



# DOES AID TO DOMESTIC REVENUE MOBILIZATION SUPPORT TAX FAIRNESS?

A Synthesis of Oxfam Research



**OXFAM**



# EXECUTIVE SUMMARY

Official development assistance (ODA) alone will not cover the costs of achieving the UN Sustainable Development Goals (SDGs) by 2030. In 2015, the Addis Ababa Action Agenda on financing for development identified low- and middle-income countries' own revenue mobilization as a crucial additional source of funds for essential inequality-busting public services such as education, health, and social protection. That same year, governments of low- and middle-income countries, bilateral aid donor governments, multilateral institutions, and civil society organizations created the Addis Tax Initiative (ATI). Donor members pledged to double aid in support of domestic revenue mobilization (DRM) by 2020 and also to ensure policy coherence across their tax and development policies.

The volume of aid is just one piece of the puzzle. It is equally important for development partners to support *equitable* DRM – raising revenue in a way that reduces inequalities and strengthens the citizen-state compact to achieve sustainable development. This trifecta is the foundation to the new ATI Declaration 2025, but there are serious obstacles. Global tax avoidance undermines DRM efforts everywhere. So does the collective failure to tax wealth, which is growing at a frightening pace – with \$2.7bn added to world's wealthiest bank accounts each day. That is more than some low-income governments collect in revenue annually. Development cooperation that strengthens equitable tax systems is part of addressing this imbalance.

Oxfam and its partners have explored these issues in a series of research reports and policy papers published between 2017 and 2022, with particular focus on the *quality* of DRM cooperation. The research found that donors have indeed increased their aid for DRM, with disbursements exceeding

those of 2015 in every subsequent year through 2020 (the last year for which complete data are available). However, after a dramatic boost in 2016, aid levels and remained flat in 2018–2019, and despite an increase in 2020, donors fell short of meeting their pledge to double aid.

## Country Ownership of Aid to DRM

Country ownership is one of the key principles of effective development cooperation. It embraces inclusive national development strategies, alignment of donors' aid with those strategies, coordination among donors, and strengthening and use of country systems. Oxfam and other civil society organizations insist on the need for *democratic* ownership, meaning that aid reinforces the citizen-state compact. DRM plays an integral role: citizens pay taxes, and states in turn accountably provide citizens with public goods and services while also responding to citizens' demands.

The research indicates a mixed picture on ownership. In a good example of use of country systems, the US Agency for International Development (USAID) contracted with a Haitian software firm to develop a fiscal management programme for district-level governments. In too many instances, however, donors provide aid to DRM according to their own favoured approaches and contractors, without regard to national plans. For example, French aid to Mali has focused on increasing the narrow tax base, particularly by targeting the informal economy. The Malian government instead emphasizes cracking down on current tax payers' evasion. In Uganda, donors have not always aligned aid with the country's Domestic Revenue Mobilization Strategy (DRMS). Donors frequently fail to channel resources to

local actors (national or local governments, local nongovernmental organizations, academia, or the private sector). In 2016, just 16% of aid to DRM projects directly funded local actors, down from 19% in 2015. Although the figure was significantly higher in Uganda between 2015 and 2018, it still reached just 41%.

## A Technocratic Approach

The technocratic approach to development relies on technical expertise while purporting to remain apolitical. Technocratic projects that support more efficient tax administration can help boost revenues. The World Bank's 2015–2021 Value-Added Tax (VAT) Improvement Program in Bangladesh, which focused on enhancing electronic payment systems, helped spur 15.1% annual growth in receipts. In Uganda, aid to DRM more than doubled between 2015 and 2018, as donors facilitated an online payment system and strengthened the skills of tax officials. This aid contributed to a 70% rise in net revenues. USAID's LOKAL+ project in Haiti more than doubled revenues between 2013 and 2017 in the three project districts that Oxfam examined.

However, the technocratic approach tends to miscast the problem of low revenue mobilization as one of tax administration capacity. Solutions that focus only on this aspect do not address taxpayers' willingness to pay, public expenditure accountability, perceptions about the fairness of the tax system, or the kind of dialogue that is necessary to build trust and accountability between the state and citizens. In addition, the ways in which governments mobilize revenues, and from whom, are inherently political matters. Governments have to decide whether they will impose direct taxes on incomes and wealth or rely instead on indirect measures, such as value-added tax (VAT) or market charges and business licenses, all of which tend to be regressive. Donors tend to avoid engagement in these domestic political questions. In addition, donors may have self-interested reasons for supporting the tax status quo. Aid itself enjoys tax exemption in many countries, and multinational companies headquartered in donor countries likewise frequently benefit from exemptions.

## What about Equity?

The technocratic approach tends to ignore issues of equity, such as ensuring that everyone pays their fair share of taxes. The research found that the proportion of aid-to-DRM projects with explicit equity

goals more than doubled from 4.6% in 2015 but remained low at 11.6% in 2019. Even if 2019 projects with implied equity goals are included, the share rose only to 14.7%. In Uganda, between 2015 and 2018, just one of 39 aid-to-DRM projects had clear equity goals. The World Bank's VAT Improvement Program in Bangladesh had no objectives aimed at improving VAT fairness.

Donors frequently provide aid for DRM in a gender-exclusionary manner. In 2016, just 0.5% of the projects reported to ATI carried gender equality markers even though revenue-raising measures have enormous implications for gender justice. Women carry out the majority of unpaid care work and are thus more affected by taxes on goods and services needed to provide care. Certain revenue-raising measures, such as business license taxes, may fall more heavily on women because they represent the majority of micro-, small, and medium-sized business owners. Also, female taxpayers may face discrimination, harassment, and abuse from male tax officials.

Some of the aid-to-DRM projects examined included a focus on enhancing accountability to citizens or promoting budget transparency. In Haiti, USAID's LOKAL+ project supported the introduction of public budget hearings. In Uganda, Oxfam identified two projects that supported citizen engagement on matters of fiscal justice. Such initiatives are more the exception than the rule, and aid for civil society and democratic participation has declined in recent years.

## Does Aid to DRM Link Revenues to 'Inequality-Busting' Expenditures?

Aid to DRM can have inequality-reducing effects. Efficient and progressive taxation has direct wealth-redistributing impacts, and it can also provide governments with resources to support public services and social protection. But aid to DRM does not always seek to create explicit linkages between revenues and inequality-reducing expenditures. In Haiti, Oxfam found that taxpayers did not believe that increased local government revenues resulted in better service provision. In Bangladesh, the World Bank's VAT support did not seek to create any revenue streams dedicated to inequality-busting programmes. Given public perceptions of poor public service delivery and 'lack of value for money' from tax payments<sup>1</sup>, Uganda's DRMS seeks to enhance

the fiscal-social contract by strengthening the links between tax and spending decisions and improved budget transparency. However, with little citizen participation in DRMS development, the risk of misalignment between government and citizen priorities is considerable.

