



SUMMARY

Revenue Statistics in Africa – Technical Workshop 2023

Addis Ababa, 3-4 May 2023

OVERVIEW

The [Revenue Statistics in Africa – Technical Workshop 2023](#) was held over two days at the African Union Headquarters in Addis Ababa, Ethiopia, on 3-4 May 2023. The event was jointly organised by the African Union Commission (AUC), the African Tax Administration Forum (ATAF) and the Organisation for Economic Co-operation and Development (OECD), and it was co-funded by the European Union (EU). The workshop was attended by 55 participants, including 36 officials from national administrations of 28 countries currently participating in *Revenue Statistics in Africa*; representatives from four countries that are interested in joining the initiative; three representatives of Regional Economic Communities; eleven participants from partner organisations (ATAF, AUC, OECD and EU) and a representative of the United Nations Economic Commission for Africa. The purpose of the workshop was to enhance participants' capacity to produce and use comparable, high-quality revenue statistics to support evidence-based policy making. The workshop consisted of plenary sessions, group discussions and group exercises, which encouraged knowledge-sharing and peer-learning among African countries and partner organisations.

DAY ONE

The workshop began with welcoming remarks from *Revenue Statistics in Africa* partners: Dr Patrick Ndzana Olomo, Officer-in-Charge of the Economic Policy and Sustainable Development Division at the AUC; Mr Adoum Gagoloum, Head of the Economic Statistics Division at the African Union Institute for Statistics (STATAFRIC); Mr Frankie Mbuyamba, Manager Regional Coordination at ATAF; and Mr Alexander Pick, Acting Head of Tax Data and Statistical Analysis at the OECD. Dr Olomo highlighted that domestic revenue mobilisation (DRM) remains critical to Africa's development in the midst of multiple international crises. Mr Gagoloum thanked partners and participating countries for their continued commitment to *Revenue Statistics in Africa* and encouraged further efforts to harmonise revenue data to support Africa's development. Mr Mbuyamba spoke about the importance of *Revenue Statistics in Africa* in guiding African countries' DRM strategies and welcomed the attendance of representatives from countries that have not yet joined the initiative, which demonstrates a shared commitment to expanding *Revenue Statistics in Africa*. The value of bringing more countries into the initiative was echoed by Mr Pick, who welcomed the growing community of practice around *Revenue Statistics in Africa* and encouraged participants to make the most of opportunities for knowledge sharing and peer learning during the workshop.

The next session featured a discussion on DRM trends in Africa. It was informed by an in-depth presentation by Emmanuelle Modica and Sébastien Markley (OECD) on the findings of the [2022 edition of Revenue Statistics in Africa](#), which examined the impact of the COVID-19 pandemic on revenues in 2020. COVID-19 put a stop to steady growth in tax revenues across the continent after 2009. Over the 10 years between 2009 and 2019, the average tax-to-GDP ratio for the 31 countries in the initiative increased

from 14.2% to 16.2%. This average then decreased to 16% between 2019 and 2020. Non-tax revenues have seen the opposite dynamic: the downward trend from 2010 to 2019 was reversed in 2020, with an increase of 0.6 percentage points of GDP.

The presentation was followed by comments from Mr Frankie Mbuyamba (ATAF) and Dr Patrick Ndzana Olomo (AUC). Mr Mbuyamba noted the role of tax policy and tax administration in enhancing DRM, and he underlined the importance of measures to expand the tax base. Dr Olomo described DRM as an existential issue for Africa, pointing out that international financial flows to Africa have declined at a time when the continent's financing needs are growing and increases in tax revenues are being eroded by higher debt servicing costs related to the impact of the COVID-19 pandemic. Dr Olomo also stressed the importance of accurate data for understanding African countries' DRM challenges and informing their response. In the plenary discussion that followed, participants discussed the determinants of tax-to-GDP ratio levels and the importance of high-quality public spending.

