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## HIGHLIGHTS

### Collaboration between AFRODAD and Tax Justice Network - Africa to strategize on litigating Double Taxation Avoidance Agreements in Africa

*A court judgment by the Kenyan High court in March 2019 that saw the striking down of a tax agreement with offshore haven Mauritius as unconstitutional has opened a positive avenue for African governments to rethink the formulation of Double Taxation Avoidance Agreements (DTAAs) as a measure to curb the continued illicit flows of billions of dollars in lost revenue through tax evasion. This ruling has set precedence and validates the call for African countries to review all their tax treaties and bilateral loan agreements particularly those signed with tax havens and multilateral institutions respectively.*



Tax Justice-Network Africa (TJNA) in collaboration with AFRODAD co-hosted a two-day expert meeting to strategize on the implications of the court ruling on the Kenya – Mauritius Double Taxation Avoidance Agreement. This meeting held in Nairobi on the 19-20 August 2019, focused on gathering expert positions on the impact of the ruling and to rethink the costs, benefits and motivations around the signing of Double Taxation Agreements (DTAs) in Africa. Furthermore, the meeting provided AFRODAD with expert insight and strategies on how to litigate odious and unconstitutional public debts. Key issues discussed included Legal aspects of the case, constitutionality of DTAs, different models of DTAs, the capacity to negotiate DTAs and strategies to challenge DTAs.

“The fact that DTAs are subject to abuse and treaty shopping which makes tax avoidance and tax evasion permissible thus resulting in revenue losses requires us to have a relook at DTAs

that our governments have signed with capital exporting countries” said AFRODAD’s Policy Analyst Rangarirai Chikova who was in attendance.

The ruling from the TJNA court case has given like-minded organizations like AFRODAD the impetus to formally petition against African governments that continue to sign flawed loan deals and DTAs especially with multilateral institutions and tax havens without public scrutiny. Such situations promote illicit financials flows and tax avoidance practices consequently denying African countries the much needed revenues to finance development. AFRODAD will utilize some proficient strategies acquired from the workshop for its litigation against illegal debt.

Key among discussed strategies was the need to strengthen evidence that the Kenya Mauritius DTA results in tax loses to the Kenyan government. As a conclusion, experts unanimously agreed that the case would be appealed. The meeting ended with a call to African governments to revisit all their signed DTAs and those under negotiation to ensure that they are compliant with constitutions that puts citizens first as beneficiaries of all tax revenues. The meeting also asked African governments to set up DTA policy frameworks that set out basic guidelines that countries in Africa should consider while signing bilateral tax agreements.

### AFRODAD contributed to strengthening capacity on risk informed and shock responsive social protection programming in Zimbabwe

Following the [devastating effects of Cyclone Idai that left a trail of destruction in Zimbabwe](#), a glaring gap emerged revealing how the current social protection regime in Zimbabwe is weakly designed to respond to large scale shocks. In this regard, AFRODAD attended a workshop organized by the Zimbabwe Social Protection Platform (ZSPP) in partnership with Act Alliance Zimbabwe on Social Protection in Harare Zimbabwe on 20 and 21 August. The broad objective of the workshop was to strengthen the capacity of Social Protection service providers in Zimbabwe and to equip them with requisite skills to provide shock-responsive social protection.



disaster in Zimbabwe that heavily affected livelihoods. “There is need for civil society to work through government systems in order to strengthen local capacity to respond effectively to prevent families from falling into poverty after disasters” Mr. Adrian Chikowore, AFRODAD - policy analyst under the International Public Finance portfolio who was part of the delegation representing civil society in Zimbabwe at the workshop emphasized. There is need for the Ministry responsible for social

The workshop was themed “Strengthening Shock-Responsive Social Protection and Social Accountability” and it brought together key actors in the provision of social protection services in Zimbabwe namely Church-based organizations, various Civil Society Organizations, officials from the Ministry of Public Service, Labour and Social Welfare (MPSLSW) and key line Members of Parliament.

The workshop concluded with the identification of specific action Plans and priorities from the three sectors that attended namely; faith actors, Government and the Civil Society that can be adopted, with top actions raring Government to: sustainably invest in shock-proofing existing social protection systems in Zimbabwe and to have predictable, sustainable and consistent safety nets in place in order to protect the affected communities from shocks.

AFRODAD’s position is that civil society organizations in Zimbabwe and the region have an important role to complement, monitor and put pressure on governments to act accordingly in the face of disasters like the Cyclone Idai

protection to ensure that effective systems are also put in place for budget execution and coverage of social protection programmes as, unfortunately, the Ministry recorded a retention of USD\$9 million in 2018, money which could have been disbursed for citizens' sake since they were direly in need of social assistance.

This workshop represented an invaluable tool for learning and knowledge exchange thus contributing to the adoption of innovative approaches to alleviate the burden of emerging challenges on vulnerable populations in the country.

The meeting concluded with an agreed upon outline of some broad policy recommendations for the government namely:

- 1) Increased investment in the development and roll-out of social protection systems:
- 2) Assessments of targeting tools, feasibility, and appropriateness of social protection systems to respond to shocks: and
- 3) Enhanced coordination amongst government ministries, donors and civil society in the financing and implementation of social protection interventions through a clear development cooperation framework.

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