

I. COUNTRY REFORM PROGRESS

The Global Public Finance Partnership (GPFP) has supported the authorities in strengthening domestic revenue mobilization through both tax policy and revenue administration measures. These interventions aim to simplify the tax system, enhance transparency, and promote more data-driven decision-making to improve revenue performance and governance.

Regarding tax policy, it was agreed with the authorities during an October-November 2025 mission that this capacity development (CD) program will now focus on non-tax revenue drafting and mining taxation to pursue current work on the transparency of the tax system and improve revenue collection, respectively. A proposal to that effect was endorsed by the GPFP Steering Committee Meeting in March 2026. Other topics (tax expenditures, excise taxes, parafiscal charges and provincial taxation) will now be on a follow-up mode. The work on mining taxation will consist of a single mission, likely in the fall of 2026, and cover cobalt valuation and international taxation provisions—significant preparatory work will be required for this mission. The prospects for more missions on mining taxation will be assessed at that point. Non-tax revenue drafting covers revenue from (1) Domain (mining, environment, etc., roughly two-thirds to three-fourths of non-tax revenue); (2) Administrative fees; (3) Judiciary fees; (4) Portfolio fees; and (5) non-tax procedures. Drafting of Domain is completed (save a few details), and the mission aims to complete non-tax procedures and perhaps Portfolio fees in CY2026, toward inclusion in a new Tax Code to be adopted by end-2026 (World Bank project). Given resource availability, this effort will start in May 2026 and require significant efforts (four one-month short-term expert missions). Financing for completing Administrative and Judiciary fees will be contemplated at end 2026. Non-tax revenue represents by far the greatest source of opacity and corruption in the Congolese tax system.

Regarding tax administration, in December 2025, an HQ mission helped the authorities develop a sustainable, data-driven tax administration strategy. FY26 focused on designing this strategy, recommending unified taxpayer information, better risk management, and performance-based compliance, with no implementation yet. In FY27, efforts will shift to putting the strategy into action, starting with an implementation roadmap outlining reform priorities, sequencing, governance, and monitoring. As requested, a joint mission by long-term resident advisors from the IMF's Fiscal Affairs Department (FAD) and Regional Technical Assistance Center for Central Africa (AFC) will support tax arrears management, a core strategy element. Other areas such as audit modernization, risk mapping, and compliance management will be addressed sequentially based on progress.

II. PROJECT DELIVERY HIGHLIGHTS

RM I: Revenue Module I – Tax Policy

Key progress in FY 2026: A November 2025 assessment concluded that objectives of this CD program were met on tax expenditures and provincial taxation, and substantially met on excise taxes; further progress in these areas would be difficult given the annual publication of the tax expenditures report (since 2019), the drafting of 8 provincial tax laws, and excise increases in the 2025 budget. The authorities have also put in place a new organization to undertake a reform of parafiscal charges, as recommended by the mission. It was therefore decided to focus this CD program on non-tax revenue drafting, toward the inclusion of this work in a new tax code by end-2026, and to put other topics on a follow-up mode. In addition, new

needs emerged on mining taxation (cobalt valuation, transfer pricing, support to mining revenue forecasting). The CD program was modified accordingly.

Next steps: Given resource constraints, FAD will resume the work on non-tax revenue in May 2026 and prepare for a mining mission in late 2026.

RM II: Revenue Module II – Revenue Administration

Key Progress in FY26: The GPFP project enabled the country to generalize the standardized value added tax (VAT) billing system and adopt a post-Tax Administration and Diagnostic Assessment Tool (TADAT) revenue mobilization plan, meeting key requirements of its economic program. With FAD support, authorities are increasing revenue by recovering taxes, implementing the VAT system, and activating the Commission for unpaid customs claims.

Previous Progress: Progress was constrained by the escalation of conflict in the eastern regions, which delayed implementation of the CD program and necessitated a reprioritization of reforms. With FAD support, the authorities, therefore, focused on revenue-preserving measures to strengthen compliance and address unpaid tax and customs liabilities, despite acute security and capacity constraints.

Next Steps: Upcoming activities will promote digitalization to protect revenue and improve compliance in the short and medium term.

