



THE PLATFORM FOR COLLABORATION ON TAX PCT PROGRESS REPORT 2025



THE PLATFORM FOR COLLABORATION ON TAX PCT PROGRESS REPORT 2025



This report has been prepared in the framework of the Platform for Collaboration on Tax (PCT) under the responsibility of the PCT Secretariat and staff of the four organizations. The work of the PCT Secretariat is generously supported by the Governments of France, Japan, the Netherlands, Norway, Switzerland, and the United Kingdom.

This report reflects a broad consensus among the staff of the four PCT organizations, but it should not be regarded as the officially endorsed views of those organizations, their member countries, or the donors of the PCT Secretariat.

PARTNER ORGANIZATIONS



DEVELOPMENT PARTNERS

The work of the PCT Secretariat is generously supported by the governments of:



France



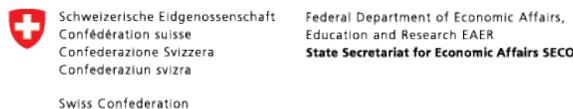
Japan



The Netherlands



Norway



Switzerland



The United Kingdom



TABLE OF CONTENTS

ACRONYMS	2
I. INTRODUCTION	4
II. PCT ACTIVITIES AND WORKSTREAMS	8
A. Workstream 1: Tax and the Sustainable Development Goals (SDGs), Environmental Taxation	9
B. Workstream 2: International Taxation and Tax Incentives	13
C. Workstream 3: Medium-Term Revenue Strategy (MTRS)	16
D. Workstream 4: Stakeholder Engagement, Dissemination, and Internal Exchanges	20
III. BUDGETARY SUPPORT AND THE SECRETARIAT STAFFING	25
IV. CONCLUSIONS AND FUTURE STEPS	26

ACRONYMS

ADB	Asian Development Bank
ATAF	African Tax Administration Forum
BEPS	Base Erosion and Profit Shifting
BCA	Border Carbon Adjustment
CATA	Commonwealth Association of Tax Administrators
CIAT	Inter-American Center of Tax Administrations
CBAM	Carbon Border Adjustment Mechanism
CREDAF	Exchange and Research Centre for Leaders of Tax Administrations
CWG	Country Working Group
DRM	Domestic Revenue Mobilization
EU	European Union
FFD4	Fourth International Conference on Financing for Development
GDP	Gross Domestic Product
GloBE	Global Anti-Base Erosion Rules
GPPF	Global Public Finance Partnership (IMF)
GTP	Global Tax Program
IDA	International Development Association
IDB	Inter-American Development Bank
IF	Inclusive Framework
IMF	International Monetary Fund
INFF	Integrated National Financing Framework
JDRMI	Joint Domestic Resource Mobilization Initiative
MDTF	Multi-Donor Trust Fund

MNRW-TF	Managing Natural Resource Wealth Trust Fund
MTRS	Medium-Term Revenue Strategy
OECD	Organisation for Economic Co-operation and Development
OIP	Online Integrated Platform
PCT	Platform for Collaboration on Tax
RMTF	Revenue Mobilization Thematic Fund
SDG	Sustainable Development Goal
TIWB	Tax Inspectors Without Borders
TPD	Tax Project Database
TWG	Technical Working Group
UN	United Nations
VAT	Value-Added Tax
WATAF	West African Tax Administration Forum
WBG	World Bank Group

I. INTRODUCTION



Capacity-development guidance and tools

Strengthening domestic revenue mobilization (DRM) remains a foundational pillar for sustainable development and fiscal resilience, particularly as developing countries navigate an increasingly constrained macro fiscal environment. A widened SDG financing gap since the pandemic, heightened geopolitical tensions, rising debt service pressures, and declining official development assistance (ODA) continue to exacerbate fiscal vulnerabilities. Despite some gains, progress in raising tax to GDP ratios has largely stalled over the past decade, with more than half of all developing countries—and 85 percent of low income countries—still mobilizing less than the longstanding benchmark of 15 percent of GDP. Against this backdrop, the Sevilla Commitment reaffirmed the central role of domestic revenue mobilization as the cornerstone of sustainable financing for development, calling for strengthened international cooperation and scaled-up support to help countries build resilient, inclusive, and effective tax systems. These trends underscore both the scale and urgency of strengthening DRM and the continued centrality of building robust, fair, and efficient tax systems.

FIGURE 1: GLOBAL CHALLENGES



At the same time, the potential for additional revenue mobilization remains considerable. Recent analytical work by the Platform for Collaboration on Tax (PCT) partners demonstrates that many developing countries could raise several percentage points of GDP in additional tax revenue through a combination of improved compliance, strengthened administrative capacity, reduced tax expenditures, and targeted policy reforms. Importantly, advancing DRM is not solely about increasing revenues. It is also about reinforcing the social compact between citizens and the state, promoting equity, supporting inclusive growth, and enhancing macroeconomic stability. These objectives are particularly salient in fragile and conflict affected situations (FCSs) and small island developing states (SIDS), where fiscal space is severely constrained, revenue bases are narrow, and administrative capacity remains uneven.

In this context, the PCT continues to serve as a key mechanism for coordinated, high quality support to countries seeking to build stronger tax systems. The PCT facilitates dialogue and information exchange on domestic revenue mobilization among its partners and promotes broad engagement with relevant stakeholders.

In their different capacities, the four partners of the PCT — the International Monetary Fund (IMF), the Organization for Economic Cooperation and Development (OECD), the United Nations (UN), and the World Bank— support country efforts through policy dialogue, technical assistance and capacity building, knowledge creation and dissemination, and input into the design and implementation of standards for international tax matters. The PCT provides a unique platform for information sharing and coordination among the partners, helping to avoid duplication of efforts and to deliver more effective, complementary, and demand-driven support to countries. The mission of the PCT is to support countries' efforts to strengthen domestic revenue mobilization by drawing on the distinct mandates, comparative advantages, and expertise of the four partner organizations, each operating independently within their own institutional frameworks and policies.

The PCT Secretariat—currently hosted by the World Bank Group— steers the work and maintains the Tax Projects Database, which highlights regional and country projects provided by PCT partners. The PCT website hosts knowledge products and publications for use by policymakers and administrators. The Secretariat also manages the Multi-Donor Trust Fund (MDTF) through which the PCT Secretariat is funded. The PCT MDTF is supported by the governments of France, Japan, the Netherlands, Norway, Switzerland, and the United Kingdom.

In 2025, the PCT continued to deepen and structure its support for DRM, with its work program organized around four core workstreams.

