

Africa Taking Charge of its Future

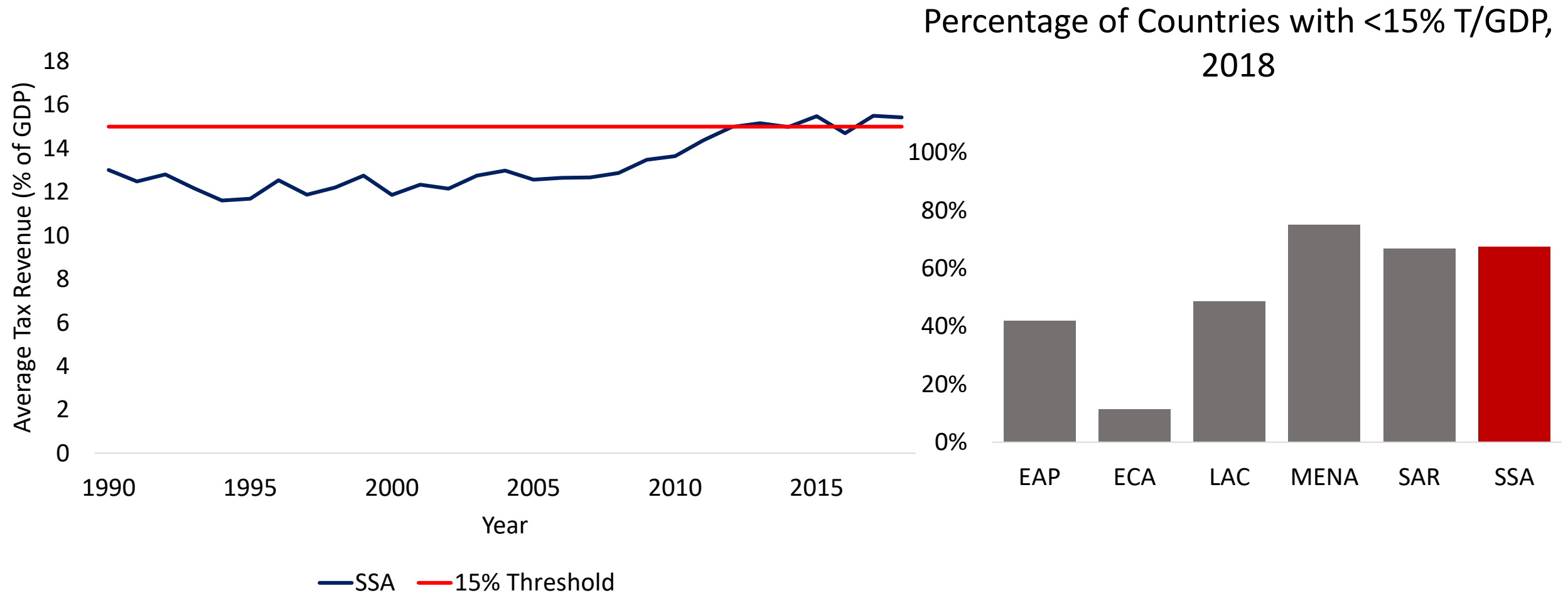
Increasing Domestic Revenue Mobilization



WORLD BANK GROUP
Macroeconomics, Trade & Investment

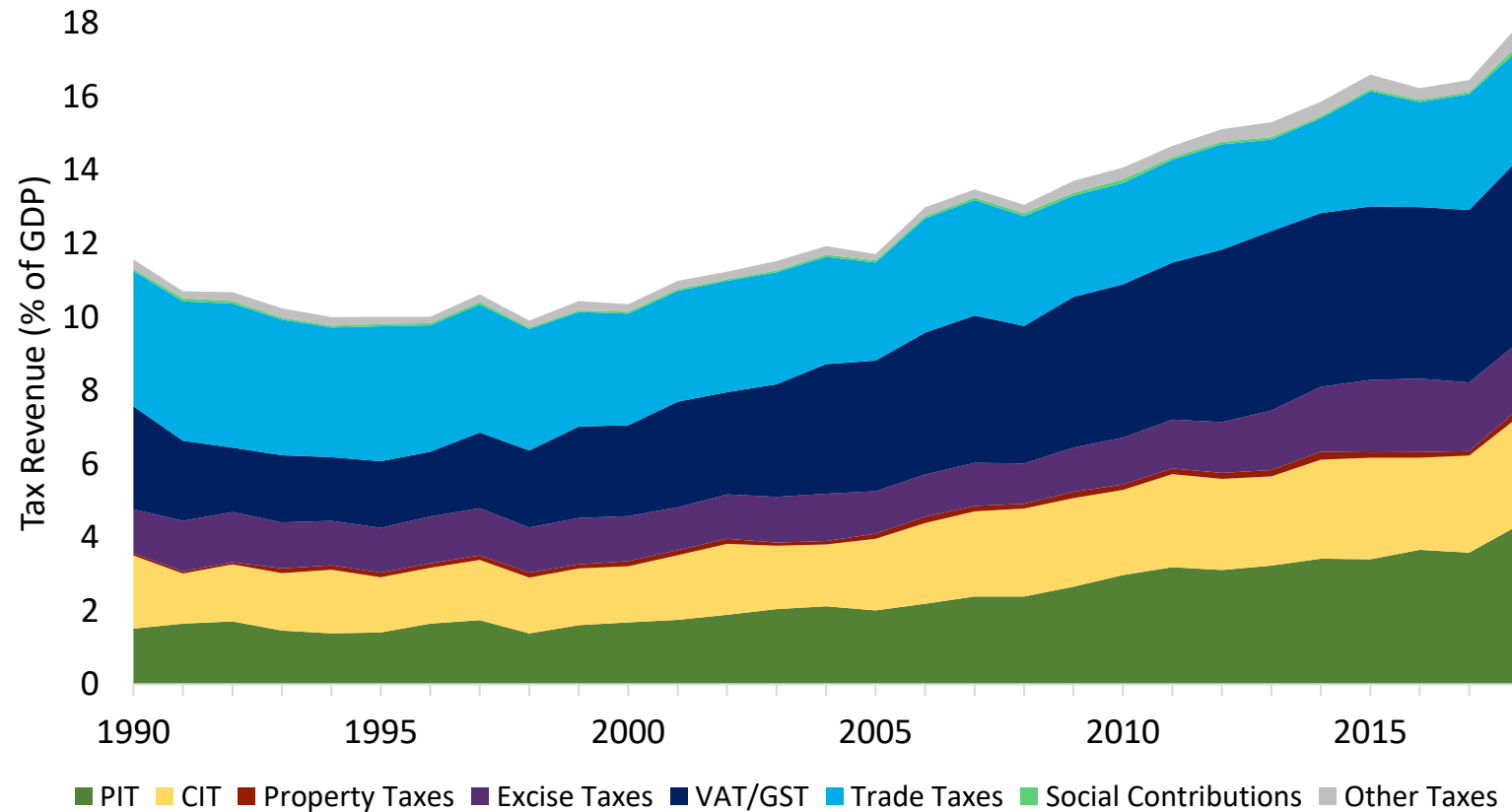
Chiara Bronchi and Ceren Ozer
Fiscal Policy and Sustainable Growth Unit
January 2021

