

EXPERT : MITIGATION OF ILLICIT
FINANCIAL FLOWS



Pretoria, South Africa

© ATAF 2023

TERMS OF REFERENCE FOR THE HIRING OF AN EXPERT ON THE MITIGATION OF IFFs

1. PURPOSE

The purpose of this ToR is to procure the expertise of a consultant to craft a comprehensive and actionable paper on mitigating IFFs, deeply rooted in the IFFs mitigation framework as conceptualized by the Joint Technical Committee on IFFs (JTC) of the African Tax Administration Forum (ATAF).

2. INTRODUCTION

The African Tax Administration Forum (ATAF) is a network promoting cooperation, knowledge sharing, capacity building, and technical support to African revenue authorities. It further seeks to ensure greater synergy and cooperation in capacity development amongst all relevant stakeholders to reduce duplication and give greater support to African Tax Administrations. From its beginning in 2009, when it was formally launched, ATAF is steadily growing in stature and in influence. Today ATAF is an important voice on tax affairs in Africa and the world. It has achieved the status of an international organisation and its membership has grown to 42 African tax administrations.

3. BACKGROUND OF THE ASSIGNMENT

- Illicit Financial Flows (IFFs) in Africa represent a significant impediment to the continent's domestic resource mobilization progress. According to the United Nations Economic Commission for Africa, the continent loses an estimated \$50 billion annually due to IFFs. These flows often stem from tax evasion, trade misinvoicing, and other illicit activities that divert funds away from public projects and services. Furthermore, a report from the Tax Justice Network underlines the criticality of this issue, asserting that these diverted sums could have been invested in areas like health, education, and infrastructure, bolstering Africa's efforts to achieve its developmental goals. The magnitude and impact of IFFs underscore the need for robust policies and cooperation both within Africa and globally to curtail these detrimental flows.
- ATAF has proactively taken steps to tackle the pressing issue of Illicit Financial Flows (IFFs) by formulating a strategic approach focused on transparency and international cooperation as fundamental pillars for curbing tax related IFFs. In a bid to enhance this strategy, the Joint Technical Committee (JTC) of ATAF has crafted an IFF mitigation framework. Although still in its nascent stage requiring further enhancement, this pivotal document emerges from profound collaborative deliberations, emphasizing key issues central to mitigating IFFs in the African context. Embracing pillars like rigorous compliance, vigilant monitoring, assertive

enforcement, and contemplation of cross-border policy dynamics, the framework positions itself as a cornerstone for a cohesive and practical strategy against IFFs.

- Recognizing the vast potential that lies within the continent's resource mobilization, ATAF discerns the urgency to channel these resources appropriately for the well-being and development of African nations. Building upon the foundation set by the IFF mitigation framework crafted by the JTC, ATAF identifies the indispensable need for a comprehensive technical paper. This paper will delve deeper into actionable steps, crystallizing the collaborative insights and ensuring they translate into pragmatic measures.

4. GENERAL SCOPE OF TASK

To fulfil the mandate of this task, the expert will be responsible for the following.

- Review and Analysis:
 - ✓ Undertake a detailed review of the IFFs mitigation framework developed by the JTC.
 - ✓ Analyze existing literature, research, and case studies related to IFFs in the African context.
 - ✓ Engage with key stakeholders, including members of the JTC, ATAF technical committees, and other relevant bodies for insights and feedback.
- Drafting the Technical Paper:
 - ✓ Develop a draft technical paper based on the framework, integrating feedback from stakeholders and findings from the review.
 - ✓ Ensure the paper offers practical guidance, policy recommendations, and actionable steps for mitigating IFFs.
- Revisions and Finalization: In developing the ToR
 - ✓ Incorporate feedback from ATAF and revise drafts as necessary.
 - ✓ Present a final version of the working paper for approval.

5. DELIVERABLES

- Initial report of findings from review and stakeholder consultations – October 27, 2023
- A working paper on mitigating IFFs – February 29, 2023
- A finalized, comprehensive paper on mitigating IFFs – March 31, 2023

6. KEY REQUIREMENTS

The ideal candidate will have the following qualifications and experience:

- Advanced degree in economics, taxation, law, finance, public administration or a related field
- At least 10 years of experience in tax policy or administration.
- Demonstrated expertise in IFFs, particularly within the African context.
- Prior experience in drafting policy papers, reports, or comparable documents.
- Robust analytical, research, communication, and writing capabilities.
- Proven ability to engage with and facilitate discussions among high-level stakeholders.

Added advantages.

- Tax compliance monitoring and enforcement experience.
- Excellent project or stakeholders management skills.
- Ability to maintain confidentiality.
- Ability to communicate in French or Portuguese.

7. DURATION OF THE ASSIGNMENT

The assignment is expected to start on **16 October 2023** and end on **30 April 2024**. The billable number of days for the assignment is **[40]**.

8. REPORTING

The expert will report to Managers, International and Domestic Tax Policy and Administration in Member Services and domestic Revenue Mobilisation Department of ATAF.

9. APPLICATION PROCESS

Interested candidates should submit:

- A comprehensive CV showcasing relevant experience.
- A cover letter detailing their understanding of the project and methodology.
- Two examples of prior work aligning with this consultancy.
- A proposed budget.

Here is the application link: <https://bit.ly/48iQlvP>

Application closing date: **29 September 2023**.

10. EVALUATION CRITERIA

No	Description of evaluation criteria	Maximum points
1	The candidates understanding of the TORs through the motivation to be submitted with the Expression of Interest	20
2	The candidate must have an advanced degree in either of the following: economics, taxation, law, finance, public administration, or a related field	20
3	Minimum of 10 years of demonstrated experience in tax policy and administration. Tax compliance monitoring and enforcement experience is an added advantage.	35
4	The candidate must be computer literate and with excellent report writing and communication skills in English. Ability to communicate in French or Portuguese is an added advantage.	15
5	Demonstrated project or stakeholders management experience.	10