

Mauritania

FY24 Progress

Component: Revenue

Module: RM I - Tax Policy

Project Manager: Fayçal Sawadogo

Key Progress in FY24:

Following the decree appointing the staff of the Tax Policy Unit (TPU), the authorities' priority has been capacity building of the TPU Staff to conduct tax policy analysis. To this end, two remote activities were carried out – in March and April 2024 – to introduce the newly established TPU staff to tax expenditures assessment. The activities consisted of collecting and preparing the necessary data and information for the assessment, developing a standardized template for the tax expenditure assessment report, establishing measures to institutionalize and systematize the assessment, and outlining strategies to capitalize on the report's findings by standardizing ex ante and/or ex post impact analysis methods for any derogatory tax measures, along with proposing orientations for a draft plan to rationalize tax expenditures. An in-field follow-up mission is planned for May 2024.

The Tax Policy diagnostic mission delivered in January 2024 through the RMTF formulated recommendations on (i) tax incentives which are being incorporated in the revised investment code expected to be finalized and adopted by December 2024 and (ii) the consumption tax which should be reformed in the revised 2024 budget law by August 2024. Moreover, the authorities committed to preparing a tax policy reform action plan by September 2024 using the recommendations of the tax policy diagnostic report. This action plan will form the basis of the CD through the project over the medium-term.

Cross-cutting Priority Activity:

N/A

Coordination/Cooperation:

The mission reached out to the World Bank to coordinate on the tax expenditures assessment and the reform of the consumption tax. The CD is also coordinated with the International Finance Corporation (IFC) World Bank Group, on the revision of the investment code. T1 and R1 coordinated to provide comments on a first draft of the investment code.