Pre-COVID tax revenue challenges



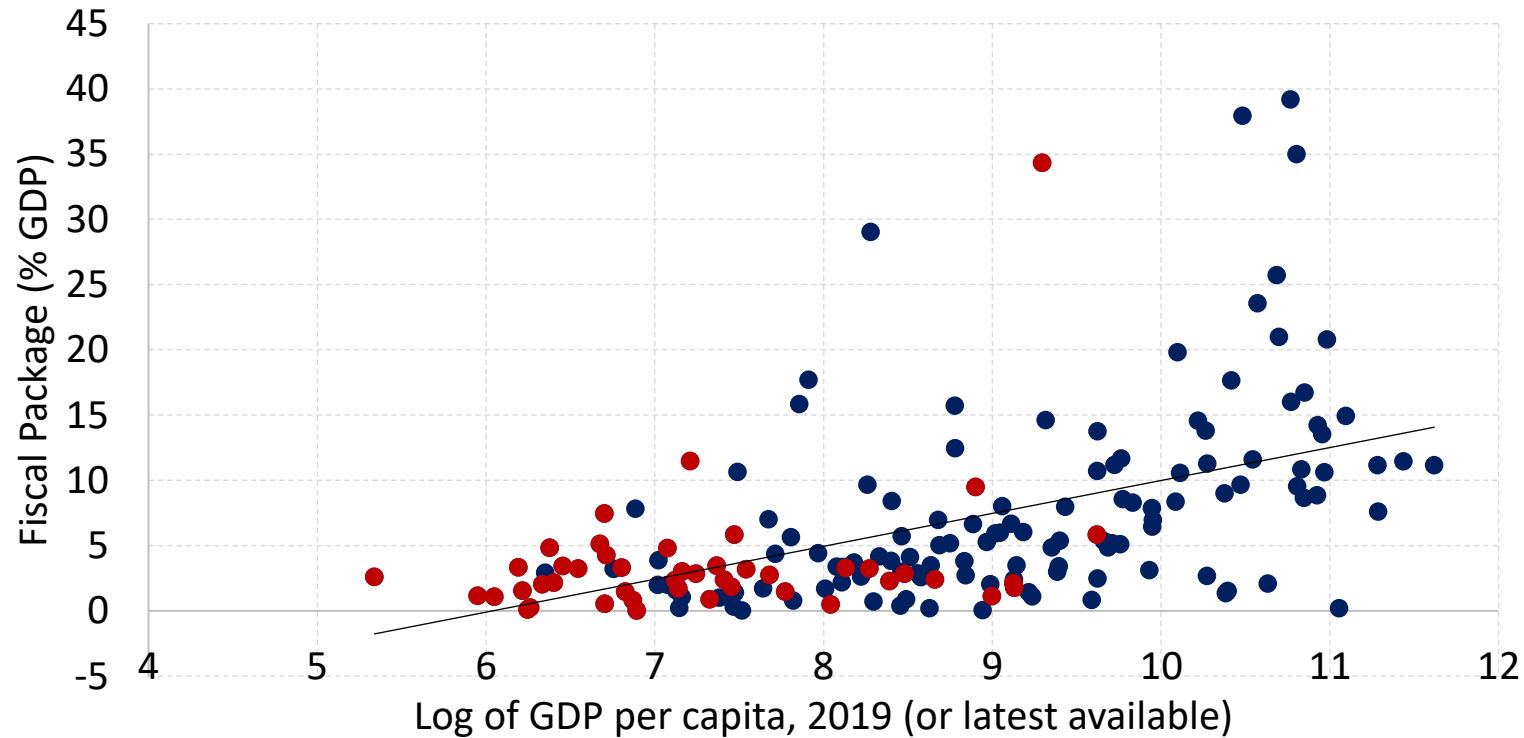
Source: ICTD (2020).

Performance of tax types



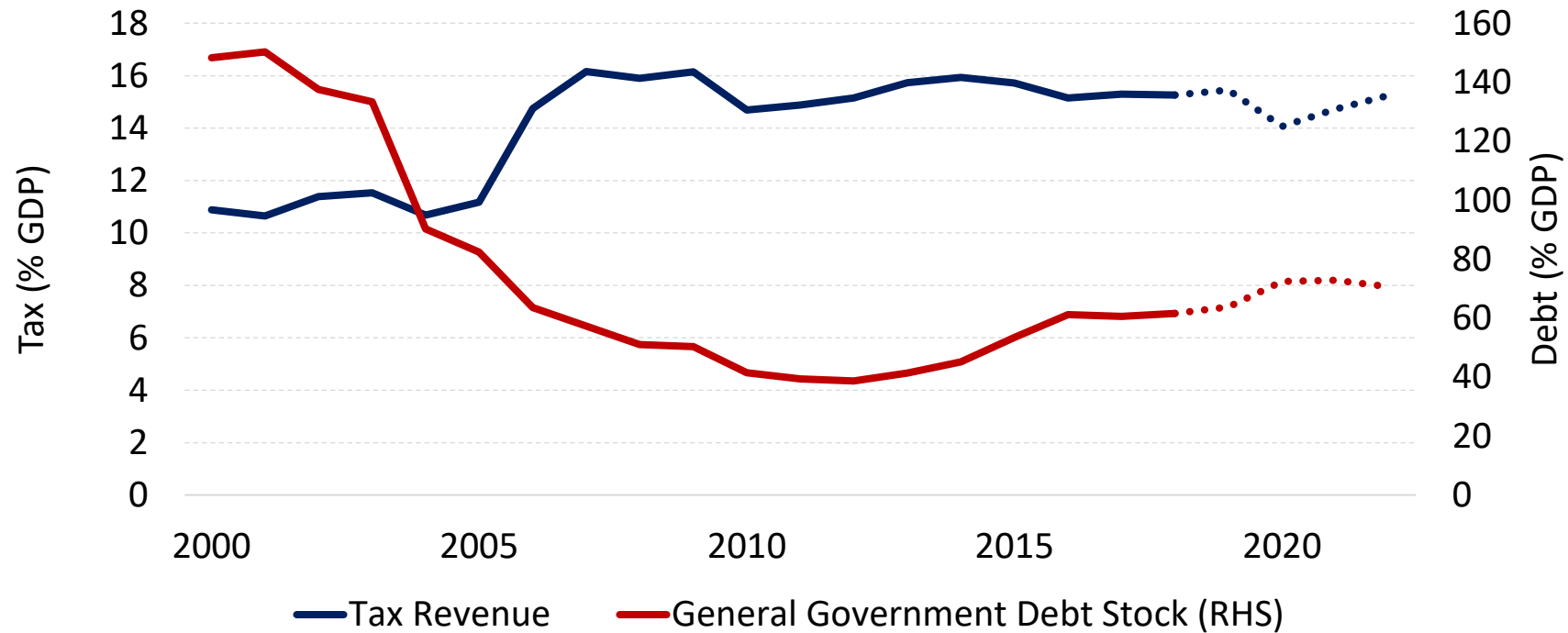
Source: ICTD (2020). Unweighted SSA Average Tax Revenue, 1990-2018.

