



STRATEGIC PLAN 2011-2013



**AFRICAN TAX
ADMINISTRATION FORUM**



Current membership of ATAF

ATAF membership currently stands at **31 African states**.

Benin	
Botswana	
Chad	
Cote D'Ivoire	
Egypt	
Eritrea	
Gabon	
Ghana	
Kenya	
Lesotho	
Liberia	
Madagascar	
Malawi	
Mauritania	
Mauritius	
Morocco	
Namibia	
Niger	
Nigeria	
Rwanda	
Senegal	
Seychelles	
Sierra Leone	
South Africa	
Sudan	
Swaziland	
Tanzania	
The Gambia	
Uganda	
Zambia	
Zimbabwe	





STRATEGIC PLAN 2011-2013



**AFRICAN TAX
ADMINISTRATION FORUM**





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MESSAGE FROM THE CHAIRPERSON





MESSAGE FROM THE CHAIRPERSON

Mobilising domestic resources, in particular, taxation is key to unlocking the resources required for public investment, the financing of domestic socio-economic development and reducing aid dependency. African States need to establish sustainable revenue systems largely driven by their own domestic bases. This will unlock the provision of public services required to achieve sustainable development. An important aspect of these revenue systems is the ability to collect revenue, stem the tide of capital flight and illicit financial flows, build capable tax administrations and develop good tax policy. This was a significant point raised by both conferences on Financing for Development of Monterrey and Doha.

We have seen from the recent international financial crisis that Africa cannot continue to depend on external financial flows to sustain its economies. Together with aid flow fluctuations, the decline in export revenues and falling commodity prices have found many African countries short on their national budget financing, resulting in increased debt. Finding more sustainable funding of the economy needs to be sourced from the mobilisation of public resources... and that is taxation! What we need is a tax administration system capable of collecting revenue due to the State, dealing with tax evasion and avoidance and building a culture of compliance.

When Heads of African Tax Administrations met in Pretoria during August 2008, we had a vision to build a tax administration organisation that can effectively assist us in mobilising domestic revenue. We set out to establish a forum for tax administrators that would advance African issues on the world agenda and that would systematically develop our capacity to mobilise domestic revenue to build African economies. We set out to build capable revenue authorities that are efficient and well capacitated. We articulated a need for convergence of policies and practices in the tax arena, the sharing of information and the development of treaties of cooperation amongst ourselves. In particular, we were concerned about capital flight and leakage through aggressive tax avoidance on our revenue collections.

We have now walked a small part of this journey. Having launched the African Tax Administration Forum in Kampala in November 2009, Heads of African Tax Administrations mandated the ATAF Council and Interim Secretariat to develop programmes and projects that would meet the objectives of the organisation.

Over the past year, ATAF hosted eight technical events where 270 tax officials from 31 African countries received training in a variety of tax areas, including the auditing of multinational enterprises, transfer pricing and taxation of small and medium enterprises. The

ATAF Council worked to finalise the establishment of ATAF as a legal entity and the Interim Secretariat had extensive engagements with development partners, who are keen to support our work. We have participated in several research projects and collaborative events with partner organisations and attended a range of international tax events, thus providing an African perspective on tax matters.



I am pleased to present this Strategy document as a three-year work plan for ATAF in our endeavour to build strong, capable and efficient Revenue Administrations in Africa. The work plan provides a good engagement plan on our key projects and a research study on the status and capabilities of African Tax Administrations. The Strategy sets out activities that will contribute to improving tax administrations, share and develop best practices and combat tax evasion and avoidance on the continent. Our three-year outlook includes important focus on capacity building and training, as well as cooperation on the exchange of information and transfer pricing.

It is my belief that, when we work together, all of us, as Heads of Revenue in our respective African countries, can develop ATAF into a formidable organisation that can serve the needs of our individual organisations in Africa.

Oupa Magashula
ATAF Council: Chairperson





FOREWORD BY THE EXECUTIVE SECRETARY





FOREWORD BY THE EXECUTIVE SECRETARY

This Strategic Plan outlines the mandate of the African Tax Administration Forum (ATAF) and its obligations towards fulfilling its mandate, as well as its administrative, operational and corporate governance duties during the ATAF financial year cycle for 2010 – 2013.

As global developments in the area of taxation have gathered pace, more particularly in the area of countering tax evasion and avoidance, it became clear that an African voice was needed to enable the continent to make up ground in this complex and crucial area for economic development. Also needed was an African mechanism for sharing experiences and an Africa-wide approach to the key issues of achieving the broadest possible high-level dialogue, research and capacity development.



The establishment of ATAF at its inaugural conference in Kampala in November 2009 therefore came at a crucial time to discuss the progress made, challenges faced and possible new direction for African tax policy and administration in the 21st century.

To help push the frontiers of underdevelopment and ensure we extend the reach of our economic potential as a continent, ATAF is called on to build and strengthen the skills and human resource base of African Tax Administrations.

Our Mission is to prioritise ATAF's contribution towards the attainment of the requisite skills and education that will help its members realise their country's true potential and become their own economic liberators, receiving the fruits of their own economic achievement while at the same time improving overall governance.

As we table this Strategic Plan, ATAF is inspired by the opportunity presented to its members, development partners and other relevant stakeholders to consolidate our work and contribute to the economic development of Africa.

Logan Wort
Executive Secretary (Acting)





LIST OF ACRONYMS





LIST OF ACRONYMS

AfDB	African Development Bank
ATIA	African Trade Insurance Agency
AFROSAI-E	African Organisation of English-speaking Supreme Audit Institutions
ATC	African Tax Centre(s)
ATAF	African Tax Administration Forum
CABRI	Collaborative African Budget Reform Initiative
CATA	Commonwealth Association of Tax Administrators
CERDI	Centre d'Etudes et de Recherches sur le Développement International
CIAT	Inter-American Centre of Tax Administrations
CREDAF	Centre de Rencontres et d'Etudes des Dirigeants des Administrations Fiscales
DRM	Domestic Resource Mobilisation
DFID	Department for International Development, UK
DBSA	Development Bank of Southern Africa
EOI	Exchange of Information
EC	European Commission
GHG	Good Financial Governance
GTZ	German Agency for Technical Co-operation
JICA	Japan International Cooperation Agency
ICTD	International Centre for Tax and Development
IDS	Institute of Development Studies
ITD	International Tax Dialogue
IMF	International Monetary Fund
NORAD	Norwegian Agency for Cooperation and Development
IOTA	Intra-European Organisation of Tax Administrations
MNE	Multi-national Enterprise
OECD	Organisation for Economic Co-operation and Development
TP	Transfer Pricing
SAICA	South African Institute of Chartered Accountants
SADC	Southern African Development Community
SIDA	Swedish International Development Co-operation Agency
UN	United Nations
UNCEICTM	United Nations Committee of Experts on International Cooperation in Tax Matters
USAID	United States Agency for International Development





STRATEGIC FOUNDATION





STRATEGIC FOUNDATION

• Our Vision

ATAF shall promote efficient and effective tax administration to improve the living standards of the people of Africa.

• Our Mission

ATAF strives to provide a platform to improve the performance of tax administration in Africa. Better tax administration will enhance economic growth, increase accountability of the state to its citizens, and more effectively mobilise domestic resources.

• Our Mandate

In implementing its Mission, ATAF shall:

- Improve the capacity of African Tax Administrations to achieve their revenue objectives;
- Advance the role of taxation in African governance and state building;
- Provide a voice for African Tax Administrations; and
- Develop and support partnerships between African countries and development partners.

• Our Values

ATAF adheres to the following values:

- Dedication
- Integrity
- Equity
- Mutual respect
- Courtesy
- Loyalty





OUR STRATEGIC FRAMEWORK AND OBJECTIVES





OUR STRATEGIC FRAMEWORK AND OBJECTIVES

The 2008 UN Doha Conference on Financing for Development recognised that taxation, transparent and effectively designed and implemented, provides an essential, predictable and stable flow of revenue in a democratic state to effect sustainable, long-term social and economic development. Taxation is also the avenue through which citizens are most directly connected to the state, making it an important catalyst for public demands with regard to a government's responsiveness.

ATAF subscribes to the view that effective taxation contributes to the building of an effective state because it reinforces the legitimacy of the state through promoting the accountability of governments to taxpaying citizens, efficient state administration and good public finance management. A functional, fair and effective tax administration is a key factor in promoting economic growth and reducing social inequalities, thereby significantly improving the lives of African citizens.

Centred around sound and fair domestic taxation systems, good governance is promoted because raising taxes **efficiently** requires political effort to secure taxpayer consent; raising taxes **effectively** requires the development of a competent bureaucracy; and raising taxes **equitably** requires concern for the fair and equal treatment of citizens by the state.

The tax administrations of African countries, like many in other developing states, are hampered in effectively mobilising domestic resources for socio-economic development by a wide range of factors. Primary amongst these is the structural constraints posed by their economies, such as the over reliance on mineral extraction and single commodities, poor financial governance, high rates of unemployment and large informal sectors. In addition to these are challenges such as the lack of capacity in tax administrations to enforce compliance due to weak administrative systems and the lack of resources and expertise, resulting in revenue leakage due to tax evasion and avoidance by domestic and foreign corporations and practices such as transfer pricing.

