

Results achieved by sector – Tax and public finance management

Developing countries need to generate more public resources, use them effectively and protect them from corruption to reduce poverty and exit sustainably from aid. DFID's inclusive growth diagnostics highlight the need for well-planned and implemented tax and Public Financial Management systems to improve service delivery, including social protection, drive economic development and manage extractives revenues effectively. Only if countries can raise the tax revenues they need, in a transparent way which enables decision-makers to be held accountable and minimises the risks of fraud and corruption, will the basis for graduating from poverty be established.

We will do this by improving transparency and accountability, shaping international standards and building capacity in policy, management and oversight of public resources. This is vital for a sustainable exit from aid, strong defence against corruption and building capable and legitimate states, core to DFID's stability approach.

DFID commitment

- Double spend on tax systems by 2020 in line with our commitments to the Addis Tax Initiative.

Indicators used to measure progress

- Number of countries supported by DFID to manage their public finances (including natural resources and extractives) more transparently
- DFID spend on improving tax systems from a baseline of £25m in 2014 to £50m by 2020.

Results achieved

- Supported 11 countries to manage their public finances (including natural resources and extractives) more transparently.
- Invested £32.6 million on improving tax systems in developing countries (up from £22.6 million last year).