SSA's Fiscal Response to the crisis



Source: IMF Fiscal Monitor (October 2020), WDI (2020), SSA countries in red.

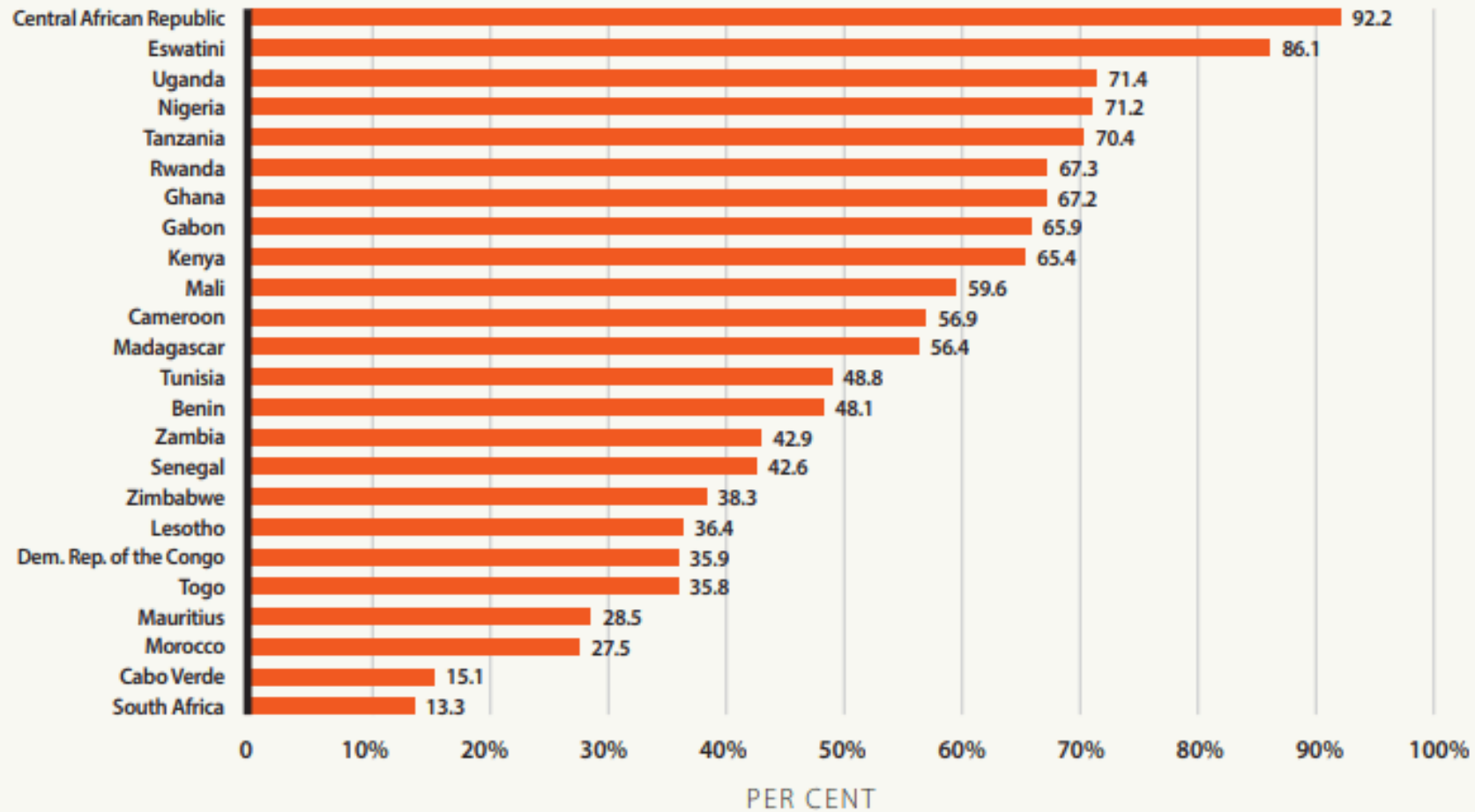
Tax and Debt Forecasts



Source: Macro Poverty Outlook, 2021, covering 41 countries.

