



**Amendment to
Project Proposal for
COTE D'IVOIRE**

June 2025

Component: Revenue

Module: RM-I: Tax Policy

RM-II: Revenue Administration



PROJECT SUMMARY

COUNTRY:	Cote d'Ivoire	
LEAD DEPARTMENT:	FAD	
REGION:	AFR	
PLANNED DATES:	FY26-27	
PROJECT MANAGERS:	Charles Vellutini (Tax Policy, FADT1, Lead) Anthony Ramarozatovo (Revenue Administration, FADR2) Marco Borges de Siqueira (Revenue Administration, FADR2) Severin Kamgna (Public Financial Management, FADM2)	
ESTIMATED BUDGET	\$642,419	
BUDGET FOR ENDORSEMENT:	\$642,419	
PROJECT AMENDMENTS:	PURPOSE	SC APPROVAL
INITIAL PROJECT PROPOSAL	Proposal for RM-I: Tax Policy and SM-II: Managing Public Finances modules	June 2024
AMENDMENT 1	Update to RM-I: Tax Policy module; addition of RM-II: Revenue Administration module	June 2025

CONTENTS

Acronyms.....	4
I. Project Amendment Purpose	5
II. Background.....	6
Macro-fiscal situation	6
Country engagement and alignment to reform priorities	6
IMF priority areas / cross-cutting themes.....	7
III. Project Amendment Modules - Description	7
Table 1. Summary of Objectives covered by the Proposal	7
A. RM-I: Tax Policy.....	7
Scope	7
Program Objectives	8
Expected Results (outcomes).....	8
B. RM-II: Revenue Administration.....	9
Scope	9
Program Objectives	10
Expected Results (outcomes).....	10
IV. Organizational Arrangements	11
A. Country Engagement.....	11
B. Delivery Modalities	11
C. Coordination / Cooperation.....	12
V. Risk Assessment and Mitigation	13
VI. CD Delivery Plan.....	14
Table 2. Summary of Indicative CD Delivery.....	14
Table 3. First year workplan	15
VII. Program Financials	16
VIII. Targeted Logical Framework	17
A. RM-I: Tax Policy.....	17
B. RM-II: Revenue Administration.....	17

ACRONYMS

AFW	IMF's Regional Technical Assistance Center in West Africa
AI	Artificial intelligence
CD	Capacity development
CIT	Corporate income tax
DGD	Directorate General of Customs
DRM	Domestic resource mobilization
FAD	IMF's Fiscal Affairs Department
GPFP	IMF's Global Public Finance Partnership
JDRMI	IMF-World Bank Joint Domestic Resource Mobilization Initiative
MTRS	Medium-term revenue strategy
STX	Short-term expert
VAT	Value-added tax

I. PROJECT AMENDMENT PURPOSE

Country request and relevance/importance

This project will reinforce Côte d'Ivoire's macro-fiscal stability, as it contributes to more effective revenue mobilization through improved targeting and operational performance—ultimately expanding fiscal space for essential public spending and reducing reliance on external resources. Like the capacity development (CD) provided previously funded by the Global Public Finance Partnership (GPFP), it aims to assist the authorities in the implementation of the Medium-Term Revenue Strategy (MTRS) adopted in May 2024. It is implemented in the framework of the ongoing IMF lending program (see Background). In addition, this project will support the IMF-World Bank Joint Domestic Resource Mobilization Initiative (JDRMI).

On tax policy (RM-I), this amendment provides continuity with previous activities, expending them to implement on-going tax reforms on core domestic taxes (corporate income tax (CIT), value-added tax (VAT), and related tax expenditures).

On customs (RM-II), the Ivorian authorities have requested technical assistance from the IMF's Fiscal Affairs Department (FAD) to strengthen the use of data within the Directorate General of Customs (DGD), specifically to enhance customs capabilities in data-driven risk analysis and selectivity. The proposed CD initiative aligns with commitments under the IMF-supported program and supports key customs administration reforms. In particular, the project will help advance the DGD's efforts to harness artificial intelligence (AI) for risk-based decision-making and accelerate its broader digital transformation into a data-driven customs administration.

Description of Modules

On tax policy (RM I), the authorities have requested an extension on FAD CD on two aspects: (1) the implementation of the recommended introduction of a standard CIT, and the related tax expenditure analysis—to be delivered in FY26; and (2) review of VAT exemptions—to be delivered in FY27.

