

I. COUNTRY REFORM PROGRESS

The first half of FY26—a pre-electoral period for Benin (parliamentary elections in January 2026 and presidential elections in April 2026)—has been characterized by slower capacity development (CD) intake. The only activity under this Global Public Finance Partnership (GPFP) project took place in the field of public financial management (PFM) and contributed to finalizing the work on a climate-sensitive maintenance reform measure due for the last review of Benin's RSF program under the IMF's Resilience and Sustainability Facility (RSF).

Both the PFM and the tax policy modules will be winding down. The revenue administration module will continue, albeit with a much-reduced budget to reflect limited traction. A field visit is envisaged for March 2026 to assess the authorities' views on CD provided by the IMF's Fiscal Affairs Department (FAD) and discuss future CD engagement, against the backdrop of the 2024–28 Medium-Term Revenue Strategy (MTRS).

II. PROJECT DELIVERY HIGHLIGHTS

RM I: Revenue Module I – Tax Policy

Key Progress in FY26: No activity delivered during this assessment period.

Previous Progress: No activity delivered prior to FY26.

Next Steps: No new steps are planned in the future. The tax policy module for this GPFP project will close owing to limited traction. A MTRS has been published in October 2023 for 2024–28. The proposed tax policy measures included in the strategy aimed to continue to improve the taxation of the informal sector, simplify property taxation, strengthen excise duties by increasing rates on specific goods, improve the taxation of companies operating in the digital economy, assess and rationalize tax expenditures, and adapt tax treaties signed with foreign countries. With the end of the Fund programs (and the current presidential mandate) approaching, it is time for the authorities to take stock of the success of revenue mobilization efforts and consider deepening the analysis in specific areas (e.g., excise and environmental taxes, property taxation, tax expenditures, formalization of the economy) to design and implement new reform measures aimed at further broadening the tax base and increasing revenues. In this context, an MTRS review mission could be envisaged in the future if needed.

RM II: Revenue Module II – Revenue Administration

Key Progress in FY26: *Tax.* So far in FY26, there have been no field activities in tax administration. The overall pre-electoral context slowed down the revenue administration CD program. Meanwhile, the FAD-backed MTRS is moving forward according to reports. *Customs.* Customs activities for this project have not yet commenced pending detailed requests from the authorities in line with their demand-driven approach to capacity development.

Next Steps: Staff will visit in March 2026 to assess authorities' views on FAD CD and discuss future CD strategies.

SM II: Spending Module II – Managing Public Finance

Key Progress in FY26: The final July 2025 short-term expert (STX) mission helped the authorities in piloting the new climate-sensitive methodology for maintenance of infrastructure assets as part of preparation of the 2026 budget (three pilot ministries plus agency in charge of roads maintenance). The budget documentation published in October 2025 reflected this preparatory work.

Previous Progress: A field mission helped the authorities in finalizing a manual on climate-sensitive maintenance of public infrastructure assets. The manual on climate-sensitive maintenance methodologies built upon work done in March 2024 during a previous mission (financed by the IMF's African Regional Technical Assistance Center in West Africa, AFW) and leveraged extensive exchanges with donor partners during the two missions, notably to ensure adequate capacity-building support for line ministries.

Next Steps: This final mission concludes the public financial management module for this GPFP project.

III. LOGICAL FRAMEWORK

Country – Benin		
RM I: Objective – Improved Tax Policy Design - TPD		Rating - 1
Outcome	Rating	Narrative
Increased/decreased revenue quantity	1 Not Achieved	No activities have taken place. The tax policy activity will be closed given limited traction.
Improved distributional fairness across taxpayers due to amended tax rates or base	1 Not Achieved	Same as above.
Increased economic efficiency by minimizing economic distortions or addressing externalities or market failures	1 Not Achieved	Same as above.
RM II: 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	Unverified reports indicate that the monitoring of taxpayer register has been satisfactory. No activities have taken place yet.
A larger proportion of taxpayers meet their filing obligations as required by law	2 Partially Achieved	Unverified reports indicate that the filing compliance is improving. No activities have taken place yet.
A larger proportion of taxpayers meet their payment obligations as required by law	2 Partially Achieved	Unverified reports indicate that the payment compliance is improving. No activities have taken place yet.

Audit and other verification programs more effectively ensure accuracy of reporting	2 Partially Achieved	Unverified reports indicate that Audit and verification programs have improved in terms of organization and results. No activities have taken place yet.
RM II: 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	October 2025: No progress has been made under this project, as activities have not yet commenced pending detailed requests from the authorities in line with their demand-driven approach to capacity development.
Customs control during the clearance process more effectively ensures accuracy of declarations	1 Not Achieved	October 2025: No progress has been made under this project, as activities have not yet commenced pending detailed requests from the authorities in line with their demand-driven approach to capacity development.
SM II: Objective – Improve Fiscal Transparency and Reporting - FTR		Rating - 0
Outcome	Rating	Narrative
Strengthened accounting and audit processes	1 Not Achieved	Not relevant – no activity in this field (authorities did not request any support on fiscal reporting; climate budget tagging).
SM II: Objective – Build Sustainable Fiscal Institutions - SFI		Rating - 3
Outcome	Rating	Narrative
Strengthened capacity to plan, implement and sustain priority area reforms including climate, gender, and SDGs	3 Largely Achieved	The work on climate-sensitive maintenance methodologies started with the adoption of a roadmap in March 2024. The November 2024 HQ STX mission (the first under the GPFP project) assisted in the implementation of this roadmap. The July 2025 mission helped the authorities finalize the work in the run-up to the 2026 initial budget, with the piloting of this new methodology for select ministries. Elements shared with FAD CD show that the pilot is on track to be achieved with the submission of the 2026 budget later in October.

IV. RISK ASSESSMENT

Description	Rating	Mitigation Measures
External Climate/Conditions		
RM II: Resurgence of pandemic hinders CD delivery and changes CD priorities.	Medium	Build on progress achieved with remote delivery of CD.
Political Support		
RM II: 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. Close consultation with the AFR Department team and the authorities.
Management and Technical Staff Support and Commitment		
RM II: 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		
RM II: Resources are misused, nor 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		
RM II: 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.
RM II: Since 2025, country authorities have adopted a strictly demand-driven approach to capacity development under which TA 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 TA delivery and affecting project outcomes.	High	Engage regularly with authorities to identify and shape emerging TA needs. Offer scoping missions to help define requests where needed.

V. PROJECT MANAGERS: CONTACT INFORMATION

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