- **Tax and Development.** In 2025, the PCT's Tax and SDGs workstream underscored the urgency of closing SDG financing gaps through stronger DRM, beginning with the Principals' blog and a side event during the Fourth Financing for Development Conference (FFD4) in Sevilla in July 2025 (see Section 1.2.1). Building on this momentum, the [2025 PCT report to the G20 Finance Ministers and Central Bank Governors on Progress in Strengthening Frameworks for Building Tax Capacity](#) became the main output of the workstream. The report provided the first comprehensive assessment since the PCT's 2016 report¹ of global progress in strengthening tax capacity. It highlights substantial advances in diagnostic tools, training, guidance materials, and collaboration, while also identifying persistent gaps in governance, political commitment, and institutional capacity. Its forward looking recommendations—calling for tailored, sequenced reforms, deeper stakeholder engagement, and increased development partner support—now anchor the PCT's broader SDG related engagement. Complementing this, the PCT continued its work on environmental taxation. It also launched a new Monitoring and Evaluation subgroup aimed at strengthening the use of DRM data and promoting the sharing of experiences on results measurement and reporting across
- **International Taxation.** In 2025, the PCT published the [Tax Incentives Principles \(TIPS\)](#) which provide an updated framework to guide countries in the effective use of tax incentives, building on and modernizing the PCT's foundational 2015 guidance. The TIPS report highlights that tax incentives continue to impose substantial revenue costs while often delivering limited developmental impact, underscoring the need for clearer standards on transparency, evaluation, and governance. By distilling nearly a decade of collective experience across the PCT partners, TIPS offers practical, evidence based principles that can help countries better assess and manage incentives, protect their tax base, and align fiscal choices with inclusive growth objectives.
- **Medium Term Revenue Strategies.** The Medium Term Revenue Strategy (MTRS) framework remains a core example of the PCT's value added. Now applied in nearly 30 countries, the MTRS provides a structured, country led approach for sequencing

1 Enhancing the Effectiveness of External Support in Building Tax Capacity in Developing Countries

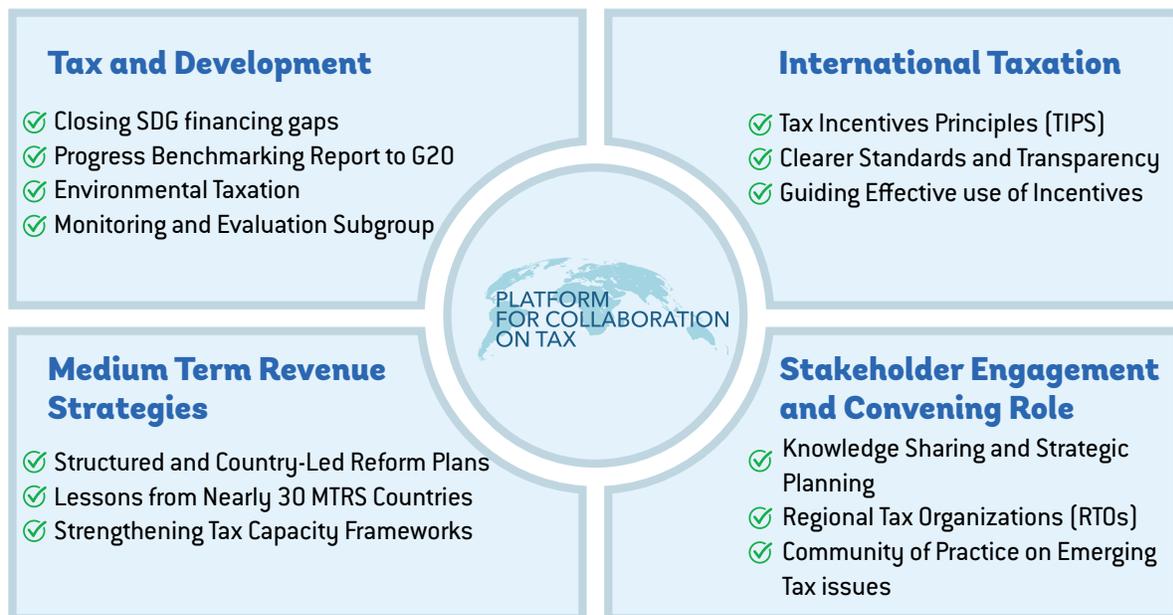
policy, administrative, and legal reforms within a whole of government framework and aligned with national development financing strategies. Lessons from nearly a decade of implementation are informing the ongoing MTRS review, which seeks to strengthen country ownership, expand stakeholder engagement, and enhance flexibility in the face of evolving political and macroeconomic conditions.

- Stakeholder Engagement and Convening Role.** The PCT increasingly serves as a platform for knowledge sharing, joint strategic planning, and collective thought leadership. Its convening power enables stronger collaboration with Regional Tax Organizations (RTOs) and Regional Development Banks (RDBs), fosters communities of practice on emerging issues such as gender and taxation, and supports more coordinated responses to country level demand. Planned global and regional engagements—including the PCT’s upcoming 2026 global conference in Tokyo—will further deepen this country focused dialogue.

Looking ahead, the PCT partners will continue to collaborate across the tax and development landscape, expand the evidence base for DRM reforms, and support partner countries in designing and implementing strategies that yield sustained, equitable, and growth enhancing revenue gains. At a time when financing needs are rising and fiscal space is constrained, the PCT’s role in supporting tax system strengthening has never been more important.

This Progress Report summarizes the key achievements of 2025 under the PCT’s four workstreams and outlines the immediate next steps planned for the 2026 calendar year. It reflects the PCT’s commitment to transparency by making its work program and outputs widely accessible—through its public website—to governments, capacity development providers and donors, civil society organizations, and the general public.

FIGURE 2: 2025 PCT CORE WORKSTREAMS



II. PCT ACTIVITIES AND WORKSTREAMS



A. WORKSTREAM 1: TAX AND THE SUSTAINABLE DEVELOPMENT GOALS (SDGS), ENVIRONMENTAL TAXATION

1.1 Objectives



Taxation is pivotal for achieving the SDGs by mobilizing domestic revenues to finance critical investments in human and physical capital and supports inclusive growth when paired with progressive policies and targeted spending. With SDGs financing gaps widening (especially in low income countries), raising tax-to-GDP ratios toward or above the 15 percent threshold is crucial through comprehensive reforms and strengthened international tax cooperation to broaden tax bases, improve compliance, and ensure equitable, sustainable growth. Under this workstream, the PCT aims to raise awareness on the interlinkages between taxation and the SDGs and to identify key areas and topics where countries could benefit from partners' work.

