



Germany

Most important recipients

<i>2017 gross disbursements, Mio. USD</i>	<i>2017 commitments, Mio. USD</i>
Africa, regional 4.564	Africa, regional 5.355
Bilateral, unspecified 1.908	Namibia* 3.382
	Benin* 3.044

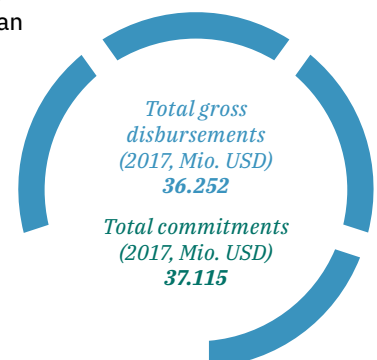
**ATI partner country*

Doubling support to DRM in partner countries

Germany stands to its commitment to double its support for domestic revenue mobilisation. German development cooperation supports domestic revenue mobilisation as part of its wider support to **Good Financial Governance (GFG)**. GFG combines technical support to public financial management (PFM) functions with a normative approach and a sound political economy analysis. In 2017, the support to domestic revenue mobilisation provided by Germany in disbursements amounted to USD 36 million, while commitments reached USD 37 million. 64 projects were bilateral or regional programmes implemented by the financial and technical support of German development cooperation. 40 of them were bilateral projects in cooperation with 17 African partner countries. Eight of the 64 projects are regional projects, which support several countries directly at the same time and/or regional partners, such as the African Tax Administration Forum (ATAF). Thus, the regional projects support all members of these organisations indirectly. The mentioned projects are usually GFG projects that support, next to PFM and external audit, also domestic revenue mobilisation. Apart from that, Germany supports several DRM-related multilateral trust funds and finances six projects, which work on DRM topics on a global or sectoral basis.

Additionally, German development cooperation supports the progress of the international tax agenda through **technical and financial support** to secretariats, **technical advisory groups** (e.g. TADAT or BEPS) and **multilateral funds**. The established ongoing support in partner countries, building on long-lasting trustful relationships with partner governments, is complemented with new initiatives by the German G20 Presidency in 2017 (such as the Africa Academy for Tax and Financial Crime Investigation in Nairobi), the initiative “Digital Africa” and the 2030 Agenda “Early Mover” Programme. Through these initiatives, new projects joined the DRM portfolio filling gaps and addressing interfaces

Germany’s commitment to domestic revenue mobilisation has received new impulses over the last years. For instance in its new strategy paper “Development Policy 2030”, Germany acknowledges that official development assistance (ODA) alone is not enough to finance development, but that support to self-reliance and towards an increased ability of self-financing is needed. In 2017, the “Marshall Plan with Africa” was introduced, as a new guiding strategy for the German development cooperation with Africa. The Marshall Plan builds on three pillars and domestic revenue mobilisation plays an important role in pillar three (democracy, rule of law and human rights). Through the Marshall Plan, Germany has established new partnerships with reform-oriented partner countries.



Policy coherence for development

Germany considers policy coherence as crucial for effective policymaking. Therefore, all ministries **cooperate and coordinate** their activities to reach the Sustainable Development Goals (SDGs). They make sure that their strategies, for example towards the cooperation with Africa, are aligned and coherent. For instance, domestic revenue mobilisation plays a central role within various ministerial strategies concerning close cooperation with Africa, both within the Marshall Plan with Africa's reform partnerships by the Federal Ministry for Economic Cooperation and Development (BMZ) and within the **Compact with Africa (CwA)** from the Federal Ministry of Finance (BMF). These concepts were fed into overarching Africa policy guidelines of the Federal Government, which also addresses domestic revenue mobilisation.

Additionally, an **inter-ministerial committee on Africa policy** was established to develop and coordinate coherent action by all relevant ministries. In the area of domestic revenue mobilisation, BMF and BMZ are key actors. While BMF is responsible for national and international tax policies, BMZ supports partner countries in the field of GFG, including strengthening the mobilisation of domestic revenues. The responsible departments are in exchange and integrate each other's expertise into their work. They make sure to include each other in important decisions and to meet on a regular basis in order to speak with one voice.

Cooperation between both ministries is further strengthened through close cooperation in assisting partner countries. Officials from the finance ministries and the tax authorities support German Development Cooperation with their expertise. This support is facilitated by projects of German Development Cooperation in the respective countries.

Outlook

Being a member of the Addis Tax Initiative has continued to raise and strengthen the importance of domestic revenue mobilisation for German development cooperation. The topic remains high on the political agenda, as it directly implies promoting countries' **self-reliance and independence from ODA**. Since the commitment to the Addis Tax Initiative, several German initiatives such as the "Digital Africa" programme or the "2030 Agenda" initiative included DRM-promoting components. Apart from ATI Commitment 1, the ATI membership led to greater awareness and discussions regarding policy coherence.

German commitment to double the efforts remains very strong and the topic of strengthening domestic revenue mobilisation in German partner countries remains high on the political agenda. Germany's comprehensive strategy and multi-faceted approach underline the importance of domestic revenue mobilisation in German development cooperation.