Value Added Tax Gap

FIGURE 3.4. VALUE-ADDED TAX GAP FOR 24 AFRICAN COUNTRIES WITH DATA, 2018

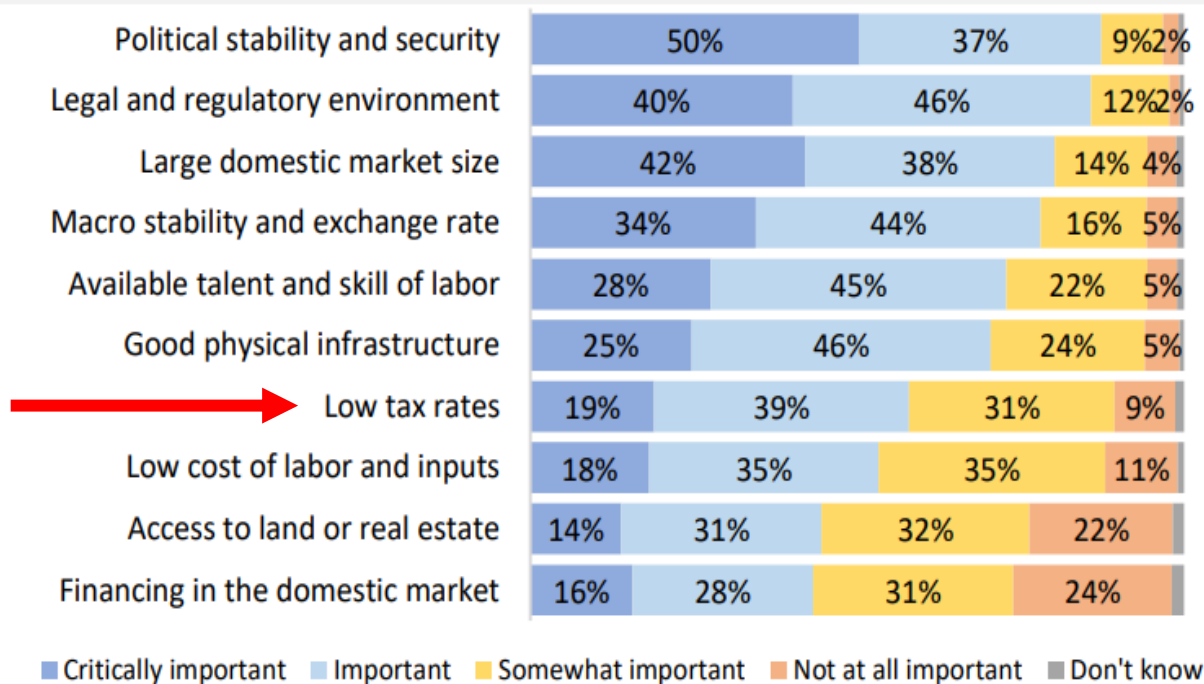


Source: ICTD (2018), World Bank (2018), and Gandhi (2019).

Tax Policy – Closing ineffective loopholes

Factors Affecting Investment Decisions

Executives of multinational corporations were asked how important various country characteristics were in their decision to invest in developing countries (percentage of 754 respondents)

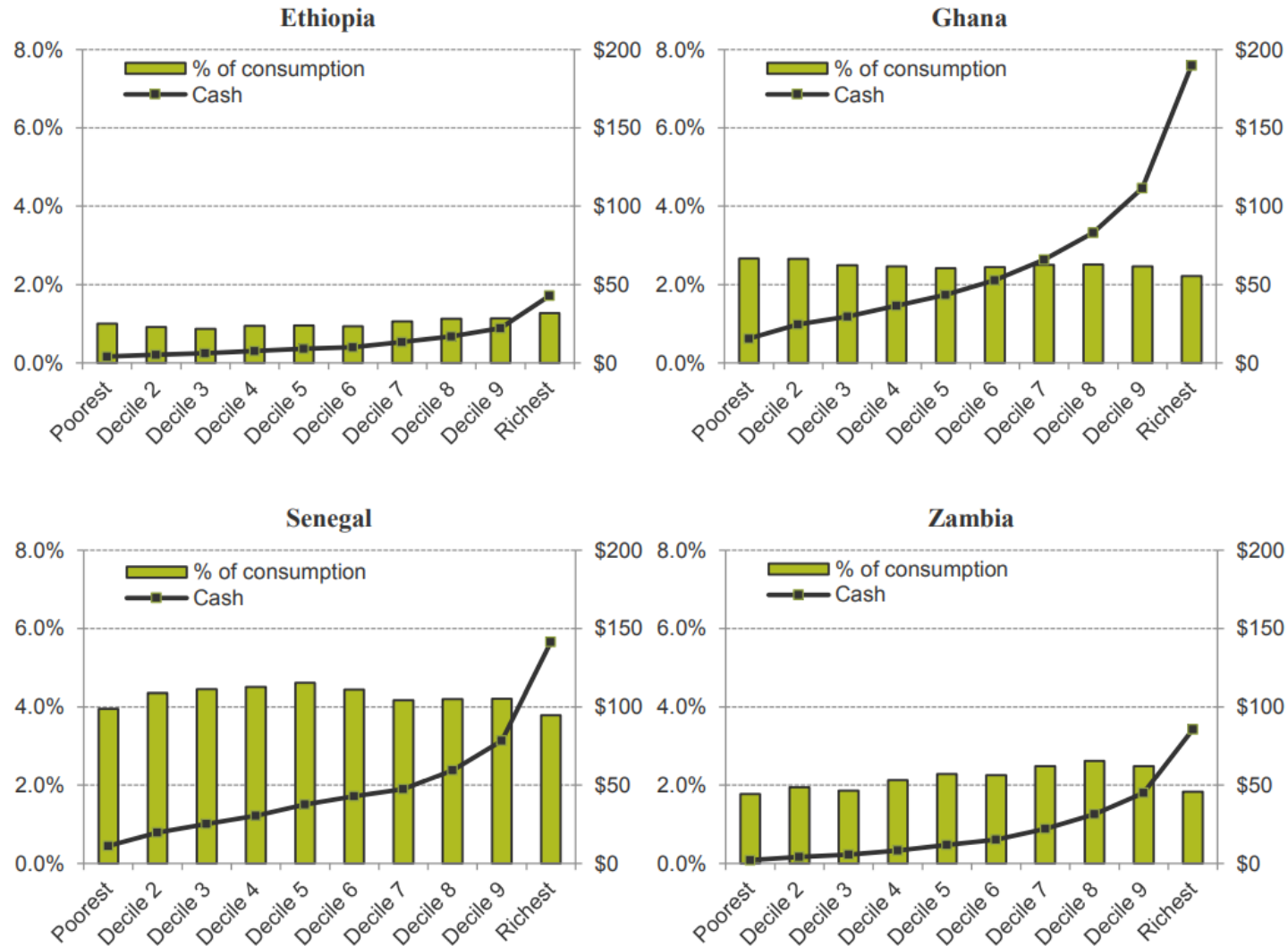


Source: Global Investment Competitiveness Survey, World Bank Group.

