

I. COUNTRY REFORM PROGRESS

The capacity development (CD) program has strengthened non-oil revenues in the first half of the year. Authorities aim to collect 0.28 percent of GDP in 2026 through CD-supported measures, such as broadening the tax base, addressing loopholes, enhancing digitalization, reducing taxpayer administrative costs, and encouraging compliance. Recent progress includes improved taxpayer identification coverage, expanded value-added tax (VAT) e-invoicing, updated digital tax legislation, and better integration between tax, customs, and mobile companies. These efforts support fiscal consolidation, with non-oil revenues projected to rise by up to 50 percent in the second quarter of 2025 compared to the first quarter, consistent with IMF Extended Credit Facility (ECF) projections.

II. PROJECT DELIVERY HIGHLIGHTS

Revenue Module II – Revenue Administration
Key Progress in FY26: In FY26, the Global Public Finance Partnership (GPFP)-financed project facilitated the issuance of a decree requiring electronic payment of taxes, fees, and duties through banks and mobile operators, while also expanding the reach of e-payment and ASYCUDA systems to additional tax and customs offices. Previous Progress: Since its launch, the project has enhanced taxpayer identification processes, broadened VAT e-invoicing adoption, and established a computerized interface between the tax and customs divisions and mobile operators. 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	2 Partially Achieved	Taxpayer register monitoring is reportedly better. Outcome assessment reporting will be postponed to April 2026 for KPI review and potential adjustment
A larger proportion of taxpayers meet their filing obligations as required by law	2 Partially Achieved	Preliminary reports suggest that filing compliance meets satisfactory standards. Outcome assessment reporting is deferred until the KPI review scheduled for April 2026, when results will be evaluated against established objectives and adjustments to the current assessment may be made as necessary

A larger proportion of taxpayers meet their payment obligations as required by law	2 Partially Achieved	Reports show that payment compliance meets the expected standards. It is suggested to delay outcome assessment reporting until the KPI review in April 2026, when results can be compared with objectives and adjustments can be made to the current assessment if necessary
Audit and other verification programs more effectively ensure accuracy of reporting	2 Partially Achieved	Authorities report progress in audit and verification efforts, but current reports lack documentation. It is recommended to delay outcome assessment until the key performance indicator date in April 2026, to allow objective measurement and proper review
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	Despite significant advancements, governance weaknesses persist in achieving the full objectives of revenue administration reforms. Investments in IT infrastructure (data management IT modules) and human resources continue to be implemented and are not yet complete.

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 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.	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	Encourage authorities to use their resources effectively.
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 MANAGER: CONTACT INFORMATION

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