

Ministry of Foreign Affairs – Department for Multilateral Cooperation and Policy (MUS)

Meeting in the Council for Development Policy on 26 October 2023

Agenda Item No. 7

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| 1. Overall purpose: | <i>For discussion and recommendation to the Minister</i> |
| 2. Title: | Resource Mobilisation for Development. Programme for Anti-Corruption and Domestic Resource Mobilisation (2023 – 2026) |
| 3. Amount: | DKK 369 million (2023-2026) |
| 4. Presentation for Programme Committee: | 16 May 2023 |
| 5. Previous Danish support presented to UPR: | 26 March 2019 (Anti-corruption Programme 2019-2022) |

Resource Mobilisation for Development

Programme for Anti-Corruption and Domestic Resource Mobilisation 2023 - 2026

Key results:

- Fast-tracking the implementation of the UNCAC.
- Strengthened maritime trade governance and private sector Collective Action to improve integrity in seaports, in the broader trade corridors and thereby furthering ESG commitments in the West African region; and Promotion of Collective Action and the role of maritime trade governance at a global level as a means of reducing trade barriers, improving the culture of integrity and thereby increase growth and development.
- Investigative journalism and coalition building strengthened to curb corruption, tax evasion and avoidance, and illicit financial flows.
- Promotion of U4's vision: A just and equitable future for all, free from the damaging effects of corruption.
- Strengthened tax and customs systems of developing countries by facilitating the design and implementation of evidence-based reforms. Increased revenue and tax capacity in tax administrations.
- Increased participation of developing countries in tax cooperation fora.
- Strengthened revenue collection and reduced revenue losses through related government reforms in regulating and managing extractive industries.

Justification for support:

- "The World We Share" commits to promote democracy and human rights. It states that "Denmark will fight corruption and tax fraud and evasion by strengthening international norms and standards".
- Through the Addis Tax Initiative under the Addis Ababa Action Agenda (AAAA), Denmark commits to support strengthened domestic resource mobilisation (DRM), including curbing corruption, money laundering and illicit financial flows from tax evasion, tax avoidance and other harmful tax practices.
- Both anti-corruption and improved DRM are central to enhance national and sub-national governance and hence have important democratic objectives, including the strengthening of the social contract.
- Corruption and domestic resource mobilisation have important international aspects through transnational financial flows resulting in substantial losses of income at country level. The programme will encompass these as well as more specifically anti-corruption and revenue-related challenges.

Major risks and challenges:

- Revenue collecting capacity of developing countries undermined by continued lack of progress to curb illicit financial flows. Strengthening the formal tax collection – without curbing illicit financial flows - might thus have a regressive impact on poverty.
- Domestic resource mobilisation and democracy and HR might

Programme objective:

To increase domestic resources in developing countries for investments in sustainable development

Environment and climate targeting - Principal objective (100%); Significant objective (50%)

	Climate adaptation	Climate mitigation	Biodiversity	Other
Total green budget (DKK)	N/A	N/A	N/A	N/A

	Total thematic budget:
United Nations Office for Drugs and Corruptions (UNODC)	32
Maritime Anti-Corruption Network (MACN)	13
Transparency International/UNCAC Coalition/Global Anti-Corruption Consortium (GACC)	56
U4 Anti-Corruption Resource Centre	12
World Bank Global Tax Program (GTP)	80
UNDESA – UN Committee of Experts on International Cooperation in Tax Matters (UN TTF)	42
The African Tax Administration Forum (ATAF)	20
The Extractive Industry Transparency Initiative (EITI)	20
Unallocated	92
Programme support	2
Total	369

File No.	2022-13018				
Country	Global				
Responsible Unit	MUS				
Sector	Governance				
<i>DKK million</i>	2023	2024	2025	2026	Total
Commitment	85	99	115	70	369
Projected	55	119	125	70	369
Duration	2023 – 2026				
Finance Act code.	§06.32.08.70				
Head of unit	Marie-Louise Koch Wegter				
Desk officer	Jonas Nyrop Henriques				
Reviewed by CFO	Lars Balchen Post				

Relevant SDGs

 No Poverty	 No Hunger	 Good Health, Wellbeing	 Quality Education	 Gender Equality	 Clean Water, Sanitation
 Affordable Clean Energy	 Decent Jobs, Econ. Growth	 Industry, Innovation, Infrastructure	 Reduced Inequalities	 Sustainable Cities, Communities	 Responsible Consumption & Production
 Climate Action	 Life below Water	 Life on Land	 Peace & Justice, strong Inst.	 Partnerships for Goals	

Resource Mobilisation for Development
Programme for Anti-Corruption and Domestic Resource Mobilisation
2023 – 2026

Programme Document

9 October 2023

Table of Contents

1	Introduction.....	3
2	Context, Strategic Considerations, Rationale and Justification.....	4
2.1	Programme Rationale and Justification	4
2.2	International Institutional Framework	6
2.3	Danish Policy Priorities and Strategic Considerations	7
2.4	Previous Support and Lessons Learned.....	8
2.5	Implementing Partners and Rationale for Selection	8
2.6	Synergies, Coordination and Doing Development Differently (DDD)	13
2.7	Cross-Cutting Policy Priorities	15
3	Programme Objective; Theory of Change and Results framework	17
3.1	Programme Objective.....	17
3.2	Theory of Change and Key Assumptions and Risks	17
3.3	Summary of the Results Framework	18
3.4	Budget	21
4	Institutional and Management Arrangements.....	22
5	Programme Monitoring and Learning	22
6	Financial Management, Disbursement, Audits, and Anti-Corruption	23
6.1	Financial Management	23
6.2	Disbursement, Accounting, and Procurement	23
6.3	Financial Planning and Reporting	24
6.4	Audits.....	24
6.5	Anti-Corruption.....	24
7	Risk Management.....	24
	Annex 1: Context analysis.....	26
	Annex 2: Partner Assessment.....	31
	Annex 3: Theory of Change and Results frameworks.....	38
	Annex 4: Risk Management.....	56
	Annex 5: Lessons Learned	60
	Annex 6: Plan for Communication of Results	63
	Annex 7: Process Action Plan	64

1 Introduction

The Resource Mobilisation for Development Programme 2023-2026 constitutes a new and coherent approach for Denmark to the interlinked issues of anti-corruption and domestic resource mobilisation (DRM). The programme is elaborated in a context of multiple global crises, which present a massive challenge to global efforts to meet the Sustainable Development Goals (SDGs) by 2030 and the Paris Agreement. Many countries in the so-called Global South face historically high levels of inflation and more than half of the low-income countries are at high risk of debt distress or already in debt distress preventing investments in sustainable development. As an example, 3.3 billion people live in countries that spend more on interest payments on their debt than on education or health¹. Covid-19 has exacerbated this picture and the pandemic is estimated to have pushed more than 70 million people into extreme poverty in 2020². The situation is in many cases further aggravated by climate change that increases the need for countries to invest in climate adaptation measures. The lack of a global financial safety net working for all has led to a call for reform of the international financial architecture (IFA). While steps to address the debt burdens and mobilising external official and private financing are key elements of IFA reform, significant increases in resources mobilised domestically will be pivotal in strengthening the longer-term stability and sustainability of developing economies.

The objective of the programme is ***to increase domestic resources in developing countries for investments in sustainable development***. The programme has two interlinked programme level outcomes: *1. To reduce resources lost to corruption, tax evasion and avoidance, and illicit financial outflows, and 2. To increase domestically raised resources for development through capacity building, policy development, and strengthening of the social contract*. The programme is aligned with Danish priorities for development cooperation as stated in ‘The World we Share’, and delivers on the Danish commitment to the Addis Tax Initiative³. The programme has a total budget of DKK 369 million and encompasses eight partners spanning civil society, private actors, multilateral organisations and regional institutions.

With its mix of partners, the programme addresses different dimensions of anti-corruption and DRM at different levels and through different entry points involving a variety of stakeholders that can build up pressures for change. The partners have been selected based on an assessment of their established expertise in areas relevant to the programme, the coherence between their strategies, potential to build synergies across and within the thematic areas of anti-corruption and DRM, and their track record of delivering results in previous cooperation with Denmark.

The programme partners include the following: The **United Nations Organisation on Drugs and Crime (UNODC)**; the private sector-based **Maritime Anti-Corruption Network (MACN)**; **U4 Anti-Corruption Resource Centre**; **Transparency International** (and via TI the **Global Anti-Corruption Consortium (GACC)** and the **UNCAC Coalition**); the **UN Trust Fund for International Cooperation in Tax Matters (UN Tax TF/UN TTF)**; the **Global Tax Program (GTP) Umbrella at The World Bank**; the **African Tax Administration Forum (ATAF)**; the **Extractive Industries Transparency Initiative (EITI)**

A detailed rationale for engaging with these partners is provided in section 3.6 and Annex 2.

¹ UN Crisis Response Group: A World of Debt. A growing burden to global prosperity. July 2023

In 2021, among lower-income countries eligible for the World Bank IDA assistance, debt service as an average share of GDP jumped to a level not seen since 1997.

² World Bank Poverty and Shared Prosperity Report 2022.

³ Further elaborated in section 2.3 Danish Policy Priorities and Strategic Considerations, and section 2.2 International Institutional Framework

2 Context, Strategic Considerations, Rationale and Justification

2.1 Programme Rationale and Justification

The multiple crises currently facing the world present a massive challenge to global efforts to meet the Sustainable Development Goals (SDG's) by 2030. The climate crisis, the global consequences of Russia's war in Ukraine, the aftershocks from the Covid-19 pandemic, high levels of inflation and an increasing debt burden have further jeopardised the ability of many countries to invest in the SDG's, with the poor and vulnerable being disproportionately affected.

The compounding crises are threatening to further increase poverty and inequality both nationally and globally. The OECD estimates that the global annual financing gap to meet the SDGs has increased from USD 2.5 trillion pre-Covid-19 to USD 3.9 trillion following the multiple crises⁴. Increasing financing is therefore pivotal. While foreign direct investments, remittances, official development assistance and other external financial flows to developing countries – amounting to about USD 1.4 trillion in 2020 according to the OECD – remain important financing sources, there is a need to significantly scale up the availability of domestic resources if the SDGs are to be met. This includes more efficient and effective collection of domestic taxes and other revenue, the prevention of corruption-related losses of revenue, curbing illicit financial flows, and the recovery of funds already lost, as well as enhancing the taxation regime of transnational corporations.

Declining tax revenues in developing countries following Covid-19 amplifies the need to strengthen DRM. The pandemic caused severe setbacks to revenue collection efforts. According to the World Bank, the tax revenues collected in low- and lower middle-income countries in 2020 declined by 15 pct. compared to pre-pandemic levels. Based on data from the 2008-2009 financial crisis, it takes an average of more than five years to regain revenue levels⁵. Nothing indicates that a faster recovery is likely in the current situation, without significant support to strengthening the DRM of the affected countries. Unlocking resources for development goes well beyond strengthened tax collection. Countries miss potential revenue due to malpractices such as tax evasion and avoidance, illicit financial outflows, and corruption within and beyond tax systems.

According to one estimate, more than USD 7 trillion are hidden in secrecy jurisdictions and haven countries⁶, and as much as up to 10 pct. of world GDP may be held in offshore financial assets⁷. The CSO Tax Justice Network (TJN) estimates that multinational corporations are shifting USD 1.15 trillion worth of profit into tax havens a year, causing governments around the world to lose USD 311 billion a year in direct tax revenue⁸. Further, TJN estimates that USD 169 billion a year is lost to offshore tax evasion related to financial wealth alone. Of the above estimated annual tax loss of USD 480 billion, lower income countries are estimated to lose USD 47 billion a year, corresponding to half of the health budgets of these countries. The issue of profit shifting where companies claim that profit is created in jurisdictions with no or very limited taxation is being addressed in the 'Base Erosion and Profit Shifting 2.0' (BEPS 2.0) initiative under the OECD. OECD estimates that the agreed introduction of a global minimum tax on corporate profit of minimum 15 percent will generate around USD 150 billion in additional global tax revenue annually from multinational corporations.

⁴ OECD Global Outlook on Financing for Sustainable Development 2023

⁵ WB Board DRM presentation 2022

⁶ Gabriel Zucman: The hidden wealth of nations 2015

⁷ National Bureau of Economic Research 2020

⁸ Tax Justice Network: State of Tax Justice 2023

The financial costs of corruption are harder to estimate⁹. While there are no credible estimates of the global cost of corruption, corruption research has provided ample empirical evidence that it is associated with a range of negative outcomes, and severely hampers inclusive and sustainable development. Bribery of all types may amount to USD 1.5-2 trillion annually¹⁰, indicating inefficiency, ineffectiveness, and wastage, whose reduction could potentially contribute significantly to financing development if shifted to more rational, productive, efficient and inclusive uses of public money. In the health sector alone, it has been estimated¹¹ that USD 500 billion (7 pct. of allocations) are lost to corruption and fraud annually. Just as important, corruption is a main obstacle for social cohesion and the development of a social contract between citizens and state.

The Resource Mobilisation for Development Programme aims to support developing countries in increasing resources available for investing in sustainable development by supporting partners that contribute to addressing the issues described above from different entry points. The programme combines support to anti-corruption with support to strengthened DRM in acknowledgement of the significant overlap between the two themes. This especially when it comes to addressing the issues of the cost of corruption and questionable or illegal tax practices¹², but also inefficient tax administrations as a result of corruption.

The programme seeks to support developing countries in 1) *increasing domestically raised resources for development through capacity building, policy development, and strengthening of the social contract*, and 2) *reducing resources lost to corruption, tax evasion and avoidance, and illicit financial outflows*.

The composition of partners reflects the complexity of the challenges the programme seeks to address, and that in order to address them, action is required at both country and global level and at both an operational and normative level. While increased tax collection to a large extent is a matter of strengthening national tax administrations and legal frameworks, illegal outflow of funds and international tax evasion and avoidance are matters that require international action. And while the former (national taxation) holds opportunities for addressing domestic inequalities and poverty, the latter expose international inequalities with funds flowing from developing countries to wealthier economies.

While efforts to strengthen international tax cooperation and reduce tax havens and secrecy jurisdictions would in all likelihood contribute significantly to increasing domestic resources available for investing in the SDGs, such efforts are largely beyond the scope of this programme as they are addressed in international negotiations. The programme, however, aims at contributing to address these questions by **supporting the inclusion of developing countries and civil society in norm- and standard-setting work on taxation** (as well as on anti-corruption), and by supporting transparency and accountability initiatives to inform this work. Support to transparency and accountability initiatives also has the dual purpose of combatting corruption and mobilising revenue at country level.

At the other end of the scale, and with the aim of strengthening tax collection, the programme **will support tax reforms and capacity development through technical assistance to tax authorities**. Likewise, the programme will include **technical assistance at country level to support the implementation of the UN Convention against Corruption (UNCAC)**.

⁹ In the discussion note 'The credibility of corruption statistics', U4 argues that the often cited amounts of USD 2.6 trillion lost to corruption each year cannot be verified as cannot another popular estimate of USD 2.6 trillion in public funds being stolen/embezzled each year.

¹⁰ IMF Staff Discussion Note 2020. Also discussed in the U4 note cited above

¹¹ As quoted by U4 in its Issue 2020:10 on Health Sector Corruption

¹² The practices stretch from legal exploitation of loopholes and other deficiencies in tax rules and regulations (tax avoidance and aggressive tax planning) to illegal practices of tax evasion. In reality, the line between legality and illegality is often unclear. A long and still unsettled international discussion on the concept of *Illicit Financial Flows* demonstrates the ambiguity and unclarity reigning in this area. Moreover, the continuous national and international efforts to tackle facilitators of this traffic – countries acting as tax havens and the involved financial institutions, advisers and lawyers – show the importance of such flows and the interests associated with them.

Increasing domestic resources available for development does not inherently imply that such resources will be spent in a way that contribute to reducing inequality and poverty. The composition of tax systems, however, has important implications for redistribution within societies. With the promotion of just and progressive taxation, the programme will not only contribute to reducing inequality and poverty but also to strengthening the social contract between duty-bearers (political and administrative authorities) and rights-holders (the general population and its civic and business organisations), which are generally perceived as decisive factors in the cohesiveness and political durability of societies. Anti-corruption efforts similarly contribute to strengthening the social contract. Both the tax system and its perceived fairness, and the integrity and transparency associated with the collection and spending of funds are important determinants for building up systems and trust.

With the integrated support to fighting corruption and improving DRM, the programme aims at enhancing national and sub-national governance by supporting transparency, accountability, integrity, legitimacy and other aspects of public and private sector governance, and – on the domestic revenue side – supporting fiscal sustainability by supporting and promoting fair and progressive taxation.

2.2 International Institutional Framework

The international Financing for Development (FfD) agenda constitutes the overall political framework of the programme. The FfD was originally launched by the UN at a conference in Monterrey, Mexico in 2002, and rejuvenated in 2015, when the Addis Ababa Action Agenda (AAAA) was adopted at the 3rd FfD conference. The AAAA became the guiding framework for financing the 17 Sustainable Development Goals (SDGs). Like the earlier FfD agenda, the AAAA takes a holistic view of development financing and includes all sources of finance, both domestic and international, official and private. It stresses the need for increased funding for development, including through DRM, as well as the necessity to curb corruption, money laundering and illicit financial flows from tax evasion, tax avoidance and other harmful tax practices.

The 2015 FfD conference also saw the establishment of the Addis Tax Initiative (ATI), a multi-stakeholder partnership aiming to promote fair and effective domestic revenue mobilisation, policy coherence, and the social contract in partner countries. All of this has been summarised as “Tax systems that work for people and advance the SDGs”. The ATI is meant to contribute to the implementation of the AAAA and is anchored within the FfD process. The members are 31 partner countries (the majority in Sub-Saharan Africa), 20 development partners (including Denmark), and 21 supporting organisations. In 2020, the ATI adopted the ATI Declaration 2025 specifying four commitments to be attained by 2025¹³. Denmark signed the ATI Declaration 2025 in 2021, and will with the present programme fulfil the commitment of providing at least DKK 204 million to DRM from 2021-2025.

The FfD agenda, with its subsidiary AAAA and ATI initiative, provide the general framework of the present programme, focusing as they do on resource mobilisation for development and including anti-corruption primarily to harness resources otherwise lost.

The international fight against corruption is furthermore anchored in the UN Convention Against Corruption (UNCAC) which became effective in 2005 and is legally binding for the 189 countries that are States Parties to it. The UNCAC is comprehensive in its approach, covering prevention measures, criminalisation and law enforcement, international cooperation, asset recovery, technical assistance, and information exchange. It has

¹³ The four commitments of the ATI Declaration 2025 are: 1) ATI partner countries commit to enhance DRM on the basis of equitable tax policies as well as efficient, effective and transparent revenue administrations. ATI development partners commit to support such reforms. 2) ATI development partners collectively to maintain or surpass the 2020 global target level of DRM (USD 441.1 million) cooperation for country-owned tax reforms. 3) Apply coherent and coordinated policies that foster DRM and combat tax-related IFFs. 4) ATI members commit to enhance space and capacity for accountability stakeholders in partner countries to engage in tax and revenue matters.

a number of regional and sub-regional subordinate anti-corruption conventions, e.g. the African Union Convention on Preventing and Combating Corruption that entered into force in 2006.

There is currently no UN convention on taxation but there is increasing pressure from especially developing countries to establish such a convention. A UN resolution calling on the UN to take global leadership on international tax cooperation was adopted in December 2022 on the initiative of a group of developing countries¹⁴.

The programme contributes to a number of targets under SDG 16 (Peace, Justice, and Strong Institutions) and SDG 17 (Partnerships for the Goals), as well as SDG 1 (No Poverty). These include “Strengthen domestic resource mobilisation, including through international support to developing countries to improve domestic capacity for tax and other revenue collection” (17.1); “Substantially reduce corruption and bribery in all its forms” (16.5); “Develop effective, accountable and transparent institutions at all levels (16.6); “Broaden and strengthen the participation of developing countries in the institutions of global governance (16.8); “Significantly reduce illicit financial and arms flows and strengthen the recovery and return of stolen assets and combat all forms of organised crime” (16.4); and “Ensure significant mobilization of resources from a variety of sources” (1.A).