Country	Year	Revenue loss from TEs (% of GDP)	T/GDP in same year
<i>Benin</i>	2017	2.40%	9.70%
<i>Burkina Faso</i>	2016	1.38%	14.80%
<i>DR Congo</i>	2016	0.65%	7.90%
<i>Ivory Coast</i>	2017	1.32%	12.10%
<i>Gabon</i>	2017	1.24%	-
<i>Guinea</i>	2017	2.63%	13.20%
<i>Lesotho</i>	2016	3.96%	27.10%
<i>Liberia</i>	2016	4.70%	12.20%
<i>Madagascar</i>	2015	1.79%	8.90%
<i>Mali</i>	2017	2.64%	15.20%
<i>Mauritius</i>	2017	1.76%	18.40%
<i>Morocco</i>	2018	2.78%	21.80%
<i>Rwanda</i>	2018	4.60%	14.40%
<i>Senegal</i>	2014	7.80%	15.20%
<i>Sierra Leone</i>	2017	1.20%	11%
<i>South Africa</i>	2017	3.90%	28.50%
<i>Tanzania</i>	2012	4.40%	10.40%
<i>Average</i>		2.89%	14.87%

Building Back Better through Tax: Inclusion

Tax expenditure on VAT exemptions and reduced rates across the consumption distribution in four LMICS



Building Back Better through Tax: Innovation



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Popular Documents

[The Income Tax \(Digital Service Tax\) Regulations, 2020](#)

[Checklist for Registration as an Importer of Excisable Goods](#)

[Requirements for Licensing of Excise Manufacturers](#)

[AEO Application Form](#)

[Income Tax Exemption Application Process](#)

[Domestic Tax Department - Tax Service Office \(TSO\) Heads](#)

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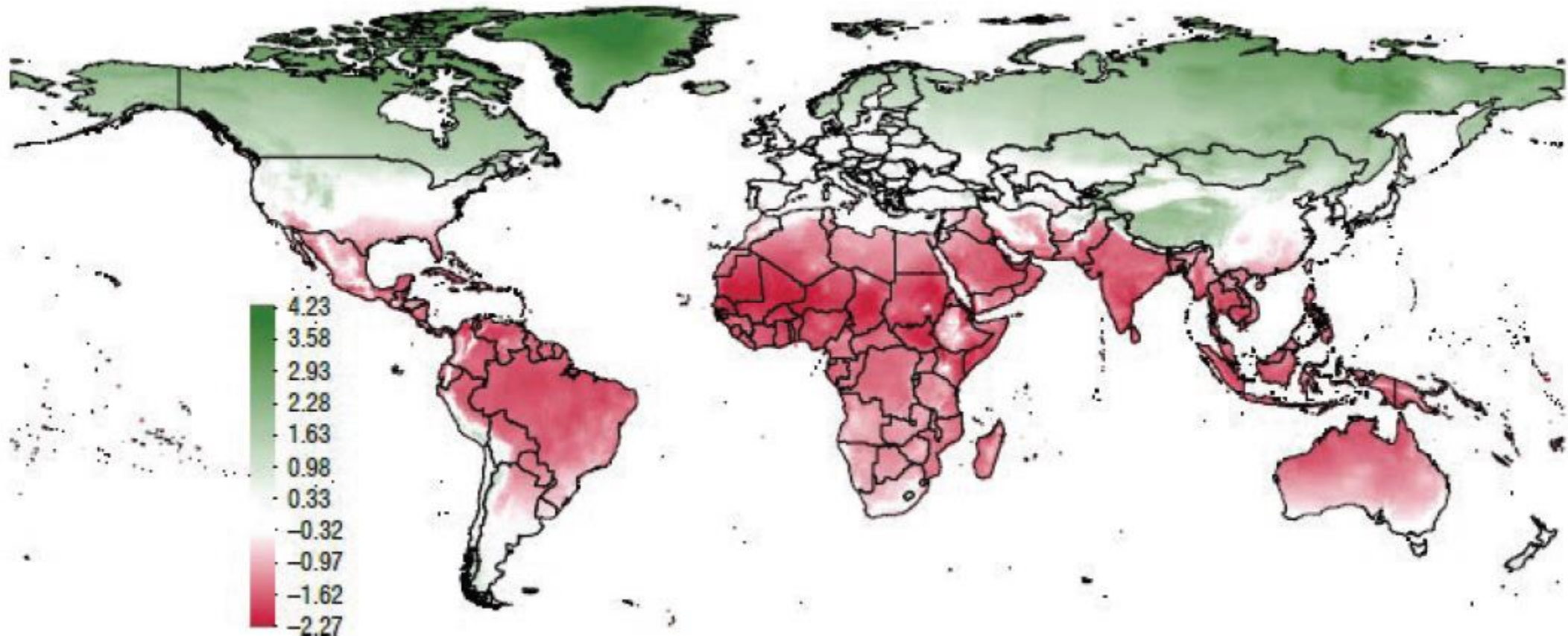
[Calculate Vehicle Import Duty](#)

[Calculate Motor Cycle Import Duty](#)



Building Back Better through Tax: Sustainability

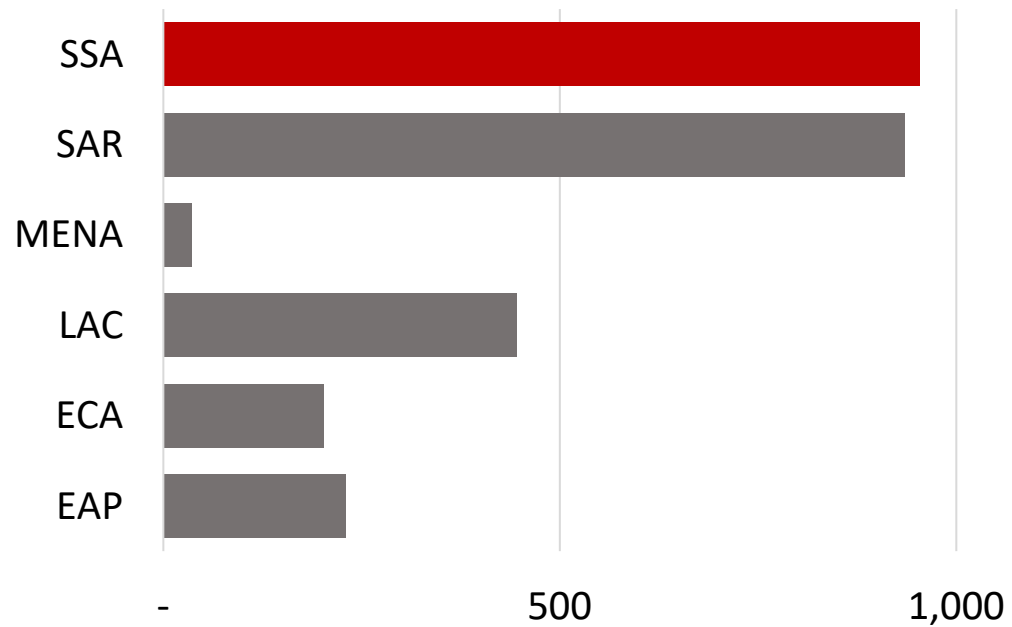
Effect of a 1°C Increase in Temperature on Real per Capita Output, Grid Level



Source: IMF 2017. Note: C = Celsius.