### Is Aid to DRM Gender Sensitive?

Despite donors' commitments to integrate gender equality in development cooperation, the research found that most of the projects considered fail to do so. For example, none of the projects that the

European Union (EU) reported to ATI in 2016 and 2017 were marked as having gender equality as one of the main objectives. In Uganda, just five of the 39 aid-to-DRM projects between 2015 and 2018 indicated having a gender-related focus. In Bangladesh, the government has set a higher taxable income threshold for women than for men, but tax policy otherwise ignores gender. Necessities such as food and health services enjoy VAT exemptions, but menstrual products do not. In Haiti, USAID did not systematically take gender issues into account even though local regressive taxes, such as business license fees, affect mainly female market vendors.

## Recommendations for Aid Donors

1. Make equity the primary focus of DRM cooperation by significantly increasing support for nationally led efforts to strengthen progressive taxes on wealth, property, corporate income, personal income, and extractive industries.
2. Enhance country ownership of DRM reforms, design, and implementation, respecting and enabling the space for governments to set their own DRM policies and strategies based on citizen engagement. Relatedly, increase support and space for regional tax organizations to lead reform efforts on tax policy and administration.
3. Support low- and middle-income-country governments' efforts to enhance budget and tax transparency and accountability.
4. Increase financial support for civil society organizations, including women's rights organizations, and accountability bodies such as the media, parliamentarians, and judiciaries.
5. Include a gender component in all DRM projects. Support gender equity reviews of tax codes and policies with partner countries that are committed to identifying and reducing the explicit and implicit gender biases in their tax system. Support tax and gender streams of work in regional tax organizations and multilateral DRM trust funds.
6. Ensure policy coherence by eliminating donor-country policies that encourage illicit financial flows from low- and middle-income countries, tax policies that enable multinational corporations to shift profits globally to reduce tax liability, and financial and corporate secrecy laws that conceal illicit outflows.

# 1. INTRODUCTION

Official development assistance (ODA) alone will not cover the costs of achieving the United Nations' Sustainable Development Goals (SDGs) by the target date of 2030. In 2014, the UN Conference on Trade and Development estimated an annual funding gap of \$2.5 trillion,<sup>2</sup> and that was before the conjunction of COVID-19, violent conflicts (including the war in Ukraine), climate catastrophes, inflation, rising interest rates, and a pervasive debt crisis confounded the cost estimate.

In addition to aid, which remains a crucial source of financing for development, the Addis Ababa Action Agenda (AAAA) sees two vital pillars for SDG funding: (1) development finance from the private sector; and (2) low- and middle-income countries' own revenue mobilization<sup>3</sup>. With regard to the latter pillar, improved revenue generation can address severe underfunding of essential public services such as education, health, and social protection, which are key to reducing poverty and income and gender inequality. Low- and middle-income countries' efforts to raise revenues to finance these public investments represent a crucial source of funds for country-owned sustainable development. The most common and significant means of domestic revenue mobilization (DRM) is the collection of tax and non-tax revenues. When citizens are empowered to hold governments accountable for how revenues are collected and allocated, DRM is the optimal source of development finance. DRM lessens dependence on external donors' largesse and avoids issues with the effectiveness of aid, which continues to be hampered by geopolitics, inequitable structures left over from the colonial era, and global power dynamics<sup>4</sup>.

In 2015, to further the AAAA's emphasis on DRM as a key source of SDG finance, governments of low-

and middle-income countries, bilateral aid donor governments, multilateral institutions, and civil society organizations joined together to create the Addis Tax Initiative (ATI). The donor members pledged to double their aid in support of DRM from \$220.6m to \$441.2m in 2020<sup>5</sup>. In addition, governments committed to step up their own DRM efforts, and all signatories committed to 'ensuring policy coherence'.

The volume of aid going to support enhanced DRM is just one piece of the puzzle, however. An equally important question is the extent to which donors are supporting *equitable* DRM in low- and middle-income countries. Equitable DRM requires establishing progressivity in tax and other revenue-raising systems and ensuring that wealthy individuals and firms pay their fair share of taxes and fees. Since 2020, the wealth of the world's billionaires has grown by \$2.7bn each day<sup>6</sup>. Also crucial is the extent to which increased revenues fund public services that contribute to poverty reduction, greater economic equality, and gender justice through investments in areas such as health, education, and social protection.

Furthermore, donors' support for equitable DRM does not end at aid-for-DRM projects. Donors must strengthen DRM policy coherence by addressing harmful tax practices, increasing commitments to financial transparency, and conducting spillover analysis. Under donors' ATI policy coherence commitments, they should clearly identify how their own policies – such as public country-by-country reporting of multinational corporate revenues, tax treaties, exemptions, and financial and corporate secrecy laws that conceal illicit outflows from low- and middle-income countries – affect the efforts of developing-country partners to raise revenues. If donors ask developing countries to review and

reduce wasteful tax incentives, donor countries must address their own tax exemptions, treaties, and policies that undermine DRM goals<sup>7</sup>.

Oxfam and its partners explored these issues in a series of research reports and policy papers published between 2017 and 2022. Some of these publications examined aid to DRM from a specific donor (France, the United States, and the World Bank) to a specific country (Mali, Haiti, and Bangladesh, respectively)<sup>8</sup>. Another study looked at aid from multiple donors<sup>9</sup> to a single country (Uganda)<sup>10</sup>. Papers have also taken a more general perspective on efforts by a single donor or a group of like-minded donors to support DRM (the European Union<sup>11</sup> and the four Nordic countries, i.e., Denmark, Finland, Norway, and Sweden<sup>12</sup>). Finally, Oxfam has produced a series of more general briefing papers on aid to DRM<sup>13</sup>.

Aid to DRM can take a wide variety of forms. Research by Oxfam and its partners has examined such projects as the following:

- Technical assistance and training to enhance tax officials' capacity<sup>14</sup>
- Development of tools such as surveys and guidelines to improve collaboration across government fiscal agencies<sup>15</sup>
- Advice on tax policy<sup>16</sup>
- Development of fiscal management software for local governments<sup>17</sup>
- Support for automated tax payment systems<sup>18</sup>

The aim of this synthesis report is to look across this body of work and draw out key themes and lessons learned. The synthesis begins by reviewing progress on donors' promise to double the volume of aid going to DRM between 2015 and 2020. It then examines the crucial question of whether the aid conforms with the development effectiveness principle of country ownership, i.e., do donors align their activities with national plans and operate via country systems? Next, the report discusses donors' emphasis on a technocratic and ostensibly apolitical approach to supporting DRM. Revenue mobilization is inherently political, so this approach is problematic in a number of ways and tends to neglect important matters of equity, accountability, and transparency. Another key issue is whether donors help governments make explicit links between increased revenues and what Oxfam calls 'inequality-busting' public expenditures and investments<sup>19</sup>. Finally, the synthesis discusses the lack of systematic attention to gender in aid to DRM, despite the different ways in which revenue raising can affect women and men. The concluding section offers some recommendations to donors that emerge from the findings of the work of Oxfam and its partners and suggests some areas for further research.

