

I. COUNTRY REFORM PROGRESS

On the revenue side, with the coordinated support of the IMF's Fiscal Affairs Department (FAD) and Regional Technical Assistance Center for Central Africa (AFC), the Central African Economic and Monetary Community (CEMAC) Commission continues to strengthen its regional leadership to initiate large-scale reforms in member countries. These include the development of a regional strategy for mobilizing domestic tax revenues, the modernization and harmonization of the core tax procedures, the improvement of the processing of VAT credit refunds, in close collaboration with public financial management (PFM) colleagues, and the establishment of a regional identification number to facilitate the cross-referencing and sharing of information.

On the spending side, the CEMAC Commission aims at coordinating and accelerating the implementation of regional PFM directives across member states. Building on a regional action plan that identifies nearly 100 activities across 12 themes, the project has focused on developing and disseminating practical guides to address key areas such as budget frameworks, fiscal risks, budget execution, cash management, and fiscal reporting. During FY26, notable progress was made in drafting regional practical guides, which serve as hands-on references for policymakers and practitioners. The regional practical guides, will cover both revenue administration and PFM aspects, such as on value-added tax (VAT) refunds, reflecting the project's integrated approach. Going forward, the project prioritizes the development of additional regional practical guides identified as critical by the CEMAC Commission.

Despite these achievements, the project continues to face challenges, including delays in reform implementation at the country level (the CEMAC Commission's latest assessment of implementation of the regional PFM Directