



Amendment to
Project Proposal for

Extractive Industries: Resident Advisor in Africa

March 2026

Component: Revenue

Module: RM-II: Revenue Administration



PROJECT SUMMARY

COUNTRY: Multiple countries, Africa

LEAD DEPARTMENT: FAD

REGION: AFR

PLANNED DATES: FY26/27

PROJECT MANAGERS: Pierre Kerjean (Revenue Administration, FADR2, Lead)
Bernard Sanya (Long-term resident advisor)

ESTIMATED BUDGET \$929,260 (*unchanged from previously endorsed budget*)

BUDGET FOR ENDORSEMENT: \$929,260 (*unchanged from previously endorsed budget*)

PROJECT AMENDMENTS:	PURPOSE	SC APPROVAL
INITIAL PROJECT PROPOSAL	Proposal for RM I: Revenue Administration LTX to Support Extractive Industries work in African region	January 2025
AMENDMENT 1 / 1	No-cost amendment to broaden the project scope to include additional GPFP countries in African region	March 2026

CONTENTS

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

ACRONYMS

AFE	IMF's Regional Technical Assistance Center for East Africa
CD	Capacity development
CIP	Compliance improvement plan
EI	Extractive industries
FAD	IMF's Fiscal Affairs Department
GPFP	Global Public Finance Partnership
LTX	Long-term resident advisor
MNRW-TF	Managing Natural Resource Wealth Thematic Fund
STX	Short-term expert

I. PROJECT AMENDMENT PURPOSE ¹

The purpose of this amendment is to broaden the country coverage of the current extractive industries (EI) project supported by the long-term resident advisor (LTX). The current project's purpose is to enhance FAD's capacity to respond to members' requests for capacity development (CD) in EI revenue administration in an agile and cost-effective manner by placing an LTX in the field. As a result of this project, the LTX based in the African region has enabled the IMF's Fiscal Affairs Department (FAD) to respond swiftly to CD requests in the region, minimize travel expenses and reduce FAD's carbon footprint. For example, at the authorities' request, the project coordinated with the IMF's Regional Technical Assistance Center for East Africa (AFE) to provide targeted assistance to Uganda, focusing on improving customs administration in the EI sector. In Tanzania, the presence of the LTX has sustained engagement with the authorities, resulting in the approval of a CD workplan to improve EI revenue administration capacity.

Increasing demand for CD in EI revenue administration across the African region underscores the need to broaden the project beyond its initial country coverage. The existence of the EI LTX in the field has catalyzed growing interest and generated new CD requests. Eritrea, Namibia, Tanzania, and other countries are likely to join as the EI sector grows due to new hydrocarbon and mineral discoveries or the revival of existing projects. However, the current project scope limits its ability to respond promptly to these emerging needs.

Expanding the project scope would introduce the necessary flexibility to reallocate resources from countries whose CD needs are decreasing to those exhibiting high demand. The current scope focuses on beneficiary countries of the historical Managing Natural Resources Wealth Thematic Fund (MNRW-TF) that transitioned to funding under the Global Public Finance Partnership (GPFP) on May 1, 2025. However, CD needs in countries such as Nigeria, Sierra Leone, and Uganda are gradually diminishing as institutional capacity strengthens. For instance, Uganda has made notable progress in advancing reforms to enhance EI customs administration and tax audit capabilities, reducing the need for extensive on-the-ground assistance. This shift calls for adapting CD delivery to more targeted in-country visits focused on addressing specialized areas. Conversely, engagement in some countries such as Mozambique has remained persistently limited. These dynamics present opportunities to optimize

¹ Section I remains largely unchanged from the original proposal.

resource allocation. Broadening the project's scope will provide flexibility to redirect resources toward countries with strong demand, ensuring rapid deployment where CD is most needed. Additionally, expanding geographical coverage will foster peer-to-peer learning across the African region through regional workshops.

This amendment seeks GPFP endorsement for a no-cost adjustment to expand the scope to address CD requests from GPFP-approved countries in the African region through FY27. Future funding needs resulting from the expanded scope will be addressed within the respective country GPFP project.

II. BACKGROUND ²

Macro-fiscal situation

Climate change and the energy transition have taken center stage in the global landscape, influencing long-term investors' and governments' decisions regarding fossil fuel resources.

