

Statement of outcomes of the 6th Africa Initiative meeting 1st March 2019, Kigali, Rwanda

1. On 28 February – 1st March 2019, 68 delegates from 22 African countries and 11 Africa Initiative partners came together in Kigali, Rwanda, for the 6th meeting of the Africa Initiative (see annex 1).

2. The Africa Initiative was launched for a period of three years by the OECD hosted Global Forum in 2014 along with its African members and development partners (see annex 2). The Initiative aims to ensure that African countries can realise the full potential of progress made by the global community in implementing tax transparency and in international tax cooperation. With encouraging first results, its mandate was renewed for a further period of three years (2018-2020) in Yaoundé in November 2017. Countries participating in the Africa Initiative have committed to meeting specific and measurable targets in implementing and using the international tax transparency standards.

3. The delegates welcomed the attendance and support of the Economic Community of West African States (ECOWAS), the Central Africa Monetary and Economic Community (CEMAC), the East Africa Community (EAC), the Organisation for the harmonisation of business law in Africa (*Organisation pour l'Harmonisation en Afrique du Droit des Affaires* – OHADA) and the European Union for the first time at an Africa Initiative meeting.

4. Emphasising the increasing political focus on tackling illicit financial flows (IFFs) from Africa, delegates discussed how to convert political attention into tangible deliverables. They acknowledged that enhanced tax transparency is an important part of the solution to fighting tax evasion which in turn is a major component of IFFs. They expressed the urgency of delivering on the tax transparency agenda in Africa recognising that it fits into a broader development agenda by generating positive spillovers going beyond the exchange of information (EOI). They asked the Global Forum Secretariat to continue its discussions with the United Nations Economic Commission for Africa, African Union, the Regional Economic Communities and the African Development Bank and stressed that the efforts of the supporters of the Africa Initiative should be as coordinated as possible.

5. During this 6th meeting, delegates approved the first progress report on tax transparency in Africa (“Tax transparency in Africa; 2018 Africa Initiative Progress Report”). This is the first of an annual series of reports which will measure the progress African countries are making in improving tax transparency and the impact of these improvements. They commended the progress that a number of African countries have made and welcomed the fact that African countries have started converting information exchange into tax revenues. For example, South Africa has reported having collected additional revenues of USD 225 from its Voluntary Disclosure Programme. Nigeria collected USD 82.6 million from a similar programme. Tunisia and Togo have collected over USD one million each in 2018 as a consequence of EOI while Uganda has collected around USD 14 million from its EOI programme. Nevertheless, a number of countries still need to put more efforts to achieve the targets that they committed to. Delegates agreed to publish the report and to transmit it to the African Union, and look forward to seeing further progress in the 2019 report.

6. Delegates shared information on some of their recent successes and initiatives to build on and supplement effective EOI, in particular voluntary disclosure programmes, beneficial ownership regimes, implementation of automatic exchange of information and high net worth individual programmes. There was consensus on the importance of political support. With political support, tax authorities in developing countries can pursue the use of transparency and EOI as a revenue-raising tool and get on with the task of implementing the international standards.

7. Recognising that availability of beneficial ownership is critical to the fight against tax evasion and other IFFs, delegates discussed ways to implement this aspects of the international tax transparency standards, including working at regional levels such as CEMAC, EAC, ECOWAS and OHADA. Amending legal framework to that end remains a challenge as it cuts across other domains such as company or anti-money laundering laws. Delegates welcomed the development of the Global Forum and Inter-American Development Bank toolkit on beneficial ownership implementation which is intended to support policy implementation discussion in developing countries and technical assistance activities.

8. One of the African Initiative targets is to increase the number of African countries implementing AEOI on a specific timeline. Concerned that as implementation proceeds around the world there is a risk that Africa is left behind: there are currently only five African countries committed to implement AEOI on a specific timeframe. Delegates discussed the main challenges that they faced, including the more demanding confidentiality requirements where AEOI is concerned. They also discussed some opportunities that are now emerging to make implementation of the standard easier for developing countries.

9. Finally, delegates thanked Ms. Monica Bhatia, the outgoing Head of the Global Forum Secretariat for her commitment and leadership in promoting the Africa Initiative. They wished her well in her future career.

Annexe 1 – list of participants of the 6th Africa Initiative meeting

African members of the Africa Initiative

Benin, Cabo Verde, Chad, Côte d'Ivoire, Eswatini, Ghana, Kenya, Lesotho, Liberia, Madagascar, Mauritius, Morocco, Niger, Nigeria, Rwanda, Senegal, Seychelles, South Africa, Tanzania, Togo , Tunisia, Uganda

Organisation and development partners

African Development Bank - African Tax Administration Forum – Central Africa Monetary and Economic Community (CEMAC) - *Cercle de Réflexion et d'échange des Dirigeants des Administrations Fiscales* – Economic Community of West African States – East Africa Community (EAC) - European Union – France (Ministry of Europe and Foreign Affairs) – Organisation for the harmonisation of business law in Africa (*Organisation pour l'Harmonisation en Afrique du Droit des Affaires*) – United Kingdom (Department for International Development) — World bank Group

Annexe 2 – list of members and supporters of the Africa initiative

Members of the Africa Initiative

Benin, Botswana, Burkina Faso, Cameroon, Cabo Verde, Chad, Côte d'Ivoire, Djibouti, Egypt, Eswatini, Gabon, Ghana, Kenya, Lesotho, Liberia, Madagascar, Mauritania, Mauritius, Morocco, Niger, Nigeria, Rwanda, Senegal, Seychelles, South Africa, Tanzania, Togo , Tunisia, Uganda

The supporters of the Africa Initiative

African Development Bank – African Tax Administration Forum – *Cercle de Réflexion et d'échange des Dirigeants des Administrations Fiscales* – European Union – France (Ministry of Europe and Foreign Affairs) – Norway (Agency for Development Cooperation) – Switzerland (State Secretariat for Economic Affairs) – United Kingdom (Department for International Development) – West Africa Tax Administration Forum – World bank Group