senior African tax officials remember a man who combined intellectual rigour with clarity of exposition, immense humour and a close personal engagement with everyone around the table. No one was left out and all felt transformed by the experience. *'It was'*, **Ron** says, *'a huge pleasure to work with so many great people across Africa, to pass on knowledge and encourage the sharing of experience and help build the human foundations for a new and prosperous Africa'.* **What was the secret of his success? *'Just be yourself and raise a smile where you can'*.**

There is no such thing as a model organisation, but it is hoped that ATAF's journey can provide some inspiration to others considering similar organisations sharing the experience of the continent in other sectors such as education, health or transport. **Allen**, who we met as a key member of ATAF's first Steering Group and then Council, now heads up the Uganda National Roads Agency (UNRA) and is busy setting up a cross-continental roads initiative, having gained inspiration and insight from the ATAF example.

ATAF's platform is its people, the skilled workforce that drives, engineers and develops the technology, that builds the relationships critical to accelerate Africa's growth, that shares knowledge, builds capacity and achieves solutions. The skills required are no longer limited to what they were fifteen years ago. Tax law and its implementation are one of many areas of enhanced expertise, including data analysis, technology development and relationship building. These are not limited to taxation but can be shared across sectors. Identifying, equipping and training Africa's talent is essential and requires a broad and imaginative perspective where recruitment is for the future, not simply today. As ATAF has shown, its purpose is to transform lives, and its vision and mission provide an invitation to its employees, members and partners to share in its passion for Africa and its people.

ANNEXES

ANNEX 1
List of Interviewees for this Publication

NAME / POSITION
ADONG, Vivian • Supervisor: International Tax and Transfer Pricing in the Uganda Revenue Authority (URA)
BAINE, Mary • ATAF Deputy Executive Secretary • Former Commissioner-General of the Rwanda Revenue Authority (RRA)
CORRICK, Lee • ATAF Technical Advisor: International Taxation • Former OECD Senior Advisor on Transfer Pricing Capacity Building in Developing Countries
DICKINSON, Ben • Acting Deputy Director of the OECD Centre for Tax Policy and Administration (CTPA) • Former Head of Tax and Development at the OECD CTPA
GBONJUBOLA, Matthew • Head of International Tax at the Federal Inland Revenue Service (FIRS) • Co-Chair of the OECD Working Party 6 on Transfer Pricing • Co-Chair UN Committee of Experts on International Cooperation in Tax Matters (UN Tax Committee) • Co-Vice Chair of the G20 Inclusive Framework on BEPS • Former Chair of the ATAF Cross-Border Taxation Committee
HERMINIE, Veronique • Chief Executive Officer at Taylor Smith Naval Services Limited • Current Chair of the ATAF Women in Tax Network (AWITN) • Former Commissioner-General of the Seychelles Revenue Commission (SRC)
KAGINA, Allen • Executive Director of the Uganda National Roads Authority • Former Commissioner-General of the Uganda Revenue Authority (URA)
KAJUBI, Moses • Senior Public Sector Specialist: Domestic Revenue Mobilisation at the World Bank (based in Abuja, Nigeria) • Senior Operations Officer: Business Taxation at the International Finance Corporation • Former Commissioner of Domestic Taxes of the Uganda Revenue Authority (URA)

KIESWETTER, Edward
- Commissioner of the South African Revenue Service (SARS) & Vice-Chair of ATAF
- Co-Chair of the African Initiative of the Global Forum on Information Exchange for Tax Transparency
- Chairman of the World Customs Organisation (WCO)

KYANDE, Stephen
- Partner & Tax Consultant at Kioko & Associates
- Former Commissioner of Domestic Taxes at the Kenyan Revenue Authority (KRA)

LEOLO, Mamiky
- Acting Group Executive of the Tax, Customs and Excise Institute at the South African Revenue Service (SARS)

LUVUUMA, Robert
- Manager: International Tax and Transfer Pricing in the Uganda Revenue Authority (URA)

MARAIS, Lincoln
- Independent Consultant
- Former ATAF Director: Strategy and Planning
- Former Head of International Relations at the South African Revenue Service (SARS)

MOORE, Mick
- Senior Fellow at the Institute of Development Studies (IDS)
- Founding CEO of the International Centre for Tax and Development (ICTD)

MUKAMA, Denis
- Deputy Commissioner for Planning and Research of the Rwanda Revenue Authority (RRA)