What the World Bank is doing: DRM Portfolio in SSA

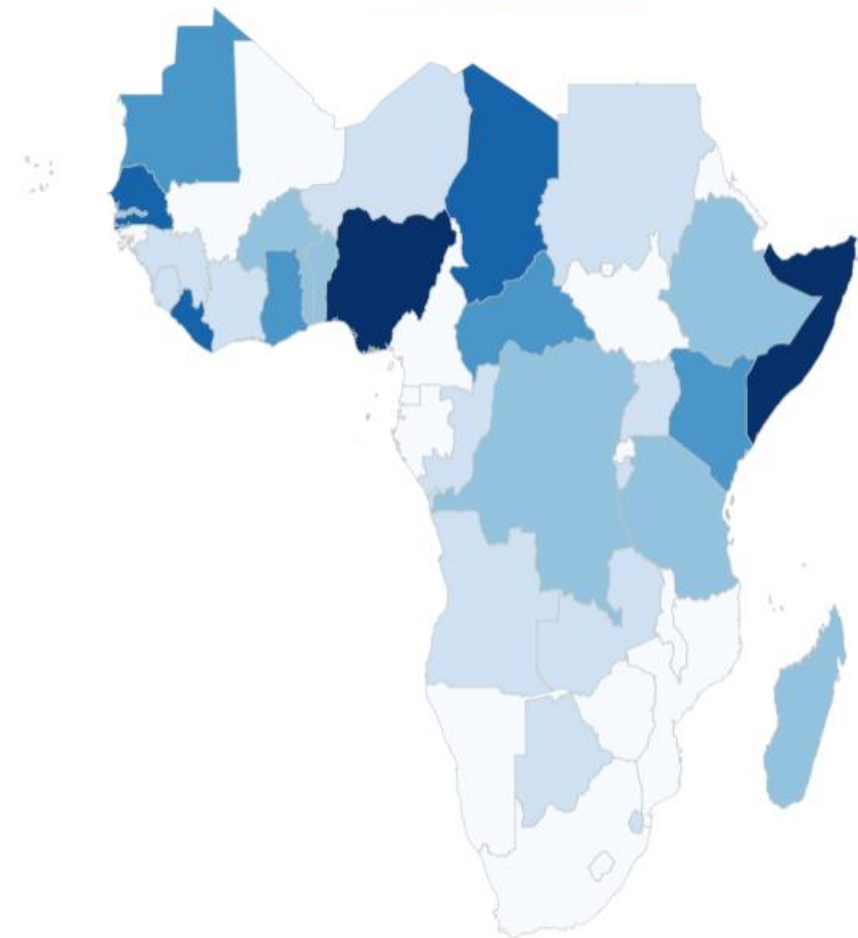
SSA receives the most DRM lending of any region
(USD Millions)



Source: World Bank DRM Portfolio (2021).