1.2 Activities and Outcomes

1.2.1 General

The publication of the PCT Principals' blog on October 30th, 2024, titled [Taxation and the Sustainable Development Goals: The Role of the PCT](#), underscored the urgency of domestic revenue reforms to close the SDG financing gap. It highlighted the importance of strengthening DRM, including progressing toward the 15 percent tax to GDP threshold and addressing value-added tax (VAT) compliance gaps; pairing revenue measures with progressive, targeted spending to boost human and physical capital; and advancing inclusive international tax cooperation to curb tax avoidance and illicit financial flows.

The PCT side event at the Fourth Financing for Development Conference (FFD4), [Achieving the potential of Domestic Revenue Mobilization – a Platform for Collaboration on Tax Event](#), was held on July 1st 2025 in Sevilla. It brought together the four PCT partners, alongside country counterparts and stakeholders, to showcase how comprehensive tax system reforms can strengthen domestic resource mobilization for the SDGs. The event highlighted the scope to improve revenue sustainability over the medium term and discussed practical tax policy and administration options, relevant PCT tools such as the MTRS and the TIPS guidance, while also addressing political economy and capacity constraints. It reinforced the importance of comprehensive, country-owned and country-led tax reforms,



improved VAT compliance, and the effective use of digital technologies to support DRM efforts. The event also emphasized the role of inclusive international tax cooperation in ensuring that developing countries participate in standard-setting processes and benefit equally from evolving standards.

One of the cornerstone achievements of this workstream was the release of the [2025 PCT Report to the G20 on Progress in Strengthening Frameworks for Building Tax Capacity](#).

The Report responds to the G20's request to assess progress in strengthening frameworks for building tax capacity and enhancing



domestic revenue mobilization. It tracks how global institutions have improved coordination in supporting countries' efforts to strengthen their tax systems.

Building on the 2016 PCT report to the G20 on [Enhancing the Effectiveness of External Support in Building Tax Capacity in Developing Countries](#), the report takes stock of developments in tax capacity building over the past decade, highlighting both achievements and remaining gaps relative to the key enablers of stronger DRM, including institutional partnerships and local engagement. It notes that while tax capacity has expanded through diagnostic tools, training, guidance materials, improved coordination, participation in international tax initiatives and academic research, many developing countries continue to face challenges

and require sustained support to strengthen institutions, develop human capacity, and ensure high standards of integrity.

The PCT report presents a forward-looking and action-oriented agenda aimed at strengthening the effectiveness of tax-related technical assistance in support of domestic revenue mobilization and reinforces key messages from the Sevilla Commitment on DRM. It sets out concrete recommendations focused on country-led, tailored and well-sequenced reform pathways, deeper engagement with key stakeholders—including civil society and the private sector—and strong governance and accountability arrangements, in order to deliver durable improvements in revenue systems and maximize the impact of international support. It also calls for renewed commitment from development partners, including increased funding for tax-related capacity building, to support effective revenue mobilization and progress toward the SDGs. The report further reiterates the PCT's commitment to promoting collaboration, including a consultation process with 12 RTOs and RDBs, providing thought leadership, and maintaining close engagement with developing countries.

1.2.2 Tax and Environment

In 2025, the PCT strengthened its contribution to global efforts on environmental taxation through enhanced knowledge sharing among the PCT partner institutions. Building on earlier work of the individual partners in this area, discussions focused in particular on carbon taxation and its interaction with other national measures, including support for the energy transition, examining border carbon adjustments, and assessing implications for developing countries.

The PCT also supported the updates to the carbon pricing metrics (building from the 2023 PCT publication of [Carbon Pricing Metrics: Analyzing Existing Tools and Databases of PCT Partners](#)²)—an important tool for helping countries assess the coverage and effectiveness of their environmental tax systems—and organized an “Ask an Expert” session to improve countries’ understanding of emerging instruments such as the EU Carbon Border Adjustment Mechanism (CBAM). These efforts complemented ongoing analytical work within the partner institutions.

Looking ahead, the PCT will continue facilitate exchanges among its partners on taxation and the SDGs more broadly, including exploring wider links between tax policy and sustainable development objectives. This may include, among other areas, health-related taxation—where each of the partners is already engaged—and the potential role of selected excise taxes in supporting development outcomes and public acceptability.

1.2.3 Monitoring and Evaluation

The PCT has strengthened its focus on monitoring and evaluation (M&E) in recent years. Following initial discussions on the topic in 2024, in 2025 the PCT underscored the importance of robust M&E in its report to the G20, highlighting improved approaches as well as new tools and datasets available for this purpose. The emphasis is shifting from tracking activities to measuring a broader set of outcomes, recognizing that while revenue growth remains important, long-term revenue sustainability depends critically on trust in the tax system and taxpayer compliance.

Data availability has improved significantly in recent years, including through datasets developed by PCT partners, creating new opportunities for cross-country analysis. In parallel, the PCT partners are testing innovative M&E approaches—including AI pilot projects and plans to draw more systematically on public data—to further enhance accountability and evidence-based learning.

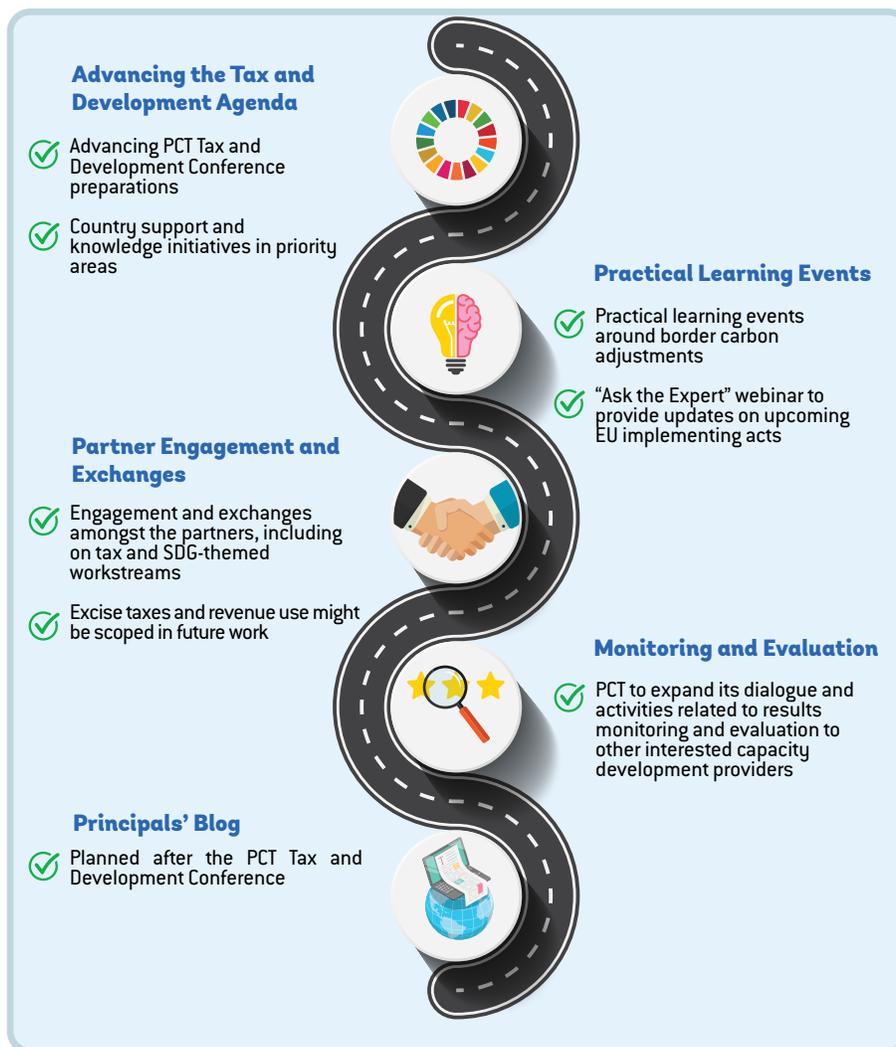
Building on the success of its subgroup working structure and recognizing potential for further PCT work on this topic, the PCT established a new expert subgroup on Monitoring and Evaluation in 2025. The subgroup will comprise thematic experts from partner organizations and will focus on knowledge-sharing related to DRM data and databases, as well as approaches to results monitoring and reporting on tax-related capacity development, with a view to improving effectiveness and accountability.