However, fossil fuels are expected to continue playing a significant role in the global energy mix for the foreseeable future largely due to rising energy demand driven by economic growth and rapid population expansion, particularly in Africa and emerging markets. High commodity prices have renewed investor interest and created short- to medium-term investment opportunities, especially in natural gas which is viewed as a potential transition fuel. In the minerals sector, there is a projected increase in investment in exploration and development of minerals considered critical to the energy transition (niche minerals), including in countries that have not historically been involved in significant mining activities. The IMF remains committed to its efforts in assisting countries to improve their management of natural resources, recognizing their relevance and necessity in generating essential revenues for resource-rich low and lower-middle-income countries to increase fiscal space and enhance the ability to alleviate the effects of climate change.

Country engagement and alignment to reform priorities

There is strong support and commitment to CD from historical MNRW-TF member countries except for a few countries where CD priorities changed due to a significant decline in investment in their upstream sector. Since the deployment of the EI LTX in January 2024, there has been an improvement in the uptake of CD in some countries. For example, Nigeria has demonstrated increased CD engagement,

² Section II remains largely unchanged from original proposal.

expanding into new areas such as international taxation where there was previously no CD demand. New CD requests have been received from Eritrea, Namibia and Tanzania with scoping missions completed in Tanzania and Namibia. In Tanzania, the authorities have approved a proposal and workplan for CD to improve capacity in EI revenue administration. Additional CD requests are expected from other countries such as Kenya and South Sudan.

III. PROJECT AMENDMENT MODULES - DESCRIPTION³

This proposal amends the existing EI LTX project to broaden its scope, extending coverage from the original MNRW-approved countries to include GPFP-approved countries in Africa. The amendment will allow the LTX the flexibility to respond to emerging CD needs across a wider range of African countries. The project's primary aim is to support African countries in strengthening their capabilities in EI revenue administration. Central to the assistance is the improvement of compliance risk management and risk assessment processes for the EI sector, while addressing EI industry knowledge and expertise within the revenue authorities.

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	- Improved EI customs administration - Strengthened core tax administration functions - Strengthened revenue administration management and governance arrangements for the EI.

A. RM II – EI Revenue Administration

Scope

The project focuses on addressing revenue (tax and customs) administration capacity in EI sector.

³ Section III remains largely unchanged from original proposal.

Program Objectives

The project will focus on two strategic objectives:

- Strengthen the revenue authorities' Compliance Risk Management CRM strategies and risk assessment processes for the EI. The project will assist the authorities in implementing EI compliance improvement plans (CIP) and coordinate with the respective country CD delivery leads at HQ to align and integrate EI compliance strategies in the overall compliance strategies for all economic sectors to enable the effective implementation of the EI CIP. Interagency cooperation and sharing of information and expertise is essential to enable revenue authorities' access to timely and reliable data necessary for continuous risk assessment and mitigation. The project will support a whole-of-Government approach in managing the sector and promote interagency cooperation and sharing of information and expertise.
- Address the skills and specialization required to administer the EI sector. To ensure the sustainability of the project's support, it is essential to train and develop critical skills gaps in tax and Customs administration and engage with the authorities to develop and implement innovative strategies to attract, train and retain industry skills and expertise.

Expected Results (outcomes)

Robust EI compliance strategies are in place and implemented and staff capacity addressed.

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 ARRANGEMENTS⁴

A. Country Engagement

The project will coordinate with HQ and other module leads to align CD delivery, including integrating EI compliance strategies in the overall compliance strategies for all economic sectors to enable the effective implementation of the EI CIPs.

B. Delivery Modalities

The project will be primarily delivered through the LTX responsible for participating and coordinating CD delivery in EI revenue administration across multiple countries in Africa. The following CD activities will be delivered in person:

- **LTX support.** A resident advisor will guide reform implementation across GPFP-approved countries in the African region, coordinate technical assistance support, and respond to authorities' needs in real time.
- The LTX will support and participate in **HQ missions and staff visits** to provide strategic recommendations, conduct regular follow-ups, assess progress, ensure LTX work is aligned to plans, coordinate with other CD providers, and adjust reform implementation plans.
- The LTX will coordinate **STX support** to provide specialized assistance in specific areas of revenue administration.

C. Coordination / Cooperation on EI Revenue Administration

To promote synergies and avoid possible duplication, activities will be coordinated and sometimes carried out jointly with other partners involved in the implementation of reforms in EI revenue administration in the respective countries. Key partners include the World Bank, United Kingdom Foreign Commonwealth and Development Office (FCDO), Norwegian Oil for Development (NORAD) and OECD's Tax Inspectors Without Borders (TIWB).

