



# Concept Note

*International Tax Justice Academy, 24<sup>th</sup> -28<sup>th</sup> June 2019, Dakar, Senegal*

## I. ABOUT ITJA

The International Tax Justice Academy (ITJA) is an annual training programme that TJNA launched in 2014. Under the motto “Building the next generation of tax justice champions”, ITJA is designed as a pan African initiative that seeks to inspire, empower and mobilise citizens across Africa through bridging the existing knowledge gap on tax justice in Africa. This week-long key capacity building programme is intended for CSOs, activists trade unions students and other actors interested in tax justice and domestic resource mobilisation in Africa. We believe that for civil society actors to influence change towards fair and just tax systems and stopping the bleeding of African financial resources, would require a combination of passion, knowledge, strategy and collaboration Over the last 4 years over 380 participants have undertaken the training. ITJA will be held this year in Dakar, Senegal, from the 24<sup>th</sup> to the 28<sup>th</sup> June 2019.

## II. BACKGROUND

Taxation is a sovereign matter and can be exercised through domestic legislation and regulations. However, with globalisation, taxation isn't any longer practiced within national boundaries, at both physical and digital levels. Many African countries have reported concerns about the fiscal challenges they face as their economies become increasingly digitalised. That digitalisation enables multinational enterprises (MNEs) to carry out business in African countries with little to no physical presence in their countries makes it difficult for African countries to establish taxing rights over the profits the MNEs are making from the business activities it carried out on their soil. Fiscal internationalization and digitalization prompt the need for the definition of a global taxation standard. The Base Erosion and Profit Shifting (BEPS) Project which commenced in 2014 saw the G20 select the Organisation for Economic Co-operation and Development (OECD) as the multilateral organisation to bind countries together and agree on rules on the changes to international taxation. However, this arrangement has proven exclusive and has not allowed maximum participation in the global rule setting. Is there still a legitimate role for both the OECD



and the United Nations? Are countries willing to move to unilateral measures as seen in other aspects of global life recently?

In addition, taxation plays an important and recognized function in domestic resource mobilization (DRM). However, taxation should also be acknowledged as a key instrument for economic growth promotion. An income-generating tax system that doesn't favour growth is not economically viable. Most African countries, including Senegal, assigned two main roles to their taxation: optimal revenue mobilization and efficient incentive for investment. To this end, a legal and regulatory framework has been put in place to promote private sector initiatives that support the creation and development of high value-added businesses that can increase income levels and well-being of the populations.

Among the measures taken in this regard, tax incentives have always been given a special place in view of their number and the density of the benefits they provide. Thus, tax competition appears to have become the rule especially among African countries given the current difficulties in establishing global consensus. However, it is increasingly demonstrated that countries have more to gain from fiscal convergence referred to as tax harmonization or, rather "fair tax competition". Success in regional tax harmonization requires establishment of norms and treaties. What are the tax models for African States to explore at regional levels?

The challenges are even greater with current loopholes in legislation, policies and lack of capacity. Indeed, there is still a huge tax knowledge gap particularly in Africa and other parts of the developing world despite a growing interest in the tax justice agenda. Hence the need to bridge the knowledge gap in several areas of tax justice in Africa. TJNA designed ITJA to fill this gap through a week-long training programme comprising lectures, case studies and peer learning. Globally, the international tax justice campaign has been gaining momentum thanks to continuous advocacy and a growing interest by the media, policy-makers and the public in matters concerning tax. In the recent past, several schemes to defraud states of billions of dollars have been uncovered with the most recent being the West Africa Leaks or the Corporate Haven Index. The following global uproar on Illicit financial flows has placed a new emphasis on tax and domestic resources to finance development amongst developing countries.



### III. OBJECTIVES

Informed by research and inclusive of a variety of voices, ITJA will provide a key platform to reflect and strategize on illicit financial flows (IFFs), tax governance and domestic resource mobilization on the African continent. The academy therefore sets out to:

- Increase understanding and build capacities on the thematic areas below listed.
- Promote knowledge sharing and dialogue among stakeholders working on tax justice.
- Raise opportunities of engagement on the *Stop The Bleeding Campaign* (STB) to raise.
- Provide opportunities for collaboration in championing tax justice issues in Africa.

### IV. SCOPE OF THE TRAINING

The International Tax Justice Academy training programme includes lectures, case studies and interactive group work, presentations and use of audio-visual tools. Guided by a series of teach-ins and round table discussions the Academy collectively examines fiscal economic analysis of Africa's role in the global economic system and sustainable development. The academy further focuses on building practical understanding and linkages to policy work amongst the international civil society community, policy-makers and beyond, as well as setting the stage for follow-up work after the academy. It is tailored to the needs of participants of mid-level of the tax justice agenda and is underpinned by the following four pillars of TJNA:

1. Tax and International Financial Architecture.
2. Tax and Investment.
3. Tax and Natural resources.
4. Fair and Equitable Tax.

### V. METHODOLOGY

#### Participation

##### Trainees

The International Tax Justice Academy brings together CSOs, trade unions, students, researchers and academics.

##### Facilitators

The facilitators include researchers and experts in development taxation as well as TJNA policy leads.



### Training Format

ITJA's methodology enables progressive thinkers, movement leaders and academicians to collectively analyse existing literature and hone specific policy proposals around tax and domestic resource mobilisation. During the training the participants are provided with materials and an opportunity to engage with the various tax experts to discuss the discourse further. ITJA's training methodology includes:

- **Lectures along TJNA's four pillars**, policy and information analysis to cultivate a shared understanding amongst a cross-section of movements and policy-makers.
- **Roundtable discussions**, sharing multiple stakeholder positions and experiences in public mobilization, policy advocacy and/or implementation (case studies).
- **A public forum** to stimulate public consciousness and discussions (interactive group work/presentations).

## VI. SPECIFIC OUTPUTS

1. Improved skills on selected critical taxation issues.
2. Initiated peer learning amongst participants from countries across African regions.
3. Increased number of supporters of the tax justice agenda at national and regional levels.
4. Established informal interactions to encourage alliance-building and experience sharing.
5. Increased media participation in covering taxation related issues.

## VII. OUTCOME

1. More inclusive, equitable and accountable tax systems in Africa by 2020
2. Reduced financial outflows to contribute to increased tax revenue in Africa by 2020
3. Broad constituency of stakeholders advocating for tax justice