ATAF seeks to directly address these challenges and overcome them through capacity building, knowledge sharing, cooperation and dialogue between member states, development partners, international organisations and other stakeholders. We believe that in doing so we can assist member states to build strong, capable and efficient tax administrations that have the capacity to combat tax evasion and avoidance. In doing so we will play a role in enabling African states to accelerate the mobilisation of domestic resources for development and embark on a path that will in the long term free them from their reliance on loans and their dependence foreign aid.

It is for these reasons that ATAF's Strategic Framework is underpinned by the following principles that serve as a guideline in the conduct of our relations:

- A commitment to promote sustainable reforms in the African tax arena.
- A commitment to building capable, effective and strong revenue administrations in Africa.
- A commitment to promote inter-African solidarity.
- A commitment to state-building in promoting economic development in Africa through international co-operation in an inter-dependent world.
- A commitment to strengthening democratic institutions and good governance.

Our Strategic Objectives

Our strategic objectives will help us deliver against our overarching mandate and provide the necessary focus for ATAF to respond to the current challenges that African Tax Administrations are facing.

Based on these, the following strategic objectives have been defined for 2011 – 2013:

- Strengthen African Tax Administrations to improve domestic resource mobilisation for economic development.
- Enhance the professionalism of African Tax Administrations through international dialogue and interaction.
- Innovate, share, develop, and implement best practices in African Revenue Administration.
- Combat tax evasion and avoidance through mutual cooperation between African administrations and international institutions.





- Develop key relations with civil society, improve good governance and accountability between state and citizens.
- Ensure greater synergy and cooperation in capacity development among all relevant stakeholders in order to reduce duplication and give greater support for laying a strong basis for a new approach to African taxation, state building and capacity development to African Tax Administrations.
- Provide a mechanism for African perspectives on tax issues to inform and influence the global dialogue on tax issues.

Each of these objectives is discussed in more detail below.

2.1 OBJECTIVE 1: STRENGTHEN AFRICAN TAX ADMINISTRATIONS TO IMPROVE DOMESTIC RESOURCE MOBILISATION FOR ECONOMIC DEVELOPMENT

It was the recognition of the need for an African initiative to strengthen African Tax Administrations at the "International Conference on Taxation, State Building and Capacity Development in Africa" held in Pretoria, South Africa from 28 - 29 August 2008, that led to the genesis of ATAF.

Commissioners, senior tax administrators and development partners from 39 countries - 30 of which were from Africa - resolved to work towards the establishment of ATAF because the delegates recognised the importance of taxation in state building and as an agent for economic development in Africa. The resolution is set out fully in the Pretoria Communiqué attached hereto as Appendix 1.

It follows then that the organisational development of ATAF into a strong, effective multilateral organisation is a key factor in strengthening African Tax Administrations to improve the mobilisation of domestic resources for economic development and this is our first objective.

Our Aspiration:

The legal establishment of ATAF, enhancing its status as an international organisation supported by an operational Secretariat of competent staff, and which is capable of delivering on its mandate. To achieve this, we have set out a number of deliverables.

Our three-year deliverables include:

- Finalisation and ratification of the ATAF Founding Documents: Agreement, Rules and Procedures through the appropriate internal processes of member countries;
- Establishment of ATAF institutions: General Assembly, Council, and Governance Committees;
- Formalisation of staffing of the Interim Secretariat and establishment of an independent ATAF Secretariat;
- Development of a 3-5 year Strategic Plan;
- Marketing ATAF's corporate identity; and
- Building relations with development partners.

Key activities to achieve the above deliverables include:

1. Review and ratification of the ATAF Founding Documents

The ATAF Agreement was approved by the ATAF Council at their first meeting held in Durban, South Africa from 29 – 30 April 2010. The legal roadmap with special regard to the inclusion of number of ratifications for the Agreement to enter into force to be set at five instead of the original ten, was approved by the ATAF Council on 25 June 2010. The Secretariat has proceeded with the process of finalising the ATAF Rules and Procedures.





OUR STRATEGIC FRAMEWORK AND OBJECTIVES

The final texts of the founding documents will be submitted to the 2nd Council Meeting in Tunisia in November 2010 for final adoption. The ATAF Agreement and its corresponding Rules and Procedures will then be open for signature and ratification by all duly authorised representatives of the respective ATAF member states.

The Agreement shall enter into force 30 calendar days after the date of deposit of the fifth instrument of ratification with the Secretariat. The Secretariat is hopeful that it may take up to May 2011 for five countries to ratify the ATAF Agreement. Once this has been achieved, the organisation will then become a legal entity, be in a position to conclude a Host Country Agreement with the Government of the Republic of South Africa, open a bank account, acquire office accommodation and equipment, and appoint staff.

2. Establishment of the ATAF General Assembly, Council and Governance Committees

The proposed structure of ATAF is set out in the Interim Agreement. It sets out the detailed roles, responsibilities, functions and powers of the organs that comprise ATAF:

ATAF General Assembly

At its annual meeting the General Assembly acts as the platform for strategic dialogue between members and stakeholders. The General Assembly appoints office bearers, including the Executive Secretary, approves the Work Programmes and budgets therefore, and determines any increment in membership fees.

ATAF Council

The Council aims to guide the organisation in achieving its vision, mission and objectives for African Tax Administrations. Subject to such directives as may be given by the General Assembly, it is responsible for the overall management of the business of ATAF.

Furthermore, as a means of organisational strengthening, the Council has established the following Governance Committees among its members to assist it in its duties, by guiding and facilitating specific areas of responsibility:

- **Governance and Organisational Development Committee**

The Governance and Organisational Development Committee, under the leadership of Botswana, South Africa and Zimbabwe, shall pay particular attention to reviewing ATAF's strategic direction and adopting plans proposed by the Secretariat for the achievement thereof.

- **Finance and Audit Committee**

The responsibilities of the Finance Committee, administered by Ghana, Morocco, Nigeria and Senegal are to make recommendations for Council's approval and/or deliver reports regarding significant financial planning, management and financial reporting issues.

The specific audit and accounting related responsibilities and functions of the Audit Committee include supervising that the Council creates and maintains an effective internal control environment within ATAF, and that the Council demonstrates and stimulates the necessary respect for these disciplines and structures.

- **Capacity Building, Research and Development and Technical Assistance Committee**

The Committee on Capacity Building, Research & Development and Technical Assistance, under the direction of Gabon, Kenya and Rwanda, acts under the overall supervision of the Council. The function of the Committee is to provide strategic direction for ATAF's work in the fields of capacity building, research, technical assistance and training, as well as for the development needs of the various regions.





3. Formalisation of staffing of the Interim Secretariat and establishment of a permanent, independent ATAF Secretariat

Even though ATAF is still in its infancy, the organisation is attracting much attention and recognition for the focus of its work, thanks to the efforts of staff in its Interim Secretariat headed by an Acting Executive Secretary.

The signatories to the ATAF Interim Agreement resolved that the Chairperson, in consultation with the Council, appoint an Acting Executive Secretary who is responsible for the strategic leadership, management and administration of the Secretariat until ATAF is legally established.

Thereupon, the ATAF Council approved:

- the appointment of Mr Logan Wort as Acting Executive Secretary;
- the Acting Executive Secretary to enter into agreements with development partners on behalf of ATAF, whilst working in conjunction with the South African Revenue Service (SARS) to receive such funding, subject to the external auditing of ATAF funds; and
- the proposed organisational structure for the Interim Secretariat.

Interim Secretariat structure

Given that ATAF is not a legally established international organisation, the Secretariat is facing complex challenges with regard to the recruitment and secondment of staff. A secondary consequence of its current non-legal status is that no Host Country Agreement can be negotiated, so it is therefore not possible for member countries to second staff to ATAF directly.

The host country of the ATAF Secretariat has made staff available for consideration (and subject to a selection process) for secondment to the Secretariat until such time that the Executive Secretary is able to appoint permanent ATAF staff. The Interim Secretariat has also requested Council members to identify staff for virtual secondment to the ATAF Secretariat.

SARS has also graciously granted financing which has helped to bridge short term funding gaps. The securing of funds and staff from SARS has brought the organisation through its first year of existence as we work towards the establishment of a permanent ATAF Secretariat.

It is envisaged that ATAF shall be administered by a capacitated, proactive Secretariat that will record and disseminate decisions taken within the various Committees. As the disseminator of decisions, it will cascade decisions to the correct levels for implementation to take place.

The proposed Secretariat structure reflects the core functions of ATAF as encapsulated in its Vision, Mission and Objectives and comprises three streams:

- **Capacity Development, Research and Programmes** – focused on conducting and commissioning research projects, conducting and commissioning ATAF supported capacity building events, and undertaking peer learning and benchmarking activities;
- **Corporate Affairs** – focused on enabling related functions at corporate level to enhance effectiveness and delivery of ATAF objectives. The focus areas of delivery and integration for this role include: Establishment, Management and Implementation, Finance and Donor Co-ordination, Human Resource Management, Marketing, Publications and Media and Language and Translation Services; and
- **Institutional Development and Stakeholder Relations** – focused on strategic dialogue between member tax administrations – internationally, continentally, regionally and bilaterally – with development partners and other institutions. In addition, this function covers the institutional business of ATAF and ATAF operational support services.