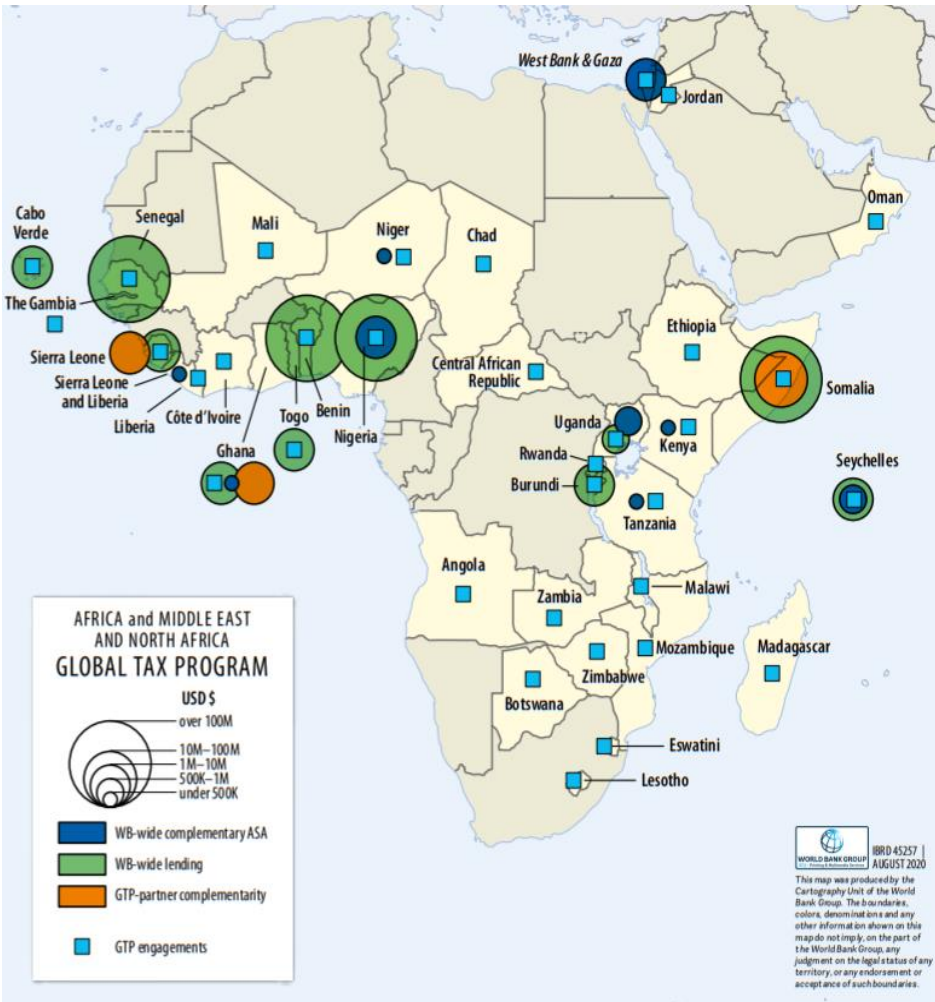
Active DRM projects

0 5+



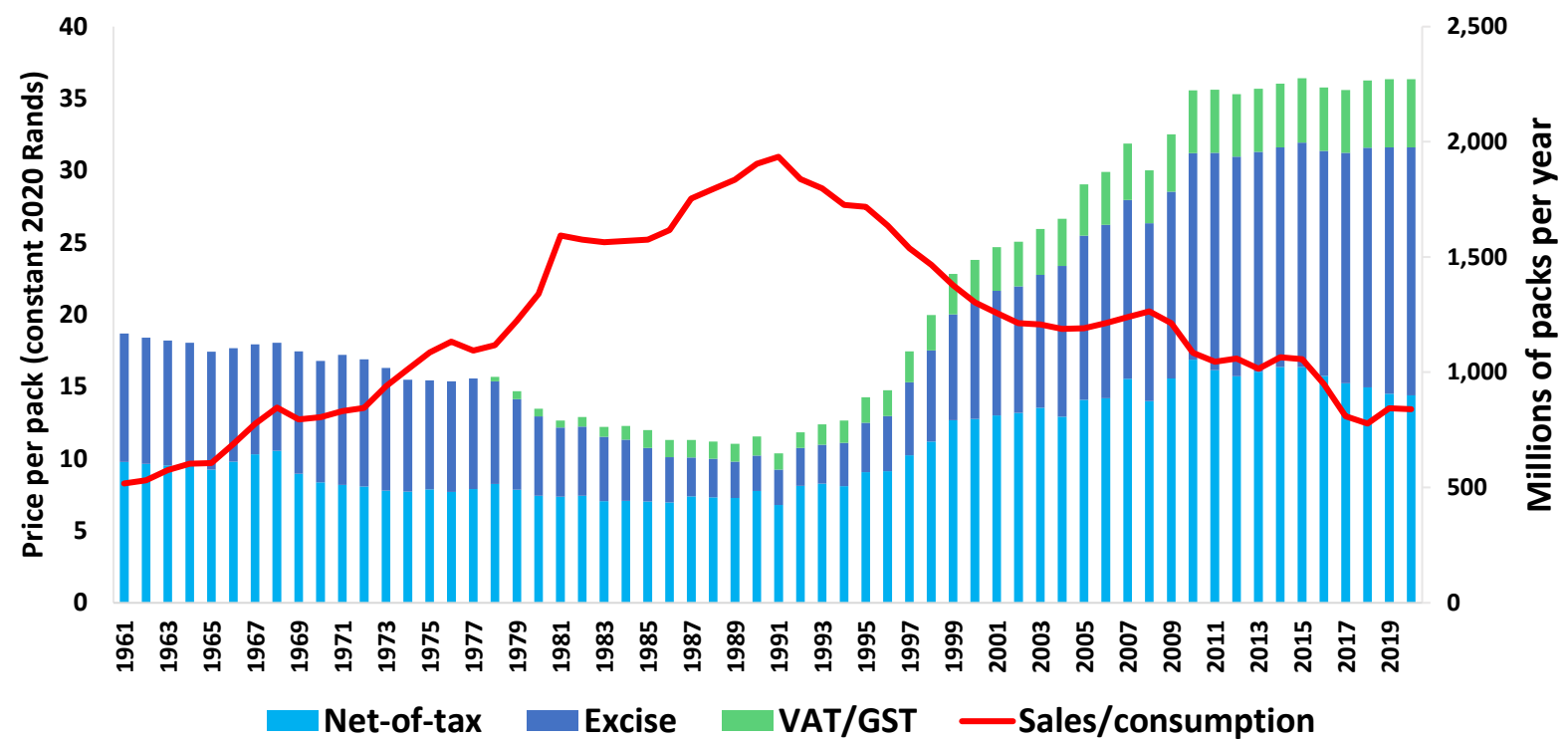
Note: January portfolio. Excludes regional or global projects.¹¹

GTP – helping through sector related tax support



Source: GTP Annual Progress Report (2020).

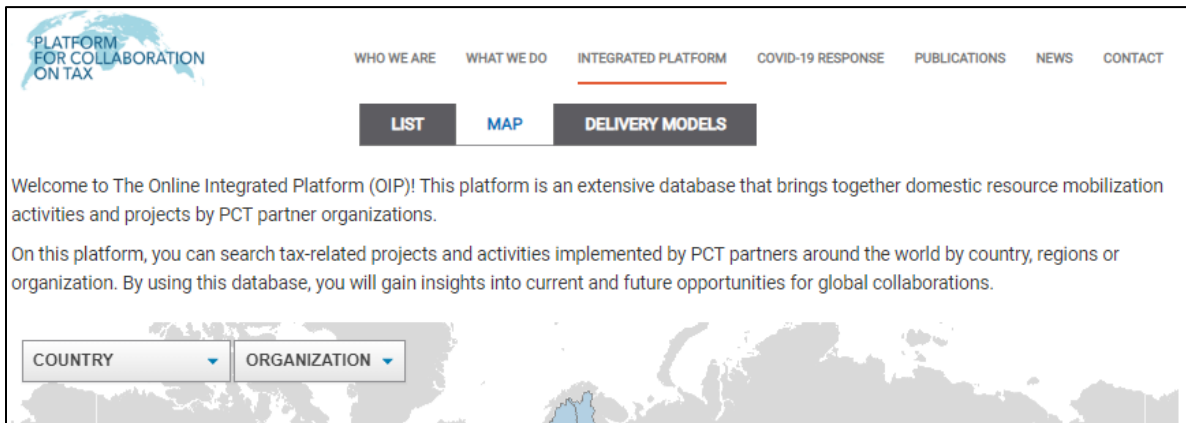
South Africa: price per cigarette pack (decomposed) and total cigarette sales, 1961-2020




Notes: VAT = Value Added Tax, GST = Goods and Services Tax.
 Source: University of Cape Town.

