



Statement by H.E. Mr. Omar HILALE
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On behalf of the African Group

Preparatory Process of the Third International Conference on Financing for
Development
First drafting session
Domestic resource mobilization

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Co-facilitators,

I have the honor to deliver this statement on behalf of the African Group.

In Africa, taxation revenue is low and underpinned in several countries by weak administrations that do not fully exploit the existing domestic tax base, as well as the impact of the international market trend.

It should be noted that an enabling international economic environment and multilateral trade regime that favor African exports can foster the kind of inclusive economic growth that will have a very positive impact on domestic resource mobilization for development in Africa.

Therefore, the Group believes that the following, inter-alia, ideas will address these challenges.

- x Strengthen tax administration, including through digitalization, to broaden the tax base;
- x Strengthen institutional capacities to deal decisively and effectively with private sector practices aimed at tax evasion, in particular transfer pricing and trade mispricing, including by reinforcing the capacities of customs authorities, national judicial systems and law enforcement agencies to aggressively pursue and punish transgressors;
- x Develop human resource capacities for contract negotiation, elaborate standard contract arrangements and legal instruments, and facilitate increased participation by local communities and other stakeholders, as well as new revenue

(derived from royalties, income tax, land tax and lease rents etc) distribution mechanisms for sharing, at local level, portions of centrally collected rents;

- x Develop instruments to better manage re

- x Promote country-by-country reporting for international corporations, that is made public and accessible to developing countries' tax administrations and local civil society;
- x Implement financial transactions taxes (FTTs) which to be dedicated to human and environmental development initiatives.

To implement these ideas that will substantially contribute to leverage important domestic resources and build the necessary capacity, we will need to break the gap of additional financial resources requirements that goes beyond ODA support.

I thank you