On customs (RM II): This CD project aims to assist the DGD in advancing its ability to harness and analyze data to improve revenue performance. The support will concentrate on enhancing the quality and accessibility of data, offering strategic guidance on scaling up the use of data tools—including AI systems developed by the DGD—for risk analysis and investigative functions, and accompanying the

organizational and cultural shifts needed to integrate and sustain data-driven technologies within the customs administration framework.

The estimated budget for this project is \$642,419 covered within the total budget endorsement request for Cote d'Ivoire of \$1,769,113 through FY27.

II. BACKGROUND

Macro-fiscal situation

In May 2024, Côte d'Ivoire adopted its MTRS, with the key goal of increasing tax revenue by 0.5 percent of GDP per year over the 2024-28 period. The MTRS was adopted in the context of a 40-month IMF lending program adopted in May 2023, with sustained DRM over the medium term remaining a clear priority. Tax revenue is expected to reach 14.4 percent of GDP in 2024, a 0.8 percentage point increase relative to 2023. FAD support under the GPFP-funded project is focused on MTRS execution, with emphasis on CIT, (included CIT-related tax expenditure reporting), property tax, and VAT.

To promote economic diversification and resilience, the government has prioritized industrialization through greater value addition in agriculture, trade facilitation, and investment promotion—supported by customs modernization and special economic zones. These efforts are part of broader reforms under the MTRS, where improving customs efficiency and reducing trade costs play a key role in strengthening revenue performance and enabling structural transformation.

Country engagement and alignment to reform priorities

On tax policy (RM-I), FAD has previously provided CD with GPFP funding in support of the preparation of the MTRS, the reform of the CIT, and the reform of property taxation. This amendment builds directly on that CD effort, adding, at the authorities' request, tax expenditure analysis and the rationalization of VAT exemptions (all part of the MTRS implementation).

Customs reforms (RM-II) are centered on operational efficiency, stronger control of exempt and duty-suspended goods, and enhanced risk management capabilities. Since 2021, an average of five CD missions per year have been conducted by HQ and the IMF's second African Regional Technical Assistance Center in West Africa (AFRITAC West 2), supporting the authorities through in-person and remote engagements. These efforts have led to tangible results, including the deployment of AI for

selectivity and valuation fraud detection, and the establishment of a data governance structure. This sustained support and reform momentum highlight the authorities' strong engagement and alignment with broader fiscal and trade modernization objectives.

IMF priority areas / cross-cutting themes

The DGD's ongoing digital transformation demonstrates clear alignment with GovTech priorities. By investing in data infrastructure, specialized human resources and AI development, during the last three years, the authorities are advancing key GovTech elements such as business process modernization, data-driven decision-making, and the integration of advanced technologies. This project will contribute to and benefit of the inputs of other FAD's initiatives related to GovTech in tax and customs administration, including the CD already delivered on mirror analysis and data matching in many countries, the ongoing CD in the field of data and AI in Africa and Latin America, and the analytical work done by FAD on data analytics and AI in tax and customs.

III. PROJECT AMENDMENT MODULES - DESCRIPTION

This proposal is an amendment to an existing project. The amendment proposes CD support to Cote d'Ivoire in the area of tax policy and revenue administration. FAD CD will support improvements within the strategic objectives presented in Table 1.

Table 1. Summary of Objectives covered by the Proposal

Component	Module	Objective
Revenue	RM-I / Tax Policy	Improve tax policy design
Revenue	RM-II / Revenue Administration	- Strengthened revenue administration management and governance arrangements. - Improved customs administration functions.

A. RM-I: Tax Policy

Scope

This amendment, a direct continuation of previous FAD CD on tax policy, will focus on the implementation of tax policy reforms in the following areas, both part of the MTRS execution:

- On the CIT, FAD will assist authorities in implementing the FY24 recommendation to shift from a schedular system to a standard CIT (profit taxation currently only contributes revenue of around 1.5 percent of GDP in Côte d'Ivoire, vs 2.4 percent in Sub-Saharan Africa), where all corporate income is taxed at the same rate; to adapt the CIT and related provisions to the global minimum tax (Pillar Two¹); and review related tax expenditures, including those stemming from the investment code.
- On VAT, FAD will assist authorities in rationalizing exemptions. This will encompass identifying and costing these tax expenditures and assessing their distributional impact. This will be a follow-up to the 2018 FAD CD on the VAT, and a key component of the MTRS execution.

Program Objectives

The key objective to the CD is to contribute to DRM while taking into account the distributional impact of policy changes. This CD directly contributes to the execution of both the MTRS and the on-going lending program and related fiscal consolidation.