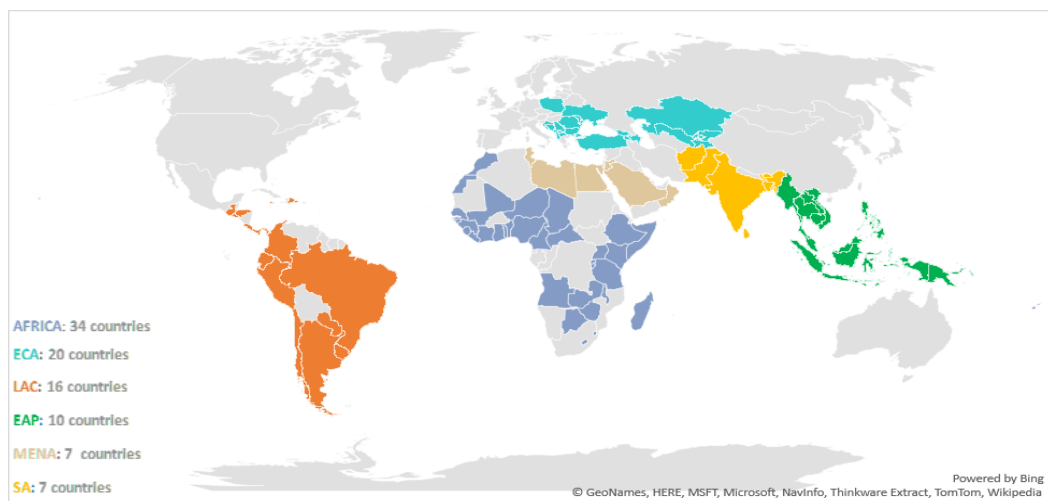
2.3 Danish Policy Priorities and Strategic Considerations

The Resource Mobilisation for Development programme is aligned with the Danish development strategy *‘The World We Share’*, which states that Denmark will fight corruption and tax fraud and evasion by strengthening international norms and standards. The strategy emphasises the importance of transparency, accountability and of civic space as part of democratic and accountable states. Further, it mentions the fight against corruption as well as taxation, as funding sources of social services and as elements in enhancing the legitimacy and stability of states.

The programme is also guided by the *‘How-to note’ on Human Rights and Democracy* that includes guidance for Danish support to anti-corruption and DRM. The note articulates that Denmark will continue to engage in initiatives to raise more revenue in low-income countries. In line with the note, the area of taxation will be supported through partners with comparative advantages and expertise in the area, and will encompass support to more equitable and efficiently administered tax systems to avoid losing revenue through tax evasion and avoidance.

The programme does not have a particular geographical focus, but supports a mix of global, regional and country level work. A substantial part of the interventions supported by the programme is at country level, and a large share of these activities falls within Africa - a geographical priority for Denmark. All programme partners thus have a significant share of their activities in Africa with one partner, ATAF, being solely focused on Africa. Both the WB GPT and UN TTF have a global coverage, but the GPT for example provides 46 pct. of its support to Africa. The allocations of GTP resources by country groups (income, IDA-eligible countries, tax-to-GDP ratio below 15 percent; affected by fragility and conflict, and region) is shown in the graphic below. Only one programme partner, MACN, receives earmarked support for specific country interventions (Ukraine, Nigeria, Ghana and potentially more West African countries).

¹⁴ The General Assembly Resolution on “Promotion of Inclusive and Effective Tax Cooperation at the United Nations” (A/RES/77/244) promoted by the Africa Group was adopted in December 2022. As a result, the UN Secretary General released a report on the matter in August 2023 (Promotion of Inclusive and Effective Tax Cooperation at the United Nations. Report of the Secretary General (A/78/235)).



2.4 Previous Support and Lessons Learned

The previous Anti-Corruption Programme 2019-22 was the first comprehensive and longer-term Danish programme for support to international anti-corruption efforts¹⁵. Previous Danish support for DRM has focused primarily on technical aspects of tax administrations and on capacity building, and has been provided through stand-alone contributions¹⁶. Additionally, a number of Danish embassies have supported anti-corruption and DRM activities as part of bilateral country programmes (see box below), both through general governance support and targeted anti-corruption and DRM efforts.

Denmark is presently managing and co-financing the EU anti-corruption project, the EUACI, in Ukraine. Denmark also supports civil society action within anti-corruption and DRM through a limited number of Danish CSOs with Strategic Partnership Agreements (SPA) with the MFA.

The present programme will be the first to take a holistic approach to anti-corruption and DRM, and also the first to take a multi-year and global approach to DRM following up on the Danish commitment in 2021 towards the ATI Declaration 2025.

The programme will take key findings and lessons learned across partners into account. This includes lessons from previous Danish engagements as well as evaluations and reviews of programme partners. The selection of partners has been informed by the above supplemented by thorough dialogue with the partner organisations themselves as well as donor agencies with significant portfolios in anti-corruption and DRM. The lessons learned will also inform partner dialogue and monitoring during the programme.

Annex 5 presents details from reviews and evaluations of the programme partners that are all but one (UN TTF) current or recent partners of Denmark. It also includes information on lessons learned from Danish bilateral DRM support.

2.5 Implementing Partners and Rationale for Selection

The eight programme partners represent a spectrum of complementary entry points from which corruption has to be combatted and DRM strengthened. They include key norm-setting actors as well as actors focusing mostly on operational implementation, and they comprise both multilateral partners, regional institutions and non-state actors, including civil society and the private sector. As such, the roles of the different partners in

¹⁵ The Anti-Corruption Programme 2019-2022 included support to partners of the present programme; UNODC, MACN, U4, EITI as well as the partners under the TI-project.

¹⁶ These include IMF's Revenue Mobilization Trust Fund (RMTF), the World Bank's Global Tax Program (GTP) and the African Tax Administration Forum (ATAF), the latter two being partners of the present programme, and the RMTF still being an active stand-alone engagement (ending in 2024).

leveraging the objectives of the programme are mutually reinforcing, the partners being leaders of – and holding significant convening power in – their respective fields of work.

The programme partners are:

Partner(s)	Summary of partnership and modality
<p>United Nations Organisation on Drugs and Crime (UNODC)</p> <p>(Existing partner)</p>	<p>UNODC is the custodian of the UN Anti-Corruption Convention (UNCAC). UNODC has been selected as a key partner in its capacity as the designated UN organisation in charge of promoting the implementation of and coordinating technical assistance to promote the UNCAC and undertaking the pivotal UNCAC implementation reviews.</p> <p>The Danish contribution to UNODC will be provided as <u>general support</u> to UNODC's 'Global Programme to Prevent and Counter Corruption'. Once a year, UNODC will submit progress reports and financial statements in accordance with single audit principle. Bilateral consultations outlined in the UNODC project document.</p> <p>The contribution is a continuation of previous Danish support to UNODC that will enable UNODC to:</p> <ul style="list-style-type: none"> - Continue to spearhead and facilitate the UNCAC Implementation Review Mechanism (IRM), a peer monitoring mechanism built into the UNCAC to track its implementation. - Continue to offer technical assistance to countries on the recommendations of the implementation reviews. The UNODC's provision of such technical assistance (TA) recently received a largely positive evaluation, but with a recommendation to bring the services closer to the beneficiaries through the creation of regional TA hubs. The programme will support the establishment of such TA hubs, including one in Africa. - Carry out a support programme in Ukraine mainly aimed at preventing and reducing corruption during post-war reconstruction. This will address a notoriously critical situation with regard to corruption risks, and will also support the anti-corruption measures needed in order to make Ukraine eligible for EU membership. The Ukraine activities will be carried out in coordination with the many other interventions in the same field by other actors, including both the MACN activities (see below) and EU's anti-corruption initiative, EUACI, implemented and co-financed by Denmark. - Contribute funds for the joint UNODC/World Bank Stolen Assets Recovery (StAR) initiative.
<p>Maritime Anti-Corruption Network (MACN)</p> <p>(Existing partner)</p>	<p>The private sector based MACN is an innovative and influential alliance of maritime companies working to combat corruption in the maritime industry and promote transparency, integrity, and ethical practices. It is the first and only of its kind at the global level, and showcases the potential of collective action.</p> <p>The MACN project will receive <u>earmarked funding</u> because of its specific project intervention – both in thematic as well as geographical terms. Reporting twice a year, with audited project accounts delivered once a year. Bilateral consultations are outlined in the MACN project document.</p> <p>The project includes the following main components:</p> <ul style="list-style-type: none"> - Continued work in Nigerian ports to reduce corruption and to reduce shipping and trade costs due to illicit payments as well as delays in the ports' handling of ships. The work will be based on well-established relationships with relevant authorities and local legal expertise. - Extension of the Nigeria activities to other West African ports such as Accra, Abidjan and Dakar based on the experience in Nigeria with a potential experimental extension to also encompass the associated trade corridors to

	<p>and from landlocked Sahel countries, e.g. the trade routes Mali-Dakar and Burkina Faso-Abidjan.</p> <ul style="list-style-type: none"> - Continued development and implementation across intervention sites of knowledge and tools for anti-corruption work in the shipping industry. - Continued work in Ukrainian ports along the lines of the intervention in Nigeria. This project already started under the previous anti-corruption programme but had to be put on hold due to the war. It will resume as soon as feasible.
<p>Transparency International (TI)</p> <p>Via TI, support to the UNCAC Coalition and the Global Anti-Corruption Consortium (GACC)</p> <p>(Existing partners)</p>	<p>TI has been selected due to its role as a well-established watchdog with a proven track record of strengthening transparency and shedding light on corruption, questionable financial practices, and their societal consequences. It provides a unique opportunity to leverage its global reach, expertise, multi-dimensional approach, promotion of global standards, civil society engagement, and independent monitoring. Moreover, through its network of leading the UNCAC Coalition and GACC, it provides a unique entry point to support both the demand and supply side of good governance. The UNCAC Coalition ensures civil society oversight of the implementation of UNCAC, and GACC sheds light on corruption, tax evasion and illicit financial flows through revealing journalism.</p> <p>All three organisations will receive <u>core funding</u> under the proposed programme with TI as the direct programme partner. Core support is chosen as a modality based on the overall strategy of TI, its solid result framework and previous experiences with the organisation. Reporting will be in the form of the organisations' annual reports and annual audited accounts, delivered to the MFA by TI with a cover note reporting specifically on the results indicators listed in the agreed results framework of the project. Regular consultations will only be held with TI.</p> <ul style="list-style-type: none"> - TI is a global advocacy organisation with a central secretariat and a large number of national Chapters. Its work therefore takes place both at global and local levels, including research and publications of a general nature (e.g. the Corruption Perception Index), work in specific fields (e.g. work streams on the integrity of global climate financing, on environmental issues, on integrity in military expenditure, and on IFF), organisation of international and national meetings (e.g. the IACCs and national governance fora), and participation in international and national governance discussions. - The UNCAC Coalition is a network of more than 350 international, regional, and national civil-society organisations in more than 100 countries working on anti-corruption and other governance-related topics, with a central secretariat in Vienna. The network lobbies national governments and the international community to intensify their efforts at implementing the UNCAC. Inter alia it produces parallel national IRM review reports and seeks to improve the effectiveness of the review mechanism. In addition to these activities, the Coalition works to maintain and improve the civic space in the countries of its member organisations and in the international fora around the UNCAC. - GACC has three global priority areas: 1. Money laundering and the cross-border "criminal services industry" that enables the illicit financial flow of corruption gains; 2. State capture, showing how private interests influence state decision-making to their own advantage; and 3. Natural resource exploitation, particularly in the Global South and in vulnerable communities. Under the previous anti-corruption programme, GACC was supported to expand its Africa network of editors, and the continued results achieved here will be one of the results indicators in the proposed project. Since Africa is now well represented, and a further scaling up of Africa related activities is part of GACC's general up-scaling plan, the proposed programme will shift to core funding for GACC.

World Bank Global Tax Program (GTP) (Existing partner)	<p>GTP has been selected for support as it capitalises on World Bank’s comparative advantage in strengthening domestic revenue, leveraging its expertise, networks, and tailored support to assist countries in developing robust tax systems and increasing revenue generation. The continued support to GTP gives further strength to Denmark’s policy priority of calling for the Bank to increase its efforts on DRM across its operations.</p> <p>The Danish contribution to GTP will be provided as <u>general support</u> to the entire GTP portfolio of interventions. This modality is based on the nature of the intervention through a trust fund. GTP reports to donors twice a year before the half-yearly steering committee meetings, in which Denmark will participate.</p> <p>The GTP is a multi-donor programme delivering technical assistance and capacity development to national authorities for tax and other revenue reforms. GTP supports a wide range of activities, including tax policy, tax administration and customs administration. The programme also develops tools and provides data for use across countries, and it added a Fiscal Pillar in 2021 to help countries tackle the fiscal effects of the Covid-19 pandemic. The GTP is the Bank’s primary means of rolling out its DRM approach, and in addition to its direct results, it seeks to inform a large volume of Bank lending operations. As such, GTP projects have been involved in the design, preparation, and implementation of 16 DRM-related lending operations across 14 countries. An increasing proportion of the GTP country activities has been taking place in fragile and conflict-affected countries over the past few years, and the GTP secretariat estimates that approx. 35 pct. of the financing in 2023 will be allocated to fragile and conflict-affected countries.</p>
UN Department of Economic and Social Affairs (UN DESA)/UN Trust Fund for International Cooperation in Tax Matters (UN TTF) (New partner)	<p>The UN TTF under UN DESA is funding a multi-donor project in support of the UN Committee of Experts on International Tax Cooperation. One of the key rationales for including the UN TTF into this program is its ability to foster global norms for international taxation, e.g. to curb illicit financial flows and to strengthen the inclusion of developing countries in international processes on international taxation. It is a new partnership for Denmark. Norway is the main contributor to the Fund.</p> <p>The Danish contribution to UN TTF will be provided as <u>general support</u> to its multi-donor project “Providing effective substantive support to the UN Committee of Experts on International Cooperation in Tax Matters, its sub-committees and related capacity development”. Rationale for the modality rests on the same reasons as with the WB/GTP.</p> <p>The Danish support will co-fund all activities of the project. The Committee of Experts, appointed by the UN Secretary-General, i.a. works on establishing a global normative framework in the area of international taxation in the form of a UN Tax Convention. It also offers model legislation and other regulatory tools and advice mostly in international tax matters of interest to developing countries, leveraging the UN’s legitimacy. The project primarily focuses on supporting the perspective and the active participation of developing countries in the Committee’s work.</p>
The African Tax Administration Forum (ATAF) (Recent partner)	<p>ATAF is collaborative platform of African tax authorities that aims to enhance tax administration systems and promote sustainable revenue mobilisation across the continent. ATAF has been selected as a partner as it is a unique forum in that it is run and led by African countries themselves. This enables initiatives and programs to be designed to address the specific needs and challenges faced by African tax administrations, fostering ownership, regional collaboration, and a deep understanding of the local context. It is also explicit about the clear linkages between taxation and illicit financial flows, having a dedicated work stream on this theme.</p>

	<p>ATAF will receive <u>core funding</u>. This modality has been chosen as ATAF's overall strategy fits squarely with the objectives of this programme. It has a solid track record in terms of organisational and financial management.</p> <p>Based on joint needs assessments ATAF provides technical assistance to member countries to improve DRM and to develop African tax expertise. It supports African tax authorities to adopt the international standards on exchange of tax-related information, it participates in international tax fora seeking to influence the global tax agenda and ensure that changes in the global tax rules, such as the OECD transfer pricing guidelines, are relevant and useful for Africa, and it supports African members of the UN Tax Committee. ATAF also has a training wing, which implements on-line and brief on-site courses for African tax auditors, tax inspectors and other tax staff. It also produces applied practice-oriented research on tax matters and publishes position papers, briefing notes, and the annual African Tax Outlook report, among others.</p>
<p>The Extractive Industry Transparency Initiative (EITI) (Existing partner)</p>	<p>EITI is a global mechanism and standard setting organisation promoting transparency in the extractive sector by requiring countries to disclose information about their natural resource revenues and management. There is a compelling rationale to include EITI into the programme due to its unique multi-stakeholder approach. EITI provides a specific framework that promotes the disclosure of crucial information related to extractive activities, including revenue flows, licenses, and contracts. EITI's Strategic Plan 2021-23 also builds a bridge between anti-corruption and taxation issues, which are the two backbones of the present programme.</p> <p>EITI will receive <u>core funding</u> against its strategic plan up to 2023. Following adoption of a satisfactory new strategic framework beyond 2023 this modality can be continued.</p> <p>Its strategic direction and annual plans work with governments, companies, and civil society organisations to ensure that revenues from the extractive sector, such as oil, gas, and mining, are disclosed and properly managed. It sets global standards for transparency, requiring participating countries to publish information about payments made by extractive companies and revenues received by governments.</p>
<p>U4 Anti-Corruption Resource Centre (U4) (Existing partner)</p>	<p>U4 Anti-Corruption Resource Centre, is a resource centre for anti-corruption research and capacity-development established in 2002. The U4 has been selected as a partner not only due to its long partnership with Denmark but also because it offers the advantages of specialized expertise, cutting-edge research, tailored capacity development, collaboration and networking opportunities, localisation of strategies, and learning from successes and failures. U4's services and analytics are targeted both development partners and partners in developing countries. These factors make U4 a valuable partner in advancing worldwide efforts in combatting corruption as well as illicit financial flows.</p> <p>The Danish contribution to U4 will be provided as <u>core funding</u> covering the membership fee to U4 for the remainder of U4's five-year strategy (2022-2026), and with the opportunity to support thematic work to be specified in dialogue between Denmark and U4. U4's strategy follows four strategic goals of supporting members in achieving greater impact of anti-corruption projects, addressing the complexity of corruption head-on, developing coherent standards and approaches to working with anti-corruption, and pushing anti-corruption up the agenda in member countries.</p> <p>The Danish support to U4 will be monitored by the MFA unit MUS with the MFA unit ELK ensuring that the MFA and embassies benefit from the services offered by U4.</p>

The multilateral partners work normatively at the global level (UNODC on anti-corruption and UN DESA/UN TTF on DRM), and at the operational level across countries and regions (WB GTP on DRM). International civil

society networks work with a global scope combined with strong country-level outreach (U4, TI, UNCAC Coalition and GACC and EITI), and a private sector-based organisation advocating globally and operating in selected regions in a particular sector, namely the maritime sector (MACN).

The civil society engagement is important with regard to monitoring the implementation of UNCAC and the ATI Declaration 2025. This includes monitoring the progression in reducing inequality and strengthening the social contract, and advocating at national level and beyond to raise awareness of corruption, tax evasion and avoidance and illicit financial flows (IFFs). Civil society actors under this programme are supported to work on investigative journalism, research, transparency, accountability, and establishing networks and protecting their rights and space to engage in these matters. Their engagement with duty bearers at different levels is important for building up positive changes over the short, medium and long term.

All partners, except from UN DESA/UN TTF, are existing or recent partners. As such, the programme is to a high extent continuing existing partnerships. The partners' implementation and management capacity as well as their track record in terms of results achievement is already well known to MFA, and the cooperation will build on already established mutual knowledge and trust.

The selection of partners has also been made with a view to the broader donor landscape in anti-corruption and DRM, taking into account the experiences of other donors. A number of likeminded donors provide significant support in the areas of anti-corruption and DRM, including the Nordics, and the preparation of the programme has included consultations with particularly Norway that plays a leading role in support to DRM at both national and international levels.

In most of the projects, Denmark is one among several donors, and the Danish funds will serve to increase outreach and volume of the activities. This goes for UNODC, TI, GACC, the World Bank GTP, ATAF, and EITI. In the case of UN DESA/UN TTF, Denmark will be one of only three major donors, the others being Norway and Sweden.

Where core funding is provided, the Danish funds will have the additional, and much appreciated function of increasing the partners' organisational autonomy and flexibility, while keeping donor administration to a minimum.

MACN and UNCAC Coalition only have a few donors. Without the funding from the programme, both organisations would have to scale down their activities significantly. For the programme's only private sector representative, MACN, it is questionable if the organisation would be able to continue their multi-year innovative and experimental work without the Danish support. Sustainability and exit strategy will be discussed with the partner.