Participants then focused on recent progress in DRM at a national level, exploring revenue trends and reforms to tax policy and administration in Lesotho and Rwanda. Ms Tabello Mahase (Lesotho) presented the evolution of the tax-to-GDP ratio in Lesotho, as well as measures taken in response to COVID-19. She also described ongoing administrative efforts to educate and incentivise taxpayers to file their taxes and to bring informal businesses into the tax net through the use of behavioural insights, tax amnesties and a small taxpayer regime rather than relying on enforcement measures. Mr Roy Gasangwa (Rwanda) attributed the increase in Rwanda's tax-to-GDP ratio between 2013 and 2022 to reforms that included the introduction of new IT systems (e.g., Electronic Billing Machine, system controls), increased use of analytical technologies (e.g., data science), administrative measures (e.g., tax audits, enforcement of tax arrears) and policy measures (e.g., income tax). At the height of the COVID-19 pandemic, Rwanda used the tax system to support public and private transport.



In the ensuing discussion, Mr Pape Malick (Senegal) and Mr Samuel Mudavanhu (Zimbabwe) noted how tax policy and administration contributed to their government's response to the pandemic and identified some short- and long-term consequences of the pandemic for DRM. Meanwhile, Mr Hassan Mohamed Egue (Djibouti) raised the issue of tax exemptions, which are associated with significant foregone revenues. In concluding the session, Dr Olomo (AUC) noted that African countries need to invest in technology to raise additional revenues and should prioritise enhancing capacity to collect revenues in unproductive sectors. *Revenue Statistics in Africa* was identified as an important tool to monitor revenue mobilisation.

Next, participants discussed their countries' experiences in using *Revenue Statistics in Africa*. This discussion was preceded by two OECD presentations. Mr Alexander Pick provided an overview of the findings from an informal survey circulated to *Revenue Statistics in Africa* country focal points at the start of 2023, which showed that *Revenue Statistics* data and analysis have been used by participating countries in a variety of ways: to benchmark their revenues and tax systems with those of other countries; as an input for official government analysis, internal analytical work, internal deliberations and policy dialogues; and to inform the design, evaluation and reform of tax policy and administration. Mr Mark Mateo then presented the various tools that are publicly available to access and use *Revenue Statistics in Africa* data and analysis.

Several focal points from participating countries then described their use of revenue statistics for policy making. They included Ms Elisabeth Dikisha Dietu, Ms Patricia Mbombo Bikila-Webe, Mr Jean-Fidèle Yakala Mboma and Mr Floribert Masuku Mambambu for the Democratic Republic of the Congo; Mr Alex Muhanji for Kenya; Mr Mohamed Alie Bah for Sierra Leone and Mr Yacouba Fofana for Côte d'Ivoire. Speakers reported that their governments are going through multiple iterations of reforms to improve tax collection; at each stage, they are using statistics to design and evaluate their policies as well as looking at examples from other countries to inform their policies. New data systems have increased the amount of data available for analysis. For some policy reforms, such as the introduction of a digital tax, which had almost no African precedent, countries had looked to ATAF, the AUC and the OECD for information, and comparisons were made with countries outside Africa. Following these interventions, the plenary discussion focused on key implementation details as well as the importance of expenditure policies.

The day concluded with a discussion in five small groups (three English-speaking and two French-speaking), in which participants shared their experiences in collecting revenue data and discussed common challenges and emerging trends in this area.

DAY TWO

The second day of the workshop opened with a stocktake on progress in the implementation of the Strategy for Harmonising Statistics in Africa 2 (SHaSA 2), a continental strategy for the development of statistics for the period 2017-2026. Mr Adoum Gagoloum (STATAFRIC) gave a presentation describing progress by African countries in achieving statistical objectives across a number of sectors, including those with strong relevance for the *Revenue Statistics in Africa* initiative, such as the harmonisation of national accounts data and the development of statistical capacity. The presentation underlined how the *Revenue Statistics in Africa* initiative contributes to SHaSA 2, as well as the initiatives' common policy goals. In the subsequent plenary discussion, countries focused on the interaction and coherence of policies to tax and to subsidise the agricultural sector, which vary across African countries at different levels of development.

