

I. COUNTRY REFORM PROGRESS

This Global Public Finance Partnership (GPFP) project for the Republic of the Congo aims to improve fiscal space through improved tax compliance to mobilize revenue, and improved spending frameworks to provide spending efficiencies.

During FY26, capacity development (CD) activities were put on hold, largely due to the preparations for and the completion of presidential elections in March 2026. Envisaged activities on revenue administration include a scoping phase in June 2026 to set priorities, sequencing, and implementation plans. This phase will guide technical assistance design. The authorities are not immediately prioritizing spending issues in FY27, though CD activities are expected to resume during the second half of FY27. FAD remains ready to re-engage with the authorities and build the foundation for ongoing collaboration.

II. PROJECT DELIVERY HIGHLIGHTS

RM II: Revenue Module II – Revenue Administration

Key Progress in FY26: No FAD CD activities on revenue administration took place during this reporting period. However, an explicit technical assistance request was made during the October 2025 IMF-World Bank Annual Meetings and a scoping mission is planned during FY27.

Previous Progress: Earlier CD activities supported reform efforts of the Directorate General of Taxation and Estates (Direction Générale des Impôts et des Domaines, DGID) by advising on strengthening its strategic plan and updating the action plan to address critical weaknesses in compliance, organization, and digitalization.

Next Steps: A field-based mission is scheduled for the first quarter of FY27. Based on the authorities' request, FAD will conduct a mission in June 2026 to develop a short-term action plan addressing six key tax non-compliance risks and a strategy for system and data integration, taxpayer registry improvement, legislative adaptation, and governance enhancement; define performance indicators and a monitoring framework; and strengthen DGID capacity to implement recommendations and allocate resources effectively. Any potential follow-on support resulting from this mission will be outlined in a future proposal for additional funds.

SM I: Spending Module I – Spending Policy

Key Progress in FY26: No CD activity took place in FY26 which overlapped with presidential elections.

Previous Progress: Despite promising initial engagement on fuel subsidy reform, traction with the authorities has decreased with little prioritization of further structural measures to improve the energy sector's resilience or build alternative social assistance programs that would enable future reforms.

Next Steps: Given the authorities' prioritization of public financial management and revenue administration reforms (specifically regarding the upstream hydrocarbon sector), there is no planned near-term engagement on expenditure policy issues. The IMF will maintain oversight of the project and are prepared to resume activities when requested.

III. LOGICAL FRAMEWORK

Country – Republic of the Congo		
RM II: Objective – Strengthened revenue administration management and governance arrangements (SDG 17.1) - RAM		Rating - 2
Outcome	Rating	Narrative
Capacity for reform increased due to clear reform strategy and a strategic management framework adopted and institutionalized	2 Partially Achieved	The strategic plan has been elaborated. However, it has yet to be institutionalized. No activity occurred during FY26.
Digital technologies are better aligned with strategic objectives	2 Partially Achieved	The current IT system has yet to be improved to support the core functions better. No activity occurred during FY26.
RM II: Objective –Strengthened core tax administration functions (SDG 17.1) - TAD		Rating - 2
Outcome	Rating	Narrative
A larger proportion of taxpayers meet their filing obligations as required by law	2 Partially Achieved	On-time filing ratios are improving over time. No activity occurred during FY26.
A larger proportion of taxpayers meet their payment obligations as required by law	2 Partially Achieved	Current ratio is below expectations. No activity occurred during FY26.
The integrity of the taxpayer base and ledger is strengthened	2 Partially Achieved	The taxpayer base has improved. No activity occurred during FY26.
Taxpayer services initiatives to support voluntary compliance are strengthened	2 Partially Achieved	The DGID is at the initial stage of initiatives to support voluntary compliance. No activity occurred during FY26.
SM I: Objective –Strengthen Expenditure Policy Formulation and Design – EPD		Rating - 1
Outcome	Rating	Narrative
Reduce subsidies while mitigating impact on vulnerable households	1 Not Achieved	The authorities have taken strong measures to increase transparency in the fuel sector and reduce the fiscal cost of fuel subsidies by US\$15 million per year. In July 2025, they also approved the publication of the 2024 CD report on the IMF website. This publication makes accessible to the wider public an in-depth analysis of very sensitive policy issues and represents an important milestone for transparent policy formulation and prioritization.

IV. RISK ASSESSMENT

Description	Rating	Mitigation Measures
External Climate/Conditions		
Elevated risks of debt unsustainability across Central African Economic and Monetary Community (CEMAC) countries are pushing countries to prioritize debt management and fiscal consolidation through increased non-oil revenues	High	Early engagement with the authorities to list likely fiscal priorities, and routine checks with CEMAC country teams
SM I: Fear of imported inflation from elevated uncertainty around international market prices of critical commodities (fuel, fertilizers and food products) and likely shortages decreases appetite for fuel subsidy reform	Very High	- Stress increasing fiscal costs of existing price subsidies; - Support alternative and better-targeted support programs for vulnerable population; - Encourage the use of windfall oil revenues to build resilience and sustainability
Political Support		
Little political support for spending reforms	High	Combine/focus on 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		
Staff instability in the local working groups and significant bureaucratic interference	High	Ensure that IMF consultants work with maximum flexibility in case of local blockages (i.e., share maximum information with consultants). Use structural benchmarks to enforce commitments, if possible.
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		
RM II: Political interference on specific policies (e.g., excises)	Medium	- Mobilize other donors (World Health Organization, World Bank). - Use structural benchmark, if possible

V. PROJECT MANAGERS: CONTACT INFORMATION

Project Manager	Module Project Manager	E-mail
Serge Mani	Serge Mani (Revenue Administration) Delphine Prady (Expenditure Policy)	FManionana@imf.org DPrady@imf.org