A detailed assessment of the partners can be found in Annex 2.

2.6 Synergies, Coordination and Doing Development Differently (DDD)

Exploiting the scope for coordination, synergies and learning between the programme's activities as well as other Danish-funded interventions will be emphasised in the agreements with the programme partners and followed up on during implementation.

There is important potential for synergies both between the programme partners and between these and other Danish development activities. One example of the former is UNODC and the UNCAC Coalition, both of which are focused on the implementation of the UNCAC, but from the angle of governments and civil society, respectively. Other examples are UN DESA/UN TTF and the World Bank/GTP working together as parts of the Platform for Collaboration on Tax (together with the OECD and IMF, both being Danish cooperation partners); TI and GACC combine investigative journalism and advocacy on anti-corruption as well as on tax-related offences such as tax evasion and IFFs; UNODC and the World Bank jointly implement the Stolen Assets

Recovery (StAR) initiative, which the programme will co-fund through UNODC; and the World Bank/GTP, ATAF and EITI work with African governments on tax and revenue reform, but complementing each other with their different comparative advantages.

Potential synergies between the programme partners and other Danish-funded development activities are obvious in Ukraine between UNODC, MACN, the TI Ukraine Chapter, and the Danish-implemented and co-funded EUACI anti-corruption project. In addition, there are potential synergies between the UNCAC Coalition and Danish country-based support to CSOs working to preserve and extend civic space; between the MACN activities in coastal West Africa and activities under the Danish Peace and Stabilisation Fund to fight piracy in the Gulf of Guinea; and between potential support to research and/or civil society action and the DRM-related work being carried out under the strategic partnerships (SPA) with Danish CSOs. Such synergies will be sought by ad-hoc sharing of information with partners, relevant MFA units and embassies on programme partner activities, work plans, reports, knowledge products, webinars, etc.

Coordination with other donors will happen at the level of each partner as well as at portfolio level with selected donors. A number of donors have been consulted during programming with extensive dialogue with Norway, given their leading role in DRM support and their extensive experience with a broad range of actors in the field. A number of the existing partnerships that are being continued under this programme, have institutionalised coordinated donor consultations, and for some partners there are also regular donor coordination meetings ahead of and/or following partner meetings. Where such coordination between donors does not already exist, Denmark will seek to coordinate with all or selected donors. Additionally, Denmark will where relevant seek to coordinate bilateral partner consultations with likeminded donors, e.g. Norway and Sweden.

Denmark will continue to promote anticorruption and DRM at policy level thereby also underpinning the objectives of the programme. Synergies between the programme and Danish policy work on anti-corruption and DRM will include the possibility of advancing Danish policy priorities on anti-corruption and DRM (and beyond) in the dialogue with the partners, but the experience and analytical work of the partners will also inform Danish policy positions in these areas. Danish policy engagements will take into account the role of the Ministry of Justice and the Ministry of Taxation as responsible for anti-corruption and international cooperation on taxation respectively. Regular engagement with the two ministries will continue and the MFA will ensure that information and lessons learned from the programme are shared as appropriate, including ensuring that the Danish tax authorities are aware of the opportunities for supporting a potential international engagement of Danish tax experts with funding from the programme (through possible funding from the unallocated funds to Tax Inspectors Without Borders) or through MFA's facility for Strategic Sector Cooperation.

A prime example of synergies between Danish policy work and the programme is how the support for the World Bank/GTP reinforces and is reinforced by Denmark's strong policy focus on strengthening the World Bank's engagement in DRM with a focus on progressive taxation. Among other things, this is a priority advanced by Denmark and the other members of the Nordic-Baltic constituency of the World Bank Board in the process to reform the Bank¹⁷. The policy position gets additional weight when supplemented by financial support to the World Bank/GTP that allows the Bank to strengthen its work and analytical capacity on DRM. And the strong analytical capacity of the Bank has the potential to result in analytical products that can inform the international agenda on DRM.

The programme provides un-earmarked support to all partners but one, as the general strategies and work plans of these partners are considered to support the objective of the programme¹⁸. By providing un-

¹⁷ Both through the general engagement in the WB board and specifically by demanding DRM to be included in the work of reforming the Bank (the WB evolution roadmap).

¹⁸ For WB/GTP, UNODC 'Global Programme', and UN TTF, general support is provided for specific programmes that support the objective of the present programme.

earmarked funding, the programme supports the partners in further developing expertise within their respective mandates and strategies, and it offers maximum flexibility to the partners and support their ability to adapt activities. For MACN, that receives earmarked project funding as the only partner under the programme, flexibility was proven in the previous phase where the Ukraine activities were put on hold, and funds reallocated to other activities in support of the project objective. The Ukraine activities under the present MACN support will require a similar flexibility and adaptability.

The partners will be asked to pay particular attention to the documentation of lessons learned, and the programme's mid-term review will be designed to place particular emphasis on collecting and discussing the learnings from all of the supported projects. A learning event for some or all programme partners with the aim of sharing lessons learned and further exploring synergies will be considered during implementation.

2.7 Cross-Cutting Policy Priorities

The programme will contribute to advancing the following cross-cutting Danish policy priorities:

Poverty Reduction

The programme will contribute to increase funding available for public expenditures that can contribute to poverty reduction.

The poor suffer the most from corruption and insufficient public funds and spending for the SDGs. Corruption is notoriously detrimental to poor and marginalised people, creating barriers and unequal access to public services. When access to services are linked to soliciting bribes the poorest are more likely to lose access to the services. And when corrupt elites control government ('state capture'), the effectiveness of public services is likely to be reduced with the additional risk of public spending being steered away from areas that benefit the poor. Insufficient funds due to inefficient tax systems (or otherwise unreleased potential for revenue collection) further limits the ability of governments to invest in the SDGs. As such, the programme will contribute to reducing both poverty and inequality provided that corruption is reduced and taxation is progressive. In this respect, it is important to note that the ATI 2025 commitments are not only concerned with the volume of taxes, but also with the quality of tax regimes i.e. progressiveness and fairness. These aspects will be addressed in the dialogue with partners working on strengthening DRM both on a normative and operational level.

The programme supports the equal partnership agenda by its contribution to reducing global inequality. A reduction in funds being transferred out of the countries (e.g. by 'profit shifting' by multinational companies or through illicit financial flows) could significantly increase the resources available for public spending.

Gender equality

The gender aspects of marginalisation, poverty, discrimination, and deprivation of rights are abundantly documented in as far as the effects of corruption and of the under-funding of public utilities and other services are concerned. All program partners use gender as an entry-point. While there are no specific references to gender issues in the UNCAC, UNODC attaches significant importance to applying a gender lens in curbing corruption through its "Strategy for Gender Equality and the Empowerment of Women (2022-2026)", and TI uses gender disaggregated data in its annual survey "The Global Corruption Barometer".

Additionally, designing tax systems informed by gender related data can contribute to reducing gender inequality. Progressive taxation has particular potential for benefitting women e.g. by boosting employment of low-income women or offering lenient tax treatment of subsidies such as for childcare. Among the programme partners, the World Bank's GTP is working explicitly on gender aspects of taxation in a specific work stream on gender equality and taxation with a view to integrating this concern into Bank projects more broadly. Other programme partners are also integrating gender issues in their work, notably under the ATAF

program. An ATAF network for Women in Tax is established to ensure gender equality in tax administrations and assess the impact of tax policy on women. This is the first of its kind.

Human Rights-Based Approach

The issues of corruption and insufficient resources for development are to a large extent about deprivation of rights. Those excluded and denied their rights are, as indicated in the above, often the most vulnerable such as the poorest and most marginalised, and women more so than men. The programme targets duty-bearers in a multifaceted way. It aims at strengthening their capacity as bearers of fair and functioning tax systems, it aims at making more resources available for investing in the SDG, and it supports anti-corruption efforts with the aim of ensuring access to non-corrupt public services and more broadly that the population is less likely to be faced with corruption. The UNCAC is a prime example of a rights-based approach. The preamble to the convention states that corruption undermines the enjoyment of human rights, hampers sustainable development, and exacerbates social inequalities. It emphasizes the need to protect and promote human rights as an essential component of effective anti-corruption measures.

The programme's support to civil society actors similarly aims at holding duty-bearers accountable. The programme will have an inherent focus on the rights of the poor and vulnerable, including by promoting progressive and fair taxation, combatting corruption, and strengthening the ability of duty-bearers to perform their duties. Issues of social and economic inclusion, political accountability and administrative transparency and integrity, and fairness in revenue mobilisation will be underlying concerns across all of the partners and activities of the programme.

Climate and Environment

The programme's overarching objective of mobilising resources for development will enable countries to respond more effectively to climate challenge, including through investments in climate resilience, adaptation strategies, and initiatives that protect vulnerable communities from the impacts of climate change.

The programme will contribute to strengthening environmental and climate-conscious taxation. The "Global Tax Program" advocates for sustainable taxation practices and aims to incentivise environmentally friendly behaviours while discouraging harmful activities. This approach can help reduce carbon emissions, promote renewable energy sources, and support initiatives that mitigate climate change. The programme also emphasises the exposure of misbehaviour and criminal activities in natural resource extraction, such as pollution, corruption, and unjust treatment of locals in mining and commercial agriculture. By shedding light on these issues, the programme contributes to holding accountable those responsible for environmental degradation and social injustices and in turn promotes responsible resource management, benefiting both the environment and local communities.

Transparency International (TI) works on ensuring the integrity of international climate financing through global funds. By ensuring transparency and accountability in the allocation and utilisation of climate funding, TI helps prevent corruption and ensures that resources are effectively used for climate-related initiatives. EITI focuses on promoting transparency in natural resource management, including environmental concerns. EITI's activities aim to create greater transparency in the extractive industries sector, which often has significant environmental implications. By disclosing information about revenues, contracts, and environmental practices, EITI helps increasing revenue in developing countries, prevent corruption and fosters responsible resource extraction including in the extraction of critical minerals that are of essence to the green transition.

3 Programme Objective; Theory of Change and Results framework

3.1 Programme Objective

Corruption and limited domestic revenues are significant challenges that hamper the ability of developing countries to invest in the Sustainable Development Goals (see context analysis in Annex 1). As such, the overall programme objective is:

To increase domestic resources in developing countries for investments in sustainable development.

The programme has two interlinked programme level outcomes:

- *To reduce resources lost to corruption, tax evasion and avoidance, and illicit financial outflows.*
- *To increase domestically raised resources for development through capacity building, policy development, and strengthening of the social contract.*

3.2 Theory of Change and Key Assumptions and Risks

Recognising the immense financial resources needed to achieve the SDGs, the programme is based on the assumption that

if domestic revenue mobilisation is strengthened and corruption reduced – by international norm setting and operationally through modernization of tax policies and systems, broadening of tax bases, capacity development of tax officials, improvement of investigations of tax evasion, hindering of transnational illicit financial flows, strengthening of anti-money laundering measures, and consistent efforts to curb corruption – and key accountability stakeholders are engaged,

and ***if*** international cooperation in tax matters and anti-corruption is institutionalised and functioning, and developing countries engage in international and regional fora,

then developing countries will have increased domestic resources available for investments in sustainable development

and

then countries can invest more in long-term, self-sustaining development and in funding social and economic progress towards achievement of the SDGs.

The ***assumptions*** at programmatic level are:

- SDG achievements continue to have political priority, resources are made available supporting their achievement, and governments invest in sustainable development.
- International and political commitment to prioritise tax and rise in domestic revenue continue at national, regional and international levels.
- International norms to prevent tax evasion and transnational illicit financial flows are enforced and increase public revenues and reduce corruption.
- Political-economy drive and resources continue to be available to fight corruption.
- Support to national duty bearers results in legislative reforms, institutionalisation and operationalisation.
- Strong and continued engagement of accountability stakeholders, i.e. civil society and private sector, to advocate for anti-corruption and transparency at local, regional and international levels.

Each project document include project specific ToCs and assumptions.

3.3 Summary of the Results Framework

Programme	Resource Mobilisation for Development – Programme for Anti-Corruption and Domestic Resource Mobilisation 2023 – 2026
Programme Objective	To increase domestic resources in developing countries for investments in sustainable development
Impact Indicator	Total government revenue (by source) as a percentage of GDP (indicator for SDG 17.1) Proportion of domestic budget funded by domestic taxes (indicator for SDG 17.1)

Component 1	Combatting Corruption, Illicit Financial Flows and Tax Evasion
Component Objective	To reduce resources lost to corruption, tax evasion and avoidance, and illicit financial outflows

Project Title 1 (UNODC)	Fast-tracking the implementation of the UNCAC		
Outcome	Prevent and counter corruption through fast-tracking the implementation of the United Nations Convention against Corruption in Support of Sustainable Development Goal 16		
Outcome indicator (means of verification in Annex 3)	Number of States parties that have addressed recommendations from the UNCAC Implementation Review Mechanism		
Baseline	Year	2023	86
Target	Year	2026	122

Project Title 2 (MACN)	Corruption Free Seaports and Trade Corridors		
Outcome	Strengthened Public-Private Sector Collective Action to improve integrity in seaports and broader trade corridors		
Outcome indicators (means of verification in Annex 3)	1. Improved integrity and operating environment in Nigerian seaports and trade corridors 2. Improved public-private-civil society collaboration and capacity to tackle corruption in seaports and trade corridors in selected countries in West Africa 3. Increased global awareness, engagement and commitment from private sector, governments, civil society and relevant institutions on integrity challenges in seaports and trade corridors		
Baseline	Year	2023	[Situation prior to project activities]
Target	Year	2026	[Intended situation by the end of project (phase)]

Project Title 3 (TI/UNCAC Coalition/GACC)	Reducing corruption through civil-society actions		
Outcome	To accelerate impact in the global fight against corruption by combining the strengths of civil society advocacy, investigative journalism and coalition building		
Outcome indicator (means of verification in Annex 3)	1. UNCAC coalition: Strengthened coalition building that promotes a more transparent and inclusive UNCAC that is better implemented, higher global standards on anti-corruption, and increased civil society participation. 2. GACC: Enhanced collaboration between civil society and investigative journalists to strengthen civil society action informed by journalistic investigations 3. TI: Effective evidence-based advocacy conducted by anti-corruption civil society actors across Transparency International's seven strategic objectives		
Baseline	Year	2023	Being identified
Target	Year	2026	15 changes in law, policy, practice or accountability per year (45 in total by 2026)

Project Title 4 (U4)	Membership of U4		
Outcome	U4's work (high-quality research and tailored evidence-based resources, e.g courses) has improved the understanding of corruption and supported our partners – and the wider development community – in countering it.		
Outcome indicator (means of verification in Annex 3)	1. Research; Practitioners and other key stakeholders who have read U4 publications and/or research have a better understanding of corruption and anti-corruption issues and approaches. 2. Capacity building: Practitioners and other key stakeholders that have taken a U4 training (online course, U4-ICE, etc) have a better understanding of corruption and anti-corruption issues and approaches. 3. Engagement: Ideas and insights on corruption and how to reduce corruption are exchanged, analysed, and further developed amongst U4 target audiences		
Baseline	Year	2022	<u>Research:</u> 27 peer-review publications, 24 blogs, 27 Helpdesk answers and 482.000 U4 website visits. <u>Capacity building:</u> 4 self-paced courses, 9 facilitated courses, 5 scoping missions, 2 virtual workshops, 2 in-person workshops, 2 webinars and 3 background studies. <u>Engagement:</u> 36 events (under the role of speaker/presenter or facilitator/panellist), 6 Partner Fora, 3 Bergen Hub.
Target	Year	2026	<u>Research:</u> Additional 20 publications, 20 blogs and 25 Helpdesk answers per year. 500.000 visits to U4 webpage. <u>Capacity building:</u> 5 self-paced courses; 10 facilitated courses; a total of more than 10 in-country engagement outputs

			<u>Engagement:</u> 30–35 external event where U4 has an active presence including 2 international events per year. 6–10 U4-hosted events per year.
Component 2		Domestic Resource Mobilisation	
Component Objective		To increase domestically raised resources for development through capacity building, policy development, and strengthening of the social contract.	
Project Title 5 (WB/GTP)			
Outcome 1. Strengthen tax and customs systems of developing countries by facilitating the design and implementation of evidence-based reforms.			
Indicators:			
a. Number of countries where WB tax assessments have informed DRM or tax related policies, legislation and formation of institutions (target: 80 pct. of GTP Portfolio).			
b. Number of countries with tax reforms (supported by GTP projects) approved by Parliament and/or implemented (target: 70 pct. of GTP Portfolio)			
c. Number of countries that have adopted/implemented international best practices, standards, procedures (target: 70 pct. of GTP Portfolio)			
d. Number of countries that have improved tax to GDP ratios from the baseline where reform recommendations have been adopted/implemented (supported by GTP projects) (target: 80 pct. of GTP Portfolio)			
e. Number of countries where GTP-funded activities contributed to the design, preparation and/or implementation of World Bank’s DRM related concessional lending (target: not applicable)			
f. Number of countries where tax officials have received capacity building to develop skills and transfer knowledge (target: 80 pct. of GTP Portfolio)			
Outcome 2. Strengthened capacity of revenue authorities, policymakers, practitioners, researchers for more efficient policymaking by increasing access to public goods, global knowledge, and shared learning.			
Outcome Indicators:			
a. Number of countries that uses policy tools, models, databases, reports/studies, guidelines, training materials developed with support from GTP to inform policy design (target: 80 pct. of GTP Portfolio)			
b. Number of GTP website visitors from low- and lower-middle-income countries (regional outlook) (baseline 25 pct. of all visitors; target: 5 pct. growth annually)			
c. Number of publications and knowledge products supported by GTP (target: 20 – 10 pct. growth annually)			
d. Number of downloads of publications and knowledge products supported by GTP (target 900 - 10 pct. growth annually)			
e. Number of events/webinars (internal or external) hosted or supported by GTP (target: 20 per year)			
f. Number of participants per year of events organized or supported by the GTP (target: 500 – 10 pct. growth annually)			
Baseline	Year	2023	Included above as available
Target	Year	2026	Included above as available
Project Title 6 (UN TTF)			
Project Title 6 (UN TTF)		Support to the work of the UN Committee of Experts on International Cooperation in Tax Matters, its Subcommittees and capacity development activities	
Outcome		1.The Tax Committee is better equipped to enhance international tax cooperation and provide policy and practical guidance. 2.Assisted developing countries have enhanced/developed efficient and effective tax systems to increase DRM 3. Developing countries have increased their participation in tax cooperation fora and can inform domestic, regional and international discussions and work on tax matters.	
Outcome indicator		1. Updated and new guidance on tax treaties, transfer pricing, taxation of extractive industries, environmental taxation accessible to government officials in developing countries ➤ Guidance in the form of tax publications translated and published by the UN in other languages than English (e.g., French and Spanish). ➤ Preparation of substantive inputs by Committee members that will serve to review and update existing guidance is facilitated; new guidance on issues related to Tax and the SDGs (e.g., taxation and gender equality, taxation and health, taxation and inequality), as well as other guidance useful for developing countries is developed by the Tax Committee. 2. Improved capacity of ministries of finance and national tax administrations to develop/enhance efficient and effective tax systems for DRM ➤ Pct. of tax officials attending capacity building activities that confirm they improved their knowledge of tax issues, and report they increased their awareness and understanding of fiscal policies and practices to reduce risk and build resilience strategies.	

