

I. COUNTRY REFORM PROGRESS

Chad is benefiting from two long-term experts: a peripatetic tax advisor funded by the Global Public Finance Partnership serving three countries, including Chad; and the new IMF Regional Technical Assistance Center in Central Africa (AFC) tax resident advisor dedicated to fragile and conflict-affected states (FCS). In addition, as part of an innovative IMF Fiscal Affairs Department (FAD) engagement with FCS in partnership with AFC, Chad has been participating in a regional dialogue that enhances peer-to-peer learning and supports targeted capacity development (CD) activities that are tailored to absorption capacity (in line with the IMF's overall FCS strategy). Despite some structural challenges (constrained work conditions, weak management capacity, pervasive customs exemptions), the CD program has helped the country narrow the gap to the Central African Economic and Monetary Community's multilateral surveillance criterion of 12 percent by 0.5 percent of GDP in 2024.

II. PROJECT DELIVERY HIGHLIGHTS

RM II: Revenue Module II – Revenue Administration
Key Progress in FY25: The CD project is being implemented successfully. There are more positive signs: the number of large and medium taxpayers increased to 10 percent (from approximately 2000 to 2230); the on-time filing ratio improved from 60 percent to 71 percent; 62 percent of large and medium taxpayers make their payment on time against 45 percent one year ago; and 63 percent of nil and credit returns were audited against 50 percent one year ago. Previous Progress: These encouraging indicators stemmed from actions initiated by the authorities with FAD support to enhance the reliability of the taxpayer registry, address arrears and tax disputes, and strengthen tax audits for large enterprises in key sectors. Next Steps: FAD will continue to support key priority reforms including actions to improve voluntary compliance and strengthen coercive measures to tackle non-compliant behaviors.

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	2 Partially Achieved	The taxpayer base is strengthening (see key progress). The milestone due April 2025 is met. However, more efforts are needed to complete the overall objective of the outcome by April 2027.
A larger proportion of taxpayers meet their filing obligations as required by law	2 Partially Achieved	On-time filing ratios are improving over time (see key progress). The milestone due April 2025 is met. However, more efforts are

		needed to complete the overall objective of the outcome by April 2027.
A larger proportion of taxpayers meet their payment obligations as required by law	2 Partially Achieved	On-time payment ratios are improving over time (see key progress). The milestone due April 2025 is met. However, more efforts are needed to complete the overall objective of the outcome by April 2027.
Audit and other verification programs more effectively ensure accuracy of reporting	2 Partially Achieved	Audit and other verification programs are more effective (see key progress). The milestone due April 2025 is met. However, more efforts are needed to complete the overall objective of the outcome by April 2027.
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	Initiatives including expanding e-procedures to small enterprises and individuals are taken to foster e-procedures but there is still more to better align the IT system to strategic objectives.

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 both strategic advice and hands-on capacity building to have a more permanent impact. Close consultation with the IM 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.	Very High	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.

Description	Rating	Mitigation Measures
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	High	Maintain close coordination and collaboration with other technical assistance providers, especially the World Bank to ensure delivery of a modern IT system.

V. PROJECT MANAGERS CONTACT INFORMATION

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