

I. COUNTRY REFORM PROGRESS

The project was launched recently and has already delivered tangible results, including the development of a model tax treaty for Gabon and a micro-simulation model for income tax on wages. There has been strong traction at the technical level, with counterparts demonstrating high levels of engagement.

Nonetheless, challenges persist—particularly regarding capacity, which remains low relative to Gabon’s level of economic development as an upper-middle-income country. Broader political-economy dynamics may also complicate reform efforts (e.g., post-coup government seeking “re-election” during the April 2025 Presidential elections and wanting to secure broad support from the community, and hence hesitant to introduce possibly unpopular reforms). Further engagement will be essential to assess whether our capacity building efforts can effectively motivate policymakers to pursue meaningful reforms. The next few finance laws should also offer valuable insight into the authorities’ reform appetite and commitment.

II. PROJECT DELIVERY HIGHLIGHTS

Revenue Module I – Tax Policy
Key Progress in FY26: Support on micro-simulation modeling assisted authorities in understanding policy options and tradeoffs related to possible reforms of the personal income tax (PIT), such as the elimination of the family quotient or amendments to the “<i>abattement forfaitaire au titre des frais professionnels</i>”. It is unclear at this time whether any PIT measures will be introduced as part of Budget 2026. Previous Progress: Previous support focused on tax treaties, with considerable capacity building provided including a new draft model treaty specific to Gabon. Next Steps: A mission on mining taxation is planned for November 2025. This mission will help identify best practices in the design of a balanced fiscal regime for the sector. While promoting collaboration between the Economy/Finance Ministry and the Mining Ministry.

III. LOGICAL FRAMEWORK

Country – Gabon		
Objective – Improve Tax Policy Design - TPD		Rating - 2
Outcome	Rating	Narrative
Increased/decreased revenue quantity	1 Not Achieved	CD was initiated in March 2025, such that it is too early within the program to expect achievement of this outcome.

Increased economic efficiency by minimizing economic market failures	1 Not Achieved	CD was initiated in March 2025, such that it is too early within the program to expect achievement of this outcome.
Improved distributional fairness across taxpayers due to amended tax rates or base	1 Not Achieved	CD was initiated in March 2025, such that it is too early within the program to expect achievement of this outcome.
Improved structures (e.g., tax policy units) or capacity (e.g., models and tools) related to tax policy advice and analysis.	2 Partially Achieved	CD supported the creation of a new tax treaty model for Gabon (March 2025).

IV. RISK ASSESSMENT

Description	Rating	Mitigation Measures
External Climate/Conditions		
World economy, regional and national security, etc.	Medium	Factor authorities' priorities into our work program and remain flexible in delivering the workplan.
Political Support		
Obtain needed leadership from Ministry of Economy and sufficient buy-in from the whole government to enact meaningful reforms in the National Assembly.	Very High	Engage constructively with high-level officials (e.g., Directeur Général des Impôts, Directeur de Cabinet, Ministre) to ensure that they appropriate themselves of proposed reform options and that their views or concerns are considered and reflected into our analysis and recommendations. Work closely with country team.
Management and Technical Staff Support and Commitment		
Buy-in and commitment by our direct counterparts at the Ministry of Economy.	High	Engage constructively with counterparts to ensure that they appropriate themselves of reform options and that their views are considered in the analysis and recommendations. Remain agile and build the CD program based on their needs and preferences.
Resource Adequacy		
Resource adequacy in Ministry of Economy, including in terms of number of staff and skillset required to effectively support CD missions and absorb analysis and recommendations.	Medium	Sequence CD and reform proposals to align with country capacity. Offer complementary CD in the form of follow-up engagements or support in legal drafting. Coordinate closely with the revenue administration division to avoid overburdening our counterparts in the Direction Générale des Impôts.
Other Risks		
N/A	N/A	N/A

V. PROJECT MANAGERS: CONTACT INFORMATION

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