III. LOGICAL FRAMEWORK

Country – Democratic Republic of the Congo		
RM I: Objective – Improve Tax Policy Design - TPD		Rating - 2
Outcome	Rating	Narrative
Increased economic efficiency by minimizing economic distortions or addressing externalities or market failures	2 Partially Achieved	Following the conclusions of a November 2025 mission, this CD program now focuses on non-tax revenue drafting and mining taxation (reference prices for cobalt and international taxation). Other fields are now on a follow up mode (tax expenditures, excise taxes, provincial taxes and parafiscal charges). Due to resource constraints, drafting missions will resume in FY2027 (May). Mining missions are tentatively scheduled for November 2026 (with earlier preparatory work).
RM II: Objective – Strengthened core tax administration functions (SDG 17.1) - TAD		Rating - 3
Outcome	Rating	Narrative
The integrity of the taxpayer base and ledger is strengthened	2 Partially Achieved	Monitoring of taxpayer registers has progressed. The reform of the standardized invoicing system has been an effective catalyst for improving the quality and maintenance of the taxpayer register.

A larger proportion of taxpayers meet their filing obligations as required by law	2 Partially Achieved	Filing compliance has been good. The share of active taxpayers filing their returns on time meets the established milestone.
A larger proportion of taxpayers meet their payment obligations as required by law	2 Partially Achieved	Payment compliance has been broadly satisfactory. However, progress has been limited: only 65 percent of active taxpayers pay on time, against a target of 70 percent (April 30, 2026). The DGI continues to face challenges in improving timely payments, contributing to a growing stock of tax arrears.
Audit and other verification programs more effectively ensure accuracy of reporting	2 Partially Achieved	Audit coverage of nil and credit VAT returns remains low (about 56 percent annually), reflecting the incomplete implementation of the automated desk audit reform recommended by the most recent FAD mission.

IV. RISK ASSESSMENT

Description	Rating	Mitigation Measures
External Climate/Conditions		
RM I: Pandemic / coups	Low	Strong relationship with the authorities at the technical level makes remote work easier on legal drafting, although this is not ideal. On mining, in-country presence is necessary, but significant preparatory work can be done remotely. Events in the East of the country have had no strong impact on the program so far.
RM II: Resurgence of pandemic hinders CD delivery and changes CD priorities	Very High	Build on progress achieved with remote delivery of CD.
Political Support		
RM I: Political instability may slow down and even stop implementation of reforms	High	The new Minister is a previous technical partner and links with his two tax advisers and technical staff are strong. However, the political process in DRC remains very complex and things can turn around rather quickly. Completing the work regarding the new tax code by end-2026 will demand significant political clout from these counterparts.
RM II: 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 AFR team and the authorities.
Management and Technical Staff Support and Commitment		
RM I: Staff instability in the local working groups and significant bureaucratic interference	Medium	The modus operandi of this CD program is to initiate work and then rely on local workgroups to pursue it, putting FAD in an advisory function and relying on strong local counterparts

Description	Rating	Mitigation Measures
		(CTR and COREF) to steer the process. There are now working groups on non-tax revenue, provincial taxation, tax expenditures, and parafiscal charges, but engagement remains active only on non-tax revenue in this new phase of the program (follow up mode for other topics). The dynamic on mining taxation remains to be assessed (mission late in 2026), but it has in the past been difficult to coordinate with the ministries finance and mines on this issue.
RM II: Continuous rotation of managers and staff undermine the absorptive capacity and provoke permanent discontinuity.	Very High	Encourage authorities to implement administrative reforms with a stable internal environment and closely monitor projects.
Resource Adequacy		
RM I: Wavering political support could impact resource adequacy	Medium	Non-tax revenue drafting, which is a key aspect of simplifying the tax system, is a much longer process than expected and the mission is trying to speed up this process, in coordination with the authorities, to maintain momentum and keep the local working group intact.
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 I: Bureaucratic and industry resistance to reforms	High	Deadline to finalize the tax code (end-2026) and its part on non-tax revenue remains extremely challenging and will require significant efforts by the authorities and development partners.
RM II: The reform momentum is highly based on the availability of a modern IT system that can support reform management and implementation	Very High	Maintain close coordination and collaboration with other CD providers, especially the World Bank to deliver a modern IT system.

V. PROJECT MANAGERS: CONTACT INFORMATION

Project Manager	Module Project Manager	E-mail
Patrick Petit	Patrick Petit (Tax Policy) Serge Mani (Revenue Administration)	PPetit@imf.org FManiOnana@imf.org