² The report and its key takeaways are discussed in detail in the 2023 Progress Report.

1.3 Next Steps

The PCT partner organizations will remain actively engaged in advancing the tax and development agenda and promoting domestic resource mobilization through both country support and global knowledge initiatives. Work will continue to be framed around the PCT priority areas, while the preparations for the Tokyo conference and the PCT Partnership Council Meeting continue to advance. A Principals' blog is planned after the Tokyo conference. Practical learning events around border carbon adjustments will remain a priority, including a virtual "Ask the Expert" session to provide updates on upcoming EU implementing acts. The PCT continues engagement and exchanges amongst the partners, including on tax and SDG-themed workstreams of the UN Committee of Experts on International Cooperation in Tax Matters. Partners discussed whether and how excise taxes and revenue use might be scoped in future work. On Monitoring and Evaluation, the PCT aims to expand its dialogue and activities to other interested capacity development providers.

FIGURE 3: NEXT STEPS



B. WORKSTREAM 2: INTERNATIONAL TAXATION AND TAX INCENTIVES

2.1 Objectives

Under this workstream, the PCT aims to facilitate exchanges on the rapidly evolving international taxation landscape. The workstream also aims to identify key international tax issues relevant particularly to developing countries, and devise ways for the PCT to provide practical guidance and toolkits as part of capacity development for countries on those issues. This aids the countries' participation in discussions on those topics at global, regional, and national levels, their consideration of options, as well as the implementation of changes they decide to make as a result of the discussions and their outcomes.

2.2 Activities and Outcomes

2.2.1 Tax Incentives Principles (TIPs) document



A major achievement in 2025 was the completion and publication of the [Tax Incentives Principles \(TIPs\)](#) in May 2025. The TIPs – aspirational in nature – are designed to support governments to maximize the social gains from the use of tax incentives whilst also minimizing the risks from potential pitfalls. There are six overarching principles related to Justification, Design, International Considerations, Legislation, Implementation and Evaluation of tax incentives, which are expanded upon in some 24 sub-principles.

The TIPs were drafted collaboratively by the partners under the PCT Tax Incentives Expert Subgroup during the course of 2024 and 2025. The TIPs also incorporated insights and suggestions from a public consultation, whereby interested parties were invited to respond to an initial draft of the principles

with suggestions on various areas including their appropriateness, level of guidance provided and other recommendations. The consultation, which ran between December 2024 and February 2025, elicited over 35 responses, which are publicly available on the [PCT website](#). In addition to the TIPs themselves, the publication provides extensive accompanying guidance, and the [tax incentives tab](#) has been revamped with an updated bank of resources.



Photo by Mariana González

Shared under [Creative Commons License CC BY-NC-ND 4.0](https://creativecommons.org/licenses/by-nc-nd/4.0/)

The PCT partners are already using the TIPS as a framework in their work with countries to assess incentives regimes and have also presented the TIPS in a number of regional fora, such as the Regional Technical Workshop on Tax Expenditures organized by the United Nations Economic Commission for Latin America and the Caribbean (ECLAC), in Santiago, Chile in October (see photo), the Annual Technical Conference of the Association of Tax Administrations of Islamic Countries (ATAIC) in November, and the 14th LAC Fiscal Policy Forum in December.

2.2.2 PCT Toolkits and E-learning Modules

The PCT toolkits are valuable resources that provide guidance on complex international tax issues, particularly for governments with limited capacities. The toolkits also support PCT Partners in their capacity building and training efforts. Each toolkit is developed through a structured process that includes public consultation on draft versions and direct dialogue with relevant stakeholders, all coordinated by the PCT Secretariat. In 2025, a new e-learning module on tax treaty negotiations was released. Additionally, an e-learning module based on the TIPS is expected to be released in early 2026, designed to make the TIPS guidance more accessible and interactive for users. These new and upcoming tools complement the existing toolkits (see Graph 1 below which lists [all PCT toolkits](#)).

