



## Stepping up domestic revenue mobilisation

# United Kingdom

Gross disbursements – \$43.97 million

Commitments – \$44 million

Most important recipients (including top 3 individual countries, where relevant):

- Disbursements – Developing countries unspecified: \$8.73 million; Somalia: \$4.94 million; Pakistan: \$4.86 million; Ghana: \$4.62 million

- Commitments – Developing countries unspecified: \$8.64 million; Somalia: \$621 million; Ethiopia: \$4.65 million; Ghana: \$4.26 million;

## Doubling support to DRM in partner countries

In 2019, the UK's ODA for domestic revenue mobilisation (DRM) expenditure was reported as USD 43.97 million, which represents a 25% increase compared to 2018 but just a 7% increase compared to 2015.

The Foreign, Commonwealth & Development Office (FCDO) leads the United Kingdom's (UK) tax and development policy portfolio. In 2019, the majority of the UK's financial support on DRM to partner countries was channelled through existing multilateral platforms, such as OECD programmes to assist developing countries address international tax evasion, the World Bank's Global Tax Programme, the Platform for Collaboration on Tax (PCT), the African Tax Administration Forum (ATAF), the Intergovernmental Forum for

Mining, Minerals, Metals and Sustainable Development (IGF), the IMF's Tax Administration Diagnostic Assessment Tool (TADAT) and Africa Regional Technical Assistance Centres' (AFRITACs), and the Institute for Fiscal Studies.

The UK also supports a number of significant bilateral programmes, including assistance for building the capacity of Somalia's new federal system of government by establishing and improving systems for tax, spend and civil service management, the World Bank's Stability and Growth Programme in Pakistan, and technical assistance for strengthening tax administration and policy systems for sustainable DRM in Ghana.

## Policy coherence for development

The UK's FCDO works actively to strengthen the global financial system's ability to protect open societies and drive robust international action against illicit financial flows. To support these efforts, it has created a specialised department on illicit finance and anti-

corruption, and the UK's National Crime Agency has also targeted the professional enablers of illicit financial activity and returned stolen assets to developing countries.

In 2019, the UK was the largest bilateral donor to the OECD's work on global tax issues, which has helped the OECD to provide 41 countries with capacity building support on Base Erosion and Profit Shifting (BEPS). The UK also supports the OECD's work in tackling financial crime, through support for the Global Forum (GF) for the Exchange of information, and it has assisted countries in Africa and Asia with

the implementation of international standards on Automatic Exchange of Information (AEOI).

As regards the taxation of ODA, the UK has actively engaged with the UN Tax Committee's review of its guidelines on the Tax Treatment of ODA projects, and it continues to publish relevant MoUs and taxation guidelines, where possible.

## Outlook

The UK has only achieved a marginal increase in its ODA for DRM in partner countries since 2015. The additional financing pressures created by the response to COVID-19 and cut to the aid programme in 2020, mean that the significant financing gap to achieve

the target of doubling support for DRM will not be met by the UK. The UK Government is, however, committed to continuing to provide capacity building support to strengthen self-sufficiency in partner countries.