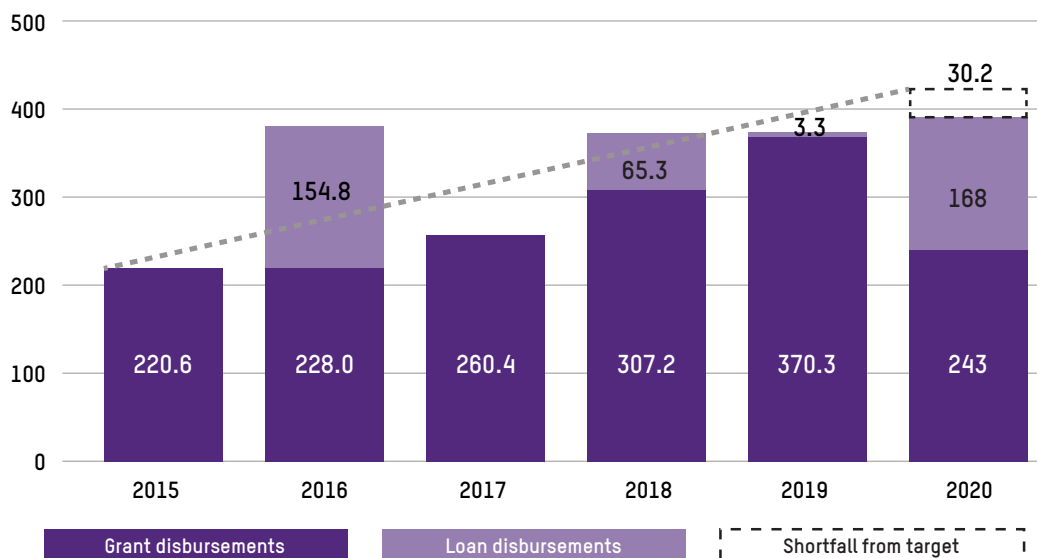
## 2. WHAT IS THE VOLUME OF AID TO DRM?

According to ATI's monitoring reports, donor members have indeed increased the level of aid provided in support of DRM, with disbursements exceeding those of 2015 in every subsequent year through 2020 (the last year for which complete data are available). However, after a dramatic boost in 2016, ODA to DRM remained flat in 2018–2019, and despite an increase in 2020, donors fell short of meeting their pledge to double aid by that year (Figure 1).

Moreover, in some years, donors provided a substantial share of their aid to DRM in the form of loans rather than grants – 40% in 2016, 17% in 2018, and 41% in 2020<sup>20</sup> – contributing to unsustainable

levels of debt. At the end of 2021, the external debt stocks of low- and middle-income countries stood at \$11.1 trillion<sup>21</sup>. A majority (60%) of low-income countries now face or are at risk of debt distress (i.e., when a country is unable to fulfil its financial obligations and debt restructuring is required)<sup>22</sup>. ODA loans for DRM may therefore contribute to a treadmill effect: they may facilitate improved revenue mobilization, but then debt service gobbles up too high a share of those revenues, necessitating more loans and undermining the sustainability that should stem from enhanced DRM. This situation also undermines DRM's potential to help finance achievement of the SDGs<sup>23</sup>.

**FIGURE 1. Gross ODA Disbursements for DRM, 2015–2020 (US\$m)**



Sources: ATI (2021); OECD (2023).

Note: 2015 total includes 2014 disbursements for Sweden and UK (which apply a 2014 baseline).



Stalled progress on the goal of doubling aid to DRM is just part of the story. The level of gross aid disbursements tells us nothing about whether the aid provided supports equitable DRM. We discuss this question in detail in sections 4 and 6 below. It is also important to note that the volume of relevant ODA does not tell us if donors are undermining aid-to-DRM objectives through other policies and decisions that affect global rules on taxing rights or facilitate tax avoidance by corporations and wealthy individuals. For example, international discussions held under the auspices of the Organisation for

Economic Co-operation and Development have tried to address domestic tax base erosion and profit shifting that occurs when multinational firms exploit differences in various countries' tax systems. Such corporate practices have widespread effects that disproportionately harm low- and middle-income countries owing to those countries' higher reliance on corporate income tax revenues<sup>24</sup>. Developing countries have criticized the OECD process for ignoring their interests and for arriving at rules that disproportionately favour OECD countries at the expense of developing countries.

Apolline is the president of the women's association of Sadien village in Mali. The association produces shea butter and soumbala, a fermented seed condiment, from cashew nuts and néré seeds. Value-added taxes reduce what small-scale women-owned businesses are able to earn. Credit: Diafara Traoré/Oxfam





### 3. DOES AID TO DRM ALIGN WITH COUNTRY DEVELOPMENT PLANS?

Country ownership of development is a key principle of effective development cooperation<sup>25</sup>. It embraces formulation of an inclusive national development strategy, alignment of donors' aid with that strategy, donor harmonization (i.e., coordination among donors), strengthening and use of country systems, and parliamentary scrutiny of development cooperation<sup>26</sup>. Oxfam and many other civil society organizations insist on the need for *democratic* ownership, meaning that development cooperation reinforces a compact between active citizens and

effective states to achieve sustainable development. As part of this compact, inclusive and participatory processes decide on national strategies, plans, and programmes. DRM is an integral part of the compact: citizens pay taxes to states, and states in turn accountably provide citizens with public goods and services, while also responding to citizens' demands (Figure 2)<sup>27</sup>. This compact is emphasized in the new ATI Declaration 2025, which promotes the social contract and commits members to strengthen accountability stakeholders<sup>28</sup>.

**FIGURE 2.** The Citizen-State Compact



Source: Adams and Rosche (2016).

Research by Oxfam and its partners on aid to DRM found a mixed picture with regard to country ownership. In a good example of strengthening and use of country systems, the US Agency for International Development (USAID) contracted with a Haitian software firm to develop the CIVITAX software programme, which helps district-level governments (called *communes* in Haiti) to better manage their budgets. CIVITAX facilitates tax collection and management and enables the digitalization of fiscal processing. Before the introduction of CIVITAX, municipal governments often created their budgets in a Word or Excel document, sending a hard copy to the central government. Because USAID funded the development of CIVITAX, it owned the rights to the software, and it transferred those rights to the Haitian Ministry of the Interior and Local Government. CIVITAX is likely to prove useful to local government budgeting and revenue collection well beyond the life of USAID's LOKAL+ local governance project<sup>29</sup>.

