



Justice and Ecology Office

Brussels, December 10, 2019

**Fr. Charles B. Chilufya, S.J.**  
**Director -Justice and Ecology Office**  
**Jesuit Conference of Africa and Madagascar (JCAM)**  
[jeodirecdtor@jesuits.africa](mailto:jeodirecdtor@jesuits.africa)  
**+254786584784**

### FOR IMMEDIATE RELEASE

Illicit flow of money outside Africa in form of tax avoidance, profit shifting and transfer of wealth to offshore accounts are among the main drivers of poverty in Africa. We as African Jesuits are outraged by this state of affairs. This is a matter of global concern, but this concern is particularly more acute in developing countries, let alone sub-Saharan African countries. Sub-Saharan Africa has one of the highest ratios of Illicit Financial Flows (IFFs) of which tax avoidance, tax evasion and tax fraud are a substantial share of any region in the world. Last year in October, the former South African President Thabo MBEKI indicated at the African Union High Level Panel (HLP) on IFFs inter-ministerial meeting in Abuja that the African losses had increased to about USD 80 billion from the initially cited \$ 50 billion four years ago.

The Jesuit Justice and Ecology Network of Africa (JENA), recognises that the promotion of sustainable development and the eradication of poverty require sufficient and the right type of finance. Over the last 50 years of political independence, African countries have relied on aid inflows and on external borrowing. Past experience has shown the negative impacts of external borrowing and debt servicing both of which have not brought about the needed development but kept Africa financially dependent on external financing. Even if the current rates of political commitment were met, aid finance will not be enough to eradicate poverty in the face of climate change and other global challenges. Therefore, new alternative sources of revenue additional to official development assistance (ODA) are needed and chief among these is tax revenue in combination with efforts to stem Illicit Financial Flows.

Raising domestic revenue from taxation and stemming IFFs in many African countries faces numerous challenges of both an international and domestic nature. At the international level, the situation is worsened by the current International Financial and Tax Architecture that determines the flow of resources between nations, which is skewed in favour of rich countries. At the domestic level, one of JENA's concerns is the question of corruption and lack of public accountability.

We bear in mind the low capacity of some African tax administrations to enforce tax laws and tackle illicit financial flows (IFFs), which is one of the chief reasons for the IFF problem. The post-2015 Sustainable Development Goals call for a global partnership *"to strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection"*.

Conference of Major Superiors of Africa and Madagascar

We therefore call for increased intergovernmental and multilateral Europe-Africa cooperation highlighting especially the promotion of tax transparency and exchange of information.

We further call for stronger efforts by the European Union to:

- i. Support development policies in Africa linked to strategies for increasing domestic resource mobilisation that can enhance the living conditions of Africans. For example: If Kenya, would no longer give 1 billion USD worth of tax incentives to multinational corporations, it could use that money to finance critical sectors like education and health. The same would happen if Kenya were able to prevent 937 million USD annual losses due to trade misinvoicing.
- ii. Support efforts aimed at promoting good governance and help build people power to hold governments accountable in regard to the spending of public funds and democratic governance.
- iii. Support civil society's efforts to empower and mobilise the public to get engaged in the struggle for more tax justice in order to advance a more socially just and more ecologically sustainable society and economy.

Finally, we:

- a. denounce corporate irresponsibility and increasing corporate, private and criminal wealth-driven inequality
- b. call on national governments in Africa to improve transparency in Tax Expenditures in terms of both their scope and periodicity and to promote public accountable use of raised financial resources

End

**The Jesuit Justice and Ecology Network Africa (JENA)** is a diverse community of faith-inspired Jesuit NGOs, also known as Social Centres, related Jesuit Institutions, individual Jesuit peace and development activists and scholars driven by a vision of a just, poverty-free, peaceful and ecologically regenerative Africa. JENA operates under the aegis of the Justice and Ecology Office (JEO) of the Jesuit Conference of Africa and Madagascar (JCAM)