Coordination		
Partner	Type of Coordination	Frequency
IMF country team, resident representative, FAD, IMF's Regional Technical Assistance Centers for East Africa (AFE), West Africa 2 (AW2) and Southern Africa (AFS).	Coordination to ensure that CD is aligned to the countries' reform priorities. Support country team on Article IV consultation	Quarterly or as needed
World Bank, FCDO, NORAD, TIWB.	Coordination to ensure complimentary and incremental CD	As needed

⁴ Section IV remains largely unchanged from original proposal.

V. RISK ASSESSMENT AND MITIGATION

Please refer to Country-level Risk Assessments.

VI. CD DELIVERY PLAN

Table 2. Summary of Indicative CD Delivery

CD Modalities (Remote or Field-based CD)	FY26	FY27	Grand Total
RM II – Revenue Administration			
Field-based	2	3	5
Remote	-	-	-
Workshops (inc. during HQ and remote CD)	-	1	1
TOTAL	2	4	6

Note: In-person delivery was chosen in all instances because of the availability of the LTX on the ground in Tanzania where the LTX is based. Although the proposed workplan is primarily centered on Tanzania, a GPFP-approved country, the LTX will maintain the flexibility to address emerging CD demand in other GPFP-approved countries in the African region.

Table 3. First year workplan

Timing	CD Modality	Proposed Topics of CD
RM II - Revenue Administration		
Q4/FY26	Field-Based work - FB	Tax: EI Skills Gap assessment and Training Plan
Q4/FY26	Field-Based work - FB	Tax: EI Accounting Standards and Practices

VII. PROGRAM FINANCIALS

(Unchanged from previously endorsed)

Module	FY26	FY27	TOTAL (USD)
Direct Delivery			
RM II - Revenue Administration	423,598	444,869	868,467
Subtotal			
Trust Fund Management Fee (7%)	29,652	31,141	60,793
TOTAL	453,250	476,010	929,260

Note: This project requires no additional funding beyond what was endorsed during the January 2025 Steering Committee Meeting. The above table outlines the previously endorsed budget.

VIII. TARGETED LOGICAL FRAMEWORK

(Unchanged from previously endorsed)

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	Reform management capacity strengthened or in place for reform implementation, including dedicated resources
Corporate priorities are better managed through effective risk management	Better identification, assessment and mitigation of institutional risks (TADAT POA2-6)
	Improved identification, assessment, ranking and quantification of compliance risks (TADAT POA2-3)
	Better mitigation of risks through a compliance improvement program TADAT POA2-4)
Support functions enable more effective delivery of strategy and reforms	Improved human resources strategies and practices to support the tax administration (TADAT 2019 POA2-7)
Tax and/or customs laws are updated, simplified, and better aligned with modern standards and international protocols	Substantive provisions of the tax and customs laws are better aligned with modern standards and/or protocols, and are widely communicated, and applied
Digital technologies are better aligned with strategic objectives	Capacity to work with data and analytics is strengthened
	Core systems and process automation are consistent with good practices

Objective: Strengthened core tax administration functions (SDG 17.1) - TAD	
Outcome(s)	Indicator(s)
A larger proportion of taxpayers meet their filing obligations as required by law	Management of filing compliance improved (TADAT 2019 POA4-13)
A larger proportion of taxpayers meet their payment obligations as required by law	Management of tax arrears improved (TADAT 2015 POA5-15/TADAT 2019 POA5-18) Management of refunds improved (TADAT 2015 POA8-24/TADAT 2019 POA8-28)
Audit and other verification programs more effectively ensure accuracy of reporting	Automated cross-checking used to verify return information (TADAT 2015 POA6-16/TADAT 2019 POA6-20)
	Appropriate range of tax audits and other initiatives used to detect and deter inaccurate reporting and fraud (TADAT 2015 POA6-16/TADAT 2019 POA6-19)

Objective: Improved customs administration functions (SDG 17.1) - CAD	
Outcome(s)	Indicator(s)
Foreign trade operators better comply with their reporting and payment obligations	Traceability of goods and customs actions in the customs systems strengthened
	Self-assessment used to declare goods at customs and strengthened
	Alignment of customs procedures (including transit) with international standards and regional integration objective improved