In too many instances, however, donors provide aid to DRM according to their own favoured approaches, regardless of whether these align with national development plans and priorities. For example, French aid to Mali has focused on increasing the narrow tax base to boost revenues, particularly by targeting the informal economy. The Malian government, however, has emphasized improved collection of taxes from existing rate payers, mainly by tackling widespread evasion. France has provided technical assistance in support of these efforts, while continuing to join with the European Union in stressing the substantial potential revenues that would come from taxing medium-sized informal enterprises<sup>30</sup>.

Similarly, in Uganda, donors have not always aligned their aid with the government's Domestic Revenue

Mobilization Strategy (DRMS), often preferring to pursue their own priorities. As one Ugandan government official put it to Oxfam, 'Everyone who gives you funds wants to be in charge, they trick you to do what they want you to do...therefore, we have to compromise to ensure our priorities are aligned to the interests of the [donors]'<sup>31</sup>. In addition, donors may face their own bureaucratic constraints that hamper efforts to align with country priorities<sup>32</sup>.

Donors frequently fail to channel resources to local actors in either the public sector, the for-profit private sector, or civil society. USAID's contract with a local company to develop the CIVITAX software in Haiti was unusual in this regard. According to data reported to ATI, just 16% of aid-to-DRM projects globally passed resources directly to local actors in 2016, down from 19% the year before<sup>33</sup>. Donors do not provide data to ATI on whether their DRM-related projects provide support to women's rights organizations or women-led organizations.

Donors provided local actors in Uganda with a significantly higher share of aid to DRM resources between 2015 and 2018, compared with these global averages. Nevertheless, the figure reached only 41% during that period<sup>34</sup>. As it developed the DRMS, the Ugandan government engaged in only minimal consultation with stakeholders<sup>35</sup>, further limiting democratic ownership of tax policy.

At the country level, donors' failure to cooperate on aid to DRM leads to fragmentation, duplication, and lack of coherence. As of 2015, there were 19 countries where at least four different donors had DRM projects<sup>36</sup>. In Uganda, where Oxfam examined projects funded by multiple donors, the research found little evidence of donor coordination<sup>37</sup>.

## 4. WHAT ARE THE PROS AND CONS OF A TECHNOCRATIC APPROACH?

The technocratic approach to development relies on technical expertise to address poverty, inequality, gender injustice, and environmental degradation while purporting to remain apolitical. In the case of aid to DRM, such an approach emphasizes technical support, efficiency, administrative reforms, and the capacity of tax authorities to collect revenues, with less attention to the equity and political-economy aspects of DRM<sup>38</sup>. In 2016 and 2017, for example, strengthening the capacity of tax administrations was the top priority of the European Commission's aid to DRM<sup>39</sup>. But as we discuss below, all of the donors examined in the research have paid less attention to the difficult political-economy issues involved in tax policy, as well as to matters of their own self-interest, tax fairness, gender equality, transparency, and accountability.

The technocratic approach places great emphasis on applying technology to tax collection, such as automation and online tax collection. This modus operandi can be effective in supporting increased revenue mobilization. For example, the World Bank's 2015–2021 Value-Added Tax (VAT) Improvement Program in Bangladesh helped spur increases in value-added tax revenues of 15.1% annually over the life of the project. The project put substantial emphasis on enhancing electronic payments, and the value of those payments was nearly 25 times larger than target levels by the end of the project<sup>40</sup>. In Uganda, aid to DRM more than doubled between 2015 and 2018<sup>41</sup>, while net revenues rose 70% between 2014 and 2020<sup>42</sup>. Donor support focused on facilitating an online payment system, upgrading the customs management system, and enhancing the skills of Uganda Revenue Authority staff<sup>43</sup>. USAID's LOKAL+ project in Haiti spurred a revenue increase of 111% between 2013 and 2017 in the three project communes (out of a total of 10) that Oxfam examined

in its independent assessment. The project focused on developing and implementing the use of financial management software across the project communes, as well as enhancing local governments' capacity to plan, budget, collect revenues, and deliver public services<sup>44</sup>.

### DRM Is Inherently Political

Improved tax administration and automated tax collection are both essential to enhanced DRM in low- and middle-income countries. Relying solely on technocratic approaches to DRM cannot achieve tax justice, however, because the ways in which governments mobilize revenues, and from whom, are inherently political:

- A key issue is whether the authorities will seek to tax incomes and wealth directly and do so on a progressive basis. This decision involves difficult political choices, since in most countries wealthy people enjoy considerable political influence as well as favourable tax treatment, and they may seek to avoid or evade taxes<sup>45</sup>. A related question is whether emphasis should be placed on ensuring that corporations pay their fair share, especially foreign multinational corporations, some of which are based in the countries of the donors providing assistance, creating the potential for conflicts of interest.
- In low- and middle-income countries, much economic activity occurs in the informal sector, which frequently lies outside the realm of regulation and taxation<sup>46</sup>. This sector often includes professionals, wealthy individuals, and even larger businesses. Bringing these taxpayers into the tax net can increase revenues and equity simultaneously if there is due attention



to using progressive tax measures. However, strictly technocratic approaches often focus only on making existing, or new, indirect taxes more efficient – an approach that does not always increase revenue but almost always increases regressivity. Reliance on indirect taxation also poses the risk of an undue burden on women, since the informal sector workforce tends to be disproportionately female. Many governments regard the informal economy with suspicion or hostility even though it employs a substantial share of the workforce and is usually already linked in multiple ways to the formal economy. Informal-sector workers may not pay income taxes, but many of them pay VAT on various goods and services, as well as license or permit fees<sup>47</sup>.

- Governments may decide to follow the path of least resistance and rely on indirect measures, such as value-added and sales taxes, which tend to be regressive, imposing a disproportionate burden on low-income consumers and small-scale entrepreneurs. In both Bangladesh and Mali, VAT is the primary source of revenue for the central government<sup>48</sup>. In Haiti and Uganda, local governments depend heavily on the national authorities to fund their budgets, and much of the revenue they are able to mobilize for themselves comes from regressive market charges and business licenses. These revenue-raising mechanisms further constrict the already tight operating margins of micro-, small, and medium-sized enterprises, which are overwhelmingly owned by women in both countries<sup>49</sup>.
- The measures that governments take to control corruption and formalize informal economic activity likewise have a huge bearing on DRM. In the case of Haiti, informality, corruption among border control and customs officials, and customs duty exemptions and incentives for the country's business elite mean that the government gains little revenue from extensive cross-border trade with the Dominican Republic<sup>50</sup>.