Baseline	Year	2023	<ol style="list-style-type: none"> 1. Existing tax publications (6) prepared and published in English <ol style="list-style-type: none"> 1.a. 0 new guidance prepared/published by the Tax Committee. 2. 75 pct. of tax officials attending capacity building activities that confirm they improved their knowledge of tax issues, and report they increased their awareness and understanding of fiscal policies and practices to reduce risk and build resilience strategies.
Target	Year	2026	<ol style="list-style-type: none"> 1. Existing tax publications prepared and published in other languages (e.g., French and Spanish, up to 6). <ol style="list-style-type: none"> 1.a. New guidance/recommendations prepared/published by the Tax Committee published (up to 11) 2. 90 pct. of tax officials attending capacity building activities that confirm they improved their knowledge of tax issues, and report they increased their awareness and understanding of fiscal policies and practices to reduce risk and build resilience strategies

Project Title 7 (ATAF)		Efficient and effective tax administration systems in Africa	
Outcome		Promote efficient and effective tax systems and administration to improve the living standards of the people in Africa (ATAF vision)	
Outcome indicator		See Annex 3	
Baseline	Year	2023	See project document
Target	Year	2026	See project document

Project Title 8 (EITI)		Promote transparency in governance of the extractives sector 2023-2026	
Outcome		Widened transparency and accountability in the governance of extractives sector world-wide, with more countries adopting the EITI Standard to disclose information on the governance of the extractive industry the EITI.	
Outcome indicator		(1) Increase in number of countries implementing EITI (including temporarily suspended countries). (2) Improved country performance against the 2019 EITI Standard (measured by an increase in percentage of implementing countries validated against the 2019 Standard that have made at least moderate progress (pct.)).	
Baseline	Year	2023	See project document
Target	Year	2026	See project document

3.4 Budget

The support will be provided to the partners with the following expected distribution between calendar years.

Budget (DKK million)					
Partner	Total 2023-2026	2023	2024	2025	2026
UNODC	32	8	8	8	8
MACN	13	0,5	4,2	4,3	4
TI / UNCAC Coalition / GACC	56	14	14	14	14
TI	40	10	10	10	10
UNCAC Coalition	8	2	2	2	2
GACC	8	2	2	2	2
U4	12	3	3	3	3
WB/GTP	80		40	40	
UN DESA/UN TTF	42	11	13	13	5
ATAF	20	5	5	5	5
EITI	20	5	5	5	5
Subtotal	275	46,5	92,2	92,3	44
Unallocated	92				
Programme support: reviews, learning event, MEAL support	2				
Total	369				

Funding for the programme comes from §06.32.08.70 *Democracy, Human Rights and Good Governance* on the Danish Finance Act with the following distribution of commitment frames between calendar year and activity lines. The limited availability of commitment frame from programme start limits opportunities for providing multiyear commitments. Partner agreements with multiyear commitments will be sought to the extent possible.

DKK million	2023	2024	2025	2026	Total
International Anti-Corruption Efforts	25	25	25	25	100
Tax and Development	60	74	90	45	269
Total	85	99	115	70	369

Unallocated funds

The unallocated funds will allow for adaptation and flexibility in accordance with the principles of Doing Development Differently. Possible usage of the unallocated funds includes; i) adding one or more new partners, ii) increased support to existing partners and iii) commissioning research related to the themes covered by the programme.

Potential new partners include “Tax Inspectors Without Borders”, the IMF’s capacity development work within DRM and another civil society partner, potentially one of the Danish civil society organization engaged in Strategic Partnership Agreements (SPAs) with the Danish Ministry of Foreign Affairs.:

- **Tax Inspectors Without Borders (TIWB)** is a joint initiative of the OECD and UNDP supporting countries in building tax audit capacity. TIWB offer matchmaking between tax authorities based on demand (typically from developing countries) and available expertise (typically in the Global North). Possible support to TIWB through the present programme would be particularly relevant if Danish tax

authorities express an interest in engaging in making their expertise available to tax authorities in developing countries through TIWB.

- Denmark has supported **IMF's DRM capacity development work** through the Revenue Mobilization Trust Fund (RMTF) with DKK 35 million from 2018 to 2024. IMF expects to launch a new capacity development trust fund in early 2024, merging capacity development on the revenue and spending side. Given IMF's strong DRM expertise and access to work with key national stakeholders, support will be considered when more information on the new initiative becomes available.
- **Further civil society action** would strengthen the programme's support to "enhancing space and capacity for accountability stakeholders in partner countries to engage in tax and revenue matters" (ATI commitment no. 4). Support to a civil society partner with proven expertise in DRM could further improve the localisation profile of the programme by supporting civil society action in low-income countries (e.g. advocacy for progressive DRM and tax justice, promotion of efficient, effective and transparent revenue administrations through advocacy and budget monitoring of both the revenue and spending side), and strengthen the voice of civil society on tax matters at regional and international level including on combatting IFF's (e.g. by promoting beneficial ownership transparency and exchange of tax information). Leveraging existing strategic cooperation agreements with relevant Danish civil society organizations will be assessed as option in this respect.

It will furthermore be considered to commission **research** related to the themes of the programme. Such research could e.g. contribute to informing the debate on the potential and challenges of DRM to raise revenues to the poorest countries and to reduce inequalities within these countries as well as between countries. Moreover, research could inform the programme management of the programme and help guide subsequent Danish support to international anti-corruption and DRM efforts.

Allocation of the funds will be informed by developments in the programme, by dialogue with other donors, and by dialogue with other stakeholders internationally and nationally, including with Danish Tax Authorities, relevant SPA partners, and researchers.

4 Institutional and Management Arrangements

The programme will be managed by a programme manager at the Multilateral Department (MUS) at the Danish MFA with support from the MUS CFO and the Department for Evaluation, Learning and Quality (ELK), including on the dialogue with U4 and the dissemination of its outputs. Embassies will be targeted as relevant, e.g. country-specific initiatives in Ukraine and other countries of relevance to Danish embassies.

The management of the programme will be consistent with AMG, and included in the annual results reporting. A mid-term review will be conducted in 2025. Each project will have its own management set up as explained in the project documents and aligned with AMG.

In general, the programme manager will be responsible for the dialogue with the eight partners, including through set regular meetings where implementation, results and delivery will be discussed. The programme manager will also be responsible for dialogue with other donors to the partners of the programme. Moreover, the programme manager will be responsible for allocation of unallocated funds to additional or existing partners and/or research in accordance with MFA procedures as outlined in AMG.

Based on needs, the programme might contract an M&E specialist to assist with monitoring and reporting.

5 Programme Monitoring and Learning

The programme manager will be responsible for monitoring and learning, with the possible input from an M&E consultant contracted by the programme. The various projects will be monitored based on narrative and financial reports from the implementing partners as specified in the project documents, consultations with

partners at steering committee meetings (also specified in project documents) and possible field visits. Based on partner inputs, a short and analytical programme monitoring report will be drafted on an annual basis as per AMG. Each project partner will also be responsible for operating a MEAL system. Project partners will gather evidence and organisational learnings and ensure that this information is available for a mid-term review (MTR) in 2025 of the implementation of the programme and individual projects. Whether an M&E consultant has to be contracted will be determined in the initial implementation phase and when receiving the partner reports.

It will be considered to conduct a learning event midway through the implementation period of the programme, possibly as part of the MTR. This learning event would aim to bring together all program partners to share knowledge and insights. The learning event will serve as an opportunity for programme partners to exchange experiences, discuss progress, and further enhance their understanding of synergies across the program. This event would also be used to discuss policy issues on anti-corruption and DRM useful to the MFA's policy work in these areas. As a part of the learning process, this program document will be shared with all programme partners to review possible cross-program synergies, e.g., in the area of illicit financial flows and UNCAC implementation.

Communication of results will be done according to AMG and as a minimum on an annual basis. See Annex 6.

6 Financial Management, Disbursement, Audits, and Anti-Corruption

6.1 Financial Management

Financial Management of the Danish funds will be undertaken by the partners in accordance with MFA's Financial Management Guidelines for Development Cooperation and any additional guidelines specified in the individual cooperation agreements¹⁹. Partners will sign a development agreement with the MFA and be responsible for all financial planning and management according to MFA Guidelines including procurement, work planning, narrative financial progress reporting, accounting and auditing.

The programme will strive to use the procurement procedures of the selected implementing partners if these are found satisfactory in the partner assessment. Sub-granting to other partners can only be undertaken if it is part of the approved work plan and budget. For the multilateral partners the general agreements with MFA apply. The MFA shall have the right to carry out any technical or financial supervision mission that is considered necessary to monitor the implementation of the projects.

The programme manager will cooperate with the MUS CFO on financial management and monitoring.

6.2 Disbursement, Accounting, and Procurement

A disbursement plan will be developed for all partners and disbursements will be done according to spending and absorption capacity based on annual budgets, work plans, narrative and audit reports. Transfer requests shall be submitted by partners based on a disbursement schedule and in accordance with the MFA guidelines. Initial disbursement shall include the full or half-year budget according to partner capacity and need. Subsequent disbursement shall take into account the balance of funds previously received in order to avoid accumulation of funds. Disbursements shall be based on satisfactory narrative and financial reporting on previous periods.

Partners shall establish a designated bank account for project funds where relevant. Procedures regarding cash handling, approval of expenditures, reporting, budget control and other internal control, including control of assets (fixed assets, stores, debtors, and cash) shall be based on sound financial management procedures

¹⁹ <https://amg.um.dk/bilateral-cooperation/financial-management>

and internationally recognised accounting standards. For earmarked project funding, any unspent balance or saving of project funds shall be returned to the MFA by the end of the project together with any interest accrued from Danish funds unless otherwise agreed.

6.3 Financial Planning and Reporting

Annual plans and budgets shall be submitted by each partner to the MFA/MUS on an annual basis as per the project document. Each project partner will provide bi-annual or annual financial reporting for the previous budget. Dates are stipulated in the project documents. The reports can be based on the operating formats of the implementing partner, but shall as a minimum correspond to the same level of detail as the approved annual output-based budget. It shall include budget figures, actual spending, and variance for the period under reporting and for the entire engagement period, as well as accumulated funds and funds received during the period. Approved budget reallocations shall be noted and deviations from the last approved budget shall be explained.

6.4 Audits

Partners shall submit annual audits of financial accounts of the previous year. The audit period follows the general audit year of the partner. The audits shall be conducted in accordance with International Standards of Auditing (ISA) and shall include elements of compliance and performance audit. The basis for the compliance and performance audit must follow relevant International Standards of Supreme Audit Institutions (ISSAIs). The MFA reserves the right to claim full reimbursement of expenditure regarded ineligible according to the agreement between the parties. The audit report shall include a management letter/report. The accounting documentation shall at any time be available for the MFA and the Danish Auditor General.

6.5 Anti-Corruption

All partners in the programme will strive to prevent corruption, including by actively working with risk management, sound financial management, transparency, and value for money while spending and procuring. Any partner will be committed to the highest standards of transparency, probity, and accountability, and will not tolerate fraud, bribery, or corruption. Upon suspicion or awareness of specific cases of corruption involving staff members and/or implementing partners in programmes and projects, the implementing will immediately notify the MFA in accordance with the “Zero Tolerance” Anti-Corruption Policy of the Danish Ministry for Foreign Affairs.

The following standard corruption clause applies between the parties of this programme “No offer, payment, consideration or benefit of any kind, which could be regarded as an illegal or corrupt practice, shall be made, promised, sought or accepted – neither directly nor indirectly – as an inducement or reward in relation to activities funded under this agreement, including tendering, award or execution of contracts. Any such practice will be grounds for the immediate cancellation of entered agreements and for such additional action, civil and/or criminal, as may be appropriate. At the discretion of MFA, a further consequence of any such practice can be the definite exclusion from any other engagements funded by the Danish Ministry of Foreign Affairs.” The principles of this clause should be reflected in the operations of the partner, including when operating through sub-grantees.

7 Risk Management

Risk management of the programme will primarily be based on implementing partners’ individual identification and management of risks. All project partners will actively assess contextual, programmatic and institutional risks and take regular management decisions towards mitigation. The assessment of changes in

risks and mitigation strategies will be an integrated part of ongoing management and monitoring arrangements and will be incorporated into partners' progress reports and annual reporting and associated dialogue with programme management structures. A collective and consolidated consideration and revision of risks is undertaken at programme level as a part of annual stocktaking and through annual steering committee meetings (or similar) with the partners.

The key contextual risks relate to a multi-faceted array of political, economic, societal, environment and climate, and security factors:

- Growing global and local conflicts and substantial slow-down in global economy might distort international and domestic attention away from long-term, systemic efforts to promote the SDG agenda through increased DRM and curbing corruption.
- Economic recession and/or corruption in developing countries erode the tax base.
- Lack of willingness of states to engage in countering illicit financial flows and tax havens.
- Lack of progress on reform of the international financial architecture on international cooperation on taxation.
- Harmful social norms that discriminate against specific populations – e.g. ethnic groups, women, LGBTI+, youth – that limit their participation or the population in general, e.g. in civic protests against corruption.
- Increasing frequency and scope of climatic and other catastrophes and humanitarian crises. Risk of silo approach to solving climate problems, without linkages to broader systemic reforms such as tax and excise, which are often a key economic incentive to regulate behaviour of economic agents.
- Present and emerging international and domestic conflicts give rise to a generally worsening governance environment, including shrinking space for civil society organizations and more frequent suspension of rules of good governance in the name of security concerns and crisis management.

Risks at the program level include:

- The programme fails to establish synergies between the anti-corruption and domestic resource management in one programme.
- The projects do not learn from each other resulting in reduced impact and increased administrative costs for MFA.
- Revenue collecting capacity of developing countries (e.g. through WB GTP) undermined by continued lack of progress to curb illicit financial flows. Strengthening the formal tax collection – without curbing illicit financial flows - might thus have a regressive impact on poverty.
- For “Demand-side good governance activities”: The space available to civil society and media for activism and advocacy on issues related to tax reform and illicit financial flows, in particular, is substantially reduced.
- Political elites not interested in countering corruption nor in progressive taxation.

Only limited institutional risks have been identified. The detailed risk matrix and risk mitigation, including all contextual, programmatic and institutional risks, are included in Annex 4.

Annex 1: Context analysis

1. Context

The multiple crises currently facing the world present a massive challenge to global efforts to finance and implement the Sustainable Development Goals (SDGs) by 2030. The convergence of multiple crises, including the climate crisis, the global ramifications of the war in Ukraine, and the far-reaching impacts of the Covid-19 pandemic has further undermined the capacity of numerous countries to allocate resources towards SDG investments. Moreover, countries in the Global South are grappling with historically high levels of inflation and more than half of low-income countries (LICs) face a high risk of or are already in debt distress. The Covid-19 pandemic has added an additional layer of complexity. Estimates indicate that over 70 million people were pushed into extreme poverty in 2020 alone²⁰. The OECD estimates that the global annual financing gap to meet the SDGs has increased from USD 2.5 trillion pre-Covid-19 to USD 3.9 trillion as a consequence of the multiple crises²¹. External financing, such as foreign direct investments (FDI), official development assistance (ODA) and debt relief is urgently needed if the world is to get back on track and deliver on the SDGs. External financing will not do it alone, why domestic resource mobilisation (DRM) is essential if the SDGs are to be met. This includes more efficient and effective collection of domestic taxes and other revenue, the prevention of crime-related losses of revenue, curbing illicit financial flows (IFFs), asset recovery, enhancing the taxation regime of transnational corporations and fighting corruption.

2. Challenges and risks

Declining **tax revenues** following Covid-19 amplifies the need to strengthen DRM. The pandemic caused severe setbacks to revenue collection efforts in developing countries. According to the World Bank, the tax revenues collected in low- and lower middle-income countries in 2020 declined by 15 pct. compared to pre-pandemic levels. Based on data from the 2008-2009 financial crisis, it takes an average of more than five years to regain revenue levels²². Nothing indicates that a faster recovery is likely in the current situation, without significant support to strengthening the DRM of the affected countries.

There are profound, multi-faceted challenges to raising revenues and strengthening and developing the capacity of tax administrations and policies in developing countries, particularly in Africa. These challenges include:

- *Limited human and institutional capacity:* Developing countries often face a shortage of skilled tax professionals and a lack of institutional capacity within tax administrations. This hampers their ability to effectively enforce tax laws, administer tax systems, and implement efficient tax policies.
- *Informal economy and tax evasion:* Many developing countries, including those in Africa, have significant informal economies where economic activities are not properly regulated or taxed. Tax evasion and informal economic practices pose challenges to revenue collection and tax compliance efforts.
- *Weak tax administration infrastructure:* Inadequate technological infrastructure, outdated tax administration systems, and limited access to taxpayer information and data analytics tools impede effective tax administration and enforcement.

²⁰ World Bank Poverty and Shared Prosperity Report 2022.

²¹ OECD Global Outlook on Financing for Sustainable Development 2023

²² WB Board DRM presentation 2022

- *Complex tax systems and policies:* Complex tax laws, regulations, and procedures can deter compliance and create opportunities for tax avoidance and evasion. Simplifying and streamlining tax systems is crucial for improving compliance and revenue collection.
- *Tax base erosion, profit shifting, IFFs and the existence of tax havens have emerged as crucial obstacles, undermining revenue mobilization at the national level:* Developing countries often face challenges related to base erosion and profit shifting (BEPS) where multinational corporations exploit gaps and mismatches in tax rules to minimize their tax liabilities. Strengthening international cooperation and implementing BEPS measures are necessary to mitigate these challenges.

The amounts lost in **illicit financial flows** are substantial, why curbing IFFs is a potential source to raise substantial revenues. According to one estimate, more than USD 7 trillion are hidden in secrecy jurisdictions and tax havens²³ and as much as up to 10 pct. of world GDP may be held in offshore financial assets²⁴. The CSO Tax Justice Network (TJN) estimates that multinational corporations are shifting USD 1.15 trillion worth of profit into tax havens a year, causing governments around the world to lose USD 311 billion a year in direct tax revenue²⁵. Further, TJN estimates that USD 169 billion a year is lost to offshore tax evasion related to financial wealth alone. Of the above estimated annual tax loss of USD 480 billion, lower income countries are estimated to lose USD 47 billion a year, corresponding to half of the health budgets of these countries. The issue of profit shifting where companies claim that profit is created in jurisdictions with no or very limited taxation is being addressed in the 'Base Erosion and Profit Shifting 2.0' (BEPS 2.0) initiative being negotiated under the OECD. OECD estimates that the agreed introduction of a global minimum tax on corporate profit of minimum 15 percent will generate around USD 150 billion in additional global tax revenue annually from multinational corporations.

By evading taxes and enabling capital flight, IFFs exacerbate global inequality and hamper the redistribution of wealth. Tax havens and secrecy jurisdictions often serve as destinations for IFFs as they offer favorable legal and financial frameworks that shield assets from scrutiny and taxation. These jurisdictions often provide secrecy provisions, minimal reporting requirements, and low tax rates attracting individuals and corporations seeking to exploit loopholes and engage in illicit practices. The limited willingness of developed countries, including some within the OECD, to effectively address these challenges further complicates the situation. The majority of countries listed on Financial Secrecy Index published by the Tax Justice Network²⁶ are OECD countries. Despite the adverse impacts of IFFs and tax havens, efforts to curb these practices and establish a fair and transparent global financial system have often encountered resistance. Addressing these challenges necessitates a multi-faceted approach that includes international cooperation, policy reforms, and stronger regulatory frameworks. Enhancing transparency and information sharing between countries is crucial for exposing illicit financial flows and curbing tax evasion.

Strengthening international cooperation, enhancing transparency, and establishing global frameworks in the UN, as supported by the UN TTF, are crucial steps. In the OECD, addressing tax avoidance through the BEPS 2.0 recommendations will have an effect, including promoting transparency through the exchange of financial information among member countries via initiatives like the Common Reporting Standards embedded in the AEOI (the Automatic Exchange of Information). At the EU level, strengthening regulatory frameworks, enhancing cooperation among member states, and promoting financial transparency are vital. At the individual, developing country level, strengthening legal frameworks, enhancing institutional capacity,

²³ Gabriel Zucman: The hidden wealth of nations 2015

²⁴ National Bureau of Economic Research 2020

²⁵ Tax Justice Network: State of Tax Justice 2023

²⁶ See <https://fsi.taxjustice.net/>

promoting international cooperation, and fostering financial literacy are essential actions. Supra-national mechanisms such as the FATF (the Financial Action Task Force) are also pivotal. Yet, it should be recognized that this agenda is massive and embedded into a complex setting of different vested interests.