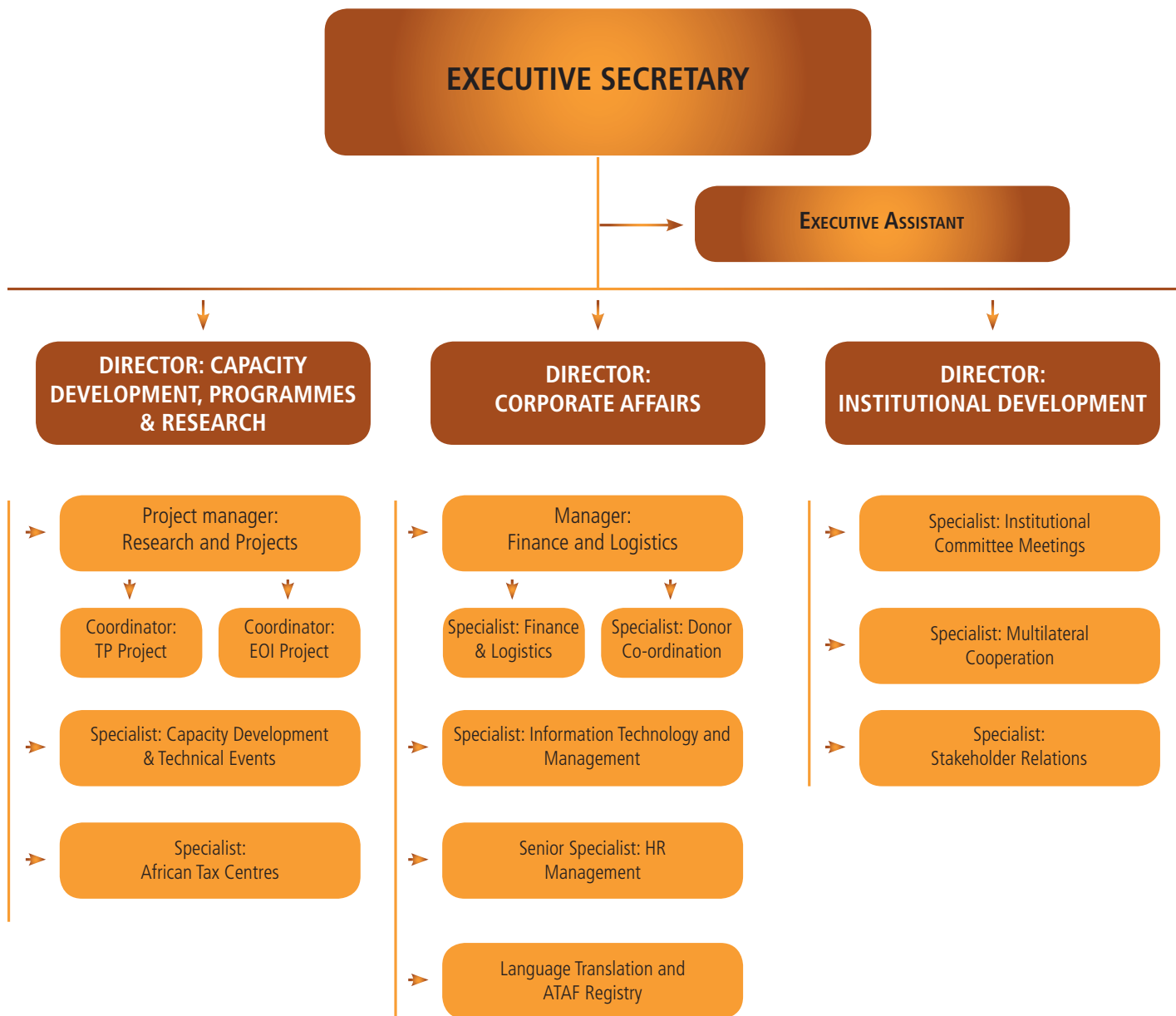
OUR STRATEGIC FRAMEWORK AND OBJECTIVES

The proposed structure of the Secretariat is illustrated below:

The Secretariat will be responsible for reviewing and consolidating the organisation’s Work Programme, that is, the logistical framework and operational plans, for presentation to the ATAF Council.

The Work Programme will reflect the needs of ATAF members and will additionally take into account taxation issues of concern for members and partners, with a view to providing an African response or perspective. The Work Programme will be the pivotal link between ATAF’s Mission and Objectives and their realisation.

How we will measure progress towards achieving our objective:





We will measure our outcomes through:

- Support by members and stakeholders of the ATAF Agreement, Rules and Procedures.
- Effective and efficient overall management of the organisation by the Council.
- Development and implementation of an achievable Work Programme for the various Governance Committees.
- Strengthened capacity building, including improved governance of the development process.
- Supported and strengthened organisational development by means of a competent and efficient Secretariat.

2.2 OBJECTIVE 2: ENHANCING THE PROFESSIONALISM OF AFRICAN TAX ADMINISTRATIONS THROUGH CAPACITY DEVELOPMENT, INTERNATIONAL DIALOGUE AND INTERACTION

Building a cadre of competent, knowledgeable and efficient tax professionals is a prerequisite for building vibrant and effective tax administrations able to mobilise domestic resources for development. ATAF recognises the importance of capacity building programmes and is committed to hosting and facilitating a programme of technical events focusing on tax and development issues of relevance to African countries. It also intends to leverage online platforms and its relations with development partners to enhance the knowledge, skills and resources available to its members.

Our Aspiration:

To develop the capacity of African Tax Administrations through the establishment of internet-based knowledge platforms in Africa and by promoting international dialogue and interaction.

Our three-year deliverables include:

- Preparation, execution and management of an African Tax Centre (ATC);
- Preparation, execution and management of the ATAF website; and
- Promotion of multilateral cooperation through interactive meetings and research activities.

Key activities to achieve these deliverables include:

1. Preparing, executing and managing an African Tax Centre (ATC) in providing advisory services to ATAF members

We will start with the setting up of an Electronic Resource Centre as the first step towards the establishment of an Africa Tax Centre. The Electronic Resource Centre is intended to be a web portal on the ATAF website. It will serve as a platform where African countries, primarily ATAF member countries, can share their experiences and best practices on tax matters. The research, analysis and strategic dialogue activities, together with capacity development events, will all be entered into an online database to allow ongoing access by ATAF members.

The next steps include the process and review of a Preliminary Report of a Feasibility Study on the nature of an ATC, its function and location and the administrative and financial support necessary to sustain the ATC.

2. Design and implement a modern and regularly updated ATAF website

The website, as one of the organisation's primary communication mediums, will facilitate communication between the ATAF Council and its' members, amongst the members themselves and between ATAF stakeholders and interested parties in order to establish a knowledge management and knowledge sharing culture.





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The website will have an open, informational portion as well as a secure space where members will log-in to access and exchange information through an online discussion forum. The member-only feature will be called the e-Resource centre and will form the hub of all ATAF and tax-related information.

Given the geographical challenges faced by ATAF members, the website will become a focal point and a one-stop service for information. The objectives of the website are:

- To present *up-to-date* content on the web e.g. news, announcements, events, minutes from meetings and events, technical documents, newsletters and *ad-hoc* information.
- To complement other forms of communication, for example, if an email is sent to members, it will include a call to action to a webpage where documents can be accessed or downloaded.
- To facilitate real-time, online discussion between members through the secure discussion forum.
- To facilitate questions and queries through the ATAF mailbox on the website and act as a broker between a requirement and a solution thereto.
- To establish an online knowledge library and encourage subject matter experts to contribute to this library.

3. Engage in a programme of multilateral collaboration

ATAF is committed to cooperating on a regional, continental and international level with a wide range of organisations and forums in its endeavour to both learn from and influence debates on tax, development and other pertinent issues. To this end it will participate in the working groups of the Organisation for Economic Cooperation and Development's (OECD) task team on tax and development. It will also conduct joint research projects with the African Development Bank (AFDB), International Monetary Fund (IMF) and the OECD. It has also developed an engagement framework which will inform its engagement programme in the regional economic communities in Africa.

As part of its capacity building programme ATAF has already hosted a number of technical events in 2010 in member countries. Among the issues in the spotlight were transfer pricing (Egypt), risk management and taxpayer service (Uganda), organisation and management of tax administration (Rwanda) and a focus on the auditing of small and medium enterprises (Ghana). For the 2011 year we plan to continue with our programme of technical events, with ten events in the pipeline.

How ATAF will measure progress towards achieving its objectives:

We will measure outcomes by:

- Benchmarking exercises with similar organisations in launching the ATC;
- Review of feedback from member states regarding their frequent usage of, degree of participation in, and knowledge acquired through the knowledge sharing/generating internet sites; and
- Developed capacity building in member states.

2.3 OBJECTIVE 3: INNOVATE, DEVELOP, SHARE AND IMPLEMENT BEST PRACTICES IN AFRICAN REVENUE ADMINISTRATION

Research and analysis will be a fundamental component of the annual ATAF Work Programme. ATAF will act as a focal point for exchanging experiences on good practices, benchmarking performance, improving co-operation between, and assist in setting the strategic direction for African Tax Administrations. ATAF will conduct its own research work on taxation on the African continent, develop specific diagnostic tools for African revenue bodies and develop a capacity building and knowledge sharing programme by hosting a number of events.





Our Aspiration:

To contribute to the sharing of knowledge through conducting research and the hosting of and active participation in workshops, seminars and technical events focusing on best practices in African Revenue Administration.

Our three-year deliverables include:

- Diagnostic workshops on the state of African Tax Administrations;
- Research on domestic resource mobilisation;
- Developed and implemented guidelines on best practices with regard to transfer pricing and exchange of information;
- Establishment of an e-Resource Centre;
- Hosting of a technical conference, seminars and technical events; and
- Establishment of a pool of experts from Africa on various tax matters.

