

I. COUNTRY REFORM PROGRESS

On revenue administration, tax revenues rose by 0.5 percentage point, from 13.2 percent of GDP in 2024 to 13.7 percent in 2025, driven by higher collections from both international and domestic taxes. This improvement reflects stronger growth in 2024 and well-identified revenue administration measures, including the continued application of transaction values at customs and the digitalization of core tax processes. The authorities considered that the medium-term revenue strategy (MTRS), developed with significant involvement from the IMF's Fiscal Affairs Department (FAD), has been instrumental in supporting recent revenue gains. They have expressed interest in the new capacity development (CD) framework, suggesting scope for re-anchoring engagement around a more strategic framework. In this context, considering the strictly demand-driven CD approach adopted by the authorities, activities have been scaled down, with only one activity planned for the next fiscal year to seize expected opportunities for re-engagement, ideally through an HQ-led tax and customs administration mission, mindful of the April 2026 presidential elections and potential changes in the Ministry of Finance.

Per the previous report, work has been paused in the areas of tax policy and public financial management. FAD remains open to future engagement if there is further interest from the authorities.

II. PROJECT DELIVERY HIGHLIGHTS

Revenue Administration

Key Progress in FY26: To date in FY26, there have been no field activities related to revenue administration. The planned field visit in March 2026 that was indicated in the mid-year report was postponed. Issues surrounding subsidy conditionality have prompted authorities to raise concerns regarding FAD CD, resulting in a slowdown of the revenue administration CD program. According to the Ministry of Finance's letter from November 2024, as confirmed during the FAD Staff Visit in December 2024, the authorities have implemented a strictly demand-driven approach to CD: activities will only proceed upon receipt of a formal request outlining scope, revenue objectives, anticipated impact, milestones, and indicators; no such request has been submitted thus far. Concurrently, the FAD-supported MTRS continues to progress, as reflected in recent unverified reports. It is noteworthy that the MTRS, developed with significant FAD engagement, appears to have played a pivotal role in enhancing revenue performance.

Next Steps: Looking ahead, it is essential to clarify ownership before allocating resources. Formal written confirmation from the authorities regarding CD priorities should be sought as a prerequisite for any decision on the continuation or recalibration of the current multi-year CD engagement.

III. LOGICAL FRAMEWORK

Country – Benin		
Objective – Strengthened core tax administration functions (SDG 17.1) - TAD		Rating - 2
Outcome	Rating	Narrative
The integrity of the taxpayer base and ledger is strengthened	2 Partially Achieved	Per the Ministry of Finance's letter of November 2024, confirmed during the FAD Staff Visit in December 2024, the authorities have adopted a strictly demand-driven CD approach: no CD activity proceeds without a formal request specifying scope, revenue objectives, expected impact, milestones, and indicators; no such request has been received to date. In practice, we have therefore not provided CD support for almost two years.
A larger proportion of taxpayers meet their filing obligations as required by law	2 Partially Achieved	Same as above.
A larger proportion of taxpayers meet their payment obligations as required by law	2 Partially Achieved	Same as above.
Audit and other verification programs more effectively ensure accuracy of reporting	2 Partially Achieved	Same as above.
Objective – Improved customs administration functions (SDG 17.1) - CAD		Rating - 1
Outcome	Rating	Narrative
Audit and anti-smuggling programs more effectively ensure enforcement of customs laws	1 Not Achieved	Activities under this project have not yet commenced. The authorities have adopted a demand-driven approach to capacity development, which requires detailed requests from their side before any activity can be initiated.
Customs control during the clearance process more effectively ensures accuracy of declarations	1 Not Achieved	Planned activities to support this outcome have been delayed, as the authorities are currently reassessing and refining their priorities for CD delivery.

IV. RISK ASSESSMENT

Description	Rating	Mitigation Measures
External Climate/Conditions		
Resurgence of pandemic hinders CD delivery and changes CD priorities.	Medium	Build on progress achieved with remote delivery of CD.
Political Support		
Political instability may slow down and even stop implementation of reforms.	Low	Focus on strategic advice and hands-on capacity building to have a more permanent impact, and close consultation with the IMF's African Department team and the authorities.
Management and Technical Staff Support and Commitment		
Continuous rotation of managers and staff undermine the absorptive capacity and provoke permanent discontinuity.	Low	Encourage authorities to implement administrative reforms and closely monitor projects.
Resource Adequacy		
Resources are misused, not properly accounted for, do not achieve value for money.	Low	Project resources will be employed in accordance with IMF policies and procedures, including in particular its Travel Policy.
Other Risks		
The reform momentum is highly based on the availability of a modern IT system that can support reform management and implementation	Low	Maintain close coordination and collaboration with other technical assistance providers, especially the World Bank to deliver forcefully a modern IT system.
Since 2025, country authorities have adopted a strictly demand-driven approach to capacity development under which CD must be requested by authorities with clear scope, objectives, impact, milestones, and indicators. This reliance on formal requests may lead to delays or incomplete submissions, slowing CD delivery and affecting project outcomes.	Medium	Engage regularly with authorities to identify and shape emerging CD needs. Offer scoping missions to help define requests where needed.

V. PROJECT MANAGERS: CONTACT INFORMATION

Project Manager	Module Project Manager	E-mail
Rene Ossa (Tax)	Thomas Cantens (Customs)	LOssa@imf.org TCantens@imf.org