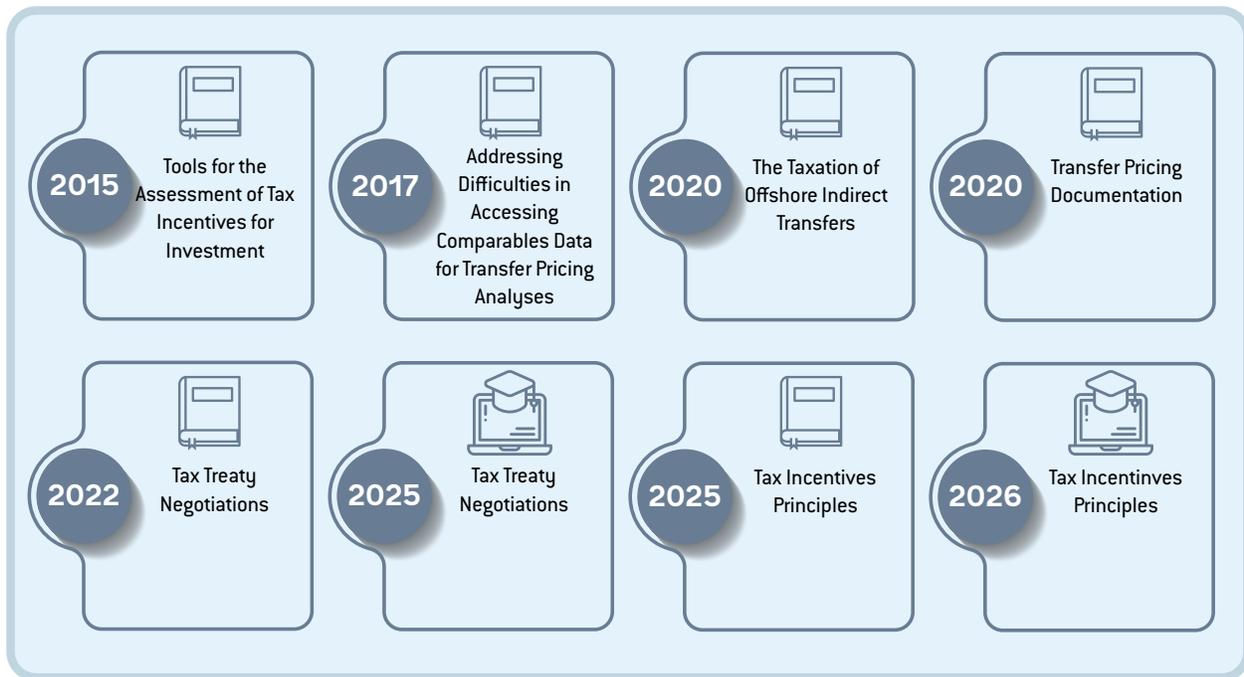
a) New E-Learning Module on Tax Treaty Negotiations

This e-learning module on tax treaty negotiations is based on the existing PCT Toolkit on Tax Treaty Negotiations, which represents a joint effort to provide practical capacity building support to developing countries on negotiating bilateral tax treaties. The module builds on the updated UN Manual for the Negotiation of Bilateral Tax Treaties by guiding tax officials through all phases of treaty negotiation—preparation, conduct, and follow-up—while offering links to additional resources, templates, checklists, and examples to make guidance easier to implement. Delivered in a web-based format, the module is designed to centralize materials that are otherwise dispersed across multiple sources and to allow for regular updates informed by feedback from practitioners and experienced negotiators. While the module does not establish new international standards, it translates existing guidance into

an accessible learning format aimed at supporting new or less experienced treaty teams in initiating and managing negotiations effectively.

b) List of Existing Toolkits

FIGURE 4: TOOLKITS AND E-LEARNING



2.3 Next Steps

With the Tax Incentive Principles Document now finalized, the next phase will focus on continuing the efforts to more widely disseminate the TIPS, building on early uptake in technical assistance and regional engagements. This includes producing concrete implementation tools such as the launch of the TIPS e-learning (including a translation in French and Spanish to facilitate broad accessibility), case studies, peer-learning notes, and sector-specific guidance—particularly in areas where countries continue to face challenges to provide broad, accessible training for government officials and practitioners. A PCT blog will be published on TIPS to accompany the launch of the e-learning module. Work will complement the Partners’ work on tax incentives, including the World Bank’s tax expenditure program and the IMF’s Tax Expenditure Assessment Tool, to ensure consistent benchmarking, reporting standards, and practical examples of good practice.

To expand global adoption, the PCT will also strengthen regional outreach through regional workshops while engaging investment promotion agencies and resources sector stakeholders. In addition, Spanish and French translation of the TIPS will be released, with potential for further language expansion based on demand. Finally, the PCT will closely monitor developments in international taxation and identify areas requiring further collaborative efforts. The PCT website will be updated to reflect new offerings and tools.

C. WORKSTREAM 3: MEDIUM-TERM REVENUE STRATEGY (MTRS)

3.1 Objectives

The Medium-Term Revenue Strategy (MTRS) is a comprehensive approach for undertaking tax system reforms to increase tax revenues and improve the tax system over the medium term through a country-led, whole-of-government approach. Under the MTRS workstream, the PCT aims to promote better understanding of the MTRS approach for countries, development partners (including the PCT Partners), and other stakeholders by conducting workshops, events, and exchanges that serve as platforms for developing better appreciation of the MTRS and its four interdependent components as an approach for undertaking comprehensive tax system reform. Publicly accessible resources on the MTRS are made available through the dedicated [MTRS resource tab](#) on the PCT website.

3.2 Activities and Outcomes

3.2.1 The MTRS Framework Review

The MTRS concept was introduced in the 2016 PCT report to the G20 on [Enhancing the Effectiveness of External Support in Building Tax Capacity in Developing Countries](#). Nine years after its inception, PCT partners now have a clearer understanding of the challenges faced by implementing countries, particularly those related to the political economy of reforms. In this context, the PCT Partners are examining the implementation of the MTRS across countries and revisit its conceptual framework. The primary objective of this review is to integrate lessons learned over the past years and leverage these insights to refine and strengthen the approach. Moreover, the goal is to identify what works and what does not, clarify or improve underused or impractical elements, increase country uptake, and ensure the MTRS remains relevant and effective in supporting domestic revenue mobilization. The revision of the MTRS framework will ultimately make the framework more practical, clearer on sequencing, and better aligned with the realities countries face in implementing revenue reforms.

The review process is centered around the following three areas (also illustrated below):

- i) **MTRS countries stocktaking for evaluating effectiveness**—assessing how successfully the MTRS has met its goals, such as increasing tax revenue, improving tax compliance, and promoting fairness and efficiency in the tax system.
- ii) **Scan of the challenges and key points for refining the framework**—examining the obstacles faced during implementation, particularly those tied to the political economy and the management of reforms.
- iii) **Online feedback surveys on MTRS design**—gathering input from government agencies and stakeholders to ensure that the revised MTRS framework is more practical and responsive to the needs of developing countries.

To support this effort, the PCT established an MTRS subgroup in September 2024 to lead the review process, with experts from the IMF and the WBG, and contributions from the OECD and the UN.

3.2.2 MTRS Countries Experience Stocktaking and Regional Consultations

The year 2025 was marked by a rich sequence of engagements across regions. The cycle began in February 2025, with a Roundtable on MTRS for West African (both Anglophone and Lusophone) countries in Cabo Verde (sponsored by the IMF's AFRITAC West 2 regional capacity development center), followed by a focused dialogue with Senegalese authorities on their MTRS approach. Momentum continued in March, when a Workshop on Domestic Resource Mobilization for East African countries was hosted in Ethiopia (sponsored by the IMF's AFRITAC East regional capacity development center), bringing together experts and country teams to exchange practical experiences. Countries engaged throughout the year included Cabo Verde, Ghana, Liberia, Nigeria, Senegal, Sierra Leone, The Gambia in West Africa and Eritrea, Ethiopia, Kenya, Malawi, Rwanda, South Sudan, and Uganda in East Africa. These workshops confirmed continued interest in the MTRS approach but highlighted capacity constraints in financial planning, coordination, and political sequencing. Engagement with the Asian region happened through two events: a visit by the Malaysian authorities to the World Bank Headquarters in June, where the PCT presented the new MTRS approach and discussed the challenges of implementing comprehensive tax reforms, and the inclusion of a specific MTRS session at the 14th IMF-Japan High-Level Tax Conference for Asian Countries in September.