Corruption and bribery of all types continue to pose a significant challenge to funding the SDGs. Bribery may amount to USD 1.5 - 2 trillion annually²⁷. A reduction could potentially contribute significantly to financing development. It has been estimated²⁸ that USD 500 billion (7 pct of allocations) are lost globally to corruption and fraud in the health sector alone every year. Corruption undermines sustainable development in multiple ways:

- *it diverts resources that are intended for public welfare towards private interests.* Funds allocated for development projects and initiatives, including those aligned with the SDGs, may be embezzled or misused by corrupt individuals or entities. This diversion reduces the availability of financial resources needed to implement and achieve the SDGs²⁹ just as it degrades the social contract between citizens and state.
- *it undermines investor confidence and deters both domestic and foreign investments.* When corruption is prevalent, businesses may hesitate to invest in countries or regions where their investments may be at risk. This reduced investment further limits the financial resources available for SDG funding, as investment is a crucial source of economic growth and development³⁰.
- *It distorts resource allocation by favoring bribers over those who should be prioritized based on merit or need.* In the context of SDG funding, this means that resources are channeled towards projects or individuals that are not aligned with the goals or do not have the most significant impact. As a result, funds are not utilized optimally, hindering progress towards achieving the SDGs³¹.
- *It erodes public trust in institutions and weakens the delivery of public services.* When bribery and corruption are widespread, essential services such as healthcare, education, and infrastructure development may suffer. This undermines the overall effectiveness of efforts to achieve the SDGs, as the necessary infrastructure, human capital, and social services required to support sustainable development are compromised³².

3. Opportunities

The Sustainable Development Goals (SDGs) and the Financing for Development agenda have brought attention to the critical significance of increasing revenues for sustainable development. Previously, this area was often under-prioritized, overshadowed by other developing policy issues. However, recognizing the

²⁷ IMF Staff Discussion Note 2020

²⁸ As quoted by U4 in its Issue 2020:10 on Health Sector Corruption

²⁹ See for instance: Gupta, S., Davoodi, H., & Alonso-Terme, R. (2002). "Does Corruption Affect Income Inequality and Poverty?" IMF Working Paper No. 02/199. Mauro, P. (1997). "The Effects of Corruption on Growth, Investment, and Government Expenditure: A Cross-Country Analysis." In K. Klitgaard (Ed.), "International Handbook on the Economics of Corruption" (pp. 83-99). Edward Elgar Publishing

³⁰ See for instance: Dreher, A., & Gassebner, M. (2013). "Greasing the wheels? The impact of regulations and corruption on firm entry." *Public Choice*, 155(3-4), 413-432.

Li, Q., & Resnick, A. (2019). "Corruption and investor protection: Evidence from panel data." *Journal of Comparative Economics*, 47(2), 325-348.

³¹ See for instance: Olken, B. A., & Pande, R. (2012). "Corruption in developing countries." *Annual Review of Economics*, 4(1), 479-509; La Porta, R., Lopez-de-Silanes, F., & Shleifer, A. (2013). "Corruption and growth: A review of the issues." In E. Helpman & T. N. Srinivasan (Eds.), *Handbook of Trade Policy for Development* (pp. 477-500). Oxford University Press.

³² See for instance: Søreide, T. (2017). "The political economy of trust in aid: Corruption perception indices and recipient government accountability." *World Development*, 99, 358-366.

Bardhan, P. (2017). "Corruption in Developing Countries." *Journal of Economic Literature*, 55(3), 974-1033.

immense financial resources required to achieve the SDGs, there is now a growing acknowledgment that DRM, including revenue generation, plays a pivotal role in funding social and economic progress. By prioritizing revenue generation, countries can enhance their capacity to invest in key sectors, reduce dependency on external funding, and foster long-term, self-sustaining development.

The United Nations Convention against Corruption (UNCAC) also provides an opportunity as a comprehensive and universally accepted legal international framework to combat corruption. Over the past decade, anti-corruption efforts have experienced rapid growth worldwide. This is largely due to the nearly universal ratification of the UNCAC (188 state parties) and the increasing recognition of the role of governance and anti-corruption in promoting sustainable development. The UNCAC covers five main areas: prevention, criminalization and law enforcement measures, international cooperation, asset recovery, and technical assistance and information exchange. UNCAC encourages collaboration to recover stolen assets, exchange information, and learn from effective revenue mobilisation strategies, addressing cross-border corruption and illicit financial flows. Furthermore, the UNCAC emphasizes transparency in public finances, prompting governments to publish financial statements, conduct audits, and involve civil society in monitoring revenue collection. Specifically, the opportunities for increasing domestic revenue collection through UNCAC measures include:

- *Preventing corruption in tax administration:* the UNCAC encourages member states to establish robust anti-corruption measures in their tax administration systems. By strengthening transparency, accountability, and integrity in tax collection processes, the convention aims to reduce opportunities for corruption and increase domestic revenue. This can involve measures such as enhancing transparency in tax administration, implementing effective internal controls, and promoting ethical conduct among tax officials.
- *Enhancing international cooperation in tax matters:* the UNCAC promotes international cooperation among member states to combat corruption, including in the realm of tax evasion and IFFs. By sharing information and cooperating on cross-border investigations, countries can identify tax evasion schemes, recover stolen assets, and strengthen their ability to enforce tax laws. Such cooperation can help improve domestic revenue by ensuring that individuals and entities pay their fair share of taxes.
- *Asset recovery and repatriation:* the UNCAC includes provisions for the recovery and repatriation of assets acquired through corrupt practices. When illicitly acquired assets are returned to their rightful owners or jurisdictions, it can significantly contribute to domestic revenues. Recovered assets can be used to fund public projects, invest in infrastructure, or provide social services. There is however a risk, that the political elite will not use the additional resources for investments in development.
- *Strengthening anti-money laundering measures:* the UNCAC recognizes the close link between corruption and money laundering. By implementing robust anti-money laundering measures, countries can prevent illicit funds from entering their financial systems and ensure that revenues generated through corrupt practices are identified and confiscated. This can help increase domestic revenue by curbing the inflow of illicit funds and promoting a transparent and accountable financial environment.

In general, anti-corruption has garnered increasing attention from **international human rights mechanisms**. Notably, UN institutions like OHCHR, UN human rights bodies, and various mechanisms, including the Human Rights Council, Special Rapporteurs, and the Universal Periodic Review mechanism, have increasingly recognized the negative impact of corruption on human rights and have addressed this intersection on multiple occasions, and studies, such as those conducted by the Universal Rights Group on the consequences

of corruption on human rights, have provided recommendations on how human rights can help curb corruption³³. Depending on factors like the level, pervasiveness, and nature of corruption, its impacts can be devastating, affecting the availability, quality, and equal accessibility of human rights-related goods and services. Furthermore, corruption undermines the proper functioning and legitimacy of institutions and processes, weakens the rule of law, and ultimately poses a threat to the integrity of the State itself. Disadvantaged groups and individuals bear a disproportionate burden due to corruption. They often heavily rely on public goods and services, lacking the means to access alternatives. Moreover, they typically face limited opportunities to participate in the formulation and implementation of public policies and programs, and lack the resources necessary to defend themselves or seek redress. Furthermore, those engaged in activities related to investigating, reporting, prosecuting, and addressing corruption are at a heightened risk of human rights violations and thus require effective protection measures. While acts tainted by corruption can constitute human rights violations, corruption itself is best seen as a structural obstacle to the enjoyment of human rights. Corruption, especially grand corruption, has enormous implications, both direct and indirect, for the enjoyment of human rights. Corruption undermines – perhaps even violates – a wide array of economic, social and cultural rights, including the right to development as demonstrated by the Study from the Universal Rights Group (URG) and Kroll.

Human rights standards, principles and mechanisms provide additional entry points to complement anti-corruption efforts. Anti-corruption activists and organisations such as Transparency International and other NGOs supported under this programme may for example use the various human rights avenues within the UN. The implementation of international norms against corruption could be improved with the help of human rights arguments and instruments, which organisations supported under this programme e.g. Transparency International apply³⁴. At the same time, anti-corruption efforts need to comply with human rights standards, otherwise they lose their legitimacy. This includes the respect for human rights, also of people accused of corruption or mismanagement.

³³ See for instance: "Corruption and Human Rights: Assessing the Linkages" by the World Bank (2017), "Human Rights and Corruption: Mapping the Terrain" by the Danish Institute for Human Rights (2018), "The Impact of Corruption on Human Rights: Evidence from a Cross-National Study" by Mocan, Serrano-Padial, and Tekin (2018), "Anti-Corruption and Human Rights: Strengthening the Nexus" by the United Nations Office of the High Commissioner for Human Rights (OHCHR) (2019), and "Human Rights and Corruption: The Quest for Justice" by the International Bar Association (IBA) (2020)

³⁴ See "The Nexus between corruption and human rights", A Review by the Raoul Wallenberg Institute of Human Rights and Humanitarian Law, 2018.

Annex 2: Partner Assessment

Brief Presentation of Partners and Partner Justification

1. The UN Office on Drugs and Crime (UNODC)

UNODC is a multilateral organisation having an essential normative role in global anti-corruption through its mandate as custodian of the UNCAC convention. UNODC was supported by Denmark under the previous anti-corruption programme to facilitate and support the UNCAC Implementation Review Mechanism and to deliver technical assistance. UNODC is selected as a partner due to its central norm-setting role in global anti-corruption work and its capacity to facilitate norm-based anti-corruption work in individual countries. Of particular relevance for selecting UNODC is these 5 specific UNCAC functions: 1) providing technical assistance (TA) to State Parties in the ratification and implementation of the Convention; 2) facilitating and supporting the implementation review process; 3) providing the Conference of the State Parties with information on the measures taken by States and the difficulties encountered in implementation, thus promoting the exchange of information, practices and experiences among State Parties; 4) developing and promoting tools and methodologies to assist State Parties in implementing the Convention; 5) raising awareness of the Convention and its provisions.

In addition to its mandate under UNCAC, UNODC also provides TA and capacity-development to State Parties on a range of anti-corruption issues, including prevention of corruption, criminalization and law enforcement, international cooperation, and asset recovery.

2. The Maritime Anti-Corruption Network (MACN)

MACN is a private-sector collective-action initiative spearheading anti-corruption efforts in the sector of maritime transport and trade. Its more than 175 member companies represent more than 50 pct. of the world's maritime cargo tonnage. MACN has a unique informal norm-setting role at sector level as well as a hands-on role in developing new anti-corruption tools and practices for the sector in national and regional contexts. The organisation is already being supported by Denmark under the previous anti-corruption programme principally to implement projects in Nigerian and Ukrainian ports (of which the latter project had to be suspended shortly after its start due to the Russian invasion). MACN is selected for the programme to ensure the continuity of this innovative and ground-breaking work with huge potential for global impact and to extend it by new trade-related activities with a regional scope. The performance of the network was positively reviewed after the first phase of engagement. Moreover, the inclusion of MACN will create synergies with broader Danish development efforts such as the *Danish Strategic Sector Cooperation e.g. with the Danish Maritime Authorities and its engagement in countries like Ghana*. MACN's innovative work relies on donor funding and without the funding from this programme, it would have to scale down activities significantly.

3. Civil society actors, led by Transparency International (TI)

TI is acknowledged as the leading and politically most influential anti-corruption CSO globally. Together with the UNCAC Coalition, a network of more than 350 CSOs worldwide, and the Global Anti-Corruption Consortium (GACC), TI will lead a civil society consortium under this programme. While the UNCAC Coalition is the "civil-society counterpart" of UNODC in support of UNCAC implementation at global and country level, GACC is a collaborative endeavour between TI and the Organised Crime and Corruption Reporting Project (OCCRP) aiming to expose and publicise cases of corruption, tax evasion, and other economic crime and,

innovatively, to use these for advocacy purposes and legal action. Over the past years, GACC has had considerable impact through its exposure of money laundering, illicit financial flows, large-scale corruption and illegal natural resource extraction. All three organisations were partners in the previous Danish anti-corruption programme – and was positively reviewed – and will continue under this programme based on their distinct individual roles and comparative advantages in global anti-corruption. TI as the global CSO with impressive reach and influence, and the two others as leading and effective actors in their respective fields of work, globally and at country level. The UNCAC Coalition has relatively few donors and is thus dependent on continued Danish funding to deliver the impact expected.

The selection of these partners provides the demand-side of good governance in anti-corruption and domestic revenue collection, whereas other partners support the supply side of good governance (e.g. the GTP. See below).

4. U4 Anti-Corruption Research Centre

U4 is a research centre established as a joint donor initiative. It seeks to contribute to anti-corruption through research, knowledge, practical experience and strategic partnerships. The research generated by U4 addresses causes of corruption per sector and/or theme, how corruption affects development and best practices on how best combat corruption. U4 is funded by membership fees by paying members, who have access to the research, training and other services provided by U4. The research and publications conducted by U4 are open access. Denmark has been a member of the network since 2014 and it has been positively reviewed. This provides the rationale for the selection of this partner.

5. The World Bank Global Tax Program (GTP)

The GTP is one of the main technical assistance facilities in the field of DRM with a global scope. The GTP is placed under the Fiscal Policy and Sustainable Growth Unit under the Bank and is based on the Bank's technical expertise and leverage complementing the Bank's lending programmes. Importantly, the GTP also provides synergies between the two overarching themes of this program, strengthening revenue collection and anti-corruption, and between program partners. The GTP's work on beneficial ownership and asset recovery are closely aligned with the goals of UNCAC. For example, the GTP's work on beneficial ownership aims to help countries identify the true owners of shell companies and other entities that are often used to facilitate corruption and IFFs. This is directly in line with UNCAC Article 12, which requires countries to take measures to identify the beneficial owners of legal persons and arrangements. Moreover, the World Bank and the GTP is selected due to its documented effectiveness and huge implementing capacity.

6. UN DESA and UNTTF

The UN Secretariat and its Department of Economic and Social Affairs (DESA) acts as a secretariat for the UN Trust Fund for International Cooperation in Tax Matters (UN Tax TF/UN TTF) and importantly for the UN Committee of Tax Experts, appointed by the UN Secretary General. The Committee of Tax Experts advise UN member countries on international tax matters and provides a platform for the Global South to express their concerns. The partner is selected due to the emerging normative role of the Tax Committee and the legitimacy of this among countries in the Global South. UN TTF also provides programmatic synergies to curbing corruption. Among other things, the UN TTF is assisting developing countries in implementing international tax standards, such as the exchange of tax information and the automatic exchange of financial account information. These standards can help to make it

more difficult for corrupt officials to hide their assets and income. The UNTTF also helps developing capacity for countries to investigate and prosecute tax crimes, often related to corruption.

7. The African Tax Administration Forum (ATAF)

ATAF is a joint initiative of a number of African national tax authorities aiming to improve African tax administration and policy and to speak on behalf of Africa in relevant international fora. It is a preferred partner of African governments for tax-related technical assistance, training and advice due to its intimate knowledge of the African administrative and policy environment. Denmark supported ATAF with a one-off contribution in 2015. The selection of ATAF is due to its regional nature and particular capacity to support and develop African tax authorities. ATAF also cooperates closely with the UN Tax Committee in unpacking salient tax matters, such as taxation systemic tax issues but also new issues such as taxation of the digitalized economy. ATAF is selected due to its role as the preferred and legitimate partner and voice of African governments on tax technical issues.

8. The Extractive Industry Transparency Initiative (EITI)

EITI is a global standard for the transparent and accountable management of natural resources such as oil, gas, and minerals. It is a voluntary initiative that aims to strengthen governance and combat corruption in the extractive industry by requiring companies and governments to disclose information about their extractive activities, revenues, and payments. EITI operates in more than 50 countries worldwide and is supported by a coalition of governments, companies, civil society organisations, and international organisations. The partner is selected due to its global recognition and due to its interface between anti-corruption and revenue mobilization in the extractive industries and natural resource management.

Summary of Key Partner Features

Name	Core business <i>What is the main business, interest and goal of the partner?</i>	Importance <i>How important is the project/programme for the partner's activity-level (Low, medium high)?</i>	Influence <i>How much influence does the partner have over the project/programme (low, medium, high)?</i>	Contribution <i>What will be the partner's main contribution?</i>	Capacity <i>What are the main issues emerging from the assessment of the partner's capacity?</i>	Exit strategy <i>What is the strategy for exiting the partnership?</i>
UNODC	UNODC is a UN organisation fighting a variety of crimes. In the field of anti-corruption its core mandate is the management and facilitation of UNCAC, including through the Implementation Review Mechanism (IRM), the hosting of regular	Low to medium. UNODC's core budget is substantial, but its anti-corruption activities are to a large extent based on voluntary contributions. Denmark's support for the IRM and for TA provision is relatively important.	High. The overall work streams and outcomes have been decided in consultation, but UNODC will itself design and implement all supported activities in accordance with its assessment of the relevant needs and its own capacity.	UNODC will contribute its thematic expertise and experience as well as complementary funding from its core budget. UNODC will contribute its convening power, decisive for the implementation of UNCAC.	UNODC has huge convening power, global leadership in its area of responsibility, long experience in international anti-corruption negotiations, considerable technical expertise. Received a recent positive evaluation of its technical	No strategy. UNODC will have to seek other funding sources for the project activities.

Name	Core business	Importance	Influence	Contribution	Capacity	Exit strategy
	Conferences of States Parties (COSP), and technical assistance to member countries.				advisory services.	
MACN	MACN is a private-sector member-based organization representing companies operating more than 50 pct. of world maritime cargo tonnage. Its primary mandate is to find ways of reducing corruption in ports that hinders efficient ship operation and increases costs of operation, and thereby the cost of trade.	High. Both in terms of volume and of opportunity to pilot new approaches.	High. Outcomes and work streams agreed between the parties, but MACN implements all activities based on own needs assessments and approaches.	MACN contributes its unique experience and tools as well as the influence and leverage that comes with its huge membership base.	MACN is small in terms of staff and funding, but has proven highly innovative and ground-breaking under very difficult conditions, both in terms of the development of tools and approaches and in terms of forging working relations and partnerships. Seems to be commanding high esteem among its member companies.	MACN is based on funding by the members, but relies on private and public funds for part of its development work. It is seeking to diversify its funding sources. Many of the project activities will need less support after the project, when approaches and tool developed.
TI	The mission of TI is to stop corruption and promote transparency, accountability and integrity at all levels and in all sectors. TI is independent of political interests, non-governmental and not-for-profit. The main tool applied by TI is fact-based advocacy.	Low. TI is funded by a considerable number of sponsors. As a core funder, Denmark is however considered an important partner by TI.	High. The Danish support is core funding and as such 100 pct. aligned to TI's own priorities as set out in its work plans and budgets.	The main contribution is TI's very important convening power and influence at both international and national political levels, as well as vast experience and expertise in practically all thematic areas related to corruption and economic crime.	A major strength of TI is its structure as an international movement with Chapters (of variable capacity and influence) in many countries which ensure local embeddedness and influence supported by and complementary to centrally driven technical work and advocacy. Overall, TI has had the capacity to maintain its leadership role over many years.	There is no need for a particular exit strategy, Denmark being a relatively small donor and TI being strong in fund-raising.
UNCAC Coalition	The UNCAC Coalition is a	High.	High.	The Coalition brings the	Small but efficient and	No current exit strategy

Name	Core business	Importance	Influence	Contribution	Capacity	Exit strategy
	global network of more than 350 CSOs promoting the ratification, implementation and monitoring of UNCAC.	The organization only has few donors	DK support is core funding.	whole civil-society side into the UNCAC implementation. Its contribution comprises technical upgrading of CSO anti-corruption work, organisation of CSO participation in IRM and in COSPs.	effective secretariat. A major strength is the convening power and global outreach.	
GACC	GACC's purpose is to accelerate the global fight against corruption by combining investigative journalism with civil-society advocacy.	Medium. DK is one of several donors. However only a limited number offer core support.	High. DK support is core funding.	GACC brings an extended and increasing network of media and individual journalists into coordinated anti-corruption work and – as a unique feature – combines systematically the results with advocacy to achieve outstanding impact.	A relatively small secretariat with staff distributed in many locations. Ambition of major up-scaling of activities over the coming years.	No current exit strategy
U4	U4 is a joint donor initiative. It seeks to contribute to anti-corruption through research and advice to its member agencies and their partners.	Low. Denmark is one of several members.	High. The DK contribution is the mandatory membership fee.	U4 contributes its highly regarded expertise and research capacity.	U4 is hosted by the Christian Michelsen Institute in Bergen and is based on the administrative and academic capacity of the Institute.	No exit strategy. Denmark can opt out any time.
GTP (WB)	The GTP is the WB's main means of implementing its DRM strategy across its lending portfolio and through specific DRM interventions.	Medium. With the planned contribution Denmark will become one of the important GTP donors over the project period.	High. The donors' influence is minor through joint steering committee meetings. No donor influence over concrete programming and implementation.	The GTP contributes the WB's significant implementation capacity and expertise as well as the leverage that comes with the importance of its lending for the concerned countries.	The GTP secretariat is composed of highly professional and skilled staff, sufficient to run and further develop the GTP portfolio. A recent evaluation rated the implementation capacity and quality very positively.	No exit strategy. Activities can be scaled up and down according to funding available.