Key activities to achieve these deliverables:

1. Conduct research into good financial governance in African Tax Administrations

The Good Financial Governance (GFG) Project involves collaboration among pan-African institutions, African-based networks and African technical institutions active in the public financial governance field. The objective of this collaboration would be a shared understanding amongst key professional stakeholders of the core principles, critical challenges and feasible goals for a good financial governance agenda in Africa, as expressed in a draft Declaration on Good Financial Governance.

2. Coordinate diagnostic workshops to establish the current state of African Tax Administrations

ATAF's flagship research project is to be conducted on "An Analysis of Current African Tax Administrations, the Possible Gaps and Proposed Framework for the Future". The objective of the research is to present an overview, status account and analysis of the development of African Tax Administrations to date. The Secretariat aims at collaborating with the OECD and the IMF, as members of the International Tax Dialogue (ITD), and possibly the newly-formed International Centre for Tax and Development.

3. Establish a working group to develop and implement guidelines on transfer pricing

At its 1st Meeting in April 2010, the ATAF Council approved commencement on the ATAF Transfer Pricing (TP) Project – to assist in building the capacity of its members in identifying and addressing the risks to their tax base from transfer pricing and thin capitalisation issues.

The project will involve conducting an extensive survey of member countries to determine the extent of differing practices existing amongst African Tax Administrations. This survey will help ATAF determine what can be done to harmonise transfer pricing administration in Africa.

4. Establish a working group to develop and implement guidelines on Exchange of Information

At its 1st Meeting, the ATAF Council also approved the ATAF Exchange of Information (EOI) Project, aimed at assisting member countries in building capacity in the area of combating international tax evasion and protecting their countries' tax base by increasing and/or ensuring that high levels of transparency and exchange of information in tax matters are achieved.

The role of ATAF would be to develop strategies for, and give direction to, the implementation of the work of the EOI Project with regard to:

- The domestic legal and regulatory framework for transparency and exchange of information on tax matters;
- Promoting communication between countries in the adoption of appropriate policies to prevent international double taxation and to counteract tax avoidance and evasion;





OUR STRATEGIC FRAMEWORK AND OBJECTIVES

- The legal mechanisms to allow for effective cross-border exchange of information in negotiating bilateral tax treaties and exchange agreements; and
- Enabling tax officials of member countries to build technical capacity to effectively implement the exchange of information.

5. Gather and manage database of the e-Resource Centre

Create, develop and maintain an online database of African taxation systems and methodologies.

6. Hosting of a technical conference, seminars and technical events

ATAF has already hosted a number of technical events on topics of importance to African Tax Administrations and intends to organise more events over the next three years. These events are aimed at knowledge sharing between ATAF members and officials from other tax administrations, multilateral organisations, development partners and tax experts.

7. Establish a database of tax experts

ATAF will compile a database of African and non-African experts on various tax matters who will provide an advisory service to members. Expertise will also be shared through the production of educational and training materials.

How ATAF will measure progress towards achieving its objectives:

We will measure outcomes by:

- Establishment of the working groups on transfer pricing and exchange of information;
- Development of a bilateral and multilateral framework on exchange of information;
- Implementation of management of an e-Resource Centre;
- Setting up of database of African tax experts;
- Verification of quantity and quality of technical events presented annually and the number of attendees at technical events; and
- Examination of capacity development undertakings, other than technical events.

2.4 OBJECTIVE 4: COMBATING TAX EVASION AND AVOIDANCE THROUGH MUTUAL CO-OPERATION BETWEEN AFRICAN TAX ADMINISTRATIONS AND INTERNATIONAL INSTITUTIONS

Tax evasion and avoidance pose a challenge for many tax administrations in Africa. Tax evasion and the siphoning of money to tax havens cause a significant loss of tax revenue. According to the World Bank, illicit flows of cash from developing countries amount to between US\$ 500-800 billion each year, representing a huge loss in revenue that could otherwise have been ploughed into economic and social development.

Many developing countries fail to collect their fair share of the revenue from mineral or resource extraction (and other complex business sectors) because of opaque taxation policies, poorly designed mineral tax administrative systems and limited capacity and expertise in auditing complex financial transactions.

These losses are further compounded by aggressive tax planning and avoidance by well resourced domestic and international enterprises which tax administrations in developing countries find difficult to counter.

Other threats to the fiscus are posed by syndicates who launder money derived from crimes such as drug trafficking, human trafficking, theft, investment fraud, extortion, corruption, embezzlement and tax fraud. Anti-money laundering experts have identified tax crime as one of the main sources of 'dirty money' that criminals seek to hide in the financial system.

It is for these reasons that ATAF has identified combating tax evasion and avoidance as one of its objectives.





Our Aspiration:

Coordinate research projects with development partners in developing members' knowledge and skills base on tax avoidance and evasion.

Our three-year deliverable is:

Conducting and completing a comparative analysis of tax avoidance and evasion in international and African Tax Administrations for publication and dissemination to members and development partners.

Key activities to achieve this deliverable:

1. Conducting a comparative analysis between international and African Tax Administrations on tax evasion and avoidance

This work will be pursued in a variety of ways including typology exercises, developing practical guidance on detection of money laundering for tax auditors, examining key risk areas and reviewing current country practices for sharing information between tax and anti-money laundering authorities.

ATAF will focus on helping tax authorities to respond more quickly to tax risks, identify trends and share experiences in dealing with them. The timely sharing of such information is intended to assist member states in understanding and detecting new tax avoidance schemes, enabling countries to adapt their risk management strategies and identify successful legislative and administrative responses.

2. Establishment of an Exchange of Information Working Group and Transfer Pricing Working Group

To facilitate co-operation between tax and other law enforcement authorities, the Commentary to Article 26 of the OECD Model Convention allows, under certain circumstances, competent authorities to pass information received for tax purposes to other law enforcement agencies and judicial authorities for enforcement of laws related to high priority areas such as combating money laundering.

3. Facilitate round table discussions and seminars on tax evasion and avoidance

The promoting of enhanced cooperation between tax authorities and law enforcement agencies to counter tax evasion and avoidance and the concomitant activities such as fraud and corruption, both at home and abroad.

How ATAF will measure progress towards achieving its objectives:

We will measure the outcomes by:

- Fostering a climate that embraces mutual respect and trust between countries;
- Evaluating the research findings in a manner that adequately and fairly reflects the needs, means, and objectives of ATAF in its planning, monitoring and evaluation;
- Creation of opportunities to encourage and build research capacity; and
- Develop a bilateral and multilateral framework for the exchange of information and encourage transparency in exchanges between all.





OUR STRATEGIC FRAMEWORK AND OBJECTIVES

2.5 OBJECTIVE 5: DEVELOPING KEY RELATIONS WITH CIVIL SOCIETY; IMPROVE GOOD GOVERNANCE AND ACCOUNTABILITY BETWEEN STATE AND CITIZENS

Africa recognises that effective and efficient tax administration is the bedrock upon which economic development and accountability between state and citizens must be built. Tax administrations therefore need to demonstrate clearly that they operate on the basis of fairness and transparency, that the laws governing taxes are clear, and that good governance is practised. Tax administrations have a role to play in engaging with the state, the corporate sector, civil society organisations and ordinary taxpayers to promote compliance and address issues like poor financial controls and inadequate governance processes.

Our Aspiration:

To build the relationship between ATAF and civil society, thereby acting as a catalyst for an improvement in internal controls, good financial governance and accountability between the state and its citizens.

Our three-year deliverable:

The establishment of a network of civil society organisations and the fostering of strong relationships and interactive dialogue between civil society members and representatives from respective tax administrations.

Key activities to achieve this deliverable:

1. Facilitate round table discussions between the community and representatives from respective tax administrations.

It is imperative that relations between tax administrations and civil society groups are built on the notion of fiscal citizenship and social responsibility which has benefits for society as a whole. It is therefore important that the parties concerned work towards building relations that seek to maximise tax morality and voluntary compliance levels.

How ATAF will measure progress towards achieving its objective:

We will measure our progress against the following:

- Identifying and engaging with civil society organisations in member countries;
- Facilitating regular meetings and interactive dialogue between concerned parties; and
- Fostering a climate to improve tax morality and voluntary compliance resulting in the improved mobilisation of domestic resources.

2.6 OBJECTIVE 6: ENSURING GREATER SYNERGY AND CO-OPERATION IN CAPACITY DEVELOPMENT AMONG ALL RELEVANT STAKEHOLDERS IN ORDER TO REDUCE DUPLICATION AND GIVE GREATER SUPPORT TO AFRICAN TAX ADMINISTRATIONS

ATAF represents not only the most systematic effort at improving tax administration in Africa, but it also provides much-needed opportunities for coordination and information-sharing among national and international tax administrations. Furthermore, the focus of ATAF is to bring African experiences to international attention and adapt international concepts for use in African Tax Administrations.

Tax reforms in the past have had limited success in increasing the tax revenue of African countries because these reforms have mainly been donor-driven and tended to treat taxation as a technical and administrative exercise, ignoring the political relation between the state and society.

Our Aspiration:

To consolidate and strengthen relations between regional and international tax organisations in order to pool resources and build capacity, thereby enhancing tax administration in Africa.