Expected Results (outcomes)

Firstly, regarding the CIT, the project aims to support the authorities in implementing the following reform measures:

- Establishing a unified CIT replacing the current schedular system under which each type of income is taxed differently, regardless of the legal form of the taxpayer (natural person or corporation). The unified CIT rate would need to be determined through microsimulations, with the rate currently levied on profits (25 percent) as the baseline scenario.
- Integrating business income earned by natural persons into the progressive Personal Income Tax (PIT) system. This reform would encourage incorporation as businesses grow, given that the top PIT rate is 36 percent. Microsimulations will be needed to evaluate both the revenue and distributional impacts of this change.

¹ Pillar Two is a global tax reform initiative that introduces a minimum effective corporate tax rate of 15 percent for large multinational companies to reduce profit shifting and tax competition. See <https://www.oecd.org/en/topics/sub-issues/global-minimum-tax/global-anti-base-erosion-model-rules-pillar-two.html>.

- Enhancing estimates of tax expenditures, with a particular focus on those arising under the investment code.
- Aligning the reformed CIT with the Pillar Two global minimum tax framework, notably by reviewing investment code incentives to ensure compatibility.

Secondly, regarding the VAT, the project is expected to deliver the following outcomes:

- An updated methodology and implementation plan for measuring VAT-related tax expenditures, including the revenue cost of exemptions, reduced rates, and zero-rated items.
- A set of criteria to guide the rationalization of VAT tax expenditures, helping to improve the efficiency and equity of the VAT system.

B. RM-II: Revenue Administration

Scope

This project aims to support the DGD in addressing key challenges that hinder its transition to a fully data-driven administration capable of enhancing revenue collection. Despite the DGD's ongoing efforts—such as initiating AI-related projects—several critical issues remain. These include limited data quality for AI uses, limited availability and reuse of data across departments, weak data literacy in middle management, and the concentration of data use within a small group of specialists. Additionally, there has been insufficient preparation for the organizational changes required to support digital transformation and benefit from the positive impacts of data tools.

To address these challenges, the project will focus on three core areas: (1) improving data quality and availability; (2) accompanying the deployment of existing AI tools for risk analysis, selectivity and investigation; and (3) assisting with organizational reforms needed to fully leverage data and digital tools. Specifically, the project will help DGD assess its initial AI initiatives, develop a strategy for moving from proofs of concept to production deployment, implement framework to monitor the impact of these tools, and reform procedures based on data-driven decision. It will also promote the reallocation of staff to analytical and post-clearance functions, enhance enforcement against fraud and unethical practices, and ensure that all relevant units—not just data specialists—can access and use data effectively, including through emerging technologies such as generative AI.

Program Objectives

The overall objective of this CD project is to enhance the revenue mobilization capabilities of the DGD by supporting its transformation into a data-driven organization. Through targeted support in three interrelated areas—improving data quality and availability, accompanying the strategy of deployment of sustainable data analysis tools and AI systems and facilitating organizational change—the project aims to embed data-driven decision-making into the core functions of revenue administration.

By achieving this objective, the project is expected to generate significant impact: higher quality and more accessible data will enable more accurate risk profiling and improved investigations; the operational use of AI and analytical tools will strengthen internal audit, post-clearance controls, and fraud detection; and organizational reforms will ensure that analytical capabilities are mainstreamed across departments. Ultimately, the project will contribute to more effective, transparent, and accountable revenue administration, supporting the country's broader macro-fiscal stability and public financial management goals.

Expected Results (outcomes)

At the conclusion of the project, CD support is expected to contribute to:

- A higher level of digitalization and improved quality of data collected through routine administrative processes,
- An operational data governance framework that ensures data availability and reusability for analytical tasks, enforcement, internal control, and performance monitoring,
- The deployment of data analytics that foster a data-driven, evidence-based decision-making culture within DGD,
- Strengthened internal capacity to design and manage projects until production deployment of AI systems and use them for policy development, risk profiling, investigations, and post-clearance controls,
- Organizational changes that enhance the benefits of data use, including the shift of customs controls from frontline to post-clearance,
- The dissemination of lessons learned and proof-of-concept results in applying GovTech and AI to revenue administration.

Project proposals typically cover only one to two years of CD activities, which are expected to contribute to the achievement of the objectives outlined in the sections above. The objectives of this GPFP project may require extended and ongoing support to be fully and sustainably realized. Therefore, progress reports will serve to monitor advancement towards these objectives, and it may be necessary to adjust or broaden project workplans to better facilitate the achievement of these goals.

