



Project Proposal for

Cote d'Ivoire

January 2025

Component: Revenue

Module: RM II – Revenue Administration



PROJECT SUMMARY**COUNTRY:** Cote d'Ivoire**LEAD DEPARTMENT:** FAD**REGION:** AFR**PLANNED DATES:** FY26-27**FUNDING PROGRAM TITLE:** Cote d'Ivoire - GPFP Revenue Module I&II**PROJECT MANAGERS:** Anthony Ramarozatovo (Revenue Administration, FADR2)**ESTIMATED BUDGET** \$ 508,452**PROJECT AMENDMENTS:****PURPOSE****SC APPROVAL****AMENDMENT 1**

Adding a Revenue Administration component to better support implementation of the medium-term revenue strategy.

January 2025

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ACRONYMS

CD	Capacity development
FAD	IMF's Fiscal Affairs Department
JDRMI	Joint Domestic Resource Mobilization Initiative (IMF – World Bank)
MTRS	Medium-term revenue strategy
PFM	Public financial management
STX	Short-term expert
TADAT	Tax Administration Diagnostic Assessment Tool

I. PROJECT PURPOSE

Country request and relevance/importance

Côte d'Ivoire has emerged as the WAEMU region's engine of growth and stability, but unfortunately domestic revenue mobilization performance s domestic revenue mobilization performance is just above the sub-region average. A comprehensive Medium-term Revenue Strategy (MTRS) aiming to ensure that the vision for the country's economic transformation towards upper-middle income status was adopted last April 2024. To this end, the authorities requested additional support to accelerate the implementation the revenue administration component of the MTRS, with a view to help advance critical administrative reforms, and to achieve the revenue quantitative performance criteria and the structural benchmark of the program for the upcoming months.

Implementing the MTRS in Côte d'Ivoire is a highly demanding process, requiring significant resources, high-level political commitment, and a solid, professional reform governance arrangement. The establishment of the revenue administration component of this project will help to support the successful implementation and management of the MTRS, which is the main pillar of the current economic program, in close collaboration with the other partners involved in DRM area.

Description of Modules

The Revenue Administration component (RM II) will assist in strengthening the tax administration management and governance arrangements and provide support on: (i) updating and implementing the revenue administration component of MTRS, (ii) preparing and developing the tax administration operational plans, (iii) building reform management capacity, and (iv) identifying key performance indicators and their monitoring and reporting processes.

The estimated budget for the revenue administration component of this project is \$ 508,452, and endorsement is requested for the full amount through FY27.

II. BACKGROUND

Macro-fiscal situation

Due to delays in the implementation of certain revenue mobilization measures introduced in the 2024 budget (property taxation, tobacco traceability) revenues were lower than expected, and further tax administration reforms will be required to ensure that budget execution remains in line with the deficit reduction target of 4 percent of GDP. Overall, tax revenue is expected to reach 14.4 percent of GDP in 2024, a 0.8 percentage point increase relative to 2023, while total expenditure is expected to be at 20.8 percent of GDP, a 0.7 percentage point reduction relative to 2023. To offset revenue shortfalls, the authorities have adopted additional tax administration measures within the MTRS framework adopted in April 2024, that need CD support to implement.

Country engagement and alignment to reform priorities

The authorities are seeking to raise revenues over the medium term to help finance priority spending. As per the agreed IMF program the authorities plan to mobilize additional resources through:

- *Developing an MTRS.* The authorities plan to develop and implement an MTRS with FAD CD to help identify options for revenue mobilization through both tax policy and revenue administration, while promoting tax progressivity, efficiency, fair procedures, digitization process, adapted organizational arrangement, modern Human Resources management, data analytics and risks analysis.

FAD has provided significant CD to authorities on tax policy and revenue administration in recent years. On tax policy, FAD assisted on tax expenditure measurement and design of the VAT (FY18), personal income tax (FY19), the corporate income tax (FY24), and the property tax (FY24), as well as on the design on a MTRS (FY24). Regarding revenue administration, support provided by FAD includes Human Resources management modernization (FY18); digitalization transformation (FY18-20); Tax Administration Diagnostic Assessment Tool (TADAT) evaluation (FY22); tax administration post-TADAT strategic plan (FY22-23); and the design of the MTRS workplan implementation and governance arrangements.

IMF priority areas / cross-cutting themes

N/A

III. PROJECT MODULES - DESCRIPTION

This proposal will provide CD support to Cote d'Ivoire in the area of 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 II / Revenue Administration	Strengthened revenue administration management and governance arrangements

A. RM II - Revenue Administration

Scope

Strengthen MTRS management capacity by providing support on: (i) implementing its tax administration component, (ii) developing the tax administration operational plans, and (iii) building reform monitoring and management capacities.

Program Objectives

Strengthened revenue administration management and governance arrangements.

- The MTRS is developed and well communicated.
- Operational tax administration plan supporting the MTRS updated and adopted.

Expected Results (outcomes)

The project is expected to achieve the following operational results:

- The MTRS is updated and implemented, with supporting resource plan.
- Reform management capacity strengthened for the MTRS and reform implementation.
- Tax administration operational plans supporting the MTRS are adopted.
- Key performance indicators established, regularly reported, and monitored.

