

I. COUNTRY REFORM PROGRESS

Recent reforms for the Central African Republic have focused on strengthening domestic revenue mobilization through targeted tax administration and digitalization measures. Tax revenues increased from 7.4 percent of GDP in 2024 to 7.7 percent in 2025, reflecting early gains from the rollout of an integrated IT system, deployment of ASYCUDA World, and adoption of a new tax compliance framework. Progress has been uneven, however, with limited advances in rationalizing exemptions and strengthening audit functions. Capacity development (CD) from the IMF's Fiscal Affairs Department (FAD) has been instrumental in supporting these efforts. CD interventions were closely aligned with commitments under the IMF-supported program and complemented by targeted capacity-building recommendations to strengthen institutional sustainability. Coordination with development partners (World Bank, European Union, African Development Bank) has been strengthened through the development of a donor intervention matrix to map and monitor ongoing support on digitalization, organizational structure and procedures.

II. PROJECT DELIVERY HIGHLIGHTS

Revenue Module II – Revenue Administration
Key Progress in FY26: In FY26, the mission completed manual cross-checks of over 600 taxpayer files and proposed corrective compliance actions. It also addressed e-Tax system weaknesses, reviewed tax clearance procedures, and established a donor coordination matrix. Previous Progress: Earlier work identified key weaknesses in tax data quality, procedures, and compliance, aligned with IMF program priorities. Diagnostic engagement with the tax administration helped define concrete reform areas for follow-up. Next Steps: The tax administration will monitor taxpayer responses, continue data cross-checks, and regularly update the donor intervention matrix. Ongoing coordination and training will support implementation and mitigate capacity and compliance risks.

III. LOGICAL FRAMEWORK

Country – Central African Republic		
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	3 Largely Achieved	The tax administration is currently undertaking a taxpayer re-registration exercise. Early indications suggest significant progress in broadening the tax base and updating the taxpayer register.

A larger proportion of taxpayers meet their filing obligations as required by law	2 Partially Achieved	According to performance reports, filing compliance has been broadly satisfactory, with on-time filing ratios reaching 77 percent, up from 70 percent in the same period last year. Nevertheless, performance continues to fall short of the 85 percent objective.
A larger proportion of taxpayers meet their payment obligations as required by law	2 Partially Achieved	Performance reports indicate that payment compliance remains problematic, with the payment ratio declining from 62 percent to 58 percent over the same period last year, well below the project target of 75 percent. Weak detection of non-payment, delayed follow-up, and underutilization of legal enforcement tools (e.g., asset seizure, third-party collection) contribute to persistent arrears and low payment ratios.
Audit and other verification programs more effectively ensure accuracy of reporting	2 Partially Achieved	Audit activities progressed from preparatory to operational readiness, with validated data-matching tools enabling the identification and consolidation of taxpayer discrepancies for targeted follow-up despite persistent location challenges.
Objective – Strengthened revenue administration management and governance arrangements (SDG 17.1) - RAM		Rating - 2
Outcome	Rating	Narrative
Digital technologies are better aligned with strategic objectives	2 Partially Achieved	Although notable progress has been made, challenges remain in fully realizing the objectives of revenue administration reforms. The necessary investments in IT infrastructure and human resources are ongoing and have yet to be finalized.

IV. RISK ASSESSMENT

Description	Rating	Mitigation Measures
External Climate/Conditions		
Resurgence of pandemic hinders CD delivery and changes CD priorities.	Very High	Build on progress achieved with remote delivery of CD.
Political Support		
Political instability may slow down and even stop implementation of reforms.	Very High	Focus on strategic advice and hands-on capacity building to have a more permanent impact. Close consultation with the IMF's African Department country team and the authorities.

Description	Rating	Mitigation Measures
Management and Technical Staff Support and Commitment		
Continuous rotation of managers and staff undermine the absorptive capacity and provoke permanent discontinuity.	Very High	Encourage authorities to implement administrative reforms and closely monitor projects.
Resource Adequacy		
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.
Other Risks		
The reform momentum is highly based on the availability of a modern IT system that is able to support reform management and implementation	Very High	Maintain close coordination and collaboration with other technical assistance providers, especially the World Bank to deliver a modern IT system.

V. PROJECT MANAGER: CONTACT INFORMATION

Project Manager	E-mail
René Ossa	LOssa@imf.org