

# Open Letter to SADC Heads of State through His Excellency, Dr Lazarus McCarthy Chakwera, President of the Republic of Malawi

Your Excellency,

We would like to take the opportunity to congratulate you on your role of incoming Chairperson of SADC, taking over from His Excellency Filipe Jacinto Nyusi, President of the Republic of Mozambique.

This is a unique opportunity and one which we hope you will be able to effectively use to continue championing the principles of equity and social justice for sustainable development across the region.

In particular, and given your recent high profile leadership at the Global Partnership for Education Summit in London at the end of July, we are certain you will be able to successfully use your leadership as an opportunity to continue underscoring the vital importance of investment in education.

Ensuring inclusive and equitable quality education and lifelong learning opportunities for all, is not only one of the 17 Sustainable Development Goals, it is also absolutely critical for the achievement of the key priorities for SADC governments across the region, including those to be addressed during this year's Heads of State summit, notably: 'bolstering productive capacities in the face of Covid-19 pandemic for inclusive, sustainable, economic and industrial transformation.'

As such, continuing to safeguard allocations to education and raise (and even exceed) globally agreed education financing benchmarks of 15-20% of national budget and 4-6% of GDP, will be vital both during and post-Covid-19.

Given Malawi's commendable and long-standing prioritisation of education, which has consistently received one of the highest funding allocations as a share of overall budget, it is our belief that your Excellency is positioned to play a uniquely influential role in ensuring that the financing of public education is seen as a core requisite in the achievement of broader SADC priorities.

Education is an enabling right and therefore, investing in education is critical to ensuring all other rights are fulfilled. It is also critical to ensuring that future doctors, nurses and other health personnel are educated and deployed, better equipping countries to respond to future pandemics. Good education is also fundamental to ensure the skills and knowledge required to support inclusive, sustainable economic and industrial transformation.

Furthermore, in today's uncertain times and against the backdrop of a massive global economic downturn and rising debt there is a growing recognition of the importance of domestic resource mobilisation as the main source of financing education and other public services, which will also contribute to reducing aid dependency.

As such, under your leadership we anticipate that the fundamental role of fair and progressive tax mobilisation, especially through the removal of harmful corporate tax incentives and review of unfavourable Double Taxation Agreements, and the fight against corruption and illicit financial flows will help SADC governments rapidly raise the funds they need to increase the overall size of their national budgets, thus making available more money, in real terms, to finance public education and other public services like health, water and social protection.

For example, research by ActionAid and its partners has shown that in 2015/16 Malawi lost an estimated US\$ 87 million to harmful tax incentives and tax treaties alone. That's more than double the costings in the current National Strategy for Inclusive Education over five years.

In 2020, further studies demonstrated that just six progressive tax reforms could significantly increase revenue generation in Malawi, translating into a 2% increase in Malawi's tax-to-GDP ratio (an estimated US\$ 135.1 million).

In Mozambique, a similar programme of reforms, focusing on taxes on personal and corporate income and incentives, property and luxury goods, could result in a staggering 6% increase in the tax-to-GDP ratio in Mozambique. This adds up to around US\$ 701 million, roughly equivalent to the current percentage of GDP allocated to the entire education budget.

Meanwhile, in 2018 it was estimated that the Government of Tanzania was losing US\$ 531.5 million each year to harmful tax incentives and tax treaties alone. To put this in context, this is enough to pay for the entire National Strategy on Inclusive Education (US\$ 153 million) more than three times over.

Your Excellency, we are counting on your leadership and the influential position you have come to assume as Chairperson of SADC to ensure the issues of tax reforms and fight against illicit financial flows are firmly placed and maintained on the discussion table.

We count on you to ensure that investment in public education is key to the achievement of sustainable development and influence SADC Heads of State to implement bold, progressive tax measures, ensuring large corporations pay their fair share, thus contributing to the commonly shared vision of inclusive, sustainable, economic and industrial transformation for the region and ensure that no one is left behind.

We wish all the SADC Heads of State fruitful deliberations.

**Endorsed by the following National Education Coalitions in the SADC region:**

Civil Society Education Coalition (CSEC) - Malawi

Coalition Nationale Malgache pour l'Education Pour Tous(CONAMEPT) - Madagascar

Coalition Nationale pour l'Education pour Tous (CONEPT- RDC) - Democratic Republic of Congo

Education Coalition of Zimbabwe (ECOZI) - Zimbabwe

Lesotho Council of Non - Government Organisations (LCN) - Lesotho

Movimento de Educação para Todos (MEPT) - Mozambique

Namibia Education Coalition for Civil Society Organisations (NECCSO) - Namibia

Rede Angolana da Sociedade Civil de Educação para Todos (Rede-EPT) - Angola

Swaziland Network Campaign for Education For All (SWANCEFA) - Swaziland

Tanzania Education Network/Mtandaow wa Elimu (TENMET) - Tanzania

Zambia National Education Coalition (ZANEC) - Zambia

