



Stepping up domestic revenue mobilisation

South Korea

Gross disbursements – \$7.48 million

Commitments – \$7.49 million

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

- Disbursements – Rwanda: \$3.5 million; Laos: \$3.25 million; Philippines: \$0.73 million
- Commitments – Philippines: \$7.49 million

Doubling support to DRM in partner countries

In 2019, Korea's expenditure on assistance related to domestic revenue mobilisation was estimated at USD 7.48 million, representing a fall of 67% since 2018, but more than a doubling of assistance in comparison to 2015.

Korea support is largely provided through bilateral channels in the form of technical assistance. The

projects supported in 2019 included support to Laos for establishing a tax revenue information system, support to Philippines for an electronic receipt and invoice system, as well as an electronic sales reporting system, and to Rwanda for enhancing its Electronic Billing Machines System and the development of its taxpayer relationship management system.

Policy coherence for development

Korea's commitment to promote policy coherence for development is demonstrated by its:

- Participation in the Financial Action Task Force (FATF) Plenary, to **address illicit financial flows** and support Anti-Money Laundering (AML)/Combating the Financing of Terrorism (CTR) related activities;
- Commitment to **strengthen international tax cooperation** by participating in international discussions on tax policy, implementing standardised country-by-country reporting, countering harmful tax practices and participating in Exchange of Infor-

mation initiatives to enhance transparency;

- Applying various **tax benefits and a support system for green growth** such as tax credits to companies investing in environmentally friendly or energy saving facilities, and reducing consumption taxes for the replacement of old diesel vehicles or purchase of eco-friendly vehicles;
- **Granting duty-free and quota-free market access** and applying preferential rules of origin for products originating from 47 least developed countries since 2012.

Outlook

Since 2015, Korea's support for domestic revenue mobilisation has more than doubled. Based on this trend, it seems likely that in 2020 Korea will reach its ATI Commitment 1 to double DRM-related expenditure. However, DRM-related assistance will likely also be im-

pacted by global events in 2020, such as the COVID-19 pandemic, which has caused a number of countries to shift funds away from DRM support in order to address more acute needs.