MUNANDA, Anthony
- ATAF Senior Manager: Domestic Resource Mobilisation (DRM)

MWAMBWA, Savior
- Program Manager: Economic and Climate Prosperity at Open Society Foundations (OSF)
- Former International Tax Campaign Manager: ActionAid International
- Former Policy and Advocacy Manager: Tax Justice Network – Africa

NACANABO, The Hon. Dr Aboubakar
- Minister of Economy, Finance & Foresight of Burkina Faso
- Former Chair of the ATAF Committee on Cross Border Taxation
- Former ATAF Senior Manager

OWENS, Jeffrey
- Senior Advisor to the United Nations Tax Committee
- Former Professor at the WU Global Tax Policy Center, Institute for Austrian and International Tax Law, Vienna University of Economics and Business
- Former Director of the OECD Centre for Tax Policy and Administration (CTPA)

PARRY, Richard
- Independent Consultant
- Former Head of Global Relations at the OECD Centre for Tax Policy and Administration (CTPA)

PASI, Gershem
- Former Commissioner-General of the Zimbabwe Revenue Authority (ZIMRA)

SAINT-AMANS, Pascal
- Professor at Lausanne University, Non-Resident Fellow at Bruegel and Partner at the Brunswick Group
- Former Director of the OECD Centre for Tax Policy and Administration (CTPA)

SHIVUTE, Sam
- Chief Executive Officer (Commissioner) of the Namibia Revenue Agency (NamRA)

SHONGWE, Thulani
- Head: Africa Multilateral Cooperation

SINGH, Varsha
- Commissioner-General of the Seychelles Revenue Commission (SRC)
- Former ATAF Head of Strategy, Planning & International Cooperation and Senior Advisor to the Executive Secretary
- Former Head of International Relations at the South African Revenue Service (SARS)

STEYN, Wynnona
- Economist with experience in public finance focusing on fiscal policy, taxation, micro-simulation models and macroeconomics
- Former economist in the Macroeconomic Research Unit at the South African Revenue Service (SARS)

VAN DER MERWE, Ronald
- Independent Consultant
- Former Head of the Tax Treaty Unit at the South African Revenue Service (SARS)

WITT, Matthias
- Co-Founder & Managing Director of WINS Global Consult GmbH
- Former Senior Advisor on Good Financial Governance, Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ)

WORT, Logan
- ATAF Executive Secretary
- Former Group Executive: Reputation Management at the South African Revenue Service (SARS)
- Former Deputy Director General: National Treasury of South Africa

YEARS	NAME, POSITION / COUNTRY	
2010 2011 2012	**MR OUPA MAGASHULA** Commissioner of the South African Revenue Service (SARS)	
2013	**MR IVAN PILLAY** Acting Commissioner of the South African Revenue Service (SARS)	
2014 2015	**MR GERSHEM PASI** Commissioner-General of the Zimbabwe Revenue Authority (ZIMRA)	
2016 2017 2018	**MR WILLIAM TUNDE FOWLER** Executive Chairman of the Federal Inland Revenue Service of Nigeria (FIRS)	
2019	**MR MUHAMMAD NAMI** Executive Chairman of the Federal Inland Revenue Service of Nigeria (FIRS)	
2020 2021 2022 2023	**DR PHILIPPE TCHODIE** Commissioner-General: Office Togolais des Recettes (OTR)	

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BIOGRAPHIES

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Lincoln Marais is an independent consultant working primarily in the fields of International Relations and Governance. He has held senior positions in the International Relations Division at the South African Revenue Service (SARS) as well as being seconded to the African Tax Administration Forum (ATAF), where he served in the Secretariat first as the Director for Institutional Development and then as the Director for Strategy and Planning. Prior to joining SARS, he held the positions of Deputy Director in the South African Foreign Ministry as well as First Secretary for Multilateral Affairs in the South African Embassy in Paris, France. Lincoln holds a Master's Degree in Diplomatic Studies (University of Westminster, London) and completed studies in Management (University of Stellenbosch Business School) and Development Diplomacy (Berlin and New Delhi).

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Gambia, The	Ghana	Guinea	Kenya	Lesotho
Liberia	Madagascar	Malawi	Mali	Mauritania
Mauritius	Morocco	Mozambique	Namibia	Niger
Nigeria	Rwanda	Senegal	Seychelles	Sierra Leone
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Cover: Out of Africa's 54 countries, 44 are ATAF members. The map shows the ATAF members as of November 2024. The list of member countries is on page 119.