

I. COUNTRY REFORM PROGRESS

Guyana's economy has witnessed unprecedented growth, posting the world's highest real GDP growth at an average of 47 percent annually between 2022 to 2024, driven primarily by a booming oil and gas sector. Oil production is projected to reach 900,000 barrels per day (bpd) by end of 2025 and surpass 1 million bpd in 2026, reinforcing the sector's dominance in the national economy.

The authorities have taken steps and are progressively strengthening fiscal administration capacity in the sector. The foundational industry knowledge, technical skills, and audit capabilities have been established. The focus is now on applying this knowledge and skills in real-world field engagements to deepen expertise.

An innovative internship and training program has been launched in partnership with the University of Guyana to address staffing challenges and ensure a sustainable pipeline of skilled professionals capable of meeting the demands of a rapidly expanding petroleum sector.

Progress is also being made on the development of an in-house revenue administration system, featuring a central data warehouse designed to integrate with other government platforms. Integration will enable electronic data exchange and facilitate automated risk assessment processes. The risk assessment module is expected to be completed by early 2026, marking a major advancement in modernizing revenue administration in Guyana.

Capacity development (CD) activities were coordinated with the IMF's Western Hemisphere Department country team and development partners, including the World Bank, United Kingdom's Foreign, Commonwealth & Development Office (FCDO) and the US Treasury's Office Technical Assistance (OTA) to provide complimentary CD.

II. PROJECT DELIVERY HIGHLIGHTS

RM II: Revenue Module II – Revenue Administration

Key Progress in FY26: Extractive Industries. The authorities have continued to receive practical audit training to strengthen audit capacity and technical skills, complemented by specialized training in Computer-Assisted Audit Techniques (CAATs) to enhance audit effectiveness and efficiency. The Guyana Revenue Authority (GRA) is progressively improving its capabilities to conduct tax and cost recovery audits in the oil and gas sector. Additionally, the training and internship program developed in partnership with the University of Guyana has commenced. This initiative was designed to assist the GRA in addressing its staffing requirements and developing a sustainable workforce to keep pace with Guyana's rapidly expanding petroleum industry.

Previous Progress: Data analytics and audit integration- The Guyana Revenue Authority procured software and received training in CAATs to enhance audit effectiveness in the oil and gas sector, alongside plans for a training and internship program with the University of Guyana.

Next Steps: CD efforts will continue to focus on strengthening audit capabilities in tax and cost recovery, while supporting the integration of CAATs into the authorities' audit processes. Additional CD may be required during the initial implementation phase of the training and internship program with the University of Guyana to ensure effective rollout and sustainability.

III. LOGICAL FRAMEWORK

Country – Guyana		
RM II: Objective – Strengthened core tax administration functions (SDG 17.1) – TAD		Rating - 3
Outcome	Rating	Narrative
Audit and other verification programs more effectively ensure accuracy of reporting	3 Largely Achieved	The GRA is progressively improving its capabilities to conduct tax and cost recovery audits in the oil and gas sector. The authorities have continued to receive practical audit training to strengthen audit capacity and technical skills, complemented by specialized training in CAATs to enhance audit effectiveness and efficiency. Additionally, the training and internship program developed in partnership with the University of Guyana has commenced. This initiative was designed to assist the GRA in addressing its staffing requirements and developing a sustainable workforce to keep pace with the rapidly expanding petroleum industry in Guyana.

IV. RISK ASSESSMENT

Description	Rating	Mitigation Measures
External Climate/Conditions		
Risk that external events create a more challenging environment to implement reforms.	Low	Ensure sufficient flexibility in program execution across countries and allow for ability to adjust activities in the case of adverse events
Political Support		
Lack of political support for reforms inhibits required actions or resources being allocated that are needed to enhancements to fiscal risk management institutions and practices.	Low	Ensure fiscal risk CD is focused on priority areas and engage regularly with ministers and senior management to ensure government ownership of reforms.
Management and Technical Staff Support and Commitment		
Low commitment of management and staff in finance and other ministries to adopt and implement fiscal risk management practices.	Medium	Engage with senior management and technical staff proactively and explain the importance of strengthening fiscal risk management.
Resource Adequacy		
Deterioration of fiscal situation may impact the availability of resources to finance	Low	Careful alignment of reforms with the priorities of government. Reforms are underpinned by

Description	Rating	Mitigation Measures
reforms.		comprehensive strategic plans and the project results from the government's decision to reduce non-compliance.
Insufficient resources (human and infrastructure) in GRA may limit the scope and therefore the potential outcomes and benefits that this project could offer	Low	Engagement with GRA management team to establish the project requirements and a develop a credible implementation plan
Other Risks		
The team fails to achieve the milestones and deliver the expected outcomes on-time and project fails.	Low	The project will be delivered and monitored by IMF staff and experienced revenue administration experts with strong skills in the specific area of risk management and compliance improvement with a focus on the EI sector.

V. PROJECT MANAGERS: CONTACT INFORMATION

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