

I. COUNTRY REFORM PROGRESS

Chad has made tangible progress in strengthening tax administration in recent years, supported by reforms implemented under the Fund-supported program. These advances have been accompanied by a 22.8 percent increase in non-oil domestic tax revenues between 2024 and 2025. Key reforms include the broadening of the tax base and the strengthening of the reliability of the taxpayer register, through the deployment of E-TAX, the new IT system. The rollout of e-filing, e-payment, and e-invoicing has helped reduce compliance costs while enhancing transparency. In parallel, expanded data-matching capabilities have supported more targeted and accurate tax audits. Institutional efforts to improve the segmentation and monitoring of large and medium taxpayers have intensified, alongside initiatives to strengthen risk-based compliance management.

II. PROJECT DELIVERY HIGHLIGHTS

Revenue Module II – Revenue Administration
Key Progress in FY26: Work carried out in FY26 supported continued broadening of the tax base and strengthened the integrity of the taxpayer register. Digital tools were further reinforced, notably through the expansion of e-filing, electronic payment, and electronic invoicing, which helped reduce compliance costs and enhance transparency. These gains were supported by the signing of several data sharing protocols with banks and public administrations. In parallel, strengthened segmentation and monitoring of large and medium taxpayers, combined with the introduction of risk-based compliance approaches, contributed to improved institutional effectiveness. Previous Progress: Since its launch in 2024, the project funded by the Global Public Finance Partnership (GPFP) has strengthened taxpayer identification processes through digitalization, reduced administrative compliance costs for taxpayers, and supported improved tax compliance. The project has also facilitated enhanced data matching with external sources, including financial institutions and public administrations, thereby improving the accuracy, consistency, and effectiveness of compliance and control activities. Next Steps: Forthcoming initiatives are designed to further advance digitalization, lower administrative costs for taxpayers, and support efforts to broaden the tax base and address existing loopholes.

III. LOGICAL FRAMEWORK

Country – Chad		
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 adoption of the July 2025 ministerial decree on the “known taxpayer” enabled the launch of the automation of the taxpayer register. Progress is advanced, with 13 of 18 planned

		functionalities completed (72 percent), including identity authentication through the National Agency for Secure Documents and contact detail verification via one-time codes.
A larger proportion of taxpayers meet their filing obligations as required by law	2 Partially Achieved	On-time filing performance remains stagnant, with fewer than 25 percent of value-added tax (VAT) returns submitted on time. In contrast, e-filing adoption has improved marginally, reaching 54.1 percent of VAT taxpayers by end December 2025 (source: DGI). This situation largely reflects the low level of tax compliance culture among taxpayers recently reclassified into the large and medium taxpayer segments, notably following the application of coercive fiscal measures by customs administration, including the 15 percent withholding on imports for non-known taxpayers.
A larger proportion of taxpayers meet their payment obligations as required by law	2 Partially Achieved	On-time payment performance is very weak, with fewer than 5 percent of VAT returns paid on time. In contrast, e-payment adoption has improved marginally, reaching 20.4 percent of VAT taxpayers by end December 2025 (source: DGI). This situation largely reflects the low level of tax compliance culture among taxpayers recently reclassified into the large and medium taxpayer segments, notably following the application of coercive fiscal measures by customs administration, including the 15 percent withholding on imports for non-known taxpayers.
Audit and other verification programs more effectively ensure accuracy of reporting	2 Partially Achieved	The contribution of tax audits to total tax revenue remains very limited, accounting for less than 2 percent as of December 31, 2025 (source: DGI). The ongoing Automated Desk Audit project is expected, over the medium term, to address this weak performance that reflects inaction, procedural delays, and reliance on obsolete manual processes.
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 digital reforms have satisfactory advanced, objectives are not yet fully achieved, reflecting incomplete investments in IT infrastructure and human capital.

IV. RISK ASSESSMENT

Description	Rating	Mitigation Measures
External Climate/Conditions		
External climate/conditions, including social protestations, armed conflicts, insufficient telephone networks or internet connections, can slow down or even stop reforms implementation	Medium	Ensure sufficient flexibility in program execution and allow for ability to adjust activities in the case of adverse events
Political Support		
Limited political support, political instability or weak coordination between cabinet and tax administration may delay or even stop reforms implementation of objective	High	Limited political support, political instability or weak coordination between cabinet and tax administration may delay or even stop reforms implementation
Management and Technical Staff Support and Commitment		
Senior management and senior technical staff are not sufficiently committed, lack leadership and change management capacity to create impulsive and implement key reforms in a sustainable way. Limited familiarity with data governance among mid- and senior-level managers could slow adoption and IT reforms' implementation	Very High	Strengthen efforts to enhance commitment, leadership, and change management culture, as well as to monitor reforms, including building capacity in data governance. Include awareness-raising and capacity-building activities targeted at managers throughout the project
Resource Adequacy		
Insufficient funding for necessary IT infrastructure. Scarcity, misuse, inadequacy relative to needs, and continual rotation of human resources hinder absorption capacity and cause inefficiency and permanent discontinuity	Very High	Engage early with technical and financial partners to mobilize financial and technical resources; explore phased implementation options to align with available funding and prioritize high-impact, cost-effective components. Strengthening human resources and training, and initiate a real forward-looking management of jobs and skills to prepare the administration of tomorrow
Other Risks		
Other risks, including inadequacy or insufficient tax administration's IT systems to support reforms, as well as overlapping activities with other CD providers	Medium	Enhance the adaptability and flexibility of tax administration to address unforeseen challenges, and maintain ongoing coordination with other capacity development providers, particularly

Description	Rating	Mitigation Measures
		regarding IT-related matters. Strengthen the local partner coordination structure, jointly led by the World Bank and the IMF
Absences and quarantines due to a potential resurgence of pandemic can slow down or even stop reforms implementation	Low	Implement a business continuity and recovery plan and build on progress achieved with remote CD delivery

V. PROJECT MANAGER: CONTACT INFORMATION

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