Name	Core business	Importance	Influence	Contribution	Capacity	Exit strategy
UN DESA/UN TTF	As part of the UN Secretariat, DESA promotes and implements the UN's mandate in its field. Supporting the UN Tax Committee is part of furthering the UN's effort at playing a global norm-setting role in international tax issues.	Medium to high. With the planned contribution, Denmark will become an important donor to the project in question.	Medium to high. The few donors may exert some influence on implementation, but the project is basically pre-designed by UN.	DESA contributes the political importance of the UN, and the legitimacy of the UN, particularly in the eyes of countries in the Global South.	Implementation capacity is sufficient, with good technical experts backing the Tax Commission, according to the main funder Norad. Project mid-term review expected in 2023.	No exit strategy. DK funding planned until end of project. Future of project activities not known.
ATAF	ATAF is a collaborative endeavour of African governments to enhance the role and quality of taxation as part of economic and social policies. ATAF also takes care of the AU's mandate of representing and advancing African points of view in international tax discussions.	Low to medium. With the planned contribution, Denmark will become one of the bigger core donors together with 4 or 5 others.	High. The DK contribution is core funding.	ATAF contributes a high degree of legitimacy as a partner of African tax authorities and governments, in addition to region-specific expertise and implementation capacity.	According to Norad, one of the important core funders of ATAF, ATAF is a well-run and efficient organisation achieving good results.	No exit strategy.
EITI	EITI is a voluntary initiative operating as a network. It promotes transparency and accountability in the management of natural resources such as oil, gas, and minerals. EITI does this by setting a global standard for the disclosure of information related to the extraction and sale of these resources, including the payments made by companies to governments and the revenues	Low to medium. EITI receives core or project contributions from more than 20 – predominantly OECD - countries. The contributions from these countries are a critical source of funding for EITI's operations and support the implementation of the initiative. While the planned Danish support is important at a strategic level – EITI's core business is not dependent on it.	Medium to high. Depending on how active the Ministry of Foreign Affairs will be in the policy dialogue.	The key contribution is EITI's unique position in the thematic intersection between good governance and extractive industries. The specific focus of the project will inform evidence-based policies which have a high track record of impact.	EITI has strong capacity through its global standard and its multi-stakeholder approach (government, businesses and CSOs) ensuring that a range of perspectives and interests are taken into account. The key capacity issues relate to limited enforcement mechanisms and limited scope, financial transparency and not climate or environment transparency.	This is a new, innovative approach for EITI and (possible) continued support will be decided in the M&E process and through lessons learned.

Name	Core business	Importance	Influence	Contribution	Capacity	Exit strategy
	received by governments.					

Annex 3: Theory of Change and Results frameworks

3.1. A Theory of change

Recognizing the immense financial resources required to achieve the SDGs, the programme is based on the assumption that

if domestic revenue is increased and corruption reduced, by international norm setting and operationally through modernization of tax policies and systems, broadening of tax bases, capacity development of tax officials, improvement of investigations of tax evasion, hindering of transnational illicit financial flows, strengthening of anti-money laundering measures and consistent efforts to curb corruption show results and impunity is reduced and key accountability stakeholders are engaged

and **if** international cooperation in tax matters and anti-corruption is institutionalised and functioning, and developing countries engage in international and regional fora,

then developing countries will have increased domestic resources available for investments in sustainable development

and

then countries can invest more in long-term, self-sustaining development and in funding social and economic progress towards achievement of the SDGs.

3.2. Assumptions

The **assumptions** at programmatic level are:

- SDG achievements continue to have political priority, resources are made available supporting their achievement, and governments invest in sustainable development.
- International and political commitment to prioritise tax and rise in domestic revenue continue at national, regional and international levels.
- International norms to prevent tax evasion and transnational illicit financial flows are enforced and increase public revenues and reduce corruption.
- Political-economy drive and resources continue to be available to fight corruption.
- Support to national duty bearers results in legislative reforms, institutionalisation and operationalisation.
- Strong and continued engagement of accountability stakeholders, i.e. civil society and private sector, to advocate for anti-corruption and transparency at local, regional and international levels.

Each project document includes project specific ToCs and assumptions.

3.3. Results frameworks

The results frameworks for all partners are shown below at programme level and at project level.

Organisations have their own formats, which to some degree have been modified to fit the AMG, but even so there are considerable differences.

The logic in the hierarchy between programme level and individual projects are:

- at programme level the *outcome indicators* are outcomes at the level of the individual projects. The outcome indicators at programme level are therefore statements that do not include measures. Measures are presented as means of verification.

The result frameworks of the projects are very different in structure and degrees of operationalisation. Using the outcome indicators at project level as means of verification for programme outcomes helps to concretize the monitoring of results at programme level and maintaining the individual project internal hierarchical logic. The WB and the UN use logical frameworks, and they have been requested to prepare results frameworks at programme level that link to the logical frameworks.

Programme	Resource Mobilisation for Development – Programme for Anti-Corruption and Domestic Resource Mobilisation 2023 - 2026
Programme Objective	To increase domestic resources in developing countries for investments in sustainable development
Impact Indicator	Total government revenue (by source) as a percentage of GDP (indicator for SDG 17.1) Proportion of domestic budget funded by domestic taxes (indicator for SDG 17.1)

Component 1	Combatting Corruption, Illicit Financial Flows and Tax Evasion
Component Objective	To reduce resources lost to corruption, tax evasion and avoidance, and illicit financial outflows.

1. UNODC

Programme Title	Global Programme to Prevent and Counter Corruption through effective Implementation of the United Nations Convention against Corruption in Support of Sustainable Development Goal 16
Programme Objective	Effective action against corruption for inclusive and resilient societies and the achievement of the Sustainable Development Goals
Impact Indicator	Number of States parties that have addressed recommendations from the UNCAC Implementation Review Mechanism
Baseline	To be determined

Project Title	Fast-tracking the implementation of the United Nations Convention against Corruption
Objective	Prevent and counter corruption through fast-tracking the implementation of the United Nations Convention against Corruption in Support of Sustainable Development Goal 16
Impact indicator	Number of States parties that have addressed recommendations from the UNCAC Implementation Review Mechanism

Baseline	Year	2023	To be determined
Target	Year	2026	120

Outcome 1	States parties effectively engage in intergovernmental processes to fast-track the United Nations Convention against Corruption, including its Conference of the States Parties (COSP) and the Implementation Review Mechanism (IRM)		
Outcome indicator 1.1	% of beneficiaries who find the Convention is a useful tool to prevent and counter corruption		
Baseline	Year	2023	To be determined
Target	Year	2026	75%

Output 1.2	Least Developed Countries supported to participate in CoSP and the UNCAC IRM		
Output indicator 1.2.1	Average number of LDCs that participated in CoSP and the Implementation Review Group (IRG) with Global Programme Services (GPS)		
Baseline	Year	2023	22 per session
Target	Year 2	2024	22 per session
Target	Year 3	2025	22 per session
Target	Year 4	2026	22 per session

Output 1.3	States parties supported to conduct country reviews under cycle 1		
Output indicator 1.3.1	Number of executive summaries completed		
Baseline	Year	2023	176
Target	Year 2	2024	180
Target	Year 3	2025	183
Target	Year 4	2026	186

Output 1.4	States parties supported to conduct country reviews under cycle 2		
Output indicator 1.4.1	Number of executive summaries completed		
Baseline	Year	2023	83
Target	Year 2	2024	115
Target	Year 3	2025	147
Target	Year 4	2026	179

Outcome 2	States' legal and policy frameworks address corruption in line with UNCAC		
Outcome indicator 2.1	Number of adopted, revised or new laws, regulations or policies in line with UNCAC as a result of GPS		
Baseline	Year	2023	0
Target	Year	2026	CEB's regional anti-corruption platforms and regional anti-corruption hubs support the adoption, revision or drafting of new laws, regulations or policies in line with UNCAC

Output 2.1	States supported to develop or revise anti-corruption legislation or regulations		
Output indicator 2.1.1	Number of GPS related to anti-corruption legislation or regulations		
Baseline	Year	2023	0
Target	Year 2	2024	2 adopted, revised or new laws and regulations in line with UNCAC, on which CEB's regional hubs provided formal or informal written or verbal advice (including Ukraine as a potential beneficiary)

Target	Year 3	2025	3 adopted, revised or new laws and regulations in line with UNCAC, on which CEB's regional hubs provided formal or informal written or verbal advice (including Ukraine as a potential beneficiary)
Target	Year 4	2026	4 adopted, revised or new laws and regulations in line with UNCAC, on which CEB's regional hubs provided formal or informal written or verbal advice (including Ukraine as a potential beneficiary)

Output 2.2		States supported to develop or revise anti-corruption policies or strategies	
Output indicator 2.2.1		Number of GPS related to anti-corruption policies or strategies	
Baseline	Year	2023	0
Target	Year 2	2024	2 policies or strategies drafted or revised (including potentially Ukraine's National Anti-Corruption Strategy presented in the Ukraine Recovery Conference 2022)
Target	Year 3	2025	3 policies or strategies drafted or revised (including potentially Ukraine's National Anti-Corruption Strategy presented in the Ukraine Recovery Conference 2022)
Target	Year 4	2026	4 policies or strategies drafted or revised (including potentially Ukraine's National Anti-Corruption Strategy presented in the Ukraine Recovery Conference 2022)

Outcome 3		Institutional frameworks, including integrity systems, address corruption in line with UNCAC	
Outcome indicator 3.1		Number of institutions addressing corruption established or strengthened with GPS	
Baseline	Year	2023	0
Target	Year	2026	CEB's regional anti-corruption platforms and regional anti-corruption hubs support 8 institutional frameworks including integrity systems (2 per year)

Output 3.1		Strong State institutions, including mechanisms or bodies for coordination and oversight of their performance, established to address corruption	
Output indicator 3.1.1		Number of GPS provided, including needs/gaps/risk assessments, to establish new institutions or strengthen existing institutions	
Baseline	Year	2023	2 needs assessments conducted (including potentially in Ukraine)
Target	Year 2	2024	2 joint activities with the World Bank, UNDP and other assistance providers conducted (including potentially with regard to Ukraine)
Target	Year 3	2025	1 organizational-level corruption risk mitigation plan is being implemented
Target	Year 4	2026	2 organizational-level corruption risk mitigation plans are being implemented

Output 3.2		Integrity systems are strengthened	
Output indicator 3.2.1		Number of GPS provided, including needs/gaps/risks assessments, which strengthen integrity systems	
Baseline	Year	2023	1 organizational-level corruption risk management process is initiated (with Ukraine as a potential beneficiary)
Target	Year 2	2024	Implementation of the organizational-level corruption risk mitigation plan developed in 2023
Target	Year 3	2025	Continued implementation of the organizational-level corruption risk mitigation plan
Target	Year 4	2026	Evaluation and refinement of the organizational-level corruption risk mitigation plan

Outcome 5		Policymakers, practitioners and other stakeholders use evidence-based knowledge and tools on anti-corruption to inform decision-making	
Outcome indicator 5.1		% of surveyed policymakers, practitioners and other stakeholders who report using research and tools developed by the Global Programme	
Baseline	Year	2023	0

Target	Year	2026	Creation of an e-learning module on how tax authorities and anti-corruption bodies may strengthen their cooperation
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Output 5.1	Anti-corruption manuals and technical tools based on international good practices and standards are produced and disseminated		
Output indicator 5.1.1	Number of manuals and tools related to UNCAC developed by the Global Programme		
Baseline	Year	2023	0
Target	Year	2025	An e-learning module created on how tax authorities and anti-corruption bodies may strengthen their cooperation
Target	Year 4	2026	100 users of e-learning module

Outcome 7	Increased international cooperation to prevent and counter corruption, including on asset recovery cases		
Outcome indicator 7.2	Number of States who have taken actions for the recovery and return of assets (proceeds or instrumentalities of corruption) as a result of GPS		
Baseline	Year	2023	0
Target	Year	2026	Cooperation between tax authorities and anti-corruption bodies is strengthened through the Stolen Asset Recovery Initiative (StAR) led by UNODC and World Bank

Output 7.2	Increased capacity of States to trace, seize, freeze, confiscate and return assets in line with UNCAC		
Output indicator 7.2.1	Number of GPS related to strengthen States' capacities to trace, seize, freeze, confiscate and return the proceeds or instrumentalities of corruption		
Baseline	Year	2023	0
Target	Year 2	2024	1 regional meeting between tax authorities and anti-corruption bodies
Target	Year 3	2025	1 regional meeting between tax authorities and anti-corruption bodies
Target	Year 4	2026	1 regional meeting between tax authorities and anti-corruption bodies

2. MACN

Programme level

Project Title 2 (MACN)	Corruption Free Seaports and Trade Corridors		
Outcome	Strengthened Public-Private Sector Collective Action to improve integrity in seaports and broader trade corridors		
Outcome indicator	1. Improved integrity and operating environment in Nigerian seaports and trade corridors 2. Improved public-private-civil society collaboration and capacity to tackle corruption in seaports and trade corridors in selected countries in West Africa 3. Increased global awareness, engagement and commitment from private sector, governments, civil society and relevant institutions on integrity challenges in seaports and trade corridors		
Baseline	Year	2023	[Situation prior to project activities]
Target	Year	2026	[intended situation by the end of project (phase)]

From MACN Project Document p 21

Project Title	Corruption Free Seaports and Trade Corridors – furthering MACNs Collective Action efforts
Project objective	Strengthened Public-Private Sector Collective Action to improve integrity in seaports and broader trade corridors

Outcome 1		Improved integrity and operating environment in Nigerian seaports and trade corridors
Outcome indicators (means of verification)		1.a Percentage of private sector port and trade corridor users that report a reduction in illicit demands in the areas of: <ul style="list-style-type: none"> • Vessel Clearance • Cargo Clearance • Intermodal Transport within the Port Corridors 1.b Percentage of corrupt incidents acted upon by Public Sector stakeholders in the Port Standing Task Team (PSTT)
Baseline	2023	1.a Baseline to be established 1.b Baseline to be established
Target	2026	1.a TBD after baseline is established 1.b TBD after baseline is established
Outcome 2		Improved public-private-civil society collaboration and capacity to tackle corruption in seaports and trade corridors in selected countries in West Africa
Outcome indicators (means of verification)		2.a Level of formalisation of the Public-Private-civil society collective action 2.b. Application of MACN tools and approaches in the public-private sector collaboration
Baseline	2023	2.a No formal public-private-civil society collective action 2.b No application of MACN tools and approaches
Target	2026	2.a. Formal Collective Action collaboration established in the selected countries 2.b. Broad application of MACN tools and approaches (to be refined after the baseline study)
Outcome 3		Increased global awareness, engagement and commitment from private sector, governments, civil society and relevant institutions on integrity challenges in seaports and trade corridors
Outcome indicators (means of verification)		3.a Level of Endorsement of MACN's Collective Action Methodology, Capacity Building Programmes, and Port Integrity Tools
Baseline	2023	3.a MACN's collective action methodology is recognised as the leading approach to addressing integrity challenges in the maritime sector
Target	2026	3.a MACN's collective action methodology continues to be recognised and applied as the leading approach internationally to addressing integrity challenges in the maritime sector, and is also recognised as a key institution relevant in trade corridors
Outcome 4		Increased awareness, engagement, and commitment from government agencies on integrity challenges and anti-corruption enforcement in the Ukrainian maritime and seaports sector
Outcome indicators		4.a Level of endorsement of MACN's Methodology, and Tools by government agencies
Baseline	2023	4.a No endorsement of MACN's Collective Action Methodology, Capacity Building Programs, and Port Integrity Tools by government agencies
Target	2026	4.a MACN's methodology and tools are a recognised approach to addressing integrity challenges in the maritime sector by government agencies

3. Transparency International

Results framework for “Fighting corruption through civil society action”.

Project Title		Fighting corruption through civil society action	
Objective		To accelerate impact in the global fight against corruption by combining the strengths of civil society advocacy, investigative journalism and coalition building	
Impact indicator		Number and description of instances in which the project’s work contributes to changes in law, policy, practice or accountability	
Baseline	2022	TBA	changes in law, policy, practice or accountability per year
Target	2026	60	changes in law, policy, practice or accountability per year (15 per year)

Outcome #1 UNCAC Coalition		Strengthened coalition building that promotes a more transparent and inclusive UNCAC that is better implemented, higher global standards on anti-corruption, and increased civil society participation.	
Outcome indicator		Examples of impact (number and description) in which the Coalition’s work contributes to government decision-making, changes in law, policy or practice, at national, regional or global levels.	
Baseline	Year	3	3 examples from 2022: - CoSP9 resolution advancing beneficial ownership transparency adopted, zero draft produced by the Coalition (2021). - Following Coalition advocacy 70 States actively expressed support for civil society participation (2022) through a CoSP special session, on the issue of objections to NGOs. - Recommendations from CSO parallel reports, supported by the Coalition, and advocacy activities successfully reflected in changes in laws in Liberia (2022).
Target	2026	5 per year	

Outcome #2: GACC		Enhanced collaboration between civil society and investigative journalists to strengthen civil society action informed by journalistic investigations	
Outcome indicator		Number and description of changes in law, policy, practice or accountability following civil society action informed by journalistic investigations	
Baseline	Year	50 since GACC inception	changes in law, policy, practice or accountability following civil society action informed by journalistic investigations
Target	2026	5 per year	changes in law, policy, practice or accountability following civil society action informed by journalistic investigations

Outcome #3 Transparency International		Effective evidence-based advocacy conducted by anti-corruption civil society actors across Transparency International's seven strategic objectives	
Outcome indicator		Number and description of systemic changes in law, policy, practice or accountability following civil society-led advocacy	
Baseline	2022	TBC	systemic changes in law, policy, practice or accountability
Target	2026	5 per year	systemic changes in law, policy, practice or accountability

4. U4

Project Title 4 (U4)		U4 Partnership Fee 2023–2026	
Impact:		The damaging effect of corruption on a just and equitable future for all has been reduced	
Outcome		U4's work (our high-quality research and tailored evidence-based resources, eg courses) has improved the understanding of corruption and supported our partners – and the wider development community – in countering it.	
Outcome indicator		<p>U4 has three Intermediate Outcomes (I.O) focusing on U4's working methods: 1) Research, 2) Capacity building, and 3) Engagement.</p> <p><u>I.O.1 Research</u>: Practitioners and other key stakeholders who have read U4 publications and/or research have a better understanding of corruption and anticorruption issues and approaches.</p> <p><u>I.O. 2 Capacity building</u>: Practitioners and other key stakeholders that have taken a U4 training (online course, U4-ICE, etc) have a better understanding of corruption and anti-corruption issues and approaches.</p> <p><u>I.O.3 Engagement</u>: Ideas and insights on corruption and how to reduce corruption are exchanged, analysed, and further developed amongst U4 target audiences</p>	
Baseline	Year	2022	<p>I.O.1 Research</p> <p>Quantitative indicators</p> <p><u># of publications (peer-reviewed, blogs and Helpdesk answers)</u>: 27 peer-review publications, 24 blogs and 27 Helpdesk answers</p> <p><u># U4 website visits</u>: 482 000</p> <p>Qualitative indicators</p> <p><u>Instances or examples where readers/participants state that specific U4 resources have contributed to results in their work in the past year.</u></p> <p>Excerpts from FCDO MLA Report on I-ACT</p> <p>U4 has built capacity in the donor community and more broadly among donor partners to understand how the COVID-19 pandemic might exacerbate corruption risks. This has helped to ensure that donors identify risks in their own spending and can put controls in place such that aid provided under emergency conditions as part of the COVID-19</p>