IV. ORGANIZATIONAL ARRANGEMENTS

A. Country Engagement

On tax policy (RM-I), CD will build on previous engagements. The 2024 MTRS remains the critical framework for policy changes on DRM. The FAD counterparts on tax policy remain the Ministry of Finance and the Directorate General of Taxes.

On revenue administration (RM-II): The IMF has built a strong CD partnership with Côte d'Ivoire, particularly in support of customs modernization and digitalization. Technical assistance has covered areas such as risk-based selectivity, control of exemptions, excise duties, data analytics, and customs surveillance. Since 2022, the authorities have made notable progress, including the development of AI models for risk classification and valuation fraud detection, and the establishment of a data governance framework.

The proposed project builds on this engagement by expanding support into a new area: helping the customs administration scale and operationalize AI systems, improve data quality and accessibility, and implement the organizational reforms needed to fully transition into a data-driven institution.

B. Delivery Modalities

CD will comprise of a mix of remote and in-person activities. Virtual deliveries will be used to provide efficiencies to in-person support, including pre-engagement meetings and post-follow-up meetings. The following CD activities will be delivered as a package:

- **Headquarters-led (HQ) support.** FAD staff will assist DGD in its transition to data through the implementation of this project. They will provide recommendations, conduct regular reviews of

the progress of the project, and coordinate with other CD providers. FAD staff will deliver its support through a blend of headquarters-led missions, staff visits, and headquarters-based desk advice.

- **Short-term expert (STX) assistance.** FAD will provide support through STX visits and remote assignments, focusing on highly technological components like data governance and industrialization of data analytics and AI systems. Specific attention will be dedicated to transferring knowledge to and appropriation by DGD data specialists and managers.
- **Workshops** to ensure the general appropriation of methods and tools, evaluate the impact of the transition to data on the organization, open to peers and experts from other administrations (self-funded), to be organized during HQ missions.

C. Coordination / Cooperation

Partner	Coordination Type	Coordination Area	Frequency
IMF's Regional Technical Assistance Center in West Africa (AFW)	Joint CD	The first assessment mission will be conducted by AFW. AFW will provide support to engagement with peers (workshops, visits to peer administrations).	As needed
World Bank	JDRMI	This project will be part of JDRMI.	As set up under the JDRMI

V. RISK ASSESSMENT AND MITIGATION

Category/Module	Description	Risk Assessment	Mitigation Measures
POLITICAL SUPPORT			
RM I - Tax Policy	Reform proposals to reduce tax expenditures under the MTRS may trigger opposition from beneficiaries.	Low	Consultation with relevant internal and external stakeholders to help reflect broad consensus across government.
RM I - Tax Policy	Political instability may slow down and even stop implementation of reforms.	Medium	Focus on strategic advice and hands-on capacity building to have a more permanent impact. Close consultation with the IMF's African Department (AFR) team and the authorities.
RM II - Revenue Administration	Change in political priorities or leadership could deprioritize customs digitalization or shift focus to other reforms.	Low	Engage key stakeholders early; align project with national development and digital transformation strategies; ensure visible results in the short term to maintain interest.
MANAGEMENT AND TECHNICAL STAFF SUPPORT AND COMMITMENT			
RM I - Tax Policy	Lack of coordination across senior level staff in relevant counterpart agencies (Ministry of Finance, Economy, tax administration, investment promotion), which is critical for delivery	Medium	Using the MTRS process to organize consultations across government agencies to ensure close coordination.
RM II - Revenue Administration	Limited familiarity with data governance and AI tools among mid- and senior-level managers could slow adoption and implementation.	High	Include awareness-raising and capacity-building activities targeted at managers from the beginning of the project; conduct workshops on the benefits and use cases of AI in customs.
RM II - Revenue Administration	Inadequate internal coordination between departments (e.g., IT, risk management, operations) may impede project execution.	High	Establish a dedicated Data Governance and Processing Committee to centralize the management of customs data, facilitate coordination across departments, and ensure the application of consistent governance standards and procedures.

Category/Module	Description	Risk Assessment	Mitigation Measures
RESOURCE ADEQUACY			
RM I - Tax Policy	This is GPFP funded.	Medium	Alternatives sources of funding would be explored.
RM II - Revenue Administration	Insufficient funding for necessary IT infrastructure.	Medium	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.