3.2.3 Application of a Survey Engagement with Authorities and Stakeholders and Insights from the Country Survey

Between May–June 2025, the PCT conducted a survey of MTRS countries, generating cross-country insights that shaped subsequent discussions. As of November 2025, the PCT identified 31 countries as having commenced the MTRS process, out of which 8 countries were in the pre-formulation stage, 9 in the formulation stage and 14 countries in the early implementation or implementation stages³. The survey covered 13 countries, most of which are currently in the implementation phase of their MTRS. Insights from the survey show that overall, respondents assess the MTRS as an effective framework for mobilizing revenue and for securing sustained engagement around revenue reforms (Table 1). However, progress is often constrained by significant headwinds. Key challenges⁴ include institutional constraints (limited and insufficiently skilled staff, lack of time and prioritization for reforms, weak understanding or buy-in for the MTRS approach, an excessive focus on short-term revenue targets over longer-term reforms, and resistance to additional reforms due to complacency or reform fatigue), technical difficulties in reform design (due to complexity of proposed measures, limited skilled staff, and poor-quality data, making it hard to assess revenue impacts and effects on taxpayers), inadequate reform management, coordination gaps, and competing priorities that affect implementation timelines. In addition, misalignment between the MTRS timeframe and political cycles—particularly when an MTRS spans two government terms—emerges as a recurrent issue, complicating reform ownership and continuity. The survey was useful to gather valuable feedback on how the MTRS framework is used in practice.

³ <https://www.tax-platform.org/medium-term-revenue-strategy/countries>.

⁴ These challenges have been identified through consultations with MTRS countries, MTRS workshops, feedback from the MTRS Country Survey and from the experience of development partners.

FIGURE 5: EFFECTIVENESS OF MTRS IN REVENUE MOBILIZATION

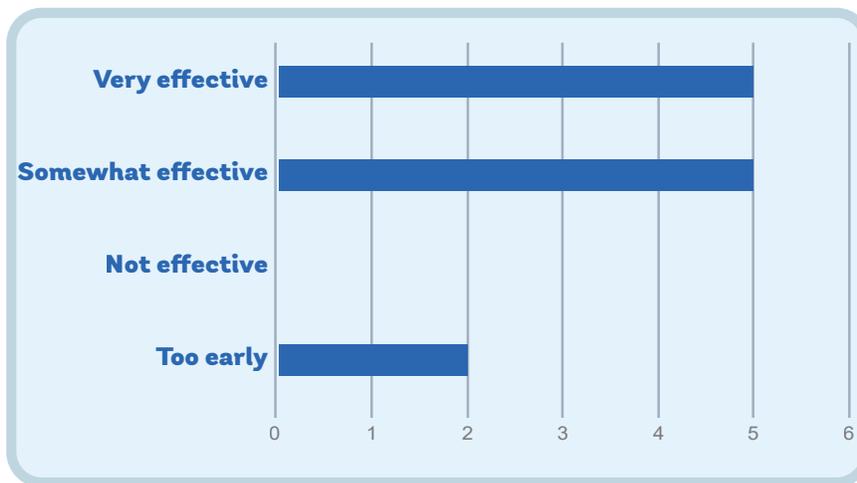
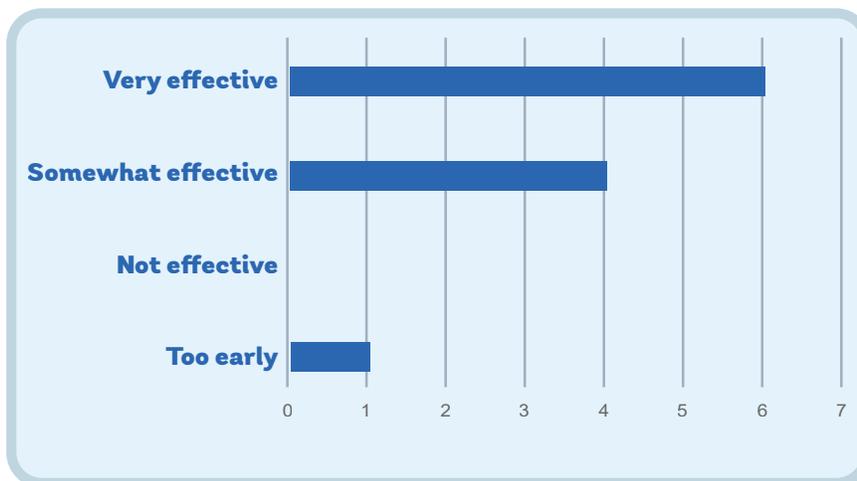


FIGURE 6: EFFECTIVENESS OF MTRS IN SECURING REVENUE FROM REFORM ENGAGEMENT



3.2.4 Internal Discussions and Brainstorming

Building on the regional engagements and survey responses, the review concluded in October 2025 with three development partner internal discussion and brainstorming sessions to synthesize insights from the stock-taking process and document updates for the revised framework, reinforcing collaboration and alignment across institutions and within the PCT. The sessions also focused on identifying areas requiring further refinement before the revamped MTRS framework is finalized.

The sessions emphasized the importance of making the updated MTRS framework clearer, more relevant, and adaptable. Participants emphasized the importance of keeping the framework accessible to countries at different capacity levels, including fragile and conflict-affected contexts, with flexibility to tailor its scope—potentially through a lighter version—while preserving its value as an anchor for policy dialogue. Discussions also highlighted the need for the MTRS to be sufficiently operational to guide reform

sequencing and implementation, acknowledging persistent challenges related to technical design, institutional capacity, and political economy constraints. Participants stressed the importance of integrating legal considerations and reform management from the outset, rather than treating them as add-ons, and supported the inclusion of a dedicated reform management pillar to improve implementation outcomes.

