



## Stepping up domestic revenue mobilisation

# Denmark

Gross disbursements – \$7.19 million

Commitments – \$5.77 million

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

- Disbursements – Developing countries unspecified: \$6.75 million; Ghana - \$0.45 million
- Commitments – Developing countries unspecified: \$5.25 million; Ghana - \$0.52 million

### Doubling support to DRM in partner countries

Denmark's aid expenditure for domestic revenue mobilisation was reported as USD 7.19 million in 2019, representing a reduction of 5% compared to 2018, but overall, a more than a doubling of assistance compared to 2015. In 2019, Denmark made a new commitment of approximately USD 2.2 million to the IMF Revenue Mobilization Trust Fund as well as a new commitment of approximately USD 3 million USD to the Global Tax Program of the World Bank. Denmark also committed approximately USD 0.5 million USD to the Ghana Integrity Initiative.

### Policy coherence for development

Denmark's commitment to promote policy coherence is demonstrated by:

- A strong commitment to strength international cooperation to fight tax avoidance through partic-

ipation in international forums promoting compliance with current international tax standards; engagement with a global network of Exchange of Information Agreements related to taxation of the digital economy; and negotiation of double taxation treaties and other international agreements with developing countries;

- National measures to address illicit financial flows based on EU and OECD initiatives, in order to ensure policy coherence for development;
- Abolishing requirements to reimburse VAT aid on aid financed purchases of goods and services in partner countries;
- the transition to climate and environment friendly production and consumption.

### Outlook

Due to the COVID-19 pandemic and the need to quickly respond to the crisis, Denmark has redirected substantial funding from other parts of the ODA portfolio in 2020. As a consequence, 43 million DKK of the 50 million DKK set aside for new DRM commitments in 2020 were reallocated to COVID-related interventions. Thus, while able to meet its commitment to double disbursements in 2018 and 2019, Denmark is unlikely to meet this commitment in 2020.