VI. CD DELIVERY PLAN

Table 2. Summary of Indicative CD Delivery

CD Modalities (Remote or Field-based CD)	FY26	FY27	FY28	FY29	Grand Total
RM I – Tax Policy					
HQ led CD mission	1	1	-	-	2
RM II – Revenue Administration					
HQ led CD mission	1	1	-	-	2
STX visits	3	1	-	-	4
Staff visits	-	-	-	-	-
Workshops (inc. during HQ and remote CD)	1	-	-	-	1
TOTAL	6	3	-	-	9

Note:

- In-person delivery was chosen in some instances to allow for hands-on support, direct collaboration and practical training.
- Remote delivery was chosen in several instances to ensure continuity, provide ongoing technical guidance, and reduce costs.

Table 3. First year workplan

Timing	CD Modality	Proposed Topics of CD
RM-I: Tax Policy		
FY26/Q1	Duty station-based Work - DS	CIT tax expenditure costed CIT reform updated and priorities set Microsimulations made and impact evaluated
FY26/Q3	Remote follow-up	Recommendations discussed Microsimulations finalized
FY27/Q1	Duty station-based Work - DS	VAT exemptions costed Distributions of tax expenditures estimated VAT reform updated and priorities set
FY27/Q3	Remote follow-up	Recommendations discussed Tax expenditure estimations finalized
RM-II: Revenue Administration		
FY26/Q1	1 remote HQ	Preparation of and online participation to the assessment mission conducted by AFW on (1)) data quality and collection of anonymized datasets, (2) IT policy and assets, ii) existing Machine Learning tools, (3), and (4) technical and organizational constraints for production deployment.
FY26/Q2	1 Field-based mission - 2 STX	Design of use cases and path to production. Definition of impact indicators. Support to proofs of concept. Training on Machine Learning applied to customs fraud detection and Generative AI as assistant for investigation and policy. Definition of a 3-month activity plan for the DGD.
FY26/Q2	1 remote STX	Follow-up online support. Improvement of data quality.
FY26/Q3	1 Field-based mission - 2 STX	Assessment of systems developed by the DGD. Support to the strategy of deployment. Training on AI-related projects and tools for production. Definition of a 3-month activity plan for the DGD.
FY26/Q4	1 Field-based mission - 1 HQ + 2 STX	Assessment and support for production deployment. Assessment of potential organizational impacts and proposals for a strategy to reorganize customs procedures and organization. Definition of a 3-month activity plan for the DGD.
FY27/Q1	1 remote STX	Follow-up online support. Improvement of data quality.
FY27/Q2	1 Field-based mission - 1 HQ + 1 STX	Design of a data and AI strategy, based on lessons learnt.

VII. PROGRAM FINANCIALS

Module	FY26	FY27	TOTAL (USD)
Direct Delivery			
RM I - Tax Policy	\$136,568	\$133,824	\$270,392
RM II - Revenue Administration	\$184,800	\$145,200	\$330,000
Subtotal	\$321,368	\$279,024	\$600,392
Trust Fund Management Fee (7%)	\$22,496	\$19,532	\$42,027
TOTAL	\$343,864	\$298,556	\$642,419

Note: The estimated budget for this project is \$642,419 and endorsement is requested for the full amount through FY27. Endorsement for future plans will be requested at a later date as funding for the program is secured and reform plans gain traction.

VIII. TARGETED LOGICAL FRAMEWORK

A. RM-I: Tax Policy

Objective: Improve Tax Policy Design -TPD	
Outcome(s)	Indicator(s)
Increased economic efficiency by minimizing economic distortions or addressing externalities or market failures	Adopt legislation that reduces economic distortions.

B. RM-II: Revenue Administration

Objective: Strengthened revenue administration management and governance arrangements (SDG 17.1)	
Outcome(s)	Indicator(s)
Digital technologies are better aligned with strategic objectives.	Improved ICT strategies and systems to support the customs administration.
Capacity for reform increased due to clear reform strategy and a strategic management framework adopted and institutionalized.	Key performance indicators established, regularly reported and monitored.
Objective: Improved customs administration functions (SDG 17.1)	
Outcome(s)	Indicator(s)
Audit and anti-smuggling programs more effectively ensure enforcement of customs laws.	Effectiveness of the fight against fraud and smuggling increased.
Customs control during the clearance process more effectively ensures accuracy of declarations.	Risk-based control selectivity applied more consistently.
Foreign trade operators better comply with their reporting and payment obligations.	Traceability of goods and customs actions in the customs systems strengthened.