			<p>response is less vulnerable to corruption.</p> <p>I.O.2 Capacity building:</p> <p>Quantitative indicators <u># of online courses and in-country engagement outputs delivered.</u> <u>4 self-paced courses, 9 facilitated courses, 5 scoping missions, 2 virtual workshops, 2 in-person workshops, 2 webinars and 3 background studies.</u></p> <p>Mixed indicators <u>% and feedback from participants that expect to use the knowledge gained through our online courses or in-country engagements.</u> 97% participants in our in-country engagement expect to use the knowledge gained (108 respondents out of 199 participants) 95% online course participants found the course relevant to their work (121 respondents out of 137 participants)</p> <p>Feedback received: We received a request for a follow-up engagement in 2023, for our 2022 Honduras in-country engagement (outputs: workshop in-person and webinar).</p> <p><u>In-country engagements are extended to 2–3 years drawing on a combination of tailored interventions / U4 services:</u> No in-country engagement has been extended yet.</p> <p>I.O.3 Engagement:</p> <p>Quantitative indicators <u># of external events where U4 has an active presence.</u> 36 events (under the role of speaker/presenter or facilitator/pannelist)</p> <p><u># U4 events:</u> 6 Partner Fora, 3 Bergen Hub</p> <p>Qualitative Indicators: U4 Partners act jointly on an issue of common concern partly as a result of U4's role as a convener., eg UNCAC at 10th CoSP No joint action has taken place</p>
Target	Year	2026	<p>I.O.1 Research:</p> <p>Quantitative indicators <u># of publications (peer-reviewed, blogs and Helpdesk answers):</u> 20 publications, 20 blogs and 25 Helpdesk answers per year <u># U4 website visits:</u> 500 000</p> <p>Qualitative indicators <u>Instances or examples where readers/participants state that specific U4 resources have contributed to results in their work in the past year.</u> 1–2 instances per year</p> <p>I.O.2 Capacity building: <u># of online courses and in-country engagement outputs delivered.</u> 5 self-paced courses; 10 facilitated courses; a total of more than 10 in-country engagement outputs</p>

		<p><u>% and feedback from participants that expect to use the knowledge gained through our online courses or in-country engagements.</u> 95% of our participants in online courses and in-country engagements expect to use the knowledge gained or find the knowledge relevant to their work.</p> <p><u>In-country engagements are extended to 2–3 years drawing on a combination of tailored interventions / U4 services:</u> 2 cases of extended in-country engagements.</p> <p>I.O.3 Engagement:</p> <p><u># of external events where U4 has an active presence.</u> 30–35 events including 2 international events per year.</p> <p><u># U4 events:</u> 6–10 events per year</p> <p>U4 Partners act jointly on an issue of common concern partly as a result of U4's role as a convener., eg UNCAC at 10th CoSP.: 1–2 cases</p>
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Component 2	Domestic Resource Mobilisation
Component Objective	To increase domestically raised resources for development through capacity building, policy development, and strengthening of the social contract.

5. WB GTP

Project/Programme	Global Tax Program (GTP)
Project/Programme Objective	Improved Domestic Resource Mobilisation
Impact Indicator	See Annex 3
Baseline	<i>[Situation prior to commencement of activities]</i>
Target	n/a

Project Title		Outcome 1	
Outcome		Strengthen tax and customs systems of developing countries by facilitating the design and implementation of evidence-based reforms.	
Outcome indicator		a. Number of countries where WB tax assessments have informed DRM or tax related policies, legislation, and formation of institutions. b. Number of countries with tax reforms (supported by GTP projects) approved by Parliament and/or implemented. c. Number of countries that have adopted/implemented international best practices, standards, procedures. d. Number of countries that have improved tax to GDP ratios from the baseline where reform recommendations have been adopted/implemented (supported by GTP projects). e. Number of countries where GTP-funded activities contributed to the design, preparation and/or implementation of World Bank's DRM related concessional lending. f. Number of countries where tax officials have received capacity building to develop skills and transfer knowledge.	
Baseline	Year		No baselines
Target	Year		a. 80% of GTP Portfolio b. 70% of GTP Portfolio c. 70% of GTP Portfolio d. 80% of GTP Portfolio e. Not applicable f. 80% of GTP Portfolio

Project Title		Outcome 2	
Outcome		Strengthened capacity of revenue authorities, policymakers, practitioners, researchers for more efficient policymaking by increasing access to public goods, global knowledge, and shared learning.	
Outcome indicator		a. Number of countries that uses policy tools, models, databases, reports/studies, guidelines, training materials developed with support from GTP to inform policy design. b. Number of GTP website visitors from low- and lower-middle-income countries (regional outlook). c. Number of publications and knowledge products supported by GTP. d. Number of downloads of publications and knowledge products supported by GTP. e. Number of events/webinars (internal or external) hosted or supported by GTP. f. Number of participants per year of events organized or supported by the GTP.	
Baseline	Year		b. 25% of all visitors.
Target	Year		a. 80% of GTP Portfolio b. 5% growth annually c. 20 + 10% growth annually d. 900 + 10% growth annually e. 20 per year f. 500 + 10% growth annually

6. UN TTF

Project	Phase 2 of the Multi-donor Project
Project Objective	To continue bringing about a more inclusive, strategic and effective approach of the work of the Tax Committee on tax issues, including emerging and pressing topics in this area, affecting developing countries; and to strengthen the capacity of these countries, upon their request, to develop more efficient and effective tax systems that will result in an increase of their domestic resource mobilization and adoption of fiscal policies in line with the 2030 Agenda and the SDGs.
Impact Indicator	7.1.1.1.1 The work of the Tax Committee is more inclusive and strategic, and such work brings emerging and pressing topics that affect developing countries. Capacity of developing countries is strengthened to develop more efficient and effective tax systems. (SDG 17; Target 17.1 "Strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection")
Baseline	Phase 1 of the Multi-donor Project

Outcome 1	The Tax Committee is better equipped to enhance international tax cooperation and effectively deliver its policy and practical guidance in tax matters that will respond to the gaps and needs of developing countries, helping these countries strengthen their capacities for domestic resource mobilization.		
Outcome indicator*	<p>Updated and new guidance on tax treaties, transfer pricing, taxation of extractive industries, environmental taxation accessible to government officials in developing countries, e.g.:</p> <ul style="list-style-type: none"> ➤ Guidance in the form of tax publications translated and published by the UN in other languages than English (e.g., French and Spanish). ➤ Preparation by the Tax Committee of substantive inputs that will serve to review and update existing guidance is facilitated. ➤ New guidance on emerging issues related to Tax and the SDGs (e.g., taxation and gender equality, taxation and health, taxation and inequality), as well as other guidance useful for developing countries, is developed by the Tax Committee. <p>*All indicators in the Results Framework are formulated at the outcome level.</p>		
Baseline	Nov. 2023		7 existing tax publications (2019-2021) prepared and published in English, 4 tax publications in French and 4 tax publications in Spanish. 0 new or newly updated guidance prepared/published by the Tax Committee.
Target	Oct. 2027		7 existing tax publications (2019-2021) prepared and published in other languages (e.g., French and/or Spanish). 11 new or updated guidance products prepared and published by the Tax Committee (2021-2025 membership).

Output 1.1 (Expected accomplishments 1.1)	<p>Updated and new guidance developed by the Tax Committee in Phase I in the area of tax treaties, taxation of the extractive industries and carbon taxation translated into UN official languages other than English and made more widely available and accessible to tax officials in developing countries.</p> <p>and</p> <p>Updated guidance developed by the Tax Committee in Phase 2 that effectively responds to the needs and priorities of developing countries in the area of tax treaties, transfer pricing, taxation of the extractive industries, dispute avoidance and resolution, environmental taxation, and tax treatment of Government-to-Government aid projects.</p>		
Output indicator	Publication of updated UN Tax Committee's outputs and of translated UN Tax Committee's guidance		
Baseline	Nov, 2023 Year		N/A
Target	Oct. 2027 Year		N/A

Output 1.2 (Expected accomplishments 1.2)		New guidance developed by the Tax Committee on emerging issues on international cooperation in tax matters and appropriate recommendations made available to developing countries, including LDCs, LLDCs and SIDS and other countries in special situations.	
Output indicator		Release of new guidance/ recommendations by the UN Tax Committee	
Baseline	Year Nov, 2023		N/A
Target	Year Oct. 2027		N/A

Outcome 2		Assisted developing countries have developed/enhanced efficient and effective tax systems that will help them increase domestic resource mobilization in a steady and fairer way and adopt fiscal policies for the achievement of the SDGs.	
Outcome indicator		<p>Improved capacity of ministries of finance (MoFs) and national tax administrations (NTAs) in developing countries to develop/enhance efficient and effective tax systems that will help them increase domestic resource mobilization, adopt fiscal policies for the achievement of the SDGs, and reduce risk and build resilience as demonstrated through questionnaires and testimonials.</p> <p>➤ % of tax officials attending capacity building activities that confirm they improved their knowledge of tax issues, and report they increased their awareness and understanding of fiscal policies and practices to reduce risk and build resilience strategies.</p>	
Baseline	Year Nov, 2023		90%
Target	Year Oct. 2027		90%

Output 2.1 (Expected accomplishment 2.1)		Improved capacity of ministries of finance (MoFs) and national tax administrations (NTAs) in developing countries to develop/enhance efficient and effective tax systems that will help them increase domestic resource mobilization, adopt fiscal policies for the achievement of the SDGs, and reduce risk and build resilience.	
Output indicator		Approval of and delivery of training Questionnaires and testimonials from relevant tax officials	
Baseline	Nov. 2023		N/A
Target	Oct. 2027		N/A

Outcome 3		Developing countries, including LDCs, LLDCs and SIDS and other countries in special situations, have increased their participation in international/ regional tax cooperation fora and are able to better inform domestic, regional, and international discussions and work on tax matters.	
Outcome indicator		<p>Greater active participation of developing countries, including LDCs, LLDCs, SIDS, in international tax cooperation fora and greater engagement in and contribution of these countries to international discussions and work on tax matters, as demonstrated through attendance lists and surveys.</p> <p>➤ % of tax officials from developing countries, including LDCs, LLDCs, SIDS who participate in Committee sessions, subcommittee meetings and in intergovernmental discussions held at the ECOSOC on tax matters provide positive feedback.</p>	
Baseline	Year Nov. 2023		<i>[Situation prior to commencement of activities]</i> – N/A
Target	Year Oct. 2027		<i>[intended situation by the end of project phase]</i> – 75.0%

Output 3.1 (Expected accomplishment 3.1)		Greater active participation of developing countries, including LDCs, LLDCs, SIDS, in international tax cooperation fora and greater engagement in and contribution of these countries to international discussions and work on tax matters.	
Output indicator		Attendance lists Surveys	
Baseline	2020/21		N/A
Target	Year Oct. 2027		N/A

7. ATAF

Project Title		Improved Domestic Resource Mobilisation in Africa	
Objective		Enhancement of tax systems and administration to enhance economic growth	
Impact indicator		# of Member Countries reporting Tax/GDP ratio increase following ATAF's intervention.	
Baseline	Year	2023	N/A
Target	Year	2027	N/A

From ATAF Project Document Annex B

B RESULTS MATRIX					
RESULTS CHAIN AND INDICATOR DESCRIPTION	RMF/ADOA INDICATOR	UNIT OF MEASUREMENT	BASELINE (date)	TARGET AT COMPLETION (date)	MEANS OF VERIFICATION
OBJECTIVE 1: Fostering and maintaining relationships with members and partners at a regional, continental, and global level.					
OUTCOME INDICATOR 1.1: # of Targeted language specific training programmes	□	Number	4 (2022)	12 (2025)	Training reports
OUTCOME INDICATOR 1.2: # of ATAF's technical assistance provided to Lusophony and Francophone countries.	□	Number	3 (2022)	15 (2025)	Technical assistance reports
OUTPUT STATEMENT 1: Improvements in ATAF outreach and engagement with stakeholders, regionally and internationally.					
OUTPUT INDICATOR 1.1: # of Regional capacity development hubs established.	□	Yes/No	No (2022)	Yes (2025)	Member Service reports
OUTPUT INDICATOR 1.2: # of ATAF regional offices established	□	Number	None (2022)	5 (2025)	Member Service reports
OBJECTIVE 2: Fostering efficient and effective African tax systems.					
OUTCOME INDICATOR 2.1: # of countries who report specific progress with implementing tax reforms following ATAF's TA	□	Number	3 (2022)	15 (2025)	Technical assistance reports

OUTCOME INDICATOR 2.2: <i>Revenue collected from the assessment done through ATAF Technical Assistance.</i>	<input type="checkbox"/>	<i>Revenue (USD)</i>	<i>250 (2022)</i>	<i>900(2025)</i>	<i>Technical assistance reports</i>
OUTPUT STATEMENT 2: Member countries implement tax reforms following ATAF's capacity building and recommendations					
OUTPUT INDICATOR 2.1: <i># of member countries receiving ATAF's Technical Assistance by 2025.</i>	<input type="checkbox"/>	<i>Number</i>	<i>22 (2022)</i>	<i>40 (2025)</i>	<i>Member Service reports</i>
OUTPUT INDICATOR 2.2: <i># of countries attending ATAF training</i>	<input type="checkbox"/>	<i>Number</i>	<i>40 (2022)</i>	<i>50 (2025)</i>	<i>Member Service reports</i>
OUTPUT INDICATOR 2.3: <i>Rapid Response Technical Assistance Hub established</i>	<input type="checkbox"/>	<i>Yes/No</i>	<i>No (2021)</i>	<i>Yes (2022)</i>	<i>Member Service reports</i>
OUTPUT INDICATOR 2.4: <i>Feasibility option for developing the IT Tax system for Africa is done by 2025</i>	<input type="checkbox"/>	<i>Yes/No</i>	<i>No (2022)</i>	<i>Yes (2025)</i>	<i>ATAF annual report</i>
OUTCOME INDICATOR 2.5: <i># of initiatives made to strengthen policies, gender balance at all levels in member countries by 2025</i>	<input type="checkbox"/>	<i>Number</i>	<i>1(2022)</i>	<i>3 (2025)</i>	<i>AWITN annual report</i>
OBJECTIVE 3: Shaping African tax systems through data, statistics, and analysis					
OUTCOME INDICATOR 3.2: <i># of Trainings and technical assistance requests resulting from knowledge attained from the ATAF publications</i>	<input type="checkbox"/>	<i>Number</i>	<i>3 (2022)</i>	<i>12(2025)</i>	<i>Member Service reports</i>
OUTPUT STATEMENT 3: Increased number of high-quality toolkits, policy papers and research papers available and presented to support policymaking and implementation by member countries					
OUTPUT INDICATOR 3.1: <i># research products produced in-house and in collaboration with members and other stakeholders on issues affecting tax administration</i>	<input type="checkbox"/>	<i>Number</i>	<i>5(2022)</i>	<i>15 (2025)</i>	<i>Domestic Resource Mobilisation reports</i>
OUTPUT INDICATOR 3.2: <i># of MCs reflected in the ATO/ ATAF databank</i>	<input type="checkbox"/>	<i>Number</i>	<i>35(2022)</i>	<i>45 (2025)</i>	<i>Domestic Resource Mobilisation reports</i>
OBJECTIVE 4: Being the African voice in the field of taxation that informs and influences regional and global policy.					
OUTCOME INDICATOR 4.1: <i># of submissions to the AU from ATAF's recommendations</i>	<input type="checkbox"/>	<i>Number</i>	<i>1(2022)</i>	<i>3 (2025)</i>	<i>Domestic Resource Mobilisation reports</i>
OUTCOME INDICATOR 4.2: <i># of times ATAF's recommendations to the AU have been adopted</i>	<input type="checkbox"/>	<i>Number</i>	<i>1 (2022)</i>	<i>3 (2025)</i>	<i>Domestic Resource Mobilisation reports</i>
OUTPUT STATEMENT 4: ATAF is viewed as the lead, in engaging in international and regional tax policy and administration fora					
OUTPUT INDICATOR 4.1: <i># of advocacy workshops/events/dialogues held to</i>	<input type="checkbox"/>	<i>Number</i>	<i>4 (2022)</i>	<i>15 (2025)</i>	<i>Domestic Resource Mobilisation reports</i>

<i>sensitize tax administrators on current tax admin and policy discussions</i>					
OUTPUT INDICATOR 4.2: # of times ATAF staff are invited to make presentations on taxation issues in Africa and globally	□	Number	56 (2022)	90 (2025)	Domestic Resource Mobilisation reports
OBJECTIVE 5: Ensuring a sustainable and robust organisation underscored by good governance.					
OUTCOME INDICATOR 5.1: # of financial sustainability initiatives to increase revenue streams	□	Number	1(2022)	3 (2025)	ATAF annual reports
OUTPUT STATEMENT 5: ATAF strategy for improving revenue streams is implemented					
OUTPUT INDICATOR 5.1: New Decade organizational reforms implemented	□	Yes/No	NO (2022)	Yes (2025)	ATAF annual reports
OUTPUT INDICATOR 5.2 New governance reforms implemented	□	Yes/No	No (2022)	Yes (2025)	ATAF annual reports
OUTPUT INDICATOR 5.2 Management Information system with centralized data	□	Yes/No	No (2022)	Yes (2025)	ATAF annual reports

8. EITI

Programme level

Project Title 8 (EITI)		Disclosures for improved domestic resource mobilisation 2023-2026	
Outcome		Extractive revenues are optimised under changing market conditions in the context of the energy transition.	
Outcome indicator		EITI implementing country governments, civil society organisations and multistakeholder groups will have strengthened capacity to use data and financial modelling to identify and address revenue loss risks, to design well-informed fiscal regimes, to strengthen revenue administration, and to prepare for fluctuations in government revenues.	
Baseline	Year	2023	
Target	Year	2026	

From EITI Project Document (pages 8-10)

Project title		Extractives Disclosures for Improved Domestic Resource Mobilisation (DRM)	
Project objective		The project will utilise extensive data published by EITI implementing countries to identify risks of revenue loss and make recommendations on how to mitigate those risks thereby ensuring that Extractive revenues are optimised under changing market conditions in the context of the energy transition.	
Outcome		EITI implementing country governments, civil society organisations and multistakeholder groups will have strengthened capacity to use data and financial modelling to identify and address revenue loss risks, to design well-informed fiscal regimes, to strengthen revenue administration, and to prepare for fluctuations in government revenues.	
Outcome indicator		Evidence of stakeholder discussion and follow-up on revenue collection and reforms.	
Baseline	Year	2020	N/A
Target	Year	2026	EITI Reports, work plans or other EITI documents in project countries include discussion on revenue loss risks or address recommendations on strengthening DRM.
Output		Financial modelling to strengthen EITI data disclosures and their use	
Output indicator		Number of EITI implementing countries and national stakeholders reached through training activities.	
Baseline	Year	2022	N/A (new area of work, no baseline indicator available)
Annual target	Year 1	2023/24	Financial modelling completed in 4 EITI implementing countries;
Annual target	Year 2	2024/25	Financial modelling completed in 4 additional EITI implementing countries
Annual target	Year 3	2025/26	Financial modelling completed in 3 additional EITI implementing countries.
Output		Virtual and in-person exchanges with EITI peer countries for the beneficiaries of financial modelling capacity building to share knowledge and results	
Output indicator		Number of exchanges held. Number of EITI peer countries and national stakeholders reached.	
Baseline	Year	2022	N/A (new area of work, no baseline indicator available)

Annual target	Year 1	2023/24	N/A (output only in 2024/2025)
...	...	2024/25	One in-person and one virtual exchange held; 20 EITI countries reached; national stakeholders who participated in exchanges
Target	Year	2025/26	One virtual exchange held to share project results
Output		Training to build capacity to implement the provisions of the 2023 EITI Standard relevant to strengthening domestic resource mobilisation	
Output indicator		Number of EITI national stakeholders who participate in capacity building training.	
Baseline	Year	2022	N/A (new area of work, no baseline indicator available)
Annual target	Year 1	2023/24	80 national stakeholders at minimum
...	...	2024/25	80 national stakeholders at minimum
Target	Year	2025/26	50 national stakeholders at minimum
Output		Study on revenues to finance a just energy transition	
Output indicator		Key findings of study are disseminated to EITI stakeholders and the broader natural resource governance community.	
Baseline	Year	2022	N/A (baseline year is when study is commissioned)
Annual target	Year 1	2023/24	N/A (output only in late 2024)
...	...	2024/25	Blog post summarising the study, shared to 1000+ stakeholders through social media and the EITI newsletter. Presentations at 3 key partner events at minimum, reaching at least 100 stakeholders.
Target	Year	2025/26	Presentations at 3 key partner events at minimum, reaching at least 100 stakeholders.
Output		Monitoring, Evaluation and Learning (MEL): Documenting EITI's Impact on DRM	
Output indicator		A study demonstrating the impact of the EITI and financial modelling on improving DRM outcomes in selected countries.	
Baseline	Year	2022	N/A (new area of work, no baseline indicator available)
Annual target	Year 1	2023/24	N/A (output commences in 2025)
...	...	2024/25	N/A (output commences in 2025)
Target	Year	2025/26	Approaches identified that lead to strengthened DRM and approaches to measuring it

Annex 4: Risk Management

Risk Management Matrix

Risk management of the programme relates to risks of individual partners as well as contextual, programmatic and institutional risks. All project partners will actively assess partner individual contextual, programmatic, and institutional risks and take regular management decisions towards mitigation. The assessment of changes in risks and mitigation strategies will be an integrated part of ongoing management and monitoring arrangements and will be incorporated into the regularly progress reports of the partners and associated dialogue within programme management structures.