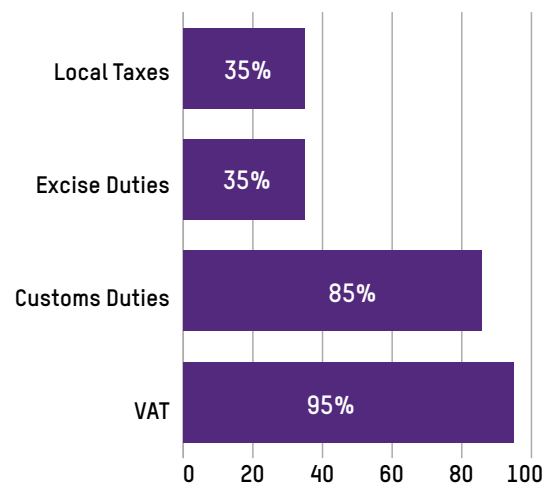
Donors tend to avoid engagement in domestic political economy issues such as these. If a partner country relies on VAT for the biggest share of its revenues, then aid to DRM projects are likely to focus on enhancing VAT receipts rather than facilitating a shift to greater reliance on direct and more progressive forms of DRM, such as individual and corporate income taxes or property taxes. Donor agencies such as USAID recognize that tax policy is frequently a highly charged issue in a country's

internal politics so prefer to stick to providing technical advice<sup>51</sup>. Similarly, the French government considers the extensive array of tax exemptions that the government of Mali offers to high-income individuals and firms to be that government's sovereign prerogative<sup>52</sup>.

## Donors May Benefit from the Status Quo

In addition, donors may have self-interested reasons for not wanting to challenge the status quo on such matters as tax exemptions and reliance on indirect taxation as a major revenue source. In particular, ODA itself enjoys tax-exempt status in many low- and middle-income countries. A survey of low- and middle-income-country governments found exemptions from VAT and customs duties to be the most common forms of immunity (Figure 3). In Mali, French aid projects operate tax-free<sup>53</sup>. Globally, multinational companies headquartered in aid donor countries likewise frequently benefit from tax exemptions, such as the exemptions from VAT and other taxes, as well as customs duties, that Mali offers to mining companies. French companies working in Mali pressure the French government to protect them from tax increases<sup>54</sup>.

**FIGURE 3. Share of Sample Governments Providing ODA Tax Exemptions by Category**



Source: Steel et al. (2018).

## A Focus on Equity Is Lacking

The technocratic approach to supporting DRM tends to ignore questions of equity. Attention to equity is

essential to support countries that want fairer and stronger revenue systems. An equitable tax system assigns more responsibility to those who are most able to pay (vertical equity) and ensures that similar taxpayers are treated equally (horizontal equity). Norwegian aid to DRM in Zambia helps foster vertical equity by supporting the Zambia Revenue Authority in verifying that mining companies are reporting accurate costs and incomes and therefore paying their fair share of taxes<sup>55</sup>.

Bhajan and Coplin analysed donors' reports to ATI on their aid-to-DRM projects, using a keyword search approach. The search terms included 'tax fairness', 'redistribution', 'incidence analysis', and 'progressivity'<sup>56</sup>. The research found that the share of the projects with explicit equity goals more than doubled, from 4.6% in 2015 to 11.6% in 2019. Including 2019 projects with implied equity goals raised the figure to a still quite low 14.7%, meaning that more than 85% of the reported projects lacked any consideration of equity. A joint ActionAid-Oxfam analysis of EU aid to DRM used a similar methodology and found that in 2016, 9% of disbursements went to projects with a significant fairness element, a figure that plummeted to just 0.8% in 2017<sup>57</sup>. An analysis of aid to DRM from the Nordic countries noted that by 2019 two-thirds of total aid was provided via multilateral institutions, primarily the World Bank and International Monetary Fund (IMF), which too often provide regressive tax advice<sup>58</sup>.

Oxfam's country studies of aid to DRM also found a lack of attention to equity. Between 2015 and 2018, just one of 39 aid-to-DRM projects in Uganda had clear equity goals: an initiative aimed at catalysing citizen demands for greater tax fairness. Its \$380,000 budget represented about 3% of total aid to DRM in the country during the period of analysis<sup>59</sup>. The World Bank's VAT Improvement Program in Bangladesh did not include any objectives to improve equity and fairness of VAT or the tax system more broadly. Nor did the project conduct a distributional impact analysis to understand which income groups are most affected by VAT automation or how automation affects inequality<sup>60</sup>.

## Gender Inequality Is Neglected

Donors frequently provide ODA for DRM in a gender-exclusionary manner: they do not take the differentiated and intersectional experiences of women, men, and gender diverse groups into

account. In 2016, just 0.5% of the projects reported to ATI carried gender equality markers<sup>61</sup>. However, government revenue-raising measures have enormous implications for gender justice. Women carry out the majority of unpaid care work and are thus more affected by taxes on the goods and services needed to care for children, elderly people, and others (such as food, clothing, and health supplies). Certain revenue-raising measures, such as business license taxes, may fall more heavily on women because they represent the majority of micro-, small, and medium-sized business owners. Women are also disproportionately affected by government spending cuts, which can happen when revenue mobilization is too weak<sup>62</sup>. In addition, female taxpayers may face discrimination, harassment, and abuse from male tax officials<sup>63</sup>. Section 6 discusses the gender sensitivity of aid to DRM in greater detail.

## More Attention Is Needed to Accountability and Transparency

Some of the aid-to-DRM projects examined in the research included a focus on enhancing accountability to citizens or promoting budget transparency. In Haiti, USAID's LOKAL+ projects supported the introduction of public budget hearings in project communes<sup>64</sup>. In Uganda, Oxfam identified two projects that supported citizen engagement with local governments and national authorities on matters of fiscal justice<sup>65</sup>. Such initiatives are more the exception than the rule, however. Corruption continues to afflict governance in Haiti, and most municipal governments have yet to instil a culture of civic engagement and transparency<sup>66</sup>. In general, Ugandans question the 'return on investment' from their tax payments, and the country's budget process remains opaque<sup>67</sup>.

Aid to DRM could play a crucial role in supporting media and watchdog organizations that ensure accountable governance and public expenditures that benefit low-income people and advance gender justice<sup>68</sup>. But aid for civil society and democratic participation has been declining, as has ODA for other sectors that fortify domestic accountability, such as public financial management, anti-corruption, decentralization, and public sector administration. In Sub-Saharan Africa, the region that has received by far the most aid to DRM (35% in 2016<sup>69</sup>), support for these complementary sectors fell by 20% from 2015 to 2016. Globally, progress on budget transparency has stalled<sup>70</sup>.