Our three-year deliverables include:

- Conduct research on tax systems in Africa;
- Verify strategic policies on engagement with stakeholders, including other regional networks, to identify areas for joint seminars and activities with other multilateral/bilateral organisations; and
- Keep abreast of and record research information from institutions and universities.

Key activities to achieve these deliverables:

1. Collaborating with multilateral/bilateral organisations engaged in similar work as ATAF

The Good Financial Governance Project, undertaken by the Collaborative African Budget Reform Initiative (CABRI) - an African-led network of senior budget and/or planning officials in Africa - involves collaboration among pan-African institutions, African-based networks and African technical institutions active in the public financial governance field.

The objective of this collaboration would be a shared understanding amongst key professional stakeholders of the core principles, critical challenges and feasible goals for a good financial governance agenda in Africa, as expressed in a draft Declaration on Good Financial Governance. CABRI therefore approached ATAF, AFROSAI-E and other tax networks to collaborate in the project to ensure that the outputs are anchored in the experience of relevant African public service professionals.

The reports will highlight factors that have affected the design and implementation of both successful and not so successful reforms, drawing on the historical perspectives, and identify relevant actors and their interaction, roles and responsibilities.

ATAF is mandated to build on the work of existing institutions and organisations, thereby avoiding duplication. Already some of these organisations work together under the umbrella of the ITD, and ATAF can draw on their work. It will also encourage and seek to build on relatively new relationships, including south-south dialogue. Furthermore, it will encourage and support new partnerships between all countries to promote co-operation and capacity building.

2. Facilitate the multilateral and bilateral exchange of information through various joint seminars and/or activities

A key objective of ATAF is to become involved in and sustain high level dialogue between various multilateral/bilateral organisations so as to develop a mutual and deeper understanding of, and approaches to, common challenges in African Tax Administration.

The dialogue aims to be in various forms of non-prescriptive methodology for information acquisition, and will include peer review, south-south dialogue, pan-continental and international dialogue, and benchmarking.

The following collaborations with multilateral/bilateral organisations have been presented to the ATAF Council:

- "The Current State of African Tax Administrations and a Proposed Framework for the Future" with the ITD;
- South Korea study tour on Domestic Resource Mobilisation (DMR) by East African Countries and the resultant DMR report arranged in collaboration with the AfDB;
- "Indirect Taxes Conference" with ATI-ITIC;
- Collaboration with the IMF on technical events; and
- Collaboration with the SADC Secretariat on technical events.





OUR STRATEGIC FRAMEWORK AND OBJECTIVES

How ATAF will measure progress towards achieving its objectives:

We will measure the outcomes associated with this priority through the following:

- Development of a peer review mechanism amongst member countries;
- Harmonisation of high level dialogue between ATAF and various multilateral/bilateral organisations;
- Continued support by ATAF of similar work delivered by development partners thereby reinforcing ATAF's work, increasing ATAF's presence and avoiding duplication of events; and
- Ownership of and/or impact on shared products with development partners - ATAF not merely lending its name and brand to other organisations.

2.7 OBJECTIVE 7: PROVIDING A MECHANISM FOR AFRICAN PERSPECTIVES TO INFORM AND INFLUENCE THE GLOBAL DIALOGUE ON TAX ISSUES

Tax administration, by its very nature, means constantly monitoring whether a change in operations is necessary to optimise revenue collection. One is therefore compelled to benchmark developments in other international tax administrations in order to identify new processes which may help one's own cause. In this respect, ATAF is in the process of establishing formal contact beyond the African continent with various international tax administration bodies to explore areas of cooperation.

Strong demand has also come from the international community to cooperate with ATAF in order to gain an African perspective on strengthening the international tax agenda which concentrates on issues like double taxation, transfer pricing, and fighting cross border tax evasion.

Our Aspiration:

To promote the value of ATAF through international engagement on African tax policies and practices.

Our three-year deliverables include:

- Becoming a regular partner in international tax processes; and
- Participating actively in international forums to promote African perspectives on tax issues.

Key activities to achieve these deliverables:

1. Becoming a regular partner in international tax processes

Globalisation increases the importance to governments, tax administrations and business of developing and implementing internationally accepted principles of taxation and standards for the administration of taxation systems. To this end ATAF will actively participate in developing international tax networks.





CONCLUSION



A well-functioning, efficient and effective revenue administration is a pre-requisite for a well-functioning, efficient and effective government administration. As a consequence of this, ATAF will ensure that its Work Programmes, supported by international development partners, contribute towards the creation of a tax environment that is conducive to economic growth and development.

ATAF is privileged to play a major role in pursuit of economic advancement and enhanced international cooperation in Africa. We embrace this demanding role, and will do our best to contribute towards the creation of a better Africa in a better world!





FINANCIAL PLAN FOR 2011-13



The ATAF revenue and expenditure estimates were drawn up for the financial period starting 1st August 2010, based on the commencement on the work programme of the Interim Secretariat, through to December 2013. Our projected revenue and expenditure for this financial period is reflected in US\$ below:

African Tax Administration Forum

Summary - Analysis of Income & Expenditure : Years 2010 - 2013

*All amounts in US Dollars '000s

Income	Years	Years	Years	Years
	2010(Aug-Dec)	2011(Jan-Dec)	2012(Jan-Dec)	2013(Jan-Dec)
South African Revenue Service : Support to ATAF	567,4	1,730.2	1,868.6	2,018.1
	-	-	-	-
Membership Fees	74.0	540.0	656.0	806.0
	-	-	-	-
Donor Funding:	-	-	-	-
• Sponsors	-	-	-	-
• GTZ	-	-	-	-
	-	-	-	-
Pledged Support	-	-	-	-
• Norad	300.0	300.0	-	-
• Netherlands	-	107.3	107.3	107.3
• Ireland	103.0	103.0	-	-
• Switzerland	19.5	38.9	58.4	77.9
• DFID	78.0	390.0	312.0	-
Sub Total	500.51	939.31	477.74	185.21
Total Income (ATAF Financial Year)	1,141.9	3,209.5	3,002.3	3,009.3
Expenditure				
Human Resource Costs (host country salary rates for staff)	386.6	1,453.8	TDB	TDB
	-	-	-	-
Administration (travel, communication, office, and IT expenditure)	97.8	161.9	174.0	186.9
	-	-	-	-
Events (capacity development and research activities, eg: technical events)	377.9	2,010.1	2,182.5	2,498.9
	-	-	-	-
Total Expenditure	862.4	3,625.7	2,356.4	2,685.8
Net Income (Expenditure)	279.5	-416.2	645.9	323.5

FINANCIAL PLAN FOR 2011-13

Membership fees

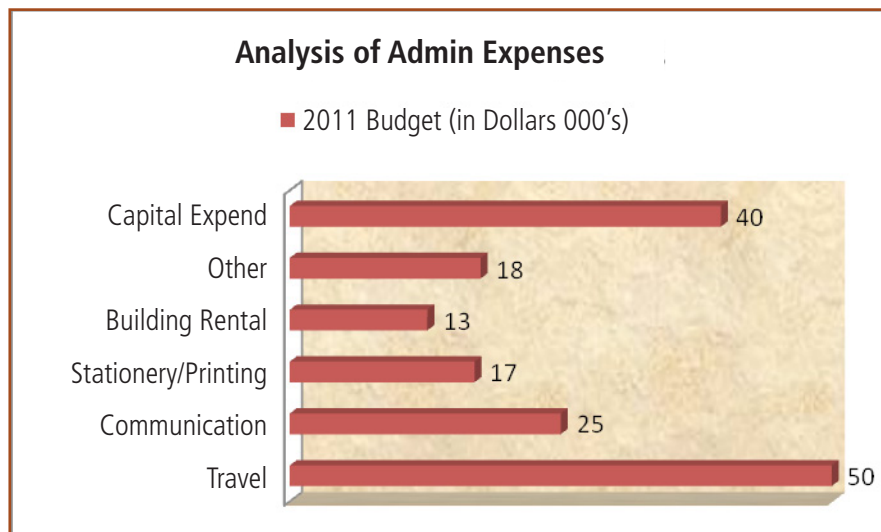
In recognising the need for the organisation not to lose momentum in its initial operations and offering value to its members upfront, additional funding would be required in the short-term. To this end, the Secretariat is in the process of requesting members to commence paying their membership contributions, which will be directed to a separate SARS account until such time that ATAF is able to open and operate its own bank account. This will, in the short term, significantly contribute to the financial stability of the organisation.

We forecast that, based on a realistic membership level by 2012, the contribution to institutional costs required for the purpose of ATAF's rapid establishment and mobilisation of a functioning Secretariat will decline to zero. ATAF will therefore have to be self-financing from 2012 with development partner contributions for operational costs to decline on a year by year basis, to a point of zero.

Human Resource costs

The human resource cost of \$0.4m represents costs for the period from 1st Aug 2010 to 31st December 2010. The budgeted expenditure for the 2011 financial year equates to \$1.5 m. This represents the full year impact of all Interim Secretariat staff. The budget for 2012 and 2013 is still to be determined as the structure of the Interim Secretariat could change depending on the appointment of the Executive Secretary. The costs are based on the host country salary rates and related benefits.

