REVENUE STATISTICS IN AFRICA

OFFICIAL LAUNCH OF THE 1ST EDITION

A SIDE EVENT CO-ORGANISED BY

THE AFRICAN UNION COMMISSION (AUC), THE AFRICAN TAX ADMINISTRATION NETWORK (ATAF) AND THE ORGANISATION FOR ECONOMIC COOPERATION AND DEVELOPMENT (OECD)

IN THE CONTEXT OF THE **2016 CONFERENCE OF MINISTERS**
"TOWARDS AN INTEGRATED AND COHERENT APPROACH TO IMPLEMENTATION, MONITORING AND EVALUATION OF AGENDA 2063 AND THE SDGS"

Sunday April 3rd, 2016 (14h30-16h30)

United Nations Conference Centre, LBR, Addis Ababa, Ethiopia

To mark the official launch of the first edition of the report *Revenue Statistics in Africa*, this side event gathers Ministers of Economy and Finance, tax officials and statisticians for discussing the collection of revenue data in African countries, and their harmonization with global classifications.

Revenue Statistics in Africa is a joint publication by the African Union Commission, the African Tax Administration Forum (ATAF), the OECD Centre for Tax Policy and Administration and the OECD Development Centre. It presents detailed, internationally comparable data on both tax and non-tax revenues for eight African countries who volunteered to be part of the first edition of the report. Its approach is based on the well-established methodology of the OECD Revenue Statistics database, which has become an essential reference source for countries in all regions of the world. Comparisons are also made with the average for OECD economies and for the economies featured in Revenue Statistics in Latin America and the Caribbean (LAC).

This work contributes to the financial chapter of the African Charter on Statistics in rolling out the Strategy for the Harmonisation of Statistics in Africa. It also supports the first ten-year implementation plan (2014-2023) of the African Union's Agenda 2063, which aims to "develop and implement frameworks for Policies on Revenue Statistics and Fiscal Inclusiveness for Africa." At the global level, it will support the Sustainable Development Goals' target 17.1 to "improve domestic capacity for tax and other revenue collection" and target 17.19 to "support statistical capacity building in developing countries."

Background

Revenue Statistics in Africa is a joint publication by the OECD Centre for Tax Policy and Administration, the OECD Development Centre, the African Tax Administration Forum and the African Union Commission, with the technical support of the African Development Bank, the World Customs Organisation and the *Centre de rencontres et d'études des dirigeants des administrations fiscales*. It presents detailed, internationally comparable data on both tax and non-tax revenues for eight African countries. Its approach is based on the well-established methodology of the OECD Revenue Statistics database[1], which has become an essential reference source for OECD member countries and many more. Comparisons are also made with the average for OECD economies and for the economies featured in *Revenue Statistics in Latin America and the Caribbean (LAC)*.

The term "taxes" in this publication is confined to "compulsory, unrequited payments to general government". As outlined in the Interpretative guide to the Revenue Statistics, taxes are "unrequited" in the sense that benefits provided by government to taxpayers are not normally in proportion to their payments. The OECD methodology classifies a tax according to its base: income, profits and capital gains (classified under heading 1000), payroll (heading 3000), property (heading 4000), goods and services (heading 5000) and other taxes (heading 6000). Compulsory social security contributions paid to general government are treated as taxes, and classified under heading 2000. Much greater detail on the tax concept, the classification of taxes is set out in the Interpretative Guide in Annex A.

The term "non-tax revenue" includes all general government revenue that does not meet the OECD definition of taxation. Revenue is defined by the IMF as being "an increase in net worth resulting from a transaction." [2] All taxation is a form of revenue, but revenues that do not constitute taxation include grants (e.g. foreign aid), returns on government market investments, rents on the extraction of resources from public lands, sales of government-produced goods and services, and the collection of fines and forfeits. More details on these types of revenues, as well as an explanation of the use of cash or accrual basis of reporting in the publication are available in Annex B.

The report provides an overview of the main revenue trends in the eight participating African countries. It examines changes in both the level and the composition of taxation plus the attribution of tax revenues by level of government between 1990 and 2014.

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[1] OCDE (2015) *Revenue Statistics in Africa*, OECD Publications

[2] FMI (2014) *Government finance statistics manual 2014*. International Monetary Fund, Washington, DC, USA

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14:30-14:35: Introductory remarks Dr. Kouassi (AUC) **(5 Min)**

14: 35 -15:15: Presentation of study (40 min)

   Dr. Nara Monkam, Director of Research, African Tax Administration Forum (ATAF) **(20 min)**

   H.B. Solignac-Lecomte, Head of Unit - Africa, OECD Development Centre **(20 min)**

15:15-16:00: Comments

   Pravin Jamandas Gordhan, Minister of Finance, South Africa

   Mouhamadou Bamba Diop, Director of planification, Finance and Planning, Senegal

   Slim Chaker, Minister of Finance, Tunisia

   Gary Quince, Head of European Union Delegation to the African Union

16:00- 16:30: Questions and Answers (30 min)

16:30-17:00: Cocktail

Key questions for discussion

- What does *Revenue Statistics in Africa* tell us about domestic resource mobilisation in African countries and their capacity to finance development?

- Can international efforts to harmonize statistical data and reinforce continental networks of policy experts lead to greater regional integration?

- How does *Revenue Statistics in Africa* support the Strategy for the Harmonization of Statistics in Africa? How can such data contribute to an integrated and coherent approach to implementation, monitoring and evaluation of Agenda 2063 and the SDGs?

- How are the data in this report collected and compiled? What do they reveal about the state of administrative data in Africa?

- How can revenue statistics be obtained that accurately cover all government revenue, including extra-budgetary revenues, different levels of government (including local), social security, and the informal economy?

- What does *Revenue Statistics in Africa* tell us about the income streams to focus on in African countries?