## 5. DOES AID TO DRM LINK REVENUES TO ‘INEQUALITY-BUSTING’ EXPENDITURES?

Oxfam has examined the ways in which ODA can have ‘inequality-busting’ effects. Aid that supports free public health and education services, coupled with social protection, can help promote citizens’ rights while also helping to reduce economic and gender inequality and the intergenerational transmission of poverty. Such aid investments provide gains in particular for women and girls living in poverty<sup>71</sup>.

Aid to DRM can likewise have inequality-reducing effects. Efficient and progressive taxation has direct wealth-redistributing effects, and it can also provide governments with the resources to support public services and social protection. A USAID study found that a 10% increase in DRM leads to a 17% increase in public health spending in low-income countries.<sup>72</sup> A USAID project in the Philippines supported that country’s ‘sin tax’, an excise levy on alcohol and tobacco. The government used a large share of the revenues to fund healthcare services for low-income Filipinos as well as directing some of the resources to compensation for tobacco farmers, who experienced falling demand for their produce<sup>73</sup>.

Aid to DRM does not always seek to support such explicit linkages between revenues and inequality-reducing expenditures. In Haiti, Oxfam found that taxpayers did not believe that increased local government revenue mobilization supported by USAID’s LOKAL+ project resulted in better service provision<sup>74</sup>.

In Bangladesh, the World Bank’s VAT support did not seek to create any dedicated revenue streams in support of inequality-reducing expenditures. Notably, increased revenues might have helped improve social protection coverage. Just 11% of urban Bangladeshis receive assistance from public social protection

programmes, despite a 20% poverty rate among city dwellers<sup>75</sup>.

In Mali, France is one of several donors that have provided ODA for DRM, and the country has seen a gradual increase in tax revenue. These funds, however, do not seem to be going into inequality-reducing expenditures. Health spending accounted for just 5% of the national budget during 2012–2014, and only 25% of public expenditures go to social services more generally, leaving substantial gaps in coverage. The country continues to face high rates of maternal mortality and child malnutrition. As of 2017, more than 40% of school-age children were not enrolled, and there were significant regional and gender disparities in access to education<sup>76</sup>.

Given public perceptions of poor public service delivery and ‘lack of value for money’<sup>77</sup> from tax payments, Uganda’s Domestic Revenue Mobilization Strategy (DRMS, 2019–2024) seeks to enhance the fiscal-social contract by strengthening the links between tax and spending decisions and improving budget transparency. However, there was little citizen participation in the development of the DRMS itself, so there is a risk of misalignment between government and citizen priorities. In addition, the DRMS went into effect with no framework or processes in place for engaging citizens in tax and budget policy over the life of the strategy. Whether the DRMS will lead to increased revenues that support spending on health, education, and creating employment opportunities, as many Ugandans desire, remains to be seen<sup>78</sup>. The likelihood that the DRMS will support achievement of the SDGs in Uganda is complicated by the large number of donors that support DRM efforts and the donors’ propensity to pursue their own priorities.



These factors make alignment of aid to DRM with the strategy a heavy lift<sup>79</sup>.

Globally, low-income countries' high level of external public and publicly guaranteed debt is worrisome. Service on those debts consumes a significant share of public expenditures. In 2012, low-income countries devoted 4.8% of revenues to external debt

service, a figure that more than doubled to 12% in 2020 and remained high at 9.7% in 2021. In Sub-Saharan Africa, the figure ballooned from 3.4% in 2011 to 15% in 2021<sup>80</sup>. Such levels of external debt obligations drastically constrain the ability of low- and middle-income country governments to use domestic revenues to address poverty, economic inequality, and gender injustice<sup>81</sup>.



Women on their way to work at a garment factory in Dhaka, Bangladesh. Their modest earnings have to cover value-added tax on essential goods and services such as menstrual products and cellphone charging. Credit: Fabeha Monir/Oxfam Australia

## 6. IS AID TO DRM GENDER SENSITIVE?

Donors regularly claim that they mainstream gender concerns into their aid projects. USAID states that it ‘works to improve the lives of people around the world by addressing the distinct and intersectional needs of women and girls, men and boys, in all their diversity, in our development and humanitarian work, as well as the norms and systems that hinder optimal outcomes’<sup>82</sup>. The French Development Agency reports that as part of France’s feminist foreign policy, between 2018 and 2022 it provided 55% of aid resources to projects with a focus on gender equality<sup>83</sup>. In its gender strategy for 2015–2023, the World Bank Group says that gender equality is central to achieving its goals of poverty reduction, shared prosperity, and sustainability<sup>84</sup>. Gender equality is also named as a high priority in the European Union’s aid policy<sup>85</sup>.

Despite donors’ commitments to integrate gender equality into their development cooperation activities, research by Oxfam and its partners has found that most aid to DRM fails to do so. None of the projects that the EU reported to ATI in 2016 and 2017 were marked as having gender equality as one of their main objectives<sup>86</sup>. The Nordic countries’ shift to providing most aid to DRM via the international financial institutions (IFIs) may have negative consequences for gender equality. The IFIs have tended to promote high reliance on VAT and other indirect taxation. Because women on average have lower incomes than men, such measures tend to take a higher share of their earnings<sup>87</sup>.

In Uganda, just five of the 39 aid-to-DRM projects from multiple donors between 2015 and 2018 indicated that they had a gender-related focus. These five projects provided \$1.68m in funding, or 15% of total aid to DRM<sup>88</sup>.

Uganda’s revenue-raising system has implicit gender biases, and more consistent attention to gender justice in aid to DRM could help to address those. On average, women-owned businesses are smaller in scale than those owned by men. As a consequence, trade license fees, which do not vary according to size of business, are likely to impose a greater burden on women entrepreneurs than on men. Women also pay higher fees than men to use public toilets because of more frequent toilet use, particularly during pregnancy and menstrual periods. Women traders often experience sexual harassment at the hands of tax officials but seldom report the abuse out of fear of negative consequences for their businesses and personal relationships<sup>89</sup>.

In Bangladesh, women face unequal property rights, wage discrimination, and unequal distribution of power within the household and society. The government has set a higher taxable income threshold for women than for men, but tax policy otherwise ignores gender<sup>90</sup>. VAT affects women and men differently. Most women entrepreneurs have micro-, small, and medium-sized enterprises and view the tax as a threat to their competitiveness. On the consumer side, while necessities such as food and health services enjoy VAT exemptions, menstrual products do not. Imported pads are also subject to a 70% customs duty. These taxes make good-quality pads inaccessible for many low-income people who menstruate. Nearly three-quarters of the country’s working women miss an average of six days work a month owing to reproductive and urinary tract infections caused by unhygienic menstrual management. Women’s rights organizations have asked, ‘How long do we have to pay tax for our femininity?’<sup>91</sup>.