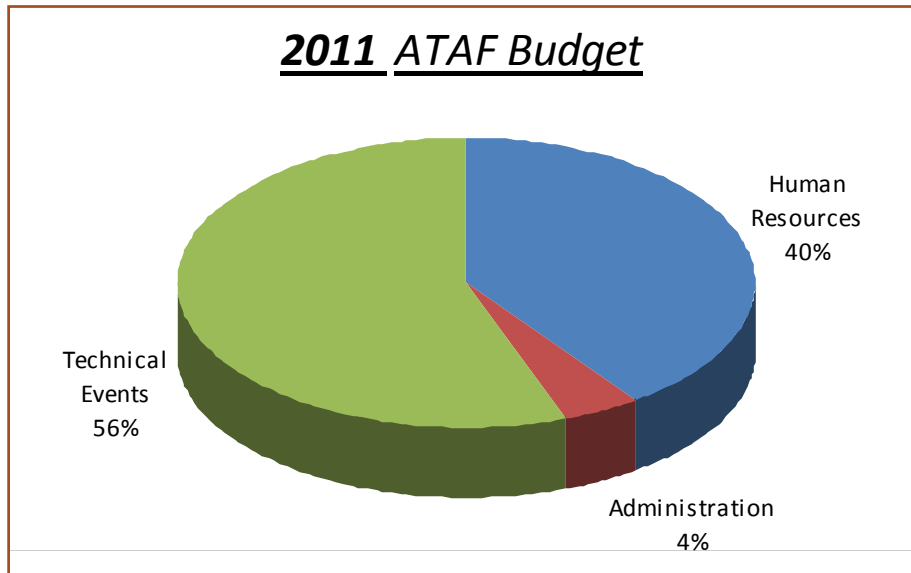
Our Administration expenditure is reflected below:



The Administration costs mainly comprise travel, communication, office expenditure and capital expenditure. Capital expenditure relates to the purchase of computer related equipment for the Interim Secretariat staff members. Travel relates to the expenditure to be incurred by the Executive Secretary and some of the Interim Secretariat staff members in the execution of their duties in line with the relevant policy.

Technical events

The \$2.0 m budgeted for 2011 represents the cost of the technical events which will be funded by many of our development partners, member states and sponsors. These are planned to take place in many of the member states as in 2010. This is in line with the log frame as presented to the donors during the month of September 2010.





LOGICAL FRAMEWORK OF OBJECTIVES AND DELIVERABLES



OBJECTIVE 1: STRENGTHENING AFRICAN TAX ADMINISTRATIONS TO IMPROVE DOMESTIC RESOURCE MOBILISATION FOR ECONOMIC DEVELOPMENT

Expected Accomplishments/Outcomes:

Enhanced stability and accelerated sustainable development of ATAF through the establishment of a competent Secretariat

Objective	Strategic interventions	Outputs	Specific Activities	Key Activities	Progress Markers	
					2010-11	2011-12 2012-13
Strengthening African Tax Administrations to improve domestic resource mobilisation for economic development	Organisational development of ATAF as an international organisation	Legal establishment of ATAF supported by an operational Secretariat	Finalise founding documents Develop 3 – 5 yr Strategic Plan	Appoint Legal Advisor to scrutinise ATAF Agreement, Rules and Procedures	Comprehensive founding documentation	Secondment of staff by member states to host country Effective and efficient overall management
				Review ATAF Agreement, Rules and Procedures	Comprehensive founding documentation	
				Adopt Agreement, Rules and Procedures by Council	Ratified Agreement, Rules and Procedures	
				Establish Language Committee	Supported documentation by stakeholders	
				Finalise Host Country Agreement	Established Committee	
				Establish ATAF Council	Finalised and signed Agreement	
				Facilitate Strategic Planning Session	Appointed and established Council	
				Process 3-5 year Plan document	Completed, adopted and implemented Planning Document	
				Review Strategic Plan 2011/12/13	Established ATAF General Assembly, Council, and Governance Committees	
				Establish ATAF Institutions	Strengthened capacity building, including improving governance of the development process	
Strengthening African Tax Administrations to improve domestic resource mobilisation for economic development	Organisational development of ATAF as an international organisation	Legal establishment of ATAF supported by an operational Secretariat	Build donor relations Formalise appointment of Interim Secretariat staff Establish independent Secretariat Market ATAF corporate identity	Prepare Log Frame through development partner workshop	Completed Log Frame	Strengthened capacity building, including improving governance of the development process Supported and strengthened organisational development Strengthened and supported presence of ATAF
				Maintain an efficient and effective interim Secretariat	Fully capacitated modern and efficient Secretariat	
				Encourage organisational development	Strengthened and supported presence of ATAF	
				Develop ATAF corporate identity	Strengthened and supported presence of ATAF	
Facilitate and support marketing of ATAF						

OBJECTIVE 2: ENHANCING THE PROFESSIONALISM OF AFRICAN TAX ADMINISTRATIONS THROUGH CAPACITY DEVELOPMENT, INTERNATIONAL DIALOGUE AND INTERACTION

Expected Accomplishments/Outcomes:

Establishment of internet based knowledge and skills sharing centres on tax matters in Africa

Objective	Strategic interventions	Outputs	Specific Activities	Key Activities	Progress Markers		
					2010-11	2011-12	2012-13
Enhancing the professionalism of African Tax Administrations through capacity development, international dialogue and interaction.	Capacity development	Plan, execute and manage African Tax Centre(s)	Conduct thorough Feasibility Study Plan, execute and manage ATC(s) as an ATAF institution	Process preliminary report of Feasibility Study Process detailed Feasibility Study Plan, execute and manage 1st ATC from outcomes of Feasibility Study Design independent website Implement and maintain Portal Facilitate Discussion Forum	Establishment of a "one-stop shop" in terms of data, analysis, views, professional opinions and progress on tax developments in African administrations	Establishment of a "one-stop shop" in terms of data, analysis, views, professional opinions and progress on tax developments in African administrations	Establishment of a "one-stop shop" in terms of data, analysis, views, professional opinions and progress on tax developments in African administrations
	International dialogue & interaction	Plan, execute and manage ATAF Website Promote Multilateral co-operation	Prepare Framework document Participate in international meetings/ events/ research/ activities	Complete Framework document Participate in frequent meetings Conduct various research activities	Participation of tax officials through knowledge sharing/generating internet site Enhanced coordination and collaboration through effective consultations and consensus building among members and partners	Participation of tax officials through knowledge sharing/generating internet site Enhanced coordination and collaboration through effective consultations and consensus building among members and partners	Participation of tax officials through knowledge sharing/generating internet site Enhanced coordination and collaboration through effective consultations and consensus building among members and partners Develop cooperative relationships with partner organisations

OBJECTIVE 3: INNOVATE, DEVELOP, SHARE AND IMPLEMENT BEST PRACTICES IN AFRICAN REVENUE ADMINISTRATION

Expected Accomplishments/Outcomes:

To contribute to a better Africa through participation of technical events focusing on best practises in African Revenue Administration

Objective	Strategic interventions	Outputs	Specific Activities	Key Activities	Progress Markers			
					2010-11	2011-12	2012-13	
Innovate, develop, share and implement best practices in African Revenue Administration	Innovate	Conduct diagnosis of current functioning of African Tax Administrations	Conduct regular Peer Reviews	Prepare Peer review mechanisms Coordinate diagnostics workshops to establish current state of African Tax Administrations	Collection of available quantitative and qualitative comparable data by member states in support of planning, monitoring and evaluation of progress made towards the MDGs	Collection of available quantitative and qualitative comparable data by member states in support of planning, monitoring and evaluation of progress made towards the MDGs	Collection of available quantitative and qualitative comparable data by member states in support of planning, monitoring and evaluation of progress made towards the MDGs	
		Conduct research on DRM	Publish research results Workshop results of DRM	Publish research results Coordinate workshops on results of the DRM	Publication of reports Enhanced capacity of member States to mobilise resources for development	Enhanced capacity of member States to mobilise resources for development	Enhanced capacity of member States to mobilise resources for development	
	Develop	Develop and implement guidelines based on best practices	Identify Transfer Pricing project	Develop and implement guidelines on Transfer Pricing Coordinate working groups	Develop and implement guidelines on Transfer Pricing Coordinate working groups	Developed guidelines, templates, policy briefs and toolkits	Developed guidelines, templates, policy briefs and toolkits	Developed guidelines, templates, policy briefs and toolkits
			Identify Exchange of Information project	Identify Informal economies & DRM project	Develop and implement guidelines on informal economies and DRM Coordinate working groups	Developed guidelines, templates, policy briefs and toolkits	Developed guidelines, templates, policy briefs and toolkits	Developed guidelines, templates, policy briefs and toolkits
		Commence with e-Resource Centre	Increase Database	Design platform Gather data Manage information	Up to date reference materials. Improved availability of data	Up to date reference materials. Improved availability of data	Up to date reference materials. Improved availability of data	Up to date reference materials. Improved availability of data
			Organise 8-12 technical events/year (descending) Organise annual Strategic Seminar for attendance by Heads of Tax Administrations	Conduct seminars and round table discussions	Coordinated technical events	Coordinated technical events	Coordinated technical events	Coordinated technical events
	Share	Organise technical conferences, seminars & technical events	Provide technical experts to assist with the implementation of guidelines Participation of ATAF in Global Forum	Provide advisory services to members Twinning arrangements with members Establish database of various expertise Develop and implement guidelines and training materials for taxpayer education	Coordinated technical events	Coordinated technical events	Coordinated technical events	Coordinated technical events
		Call upon African pool of experts on various Tax matters			Developed guidelines, templates, policy briefs and toolkits	Developed guidelines, templates, policy briefs and toolkits	Developed guidelines, templates, policy briefs and toolkits	Developed guidelines, templates, policy briefs and toolkits