IV. ORGANIZATIONAL ARRANGEMENTS

A. Country Engagement

The authorities' engagement on the project is supported by the ongoing program and the structural benchmark on the preparation and the implementation of the MTRS.

B. Delivery Modalities

CD will comprise of a mix of hybrid 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) missions and staff visits** to provide strategic recommendations, conduct regular follow-ups, assess progress, ensure short-term expert (STX) work is aligned to plans, coordinate with other CD providers, and adjust reform implementation plans.
- **STX** visits to help implement the recommendations delivered by the HQ missions; a limited number of STXs will be assigned to provide specialized assistance in specific areas of revenue administration and public financial management. The project will seek to use Portuguese-speaking experts.

C. Coordination / Cooperation

Close coordination with the area department team to better support program implementation is already in place. At the same time, coordination between the tax policy and tax administration components will continue and interactions will be implemented with the PFM component, particularly regarding the accounting and traceability of tax revenues collected and the VAT refund management. AFRITAC West work plan was aligned with the MTRS' implementation objectives. Collaboration with the World Bank is in place through the new IMF-WB JDRMI. French Cooperation also provides consistent support with a long-term expert based in Abidjan, and the PARFID, DATAFID and FORCE regional projects.

Partner	Coordination Type	Coordination Area	Frequency
IMF's area department country team and IMF Resident Representative	Supporting program benchmarks	Support to identify and monitor structural benchmarks on tax administration. Support to identify priority reform areas for the program and provide timely support to the authorities to implement them.	Quarterly
Partner	Cooperation Type	Cooperation Area	Frequency
World Bank	IMF-WB JDRMI Pilot - Exchange information, sharing mission dates, peer reviewing TA report / agree on areas to be covered by each donor to maximize complementarity.	MTRS	The pilot parameters to be developed with the WB, but at least quarterly.
AfDB, EU, ATAF, OECD, and French Cooperation	Exchange information, sharing mission dates, peer reviewing TA report / agree on areas to be covered by each donor to maximize complementarity.	Mapping CD activities on tax administration, PFM and tax policy across CD providers to identify synergies and complementarities.	As needed – at least quarterly with the European Union and the French cooperation

V. ASSESSMENT AND MITIGATION

Category/Module	Description	Risk Assessment	Mitigation Measures
EXTERNAL CLIMATE/CONDITIONS			
RM II - Revenue Administration	Weak coordination between the minister cabinet and the tax and customs administrations may slow down the implementation of the MTRS	High	Remind the political authorities to appoint a steering committee and strengthen the coordination with the tax and customs administrations.
POLITICAL SUPPORT			
RM II - Revenue Administration	Coordination between the ministerial cabinet and the tax administration	High	A strong coordination is needed and governance structure should be strengthened.
MANAGEMENT AND TECHNICAL STAFF SUPPORT AND COMMITMENT			
RM II - Revenue Administration	Commitment to tax administration reforms has remained solid since the TADAT assessment, December 2021.	Low	N/A
RESOURCE ADEQUACY			
RM II - Revenue Administration	Resources are available and secured.	Low	N/A
OTHER RISKS			
RM II - Revenue Administration	Multiple donors are providing technical assistance on same topics and gaps, or overlaps may arise as a result.	Medium	Take an active role in engaging with other donors to ensure support is well coordinated.

VI. CD DELIVERY PLAN

Table 2. Summary of Indicative CD Delivery

CD Modalities (Remote or Field-based CD)	FY25	FY26	FY27	FY28	FY29	Grand Total
RM II – Revenue Administration						
HQ led CD mission	-	1	1	-	-	2
STX visits	-	1	2	-	-	3
Staff visits	-	1	1	-	-	2
TOTAL	-	3	4			7

Note: HQ-led, Staff visit and STX, in-person and hybrid delivery will be used to facilitate interaction and data collection, and to provide coaching and training to the reform management team.

Table 3. First year workplan

Timing	CD Modality	Proposed Topics of CD
RM II - Revenue Administration		
Q1/FY26	Field-Based work - FB	Tax: MTRS implementation follow-up
Q3/FY26	Field-Based work - FB	Tax: MTRS implementation follow-up
Q3/FY26	Field-Based work - FB	Tax: MTRS implementation follow-up

VII. PROGRAM FINANCIALS

Module	FY 26	FY27	TOTAL (USD)
Direct Delivery			
RM II - Revenue Administration	\$249,788	\$225,401	\$475,189
Subtotal			
Trust Fund Management Fee (7%)	\$17,485	\$15,778	\$33,263
TOTAL	\$267,273	\$241,179	\$508,452

Note: The estimated budget for this two-year project is \$508,452, 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 II – Revenue Administration

Objective	
Strengthened revenue administration management and governance arrangements (SDG 17.1) - RAM	
Outcome(s)	Indicator(s)
Capacity for reform increased due to clear reform strategy and a strategic management framework adopted and institutionalized	Multi-year reform implementation plan, with supporting resource plan, adopted and well communicated
	Strategic and operational plans prepared and adopted
	Key performance indicators established, regularly reported, and monitored