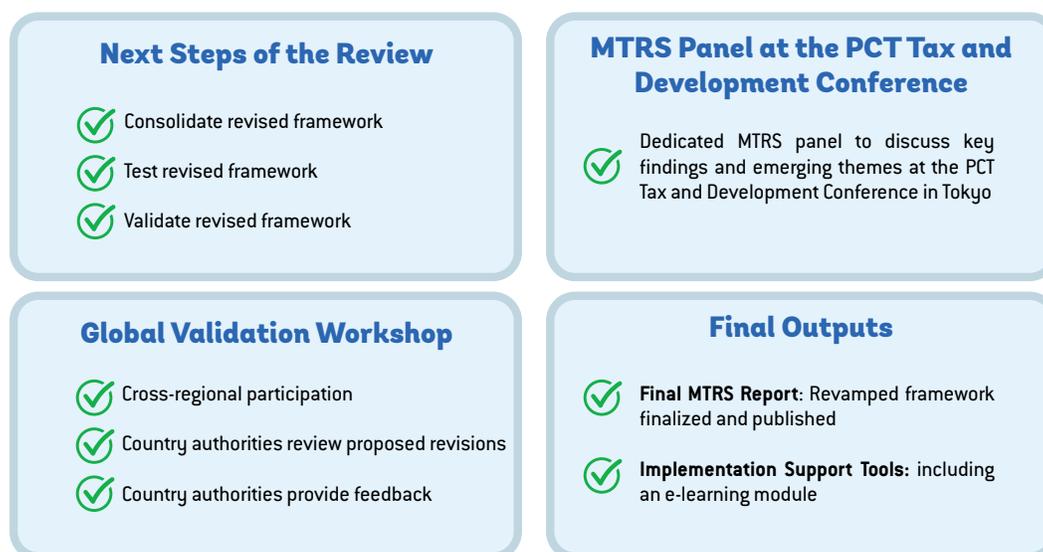
The sessions further underscored that effective MTRS implementation depends on strong whole-of-government commitment, including alignment between ministries of finance and revenue authorities, sustained political support beyond individual champions, and mechanisms to maintain reform momentum across political cycles. Country experiences illustrated how political calendars can disrupt implementation and reinforce the need for robust reform governance. Finally, participants called for more realistic timeframes and better costing of reforms, stronger links between technical design and budget processes, and clearer integration with medium-term expenditure frameworks. The discussions also reaffirmed the importance of coordination across capacity development providers and noted the value of cross-agency collaboration supporting country-led reform efforts.

3.3 Next Steps

Following the completion of the regional consultations, the country survey, and the internal discussions held during the October internal brainstorming sessions, the next phase will focus on consolidating, testing, and validating the revised MTRS framework.

A comprehensive report reviewing the MTRS is under preparation, with the aim of consolidating lessons learned and identifying practical tools to support MTRS design and implementation. As an initial step, key findings and emerging themes will be discussed during a dedicated MTRS panel at the Tokyo Conference in March 2026. This will be followed by a global validation workshop with MTRS countries across regions, providing an opportunity for country authorities to review and provide feedback on the proposed revisions to the framework. Drawing on these inputs, the revamped MTRS report will be finalized and published. In parallel, practical implementation tools, including an e-learning module, will be developed to support uptake of the updated framework.

FIGURE 7: NEXT STEPS IN REVIEWING THE MTRS FRAMEWORK



D. WORKSTREAM 4: STAKEHOLDER ENGAGEMENT, DISSEMINATION, AND INTERNAL EXCHANGES

4.1 Objectives

This crosscutting workstream aims to strengthen PCT's engagement with its various stakeholders, including governments, development partners, multilateral development banks, regional tax organizations, civil society organizations, academia, media, and the general public. It aims to improve dissemination of the PCT products and activities, through the PCT's website, workshops, webinars, events, and social media outreach. While technical assistance is delivered by the PCT Partners themselves, the PCT Secretariat plays a primary role in coordinating public availability and sharing information on PCT events. The workstream also arranges for timely exchanges among the PCT Partners with a view toward reviewing and updating the PCT workplan and its accompanying activities.

4.2 Activities

4.2.1 Regular and ad hoc meetings

The PCT Partners continue to meet to allow exchanges at both the technical working level and the senior management level. The Technical Working Group (TWG), comprised of senior technical experts from each of the partner organizations, meets twice a month. Between January 2025 and December 2025, TWG met 22 times. During those meetings, the TWG members exchanged information and shared views relevant for the execution of the PCT workplan under the four workstreams and briefed each other on their respective organizations' priorities.



On November 12th and 13th 2025, the PCT TWG held a programmatic retreat in Washington, D.C., with full participation from all TWG members over the two-day event. Members of the PCT Expert Subgroups—Tax Incentives, MTRS, Monitoring and Evaluation, and Environmental Tax—as well as relevant staff of the four partners, took part in selected sessions. During the retreat the PCT Partners reflected on 2025 achievements, engaged in-depth discussions on the PCT's key workstreams to assess progress and determine the next steps and strategic

priorities for the 2026 Workplan. The retreat confirmed the relevance of the current four workstreams while highlighting the need for practical tools, more user-focused delivery, and closer alignment with countries' reform cycles.



Prior to this retreat, a series of three internal MTRS brainstorming sessions in the MTRS sub-group were held in October to discuss the MTRS revamped framework and the outcome of the MTRS survey. Partners examined approaches to supporting countries at different stages of adoption, opportunities for joint work, and how MTRS experiences can better inform guidance and operational practice.

The PCT Principals—senior, director level representatives of the PCT partner institutions—provide strategic leadership and guidance for the Platform

for Collaboration on Tax and oversee its overall direction and work program. They met twice during the reporting period. At their most recent meeting on 7 January 2026, the Principals expressed strong satisfaction with the PCT's achievements in 2025 and reaffirmed a continued focus on key priority areas identified in this annual report. They also welcomed the PCT's active engagement in the preparatory process for the Fourth International Conference on Financing for Development (FD4), held in Spain in 2025, as well as its contributions through the PCT Report to the G20 Finance Ministers and the Tax Incentives and Public Investment (TIPs) report.

Looking ahead, PCT Principals emphasized the need to sharpen strategic focus and maximize collective impact in an environment of tightening resource constraints. They underscored the PCT's role as a platform for coordination, efficiency, and coherence—helping partners avoid duplication, and leverage comparative advantages. A strong results orientation was highlighted as essential, with increased attention to monitoring, evaluation, and demonstrated development impact. Principals also pointed to the importance of engaging with emerging issues, including the implications of digitalization and artificial intelligence for tax policy and administration, while remaining grounded in country experience. In this context, the Tokyo Conference in March 2026 was viewed as an important opportunity to advance a forward-looking, technical dialogue, highlight country-led insights, and support a shared narrative on the importance of sustained support for domestic revenue mobilization.