OBJECTIVE 4: COMBATING TAX EVASION AND AVOIDANCE THROUGH MUTUAL CO-OPERATION BETWEEN AFRICAN TAX ADMINISTRATIONS AND INTERNATIONAL INSTITUTIONS

Expected Accomplishments/Outcomes:

Consolidated relations in bridging international and African tax reform experiences

Objective	Strategic interventions	Outputs	Specific Activities	Key Activities	Progress Markers		
					2010-11	2011-12	2012-13
Combating tax evasion and avoidance through mutual co-operation between African Tax Administrations and international institutions	Develop knowledge and skills base on tax avoidance and evasion	Conduct comparative analysis between international and regional tax administrations	Publish and disseminate analysis report	Coordinate Eoi/TP working group	Developed guidelines, templates, policy briefs and toolkits	Developed guidelines, templates, policy briefs and toolkits	Developed guidelines, templates, policy briefs and toolkits
				Draw comparative analysis on tax evasion and avoidance	Established international networks	Established international networks	Established international networks
				Facilitate round table discussions and seminars on tax avoidance and evasion	Established international networks	Established international networks	Established international networks
				Publish research results of comparative analysis	Published results		
				Prepare bilateral and multilateral framework for Eoi			



OBJECTIVE 5: DEVELOPING KEY RELATIONSHIPS WITH CIVIL SOCIETY; IMPROVE GOOD GOVERNANCE AND ACCOUNTABILITY BETWEEN STATE AND CITIZENS

Expected Accomplishments/Outcomes:

Adequate and effective systems of internal controls, risk management and good financial governance

Objective	Strategic interventions	Outputs	Specific Activities	Key Activities	Progress Markers		
					2010-11	2011-12	2012-13
Developing key relations with civil society; improve good financial governance and accountability between state and citizens.	Relationship building with civil society	Coordinate network with civil society organizations	Identify civil society partners	Identify civil society partners Facilitate roundtable discussions between civil society and tax administrations	Enhanced capacity of African countries to promote democratic dialogue, consensus building on governance and a sense of accountability and responsibility in the management of public affairs.	Enhanced capacity of African countries to promote democratic dialogue, consensus building on governance and a sense of accountability and responsibility in the management of public affairs.	Enhanced capacity of African countries to promote democratic dialogue, consensus building on governance and a sense of accountability and responsibility in the management of public affairs.
		Foster relationship and dialogue	Facilitate roundtable discussions between civil society and tax administrations				

OBJECTIVE 6: ENSURING GREATER SYNERGY AND CO-OPERATION IN CAPACITY DEVELOPMENT AMONG ALL RELEVANT STAKEHOLDERS IN ORDER TO REDUCE DUPLICATION AND GIVE GREATER SUPPORT TO AFRICAN TAX ADMINISTRATIONS

Expected Accomplishments/Outcomes:

Consolidated and strengthened relations in order to advance an African Tax Reform Agenda

Objective	Strategic interventions	Outputs	Specific Activities	Key Activities	Progress Markers		
					2010-11	2011-12	2012-13
Ensuring greater synergy and co-operation in capacity development among all relevant stakeholders in order to reduce duplication and give greater support to African Tax Administrations	Dialogue with recognised bilateral and international organisations competent in tax matters (using existing mapping exercises)	Prepare Declaration on good financial governance (CABRI and AFROSAI)	Research tax systems in Africa	Provide input on tax matters regarding declaration on good governance	Enhanced data quality thereby avoiding duplication of effort and production of conflicting data	Enhanced data quality thereby avoiding duplication of effort and production of conflicting data	Enhanced data quality thereby avoiding duplication of effort and production of conflicting data
	Strategic cooperation in selected areas	Pursue Strategic Policy on engagements with stakeholders Review overview of existing African expertise	Check Policy in place Identify areas for joint seminars/bilateral activities with other multilateral/bilateral organisations Review research from institutions and universities	Implement Policy Facilitate various joint seminars/activities with other multilateral/bilateral organisations Facilitate various joint seminars/activities with other multilateral/bilateral organisations	Increased capacity of member States to better understand and monitor performance of African economies	Increased capacity of member States to better understand and monitor performance of African economies	Increased capacity of member States to better understand and monitor performance of African economies
	Information sharing with other regional tax networks	Engage with other regional networks (CIAT, CREDAF, CATA, IOTA, etc.)	Identify areas for joint seminars/activities with other networks	Engage with Regional Networks Develop Memorandum of Understanding (CIAT, CREDAF, CATA, IOTA, etc) once ATAF legally established	Enhanced data quality thereby avoiding duplication of effort and production of conflicting data		

OBJECTIVE 7: PROVIDING A MECHANISM FOR AFRICAN PERSPECTIVES ON TAX ISSUES TO INFORM AND INFLUENCE THE GLOBAL DIALOGUE ON TAX ISSUES

Expected Accomplishments/Outcomes:

Informed international community on African tax policies and practices

Objective	Strategic interventions	Outputs	Specific Activities	Key Activities	Progress Markers		
					2010-11	2011-12	2012-13
Providing a mechanism for African perspectives on tax issues to inform and influence the global dialogue on tax issues	Participate in international tax dialogue and tax exchange processes	Register partners in international tax processes	Participate in developing international tax networks	Participate in developing international tax networks			
	Inform international forums on African tax systems and developments	Consider various African perspectives	Participate in international forums while promoting Africa (Reg Econ, AfDB, UNECA, AU, IMF, WB, OECD, G8, G20 and related activities)	Participate in international forums while promoting Africa (Reg Econ, AfDB, UNECA, AU, IMF, WB, OECD, G8, G20 and related activities)	Developed networks with development partners. Enhanced knowledge sharing in achieving the Millennium Development Goals (MDGs)	Developed networks with development partners. Enhanced knowledge sharing in achieving the Millennium Development Goals (MDGs)	Developed networks with development partners. Enhanced knowledge sharing in achieving the Millennium Development Goals (MDGs)
	Bring ATAF experiences into global development frameworks	Acknowledge ATAF as competent stakeholder	Provide appropriate input	Provide appropriate input			





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Pretoria Communiqué, dated August 2008



INTERNATIONAL CONFERENCE ON TAXATION, STATE BUILDING AND CAPACITY DEVELOPMENT IN AFRICA

PRETORIA COMMUNIQUÉ

Over the past two days, we, Commissioners and Senior Tax Administrators and Policy Makers from 39 countries, together with representatives from bilateral and multilateral organizations active in Africa on tax issues, met in Pretoria, South Africa on 28 – 29 August 2008.

The gathering provided us with an opportunity to deliberate on the issues of taxation, state building and capacity development in Africa and take stock of the progress made, challenges faced and a possible new direction for African tax policy and administration in the 21st Century. The focus of our gathering enabled us to take forward the debate on the following issues:

- (i) The importance of taxation in state building;
- (ii) The changing environment of taxation in Africa; and
- (iii) An African initiative: Strengthening African Tax Administrations

The goal of our meeting was to lay a strong basis for a new approach to taxation, state building and capacity development of African Tax Administrations and the launch of an African Tax Administration Forum. The meeting has helped us build partnerships between developed and developing country administrations, thereby ensuring greater synergy and cooperation among donor organizations, reducing duplication and giving greater support to African Tax Administrations.

(i) The Importance of Taxation in State Building

We, the participating African and other countries and international organisations, believe that capable and responsible states are key actors in confronting and overcoming today's global developmental challenges. The building of capable state institutions for a democratic state is a continuous, long-term goal.

Governments around the world recognise that revenue mobilisation is central to this goal and their ambitions to achieve the Millennium Development Goals (MDGs). We believe that more effective tax systems can:

1. Mobilise the domestic tax base as a key mechanism for developing countries to escape aid or single resource dependency.
2. Reinforce government legitimacy through promoting accountability of governments to tax-paying citizens, effective state administration and good public financial management; and
3. Promote economic growth, reduce extreme inequalities, and thereby significantly improve the lives of our citizens; and
4. Achieve a fairer sharing of the costs and benefits of globalisation.





Kampala Communiqué, dated August 2008



AFRICAN TAX ADMINISTRATION FORUM: INAUGURAL CONFERENCE

KAMPALA COMMUNIQUÉ

We, the Heads and senior officials of 31 African Tax Administrations, met in Kampala, Uganda from 18 to 20 November 2009. There, 25 African Tax Administrations signed an Agreement, formally establishing the African Tax Administration Forum. We set out on this journey with representatives of 9 development partner countries and 18 development partner organizations. This marks a crucial milestone in the realization of our dream of creating a platform to promote and facilitate mutual cooperation among tax administrations in Africa, and between Africa and the rest of the world.

The Forum was officially launched by the President of the Republic of Uganda, His Excellency President Yoweri Museveni, and was given further impetus by the support of the Ugandan Minister of Finance, Planning and Economic Development, the Honourable Mrs Syda Bumba, and the Ugandan State Minister for Finance (Investment), Mr Aston Kajara and the Ugandan State Minister for Finance (Micro Finance), Mrs Ruth Nankabirwa.

Our shared experiences over the three days once again demonstrated that efficient and effective tax administration is key to building capable states. The establishment of ATAF will directly contribute to economic development and good governance on the African continent.