The World Bank's VAT Improvement Program in Bangladesh had no specific gender-related objectives, but it did seek to increase taxpayer satisfaction with VAT services. Given the high levels of dissatisfaction with various aspects of VAT among low-income and female consumers and entrepreneurs, it is both notable and disappointing that the project fell short on this aim<sup>92</sup>.

In Haiti, USAID did not systematically take gender issues into account in its LOKAL+ project, even though local regressive taxes, such as business license fees (called the *patente*), affect mainly female market vendors. Nor did the agency engage these entrepreneurs or other stakeholders in the project's design. LOKAL+ supported local governments in developing municipal public services funding plans, but in none of the three communes where Oxfam carried out its research did these plans pay any attention to gender issues. Also, none of the three communes had a female mayor. By law, at least one of the three members of the municipal

administrative council (consisting of a mayor and two deputies) must be female, but in all three study communes, the female members were deputy mayors<sup>93</sup>.

The research found differences between women and men as to the types of services desired from commune governments. Women consumers and entrepreneurs wanted to see toilets in public markets, spaces for market stalls, access to affordable business loans, and improved safety and security in the marketplaces, as women vendors are often targeted by con men, unaffiliated with local authorities, who threaten to eject women from the market if they do not pay 'taxes'. LOKAL+ supported increased revenues for target communes, with the *patente* tax as a major source of those revenues. Better local services might have mitigated the regressive nature of the tax. Nonetheless, a female vendor in Saint-Marc told Oxfam, 'Paying taxes requires services in return, but we don't see any improvement in services in public markets'<sup>94</sup>.



## 7. CONCLUSION

Across the studies that Oxfam and its partners have conducted, one clear conclusion emerges: the imperative of DRM is not to increase domestic revenue by any means necessary, but rather to provide a tool to fight poverty, income inequality, and gender injustice while strengthening the social contract between citizens and states. Donors, governments, and civil society all must cooperate towards these ends. While work by Oxfam and its partners points to a number of recommendations on how to improve aid to ensure equitable DRM, there is also clearly a need for further research on this topic.

### Recommendations for Donors

1. Make equity the primary focus of DRM cooperation by significantly increasing support for nationally led efforts to strengthen progressive taxes on wealth, property, corporate income, personal income, and extractive industries.
2. Enhance country ownership of DRM reforms, design, and implementation. Donors should respect the space for governments to set their own DRM policies and strategies based on citizen engagement. When setting DRM priorities (e.g., new information technology systems), donors should seek input from all relevant government ministries and agencies, as well as external stakeholders – especially micro-, small, and medium-sized enterprises and civil society organizations, including women’s rights organizations. These stakeholders can give insight into opportunities to build tax morale and citizen trust in government institutions. Development partners should build the capacity of local IT and software development firms so they can meet the needs of national revenue authorities more sustainably.
3. Support low- and middle-income-country governments’ efforts to enhance budget and tax transparency and accountability. Such efforts should include an independent review of how exemptions (or other special tax treatments) are granted and an independent evaluation of the costs and benefits of key tax exemptions flagged in the expenditure report, including exemptions for ODA. They should also provide disaggregated data on tax incentives by sectors, beneficiaries, and gender.
4. Reinforce accountable public finance. Overall donor support for strengthening transparency and accountability in public finances has declined, but inequality cannot be fought on only one side of the fiscal system: taxing and spending are equally important levers to reduce economic and gender inequalities.
5. Support tax administration and technical cooperation with pro-poor outcomes. National and subnational tax administrations should be strengthened to clearly pursue increasingly equitable revenue systems that embed a gender perspective.
6. Invest more in the governance of decentralization and the capacity of subnational governments and local accountability stakeholders, including representatives of women and other marginalized groups. Reform efforts, such as revenue-sharing mechanisms for natural resource revenues, can lead to more and better revenues for local governments – but they will need to absorb, manage, and allocate these resources effectively.
7. Increase support for civil society organizations, and invest in the citizen-state compact. Building the capacity of civil society organizations

and oversight bodies (such as women's rights organizations, universities, independent media outlets, audit institutions, parliaments, and judicial bodies) must be a core component of aid for DRM. As part of DRM strategies, all donors should commit to helping ensure space for citizens – including women and other marginalized people – in decision-making processes on fiscal policy. Donors should increase the DRM aid going directly to civil society organizations and academic/research institutions (above the 2015 baseline of 4.5% of total aid for DRM), employing a gender lens in their funding.

8. Include a gender component in all DRM projects. For local-level DRM initiatives, this is especially important. Local governments are much more likely to rely on revenue from user fees and local taxes on services that disproportionately affect the livelihoods and incomes of women.
9. Support gender equity reviews of tax codes and policies with partner countries that are committed to identifying and reducing the explicit and implicit gender biases in their tax system.
10. Coordinate and harmonize development cooperation. To avoid duplication and incoherence, donors must coordinate with one another using mechanisms and processes established and led by recipient governments in support of country-owned DRM strategies designed by citizens and governments. All support must be transparent, with donors and citizens having access to the same information.
11. Ensure policy coherence by eliminating donor-country policies that encourage illicit financial flows from low- and medium-income countries. Such policies include financial and corporate secrecy laws that conceal illicit outflows, as well as tax policies that facilitate multinational corporations' ability to shift profits globally to reduce tax liability.
12. IMF and World Bank tax policy assessment frameworks should consider the impacts of tax policy on equity, including explicit and implicit gender biases. Given that nearly half of the budget for IMF capacity development activities is funded by donors, the IMF should apply aid effectiveness principles, such as accountability, transparency, and ownership, to all IMF technical assistance and capacity development. The World Bank should adopt the three pillars proposed

by World Bank staff in 2017 for the future of World Bank DRM work: (1) enhance the quality and equity of tax systems; (2) strengthen the capacity of both policy and administrative functions; and (3) strengthen the social contract and civic engagement. The World Bank should assess and encourage countries to adopt policies and systems that support pro-poor DRM efforts and refrain from harming those efforts.

## Further Research

There is a need for additional research on aid to DRM and related issues:

1. Document how non-OECD donors are supporting DRM. We know China, South Africa, and other providers of development cooperation are supporting DRM efforts, but what and how? Without their inclusion, not to mention the specific projects supported by multilateral development banks, the current picture of aid to DRM is incomplete.
2. Further explore France's two substantial loans to Indonesia to support DRM work (these are large in the context of aid to DRM). It is unclear what specifically the loans support. As France continues to make the case for loans over grants in this space, a case study of the loans to Indonesia would be useful.
3. Investigate how national strategies are developed and how donors are actually supporting implementation, given the substantial push by donors and the Platform for Collaboration on Tax (PCT) for countries to adopt so-called Medium Term Revenue Strategies (MTRS).
4. Examine policy coherence between donor aid for DRM and donors' own policies to ensure that the latter do not hamper partner countries' taxing rights or ability to capture revenues.
5. Show how decentralization processes and politics affect the quality of local revenues and spending.
6. Build evidence and awareness of taxpayer perceptions and challenges to citizen-state trust building. This research should publish gender-disaggregated data and findings.
7. Draw lessons from aid to DRM that effectively integrates gender equality into projects.