The PCT Partnership Council brings together PCT Principals and the development partners that contribute to the PCT Multi-Donor Trust Fund. Its meetings include an open session that welcomes key stakeholders, such as representatives from developing countries and regional tax organizations, to participate in timely and meaningful discussions on tax and development. Held annually, the Partnership Council provides an important forum to reflect on PCT's progress, share experiences, and discuss priorities and plans for the future. The interval between meetings reflects the conclusion of the PCT Partnership Council meeting on 10 December 2024 and the planned scheduling of the next Partnership Council Meeting in March 2026, allowing for appropriate preparation and the opportunity to meet in-person.

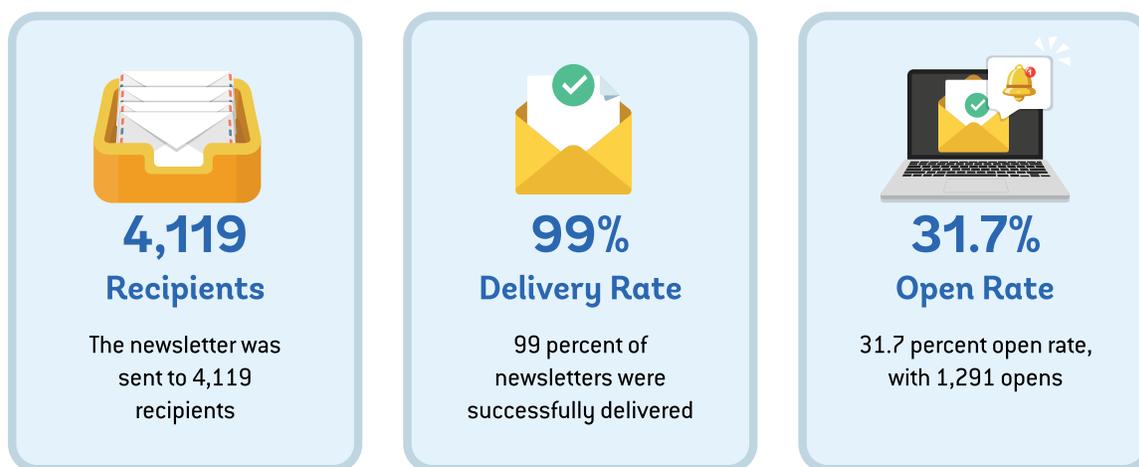
4.2.2 Website, Newsletters, and Tax Project Database

The [Tax Project Database](#) (TPD)⁵ is a publicly accessible database on DRM activities and projects delivered by the PCT Partners. The TPD lists and describes relevant projects and activities of the Partners and enables searches for both country- and regional-level data. The TPD provides interactive, user-friendly tools to aid the user experience. An interactive map provides an overview of the country projects and technical assistance activities of the Partners, which can be accessed by clicking on a country on the map. The TPD also affords an organization-based view of activities supporting DRM efforts and insights into current and future opportunities for global collaboration. Since its launch in March 2020, the TPD has been used extensively by experts from the four PCT organizations and beyond. The TPD was last updated in May, 2025. The PCT Secretariat will continue to release new rounds of data updates, with an update planned for 2026.

As part of its efforts to improve stakeholder engagement and knowledge dissemination, the PCT website serves as a useful vehicle for transparency and communication of information on the PCT and its Partners' activities in areas of DRM. The website resources are updated with new information regularly. Where useful, new tabs are also added to improve navigation and improvement will continue throughout 2026. In addition to a dedicated resource page on tax incentives, key communications products around the 2025 PCT report to the G20 (including a landing page and social media materials) will be developed. The news and events tabs on the PCT website share information on upcoming events; recordings, resources, and summaries of recent events; and the activities and achievements of the PCT. Through providing information on all ongoing, and foreseeably planned activities the TPD is the most up-to-date publicly available database of activities of DRM from any technical assistance providers. Finally, to enhance PCT visibility and communication, the PCT conducts digital and social media outreach through communication channels. The publication of Principals' blog on the PCT website was accompanied by a dissemination campaign via PCT Partners communication platforms.

In 2025, 1 newsletter has been published. On July 2025, the newsletter was sent to 4119 recipients, with 99 percent of delivery rate and 31.7 percent of open rate (1,291 opens).

FIGURE 8: NEWSLETTER STATISTICS



⁵ Formerly Online Integrated Platform (OIP).

4.3 Next steps

The PCT will continue to engage with donors and development partners through regular meetings. The PCT will draft a proposal for website redesign and plans to revamp its communication strategy and launch its LinkedIn presence. The Tax Incentives Principles Paper will be translated in Spanish and the Tax Treaty module in French (with further translations where resources allow). The PCT will also host virtual seminars, including a series of ask-an-expert regional webinars on tax incentives planned for 2026. The PCT Partners will also hold regular meetings of its four expert subgroups and will engage with donors and development partners through ongoing exchanges. Newsletters will continue to be published on a regular basis to inform relevant stakeholders about the PCT activities.

FIGURE 9: 2026 KEY PRIORITIES IN COMMUNICATIONS



III. BUDGETARY SUPPORT AND THE SECRETARIAT STAFFING





The PCT Multi-Donor Trust Fund (MDTF) dedicated to supporting the PCT Secretariat and its work program is funded by contributions from Japan, France, Norway, Switzerland, the Netherlands, and the United Kingdom. Most of the technical activities and analyses continue to be undertaken by the staff of the four PCT Partners, funded from each organization's own budget.

IV. CONCLUSIONS AND FUTURE STEPS



FIGURE 10: PCT TAX AND DEVELOPMENT CONFERENCE



As global economic headwinds persist, and with more than half of developing economies still below the 15 percent tax to GDP benchmark, the need for effective, coordinated, and country led tax system reforms has never been greater. The upcoming **PCT Tax and Development Conference** in Tokyo will provide a timely platform to carry this momentum forward, translating the aspirations of the **Sevilla Commitment** into concrete policy dialogue and practical guidance. By convening senior officials, regional organizations, development partners, and technical experts, the conference will help translate the PCT's analysis— including the *2025 PCT G20 Report: Progress in Strengthening Frameworks for Building Tax Capacity*—into actionable guidance and enhanced collaboration.

The conference aims to deepen global understanding of the role of taxation in development, promote medium term and politically informed approaches to tax system reform, and strengthen consensus around the external support and international cooperation needed to deliver lasting improvements in revenue systems. It will also provide an opportunity to reflect on the evolution of the PCT itself, reinforcing its role as a trusted convener, source of technical guidance, and catalyst for collaborative action in helping countries build fairer, more effective, and more resilient tax systems for sustainable development. A publicly available conference report will synthesize and disseminate the key discussions, insights, and takeaways from the Conference.