Next, Ms Emmanuelle Modica and Mr Sébastien Markley presented the concepts and classification underlying *Revenue Statistics in Africa* and provided an overview of the National Revenue Lists (NRL), a tool for enhancing the comparability of revenues in Africa. The NRLs are standardised lists of national tax

and non-tax revenues matched against the OECD's Interpretative Guide and other international revenue classifications (such as the IMF's Government Finance Statistics Manual and System of National Accounts). The presentation was complemented by feedback from two countries for which NRLs have already been developed: the Seychelles and Madagascar. Mr Rudy Sinon (Seychelles) identified various benefits that the national tax agency has derived from developing an NRL, including more efficient management of resources, easier identification of revenue sources, greater transparency, less revenue leakage, and improved quality of data and forecasting abilities. Mr Donah (Madagascar) stated that NRLs had helped with the classification and harmonisation of revenue data, with interpreting and analysing revenue data, and with formulating policy reforms while ensuring that these are aligned to international standards. He also stated that constructing an NRL led to several sub-tax headings receiving their own tax heading (e.g., *impôts sur les marchés publiques*). Participants also discussed issues around classification of revenues from the Southern African Customs Union and from environmental taxes.

The workshop then focused on the application of NRLs to identify revenues of a specific sector/policy area. This session began with a presentation by Mr Sébastien Markley (OECD), which proposed an approach for using NRLs to identify revenues from extractive industries, an important source of public revenues in many African countries. Next, Mr Edward Asuo Afram (Ghana) and Mr Hervé Rogangoum Kodindouma (Chad) presented on how their country classifies revenues from natural resources. Following these presentations, participants broke into five groups (three English-speaking and two French-speaking) to discuss in greater detail the taxation of extractive industries in their countries, covering questions such as the form in which revenues from the extractive the sector are collected, how data on these revenues is produced and how this information is used by policy makers. Participants also shared experiences concerning recent changes in the tax treatment of natural resources and discussed what other policy areas might benefit from a similar classification to that outlined by the OECD for extractive industries.

Towards the end of the workshop, Ms Talita Yamashiro Fordelone (OECD) set out the timelines for preparing the 2023 edition of *Revenue Statistics in Africa* and explained the process for countries wishing to join the initiative. Ms Yamashiro Fordelone also discussed suggestions for enhancing *Revenue Statistics in Africa* that were received from country focal points via an informal survey carried out in early 2023. The main proposals related to enhancing the initiative's capacity-building activities, improving the timeliness of data, increasing the visibility of *Revenue Statistics in Africa* data among senior officials, and providing country-level recommendations. The session heard how *Revenue Statistics in Africa* is already improving along these lines, for example by putting more tools and learning materials online, producing more materials to disseminate information, and promoting greater engagement with high-level officials.

Dr Olomo, Mr Galaloum and Mr Pick provided concluding remarks to the workshop, commending participants for their hard work and expressing thanks to the workshop organisers. Dr Olomo reiterated the importance of good revenue data and the need for African countries to build a statistical infrastructure capable of achieving data independence. He expressed support for countries' suggestions for improving *Revenue Statistics in Africa*, seeing these as an expression of their ownership of the project. Mr Galaloum stated that the workshop had achieved its objective of enabling participants to share experiences and foster connections, and he expressed his confidence that, with the support of STATAFRIC, ATAF, the OECD, and the EU, *Revenue Statistics in Africa* will continue to enhance fiscal systems across the continent. Mr Pick closed the meeting with warm congratulations to all participants for making the workshop a success.

All workshop documentation is available at <https://www.oecd.org/tax/tax-policy/revenue-statistics-in-africa-technical-workshop-2023.htm>



[Revenue Statistics in Africa](#) is a pan-African initiative aiming to improve the quality, consistency, comparability and accessibility of revenue data for participating countries. The initiative is a collaboration among the African Tax Administration Forum, the African Union Commission, and the Organisation for Economic Co-operation and Development, with the financial support of the European Union and the technical collaboration of the African Development Bank and the *Cercle de réflexion et d'échange des dirigeants des administrations fiscales*. Since January 2021, *Revenue Statistics in Africa* has also been part of phase II of the African Union-European Union Pan-African Statistics Programme, which aims to improve measurement of progress in the process of African Integration by promoting the use of statistical data of quality in the Africa Integration decision-making process and policy monitoring.