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## ENDNOTES

<sup>1</sup> SEATINI Uganda (2020), 15.

<sup>2</sup> UNCTAD (2014).

<sup>3</sup> UN (2015).

<sup>4</sup> Coplin (2017); Oxfam (2018); Duvisac (2022).

<sup>5</sup> Oxfam (2018); Coplin and Nwafor (2019); ATI (2021).

<sup>6</sup> Oxfam (2023).

<sup>7</sup> Coplin and Nwafor (2019).

<sup>8</sup> Siegel (2017); Joseph (2021); Bari et al. (2022).

<sup>9</sup> The donors considered include Belgium, Canada, Denmark, Germany, the International Monetary Fund, Japan, Norway, the Republic of Korea, Türkiye, the United Kingdom, the United States, and the World Bank.

<sup>10</sup> Oxfam in Uganda (2020); see also SEATINI Uganda (2020); SEATINI Uganda and Oxfam in Uganda (2019, 2021).

<sup>11</sup> Putaturo and Cunha (2020).

<sup>12</sup> ActionAid Denmark et al. (2020).

<sup>13</sup> Coplin (2017); Oxfam (2018); Coplin and Nwafor (2019); Bhajan and Coplin (2021).

<sup>14</sup> Siegel (2017).

<sup>15</sup> Ibid.

<sup>16</sup> Oxfam in Uganda (2020).

<sup>17</sup> Joseph (2021).

<sup>18</sup> Bari et al. (2022).

<sup>19</sup> Seery and Seghers (2019).

<sup>20</sup> ATI (2021); OECD (2023).

<sup>21</sup> UNCTAD (2022).

<sup>22</sup> Hakura (2020); Gaspar and Pazarbasioglu (2022).

<sup>23</sup> Coplin and Atienza (2019).

<sup>24</sup> OECD (2021).

<sup>25</sup> OECD (2005).

<sup>26</sup> Benfield and Como (2018).

<sup>27</sup> See also Hickey and King (2016).

<sup>28</sup> ATI (2020).

<sup>29</sup> Joseph (2021).

<sup>30</sup> Siegel (2017).

<sup>31</sup> Oxfam in Uganda (2020), 27.

<sup>32</sup> Oxfam in Uganda (2020).

<sup>33</sup> Oxfam (2018).

<sup>34</sup> Oxfam in Uganda (2020).

<sup>35</sup> SEATINI Uganda (2020).

<sup>36</sup> Coplin (2017).

<sup>37</sup> Oxfam in Uganda (2020).

<sup>38</sup> Coplin (2017).

<sup>39</sup> Putaturo and Cunha (2020).

<sup>40</sup> Bari et al. (2022).

<sup>41</sup> Oxfam in Uganda (2020).

<sup>42</sup> SEATINI Uganda (2020).

<sup>43</sup> Oxfam in Uganda (2020).

<sup>44</sup> Joseph (2021).

<sup>45</sup> Siegel (2017); Oxfam in Uganda (2020); Joseph (2021); Bari et al. (2022).

<sup>46</sup> Bari et al. (2022); Siegel (2017); Oxfam in Uganda (2020); Joseph (2021).

<sup>47</sup> Bonner et al. (2015).

<sup>48</sup> Siegel (2017); Bari et al. (2022).

<sup>49</sup> Joseph (2021); SEATINI Uganda and Oxfam in Uganda (2019, 2021).

<sup>50</sup> Speck et al. (2019); Joseph (2021).

<sup>51</sup> USAID (2022).

<sup>52</sup> Siegel (2017).

<sup>53</sup> Ibid.

<sup>54</sup> Ibid.

<sup>55</sup> Oxfam (2018).

<sup>56</sup> Bhajan and Coplin (2021). In addition to the terms cited, the research coded projects as including equity considerations if their descriptions included one or more of such key words as inequality, equality, equity, inequity, fair, fairness, progressive, regressive, tax justice, justice, redistributive, equal, unequal, regressivity, just, and equitable.

<sup>57</sup> Putaturo and Cunha (2020).

<sup>58</sup> ActionAid Denmark et al. (2020).

<sup>59</sup> Oxfam in Uganda (2020).

<sup>60</sup> Bari et al. (2022).

<sup>61</sup> Oxfam (2018).

<sup>62</sup> Coplin and Nwafor (2019).

<sup>63</sup> SEATINI Uganda and Oxfam in Uganda (2021).

<sup>64</sup> Joseph (2021).

<sup>65</sup> Oxfam in Uganda (2020).

<sup>66</sup> Joseph (2021).

<sup>67</sup> Oxfam in Uganda (2020); SEATINI Uganda (2020).

<sup>68</sup> Coplin (2017); ActionAid Denmark et al. (2020).

<sup>69</sup> Oxfam (2018).

<sup>70</sup> Ibid.; Coplin and Nwafor (2019).

<sup>71</sup> Seery and Seghers (2019).

<sup>72</sup> Tamarappoo et al. (2016).

<sup>73</sup> USAID (2022).

<sup>74</sup> Joseph (2021).

<sup>75</sup> Bari et al. (2022).

<sup>76</sup> Siegel (2017).

<sup>77</sup> SEATINI Uganda (2020), 15.

<sup>78</sup> SEATINI Uganda (2020).

<sup>79</sup> Oxfam in Uganda (2020).

<sup>80</sup> UNCTAD (2022).

<sup>81</sup> See, for example, Coplin and Nwafor (2021) on the constraints posed by high levels of debt.

<sup>82</sup> USAID (2023).

<sup>83</sup> AFD (2022).

<sup>84</sup> World Bank Group (2015). <https://openknowledge.worldbank.org/handle/10986/23425>

<sup>85</sup> Putaturo and Cunha (2020).

<sup>86</sup> Ibid.

<sup>87</sup> ActionAid Denmark et al. (2020); ActionAid UK (2018).

<sup>88</sup> Oxfam in Uganda (2020).

<sup>89</sup> SEATINI Uganda and Oxfam in Uganda (2021).

<sup>90</sup> Bari et al. (2022).

<sup>91</sup> Ibid.

<sup>92</sup> Ibid.

<sup>93</sup> Joseph (2021).

<sup>94</sup> Ibid.

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Cover photo: Longok attending to her customers. On average, women-owned businesses in Uganda are of a smaller scale than those of men. Trade license fees, which do not vary according to the size of the enterprise, represent a huge burden for women entrepreneurs like Longok.

Credit: Julius Ceaser Kasujja/Oxfam

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