PCT Highlights in 2020

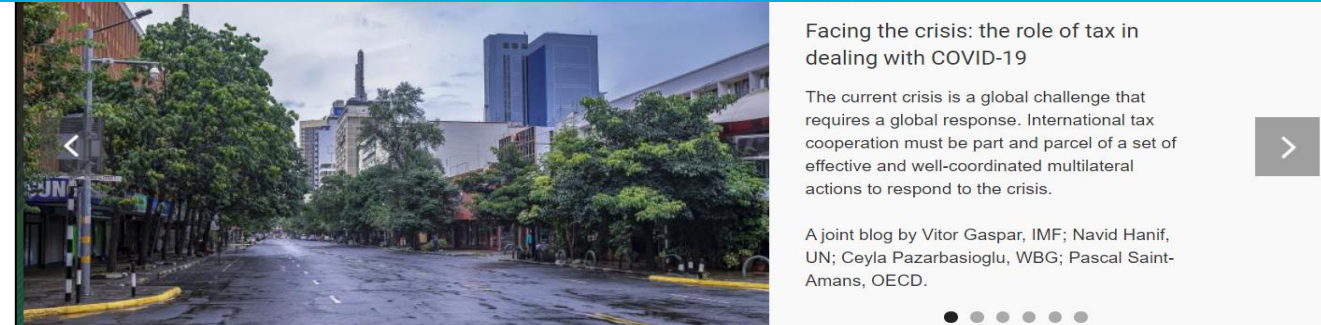
- The PCT Website and Partners' tax project database
- Partners' COVID-19 Resources
- PCT International Taxation Toolkits
- Virtual Workshops on Toolkits and Medium Term Revenue Strategies (MTRS)



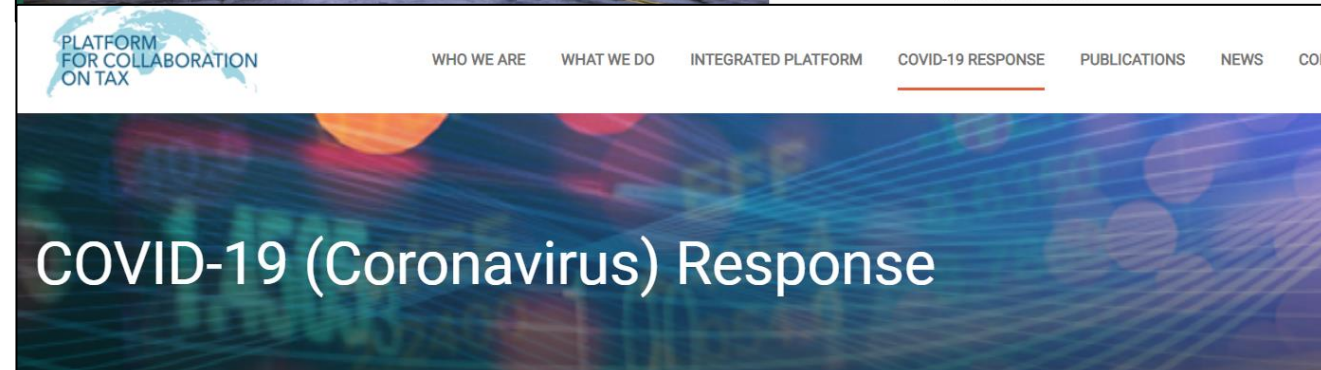
The screenshot shows the 'INTEGRATED PLATFORM' section of the PCT website. It features a navigation menu with 'WHO WE ARE', 'WHAT WE DO', 'INTEGRATED PLATFORM', 'COVID-19 RESPONSE', 'PUBLICATIONS', 'NEWS', and 'CONTACT'. Below the menu are three buttons: 'LIST', 'MAP', and 'DELIVERY MODELS'. A welcome message reads: 'Welcome to The Online Integrated Platform (OIP)! This platform is an extensive database that brings together domestic resource mobilization activities and projects by PCT partner organizations. On this platform, you can search tax-related projects and activities implemented by PCT partners around the world by country, regions or organization. By using this database, you will gain insights into current and future opportunities for global collaborations.' Below the text are two dropdown menus labeled 'COUNTRY' and 'ORGANIZATION' over a world map.



The screenshot shows a virtual workshop announcement. It features logos for the International Monetary Fund, OECD, and the United Nations. The text reads: 'PCT's Toolkit Workshop Goes Virtual. The PCT Partners organized a virtual workshop on the Toolkit for Addressing Difficulties in Accessing Comparables Data for Transfer Pricing Studies on March 16-17, 2020.' Below the text is a button that says 'VIRTUAL CLASS ON THE TOOLKIT for ADDRESSING DIFFICULTIES IN ACCESSING COMPARABLES DATA FOR TRANSFER PRICING (WITH A FOCUS ON PRACTICAL EXPERIENCE OF COUNTRIES)'. The date '16-17 March 2020' is displayed at the bottom.



The screenshot shows a blog post with a background image of a city street. The title is 'Facing the crisis: the role of tax in dealing with COVID-19'. The text reads: 'The current crisis is a global challenge that requires a global response. International tax cooperation must be part and parcel of a set of effective and well-coordinated multilateral actions to respond to the crisis.' Below the text is a byline: 'A joint blog by Vitor Gaspar, IMF; Navid Hanif, UN; Ceyla Pazarbasioglu, WBG; Pascal Saint-Amans, OECD.'



The screenshot shows the 'COVID-19 (Coronavirus) Response' page. It features a navigation menu with 'WHO WE ARE', 'WHAT WE DO', 'INTEGRATED PLATFORM', 'COVID-19 RESPONSE', 'PUBLICATIONS', 'NEWS', and 'CONTACT'. Below the menu is a large banner with the text 'COVID-19 (Coronavirus) Response'.

This page includes tax policy and tax administration knowledge resources from the PCT Partners relevant in the context of the COVID-19 (Coronavirus) crisis response. The list will be updated regularly.

Blogs

- [Facing the crisis: the role of tax in dealing with COVID-19](#) - a joint blog by Vitor Gaspar, Director, Fiscal Affairs Department, IMF; Navid Hanif, Director, Financing for Development Office, UN; Ceyla Pazarbasioglu, Vice President, Equitable Growth, Finance and Institutions, WBG; and Pascal Saint-Amans, Director, Centre for Tax Policy and Administration, OECD (16 June 2020).
- [In Tax, Gender Blind is not Gender Neutral: why tax policy responses to COVID-19 must consider women](#) by Michelle Harding, Senior Tax Economist/ Head of the Tax Data and Statistical Analysis Unit, Grace Perez-Navarro, Deputy-Director, and Hannah Simon, Junior Analyst, OECD Centre for Tax Policy and Administration, OECD (1 June 2020).
- [Consumption tax revenues under COVID-19: Lessons from the 2008 global financial crisis](#) by Michelle

Video



The screenshot shows a video thumbnail with the text 'SUSTAINABLE DEVELOPMENT GOALS' and 'Taxation and the Sustainable Development Goals'.

Resources

- <https://www.tax-platform.org/>
- <https://openknowledge.worldbank.org/bitstream/handle/10986/34139/9781464815591.pdf>
- <https://www.worldbank.org/en/programs/the-global-tax-program>