ATAF is African led, managed and supported primarily through the expertise, resources and financial contributions of its Members. As an African initiative, it will work towards achieving increased financial independence for African countries.

To make ATAF a functioning entity, we elected South Africa as the Chair of the ATAF Council; and Botswana, Gabon, Ghana, Kenya, Nigeria, Rwanda, Senegal and Zimbabwe as Council members. The North African countries of Mauritania, Morocco and Sudan have recommended that Morocco joins the Council as their representative. The Council will submit this recommendation to the presiding electoral officer of PWC for endorsement and will inform the members of the North African region of the outcome. We also unanimously agreed that South Africa will host the ATAF Secretariat.

In order to enable the ATAF Council to discharge its functions, we passed necessary resolutions regarding the ATAF Agreement, procedures, transitional arrangements, staffing, and the budget and work programme for 2010.

As a result of our dialogue with development partners, we recognize the significance of their support as they accompany us on the road to turning our ATAF vision into a reality. In this regard, our proposal for cooperation establishes a strong relationship and we acknowledge their support through financial assistance and the sharing of technical expertise.

The establishment of ATAF is but the beginning. While our work programme is already underway, the journey in pursuit of our objectives will be a long one as we, together with our development partners, actively promote improvements in tax administration through sharing experiences, benchmarking, and peer reviewing best practices. Together we will develop our





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database of African tax systems and methodologies, and deliver capacity development events on international and domestic policy and administration issues. In order to facilitate our work programme in the longer term, we resolved to establish an African Tax Centre.

Above all, our mission is to mobilize domestic resources more effectively and increase the accountability of our states to our citizens. We resolved that the next meeting of the ATAF Council will be held in March 2010, where a date for the first General Assembly will be decided.

We take pride in ATAF's achievements so far, particularly the foundation already developed which this conference is built on, as well as the technical events delivered with the assistance of development partners.

We wish to express our deep appreciation for the insight and leadership of the ATAF Steering Group, for the commitment by the members of the Technical Task Team and the skills and efforts of the Interim Secretariat based at the South African Revenue Service for having brought us this far. We are humbled by the commitment and enthusiasm shown by all delegates at the conference.

Finally, we wish to express our appreciation to the Commissioner General of the Ugandan Revenue Authority, her staff and the Ugandan Government for their gracious hospitality, excellent organization and hard work in ensuring the success of this conference.

Kampala, Uganda

20 November 2009

Appendix

ATAF MEMBER STATES:

Botswana, Chad, Egypt, Eritrea, Gabon, Gambia, Ghana, Kenya, Lesotho, Liberia, Malawi, Mauritania, Mauritius, Morocco, Namibia, Niger, Nigeria, Rwanda, Senegal, Sierra Leone, South Africa, Sudan, Uganda, Zambia and Zimbabwe.

PARTICIPATING AFRICAN TAX ADMINISTRATIONS:

Benin, Cameroon, Congo (Democratic Republic), Mozambique, Swaziland and Tanzania.

PARTICIPATING DEVELOPMENT PARTNER COUNTRIES:

France, Germany, Ireland, Japan, Netherlands, Norway, Sweden, Switzerland and the United Kingdom.

DEVELOPMENT PARTNER ORGANIZATIONS:

ADB, ATI, CERDI, CMI / ISS, DFID, EU - RT VAT, GTZ, IMF, IDS, IRISH AID, JICA, KFW, NORAD, OECD, SADC, SAICA, SDC and USAID.





Outcomes of the 1st meeting of the ATAF Council in Durban, April 2010



OUTCOMES OF THE FIRST MEETING OF THE COUNCIL OF THE AFRICAN TAX ADMINISTRATION FORUM (ATAF) IN DURBAN, SOUTH AFRICA: 29 - 30 APRIL 2010

The Council of the African Tax Administration Forum met for the first time in Durban, South Africa, on 29-30 April 2010 to discuss the work programme and international agreement of ATAF. The meeting deliberated on the state of revenue administration in Council member countries and noted the critical impact of the global financial crisis on the economies of these African countries and its effects on the mobilisation of domestic resources.

The ATAF Council confirmed ATAF's objectives, specifically to become the central platform for African administrators to articulate African tax priorities, develop and share best practices in the region and further afield, and build capacity in African tax policy and administration.

The meeting endorsed the outcomes of the Kampala Inaugural Conference and confirmed the decision taken in Kampala that South Africa would be the host country of the ATAF Secretariat. The meeting confirmed Morocco as the Council member from the North African region.

The Council acknowledged the importance of ensuring greater synergy and cooperation in capacity development amongst all relevant stakeholders to reduce duplication and give greater support to African Tax Administrations. In this regard the Council recognised the need for closer cooperation with other similar regional and international organisations including the "Centre de Rencontres et d'Etudes des Dirigeants des Administrations Fiscales" (CREDAF), the Inter-American Center of Tax Administrations (CIAT), the Commonwealth Association of Tax Administrators (CATA), the Intra-European Organisation of Tax Administrations (IOTA), the Organisation for Economic Co-operation and Development (OECD), the United Nations Tax Committee (UNTC) and development partners.

The Council approved the ATAF work programme and directed the interim Secretariat to:

- Take the necessary steps to ensure the establishment of ATAF as a legal entity;
- Establish ATAF tax centres;
- Undertake research projects to inform and expand Africa's collective taxation knowledge base;
- Continue with the May 2010 engagement with Development Partners on future cooperation; and
- Continue with the July 2010 workshop aimed at developing the organisation's strategic plan.

In addition, the meeting approved the following new projects:

- A Transfer Pricing project aimed at the effective management of Transfer Pricing risk; and
- An e-resource centre aimed at enabling ATAF members to share their experiences and best practices.



The Council also established three committees aimed at informing ATAF's management in the following areas:

- Governance and organisational development (Botswana, South Africa and Zimbabwe);
- Finance and audit (Ghana, Morocco, Nigeria and Senegal); and
- Capacity building, research and development and technical assistance (Gabon, Kenya and Rwanda).

The ATAF work programme and technical events will be available on the ATAF website: www.ataftax.net.

The Council expressed its appreciation for the continued support of its development partners, in particular the OECD and GTZ who attended the meeting as observers.

The meeting was attended by:

Delegates

Mr Freddy Modise, Botswana Unified Revenue Service, Botswana
 Mr Segalo Lekau, Botswana Unified Revenue Service, Botswana
 Mr Rodrigue Ossi, Direction Générale des Impôts, Gabon
 Mr Marcellin Mebalet, Direction Générale des Impôts, Gabon
 Maj Daniel Ablorh-Quarcoo, Internal Revenue Service of Ghana, Ghana
 Mr Joseph Nduati, Kenya Revenue Authority, Kenya
 Mr Mohammed Amine Baina, Direction Generale des Impots, Morocco
 Mr Brahim Kettani, Direction Generale des Impots, Morocco
 Mrs Ifueko Omoigui-Okauru, Federal Inland Revenue Service, Nigeria
 Mr Peter Agba, Federal Inland Revenue Service, Nigeria
 Mr Innocent Ofikwu, Federal Inland Revenue Service, Nigeria
 Mrs Mary Baine, Rwanda Revenue Authority, Rwanda
 Mr Mamadou Abbés Diop, Direction Generale des Impots et Domaines, Senegal
 Mr Babou Ngom, Direction Generale des Impots et Domaines, Senegal
 Mr Oupa Magashula, South African Revenue Service, South Africa
 Mr Joseph Rock, South African Revenue Service, South Africa
 Mr Gershem T Pasi, Zimbabwe Revenue Authority, Zimbabwe

Development Partners

Mr Richard Parry, OECD
 Ms Lotte Schneider, GTZ

ATAF Secretariat

Mr Logan Wort, ATAF Secretariat
 Mrs Varsha Singh, ATAF Secretariat

(Endnotes)

¹ ATAF is an organisation of African Tax Administrations, who together with development partners and international organisations work on matters of taxation, state building and capacity development in Africa. ATAF was established at its Inaugural Conference in Kampala, Uganda on 18-20 November 2009.

The ten elected members of the first Council of ATAF are the Heads of Tax Administrations from the following African countries: Botswana, Gabon, Ghana, Kenya, Morocco, Nigeria, Rwanda, Senegal, South Africa (Chairperson) and Zimbabwe.

The ATAF interim Secretariat is staffed by Mr Logan Wort, Acting Executive Secretary, and Mrs Varsha Singh, Acting Chief Operating Officer, supported by other staff provided by the South African Revenue Service.



Development partners

While ATAF is and must remain driven by Africa, the importance of ATAF's partnership with development institutions cannot be overstated. ATAF has developed its work programme of dialogue and capacity building to take advantage of, and build on the work of existing agencies in full partnership with these agencies. Assistance will be required to establish ATAF in the short-term but, in the longer-term, continuing interaction will assist both ATAF and its development partners to make Africa a better place for its people.

The following development partners have pledged support to ATAF:

- African Development Bank (AfDB)
- Department for International Development (DFID), UK
- European Commission (EC)
- Government of Netherlands (Buitenlandse Zaken)
- German Agency for Technical Co-operation (GTZ)
- Irish Aid
- Organisation for Economic Co-operation and Development (OECD)
- Government of Switzerland: State Secretariat for Economic Affairs (SECO)
- Norwegian Agency for Co-operation and Development (NORAD)





Produced by: ATAF Interim Secretariat



AFRICAN TAX
ADMINISTRATION FORUM