Contextual Risks					
Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
Political					
Growing global and local conflicts and substantial slow-down in global economy might distort international and domestic attention away from long-term, systemic efforts to promote the SDG agenda through increased DRM and curbing corruption.	Medium	Significant.	Continued advocacy through in particular civil society organisations to the SDG agenda and in particular financing for development needs.	The scope, complexity and magnitude of a economic slow-down is beyond the reach of this program.	Conflict and economic recession might influence needs and possibilities and require a review of current intervention strategies.
Continued limited interest among political and economic elite to counter IFFs, tax havens and corruption.	High	High	Continued engagement as per the programme combined with increased political engagement.	Inherent – and highlights the relevance of the programme.	It is often argued that capacity building, increased use of technology, legislation will increase DRM and hinder corruption. This fails to understand the reasoning of the political elite in certain country contexts and their key interest in preserving the status quo.
Economic					
Economic recession and/or corruption in developing countries erode the tax base	Medium	Medium	Focus on building the key systems to improve revenue collecting capacity so tax base can be expanded when a potential recession recedes.	Temporary risk, assuming that most countries will face growth cycles over coming decade.	Increasing the domestic tax base during times of economic slowdown can be challenging due to various factors. Economic downturns often lead to reduced business activity, lower incomes, and increased unemployment, which in turn impact tax revenues. Individuals and businesses may face financial constraints, making it difficult to generate additional taxable income. Furthermore, economic uncertainty may discourage investment and consumption, further limiting the potential for expanding the tax base. These circumstances

					pose obstacles to efforts aimed at increasing domestic tax revenue during economic slowdowns.
The ongoing energy transition might lead to increased corruption as sizeable public funds are allocated into investments context suffering from limited accountability and transparency.	High	Medium	Energy transition is on the agenda of several of the organizations supported under this program, e.g. Transparency International and EITI.		The risks of corruption and rent-seeking are particularly high in the energy transition in developing countries because this is a new and complex area of activity. There are often a lot of new regulations and procedures that businesses and the private sector need to comply with, and this can create opportunities for corruption. While the “Loss and Damage Fund” holds great potential for compensating developing countries, it will also provide considerable additional financial flows that need to be safeguarded.
Societal					
Harmful social norms that discriminate against specific populations – e.g., ethnic groups, women, LGBTI+, youth – or civil society in general, that might limit their participation, e.g. in civic protests against corruption	Medium	Low	A human rights based approach, e.g. applied by the UN organisations and Transparency International will mitigate the realization of this risk – to a certain extent.	Residual risk that certain groups are not represented in projects.	Set back has been registered in terms of particular ethnic groups. Gender roles and stereotypes often assign women making it challenging for them to engage in public demonstrations or activism. LGBTI+ individuals face additional challenges due to discrimination and stigma, which can deter their active involvement in anti-corruption movements.
Environment					
Increasing frequency and scope of climatic and other catastrophes and humanitarian crises. Risk of silo approach to solve climate problems, without linkages to broader systemic reforms such as tax and excise, which are often a key economic incentive to regulate behaviour of economic agents. Domestic resource mobilisation and other governance-related thematic areas receive less attention both from donor organisations and the Global South in light of increased climatic catastrophes.	High	Medium	Several of the partners in this program make linkages between the program themes and this specific contextual risk. E.g. The Global Tax Program promotes sustainable taxation practices, reducing carbon emissions and supporting climate change mitigation. It exposes misbehavior in natural resource-related scandals, holding accountable those responsible for environmental degradation. Transparency International ensures integrity in climate funding, preventing corruption and benefiting the	The scope, complexity and magnitude of e.g. climate change is beyond the reach of a single program	Climate change is a complex issue that requires a multi-faceted approach for effective mitigation and adaptation. While systemic reforms, such as tax reform, can play a significant role in addressing climate change, these are not always linked directly to climate change discussions and policy implementations. However, it is essential to recognize that systemic reforms, including tax reforms that affect the behavior of economic agents, such as implementing a tax on carbon emissions, have gained considerable attention in recent years as potential tools to combat climate change.

			environment. The Extractive Industries Transparency Initiative promotes transparency in natural resource management, including environmental concerns.		
Security					
Present and emerging international and domestic conflicts give rise to a generally worsening governance environment, including more restrictive space for civil society organizations and more frequent suspension of rules of good governance in the name of security concerns and crisis management.	Medium	Low	Potential risk responses or mitigating measures for risks – most of them – beyond the program's sphere of influence include building strong partnerships, engaging in advocacy and diplomacy, and fostering knowledge sharing and learning between program partners.	<p>Risk that the project implementation of partners will face setbacks and outcomes of the projects not be achieved.</p> <p>Continued war in Ukraine might impede project activities in Ukraine all together during the period of implementation.</p>	In situations of crisis management and heightened security concerns, governments have prioritize maintaining stability over upholding transparency and accountability, as reflected during the covid-19 crisis. This logic can be extended to future crisis situations. Examples include the suspension of democratic processes, erosion of the rule of law, and the use of emergency powers that circumvent checks and balances, as seen in various conflict-affected regions.
Programmatic Risks					
Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
The programme fails to establish synergies between the anti-corruption and domestic resource management in one programme.	Low	Medium	<p>An illustrative, non-exhaustive table of potential synergies between various program partners' activities will be prepared to inform the monitoring process of ensuring real programmatic linkages.</p> <p>A learning event will be scheduled for 2024/25, which will also serve to further establish programmatic synergies.</p> <p>The programme manager will, through monitoring and dialogue with partners further</p>	The specific program themes and the modalities applied by the respective programme partners ranging from core support to over large MDTFs and civil society projects might impede overall programmatic synergies.	This is a novel approach in which the dual themes of anti-corruption and DRM are sought to be interlinked. These interventions have before been separated in two programmes. By connecting them there is possibility for increased learning across partners, but also a risk that the projects would have had higher impact in two separate programmes.

			enhance synergies. In addition, the mid-term review will look into synergies between partners and the benefits of merging DRM and anti-corruption efforts into one programme.		
Revenue collecting capacity of Southern countries (e.g. through WB GTP) is undermined by continued lack of progress to curb illicit financial flows. Strengthening the formal tax collection might thus have a regressive impact on poverty.	Likely	Major	Other components of program e.g. ATAF and civil society advocacy place huge efforts on addressing the perennial issue of illicit financial flows.	Despite risk response general risk prevail. Yet, risk can be closely monitored.	Strengthening formal tax collection efforts without addressing the issue of illicit financial flows could potentially have a regressive impact on poverty. If the focus is primarily on enhancing formal tax collection systems, it could disproportionately burden the poor and vulnerable segments of society who are already struggling to make ends meet. The regressive impact could occur if the burden of taxation falls disproportionately on low-income individuals and small businesses, while large corporations and wealthy individuals continue to exploit loopholes and engage in illicit financial activities, thus exacerbating income inequality and hindering poverty alleviation efforts. This underscores the need to address illicit financial flows concurrently
For “Demand-side good governance activities”: The space available to civil society and media for activism and advocacy is substantially reduced.	Likely	Major	Closer coordination among donors and intensified joint pressure on the authorities to respect the rights of the media to cover corruption issues and civil society advocacy in relation to anti-corruption and illicit financial flows.	Risk marginal lower, but risks are still likely and major. Independent of the high risk level, it is decided to continue support due to importance of issue.	Present political trends are worrying and shrinking media CSO space would seriously reduce scope for impact. Limited possibility for donors to influence the development since reduction of media freedom and CSO support would be counterproductive.
Institutional Risks					
Risk Factor	Likelihood	Impact	Risk response	Residual risk	Background to assessment
Tax evasion and other illicit financial flows (IFFs) increase.	Likely	Major	Denmark will engage in and contribute to established global actions (through the UN or other international networks) addressing the issue on global scale.	The residual risk after the Danish response is still high since Danish interventions alone cannot combat a global problem	Tax evasion and other IFFs, including money laundering and corruption, reduce impact on revenues, undermine trust and the rule of law and increase risks to the macroeconomic and financial stability of developing countries.

Annex 5: Lessons Learned

The selection of partners builds on lessons learned from previous engagements with the selected partners. The selection has further been informed by evaluations and reviews of the partners as well as experiences of other donors from engaging in the fields of anti-corruption and DRM, and from working with the partners.

The below presents details from reviews and evaluations of the programme partners. It also includes information on lessons learned from Danish bilateral DRM support.

Mid-term review of the Anti-Corruption Programme 2019-2022

A mid-term review in 2020 of Denmark's the Anti-Corruption Programme 2019-22 found good performance and results by all eight programme partners who were found to be of relevance to the three clusters of the programme (normative, civil society, and collective action) and to have contributed to the strategic objective of the programme³⁵. The review, however, pointed to a gap between the MFA's intentions and the realisation of the stated ambition to make the programme function as a comprehensive effort seeking mutual learning and synergies between the partners, with the MFA acting as an active facilitator. The MFA staff resources had not permitted realisation of this ambition and had also been insufficient to maintain a level of mutual dialogue with all programme partners.

Based on the positive experiences from the Anti-Corruption Programme 2019-2022 a number of the partners have been selected for the present programme. The selection has taken results obtained into account but is also considering the partners' potential for contributing to the overlapping thematic of combatting corruption and strengthening DRM. The results of the Anti-Corruption Programme 2019-2022 include **MACN** bringing private sector and local stakeholders on board in collective action to establish a comprehensive, setup to effectively address issues of corruption in Nigerian seaports, **GACC** significantly strengthening investigative journalism in Africa resulting in reporting on corruption and illicit financial flows (IFFs), **UNCAC Coalition** successfully mobilising CSOs in monitoring countries' implementation of UNCAC and launching the UNCAC Coalition Transparency Pledge, and **EITI** through its multi stakeholder approach establishing the EITI Standard 2023 that strengthens requirements to what governments and companies must disclose on the extraction of natural resources.

Other reviews and evaluations of programme partners

Some partners of the present programme have also recently been subject to reviews and evaluations. A mid-term evaluation of **UNODC's** Global Programme (2021), demonstrates a commitment from UNODC to improve the effectiveness of its operations. One step to be noted is the intention to expand regional platforms that offer opportunities for countries to meet and share information with UNODC in a convening role, complemented by the establishment of regional UNODC anti-corruption hubs to support the delivery of technical assistance in particular regions. Whether this will be an effective way to improve UNODCs coordination role would need to be monitored, but this could be important learning platforms of significance for different groups of stakeholders. Coordination with the UNCAC Coalition that supports civil society organisations in a large number of countries would also be relevant to pay attention to. Of relevance for the programme is the Mid-term review of **Transparency International's** Strategy (2020), which concluded that TI works well in close partnerships, and when there is shrinking civic space, such partnerships and networks

³⁵ Strategic objective of Anti-Corruption Programme 2019-2022: To enhance the effectiveness of anti-corruption efforts through strengthened cooperation, advocacy, monitoring, investigative journalism and research by key organisations and networks at national and international level.

become a force in their own right. Secondly, TI's emphasis on prevention initiatives would need to focus more on the connections in finance, politics and business. This point speaks to the programme's objectives of closely linking anti-corruption and DRM.

The membership fee to **U4** included in the previous programme will continue in the proposed programme. The collaboration with U4 is considered successful, and U4 is a well-reputed initiative with a positive recent evaluation. Denmark has used its membership in U4 actively, especially in bilateral anti-corruption engagements (e.g. Afghanistan, Mali, and Ukraine) and has potential relevance for other Danish engagements, including in other West African countries, Kenya, and Syria.

There is no review of Danish support to DRM and Denmark's ATI commitment, but *The Nordic Alliance for Tax Justice* in a series of reports observes that although the Nordic countries (Denmark, Finland, Norway and Sweden) have been part of the ATI since its launch there is considerable variation in the support for DRM – with Norway and Sweden listed as the best performers in meeting their ATI commitments, and, Denmark and Finland falling behind. The reports also highlight a major strategic shift over 2015-19, from using bilateral programmes and projects to channelling ODA through multilateral organisations by 2019. The share of aid for accountability actors such as civil society, media and parliaments, also declined slightly. With more focus on shifts towards the IMF and World Bank. The Danish experiences in Ghana and Tanzania summarised below are cases in point.

A recent meta-analysis commissioned by the World Bank of DRM-related capacity development support included evaluations of **WB GTP**, **ATAF** and ATI. Of particular interest for this programme and as justification for Denmark's continued engagement, it was found that the programmes are relevant. It was also noted, as points of attention, that ownership needs to be enhanced by projects identifying recipients' needs and priorities, and absorptive capacity. On effectiveness and impact the Meta Analysis found too much focus on outputs and short-term outcomes and absence of contribution/attribution scores. These findings call for monitoring of these programmes by MFA, but also underline the importance of the role of civil society in advocacy and monitoring the relevance, effectiveness and impact of these programmes at country level.

The **WB GTP** was the subjected to a Mid-Term evaluation (2023), which was generally positive and underscored the relevance, coherence and effectiveness of the fund. However, a point to note was that the results framework does not yet include longer term indicators related to the implementation of reform recommendations, as these were considered "aspirational" and outside the GTP's control. Also, at the time of the mid-term evaluation, Bank staff felt that too little time had passed to measure impact of reform.

The **UN TTF** has not yet been reviewed, but a close dialogue with Norway, the largest contributor to Fund, during programme formulation has provided key information to assess and confirm the relevance of the Danish support.

An Independent evaluation of **EITI** (2022) found that the platforms and activities associated with the EITI do foster transparency – and in particular, those related to stakeholder engagement and dialogue, tax and revenue disclosure, contract transparency, beneficial ownership disclosure, strengthening audit authorities, sharing of data between government agencies and enabling digitalisation, and improving company compliance. The EITI is seen to strengthen transparency and accountability in implementing countries by producing data on the extractives sector and making it more accessible. Increased civic participation and awareness of the extractive sector's activities and revenues were also identified as significant impacts. Stakeholders generally linked these transparency, accountability, and participation impacts to broader governance impacts, including influencing policy and regulatory reform.

It is also relevant to note the importance of knowledge generation and lessons learning through research. An upcoming research initiative which can inform future DRM engagements at country level is under preparation in Kenya. The African Economic Research Consortium (AERC) is partnering with University of Copenhagen, the Development Economics Research Group (DERG) to conduct a preliminary study of the tax Structure in Kenya. The study will likely result in a three-year research collaboration between the parties. The initiative has from the beginning experienced considerable buy-in from the Kenyan authorities.

DRM in Danish bilateral engagements

Denmark has country level experience from engagement in the area of DRM from **Ghana, Tanzania**, and ongoing in **Somalia**. Of older date is support to the tax authorities in Bhutan. The Tax and Development Programme (T&DP) in Ghana from 2015-2019 of DKK 171 million originally included support to 49 out of the 105 projects included in the Ghana Revenue Authority (GRA) Second Strategic Plan, encompassing taxation, customs and related capacity-building measures with the assistance of three Danish long-term advisors. The T&DP was expected to contribute to an improved business climate, good governance, improved transparency and accountability and reduced corruption, and ultimately to the achievement of the SDGs. The T&DP was too ambitious, partly because it had been formulated too quickly and without conducting a thorough institutional analysis of the GRA. The programme was therefore redesigned in 2017 to refocus support on a reduced number of projects, mainly related to the Customs Division within the GRA. The Evaluation of the Denmark-Ghana Partnership concluded that the T&DP was relevant to ensuring enhanced revenue mobilization and strengthened revenue administration on the part of the GRA. Meanwhile the evaluation noted that contribution to improvements in the business environment was limited. Other areas of limited impact included intelligence gathering, combatting of illicit financial flows, and strengthening investigations, including those related to transfer pricing.

A Near-end Review of the Tax Modernisation Programme (TMP) in Tanzania found that there has been capacity development of staff engaged in the TMP. Several policy and legal reforms, digitalisation and integration of key ICT functions for revenue collection and improved accounting procedures have been implemented through the TMP, and staff has been capacitated. Meanwhile the Tanzania Revenue Authority (TRA) acknowledged that there were too many initiatives from the start of its Fifth Corporate Plan and at the same time a focus on short-term tax collection rather than long-term impact. The review report does not provide a strategic level assessment of the overall value of the Danish engagement with DRM, but it detailed at the operational level. It was found that TRA staff are committed to the reform agenda, including strong reform preparedness within Customs. However, budget limitations, inadequate management in various forms were seen as limiting the programmes impact.

In Somalia, an agreement has been signed with FCDO for a one-year project (2022-2023) of DKK 20 million to support Public Financial Management and Domestic Resource Mobilisation reforms needed for Somalia's state building and fiscal federalism process. There is strong evidence that intergovernmental fiscal transfers are needed in order to finance local government activities and that equity in transfers from the federal through member state level is essential, the support also supports DRM, which is highly uneven across federal member states. The objective is to build trust in government and enable service delivery.

Annex 6: Plan for Communication of Results

What? (the message)	When? (the timing)	How? (the mechanism)	Audience(s)	Responsible
<p>Fair and progressive Domestic Resource Mobilisation (DRM) contributes to increasing developing countries' resources for investments in sustainable development</p> <p><i>and</i></p> <p>Corruption, tax evasion and avoidance, and illicit financial flows – all facilitated by tax havens and secrecy jurisdictions – have detrimental effects on realising the SDGs and disproportionately affect the poor</p>	Throughout the programme period (including at larger political events or when key results are achieved)	Partners' own communication tools (including reports, analytical products, seminars, participation in meetings and conferences)	Global citizens and decision makers	Primarily programme partners
		Participation in political events, conferences, meetings.	International community. Governments in the developing countries and the global North	MFA
		World Bank board engagement	World Bank Board and Operations	MFA (via Nordic-Baltic Constituency)
		Social media	Danish public and followers of Denmark on SoMe	MFA
	Annually	Results reporting at openaid.um.dk	Danish Parliament and public	MFA
	At programme launch	Joint op-ed by the Minister for Development Cooperation and Global Climate Policy and the Minister for Taxation	Danish citizens, CSOs, businesses	MFA (and Ministry of Taxation)
	2025	Possible learning event	Relevant programme partners	MFA (supported by possible CSO partner and/or research partner)

Annex 7: Process Action Plan

May 2023	Discussion in the Programme Committee of draft programme document
June/July 2023	Appraisal
October 2023	Presentation to UPR
November 2023	Approval by Minister for Development Cooperation and Global Climate Policy
November/December 2023	Signing of agreements with partners and first disbursements
Q1 2024	Possible launch of call for proposal for research and/or CSO engagement