Taxation as a means of Achieving Sustainable Development Goals in Africa

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Make today matter

Introduction

- States need funds to provide public goods & services
- Funds ensure economic development and protection of human rights
- Taxes – sustainable means of state funding
- Factors that impact on effective taxation in Africa
  - Internal factors: poor governance, corruption, under developed laws
  - External factors: externally imposed economic and fiscal policies

The UN Sustainable Development Goals

Commitments to achieve the SDGs in Africa

- African leaders: foreign aid not sufficient to meet SDGs
  - African Union Agenda 2063
- South Africa
  - National Development Plan: Vision for 2030
- University of Pretoria
  - SDG Hub

South African SDG Hub

Taxes generate funds to support achievement of SDGs

• Ending poverty (SDG 1) • Zero hunger and malnutrition (SDG 2) • Quality education (SDG 4) • Good health and wellbeing (SDG 3) • Clean water and sanitation (SDG 6) • Clean and affordable energy (SDG 7) • Infrastructure (SGD 9) • Reduced inequalities (SDG 10) • Strong institutions (SDG 16)	• Gender equality (SDG 5) • Decent work & economic growth (SDG 8) • Sustainable cities & communities (SDG 11) • Responsible consumption & production (SDG 12) • Climate action (SDG 13) • Life below water (SDG 14) • Life on land (SDG 15) • Partnerships for the goals (SDG 17)

Taxation can ensure equity

- Curtail tax evasion and illicit financial flows

- Curb BEPS - Adopt OECD BEPS Measures – to achieve SDGs

Taxes influence people's behaviour & choices

- Excise taxes can impact on the environment
  - Green tax on carbon-dioxide emissions
  - Tax on plastic bags

Taxes influence people's behaviour & choices

- Taxes can have an impact on health
- Excise taxes - tool in public-health issues
  - Sin taxes on
    - Tobacco, cigarettes, cigars, alcohol
  - Sugar tax

Taxes can be used as a tool to achieve gender equality

- Explicit gender biases
  - Specific legal provisions that deliberately treat men and women differently
- Implicit gender biases
  - Less obvious – e.g. in VAT provisions

- Gender dimensions & tax require good governance

Successful achievement of SDGs requires efficient and effective tax systems

- Build voluntary compliance & effective enforcement
  - Promote equitable tax administrations
  - Competent & fair tax administration
  - Connection between taxes paid & public services
  - Ensure accountability and transparency

- Effective tax administration in fragile states
  - Build self sustaining tax systems

Conclusion

- Tax reform in Africa
- Last few decades - encouraging trends in DRM in sub-Saharan Africa
- DRM to fund Africa's development still remains unstable and unreliable
  - economic impact of Covid-19
- Impediments to DRM need to be continuously re-examined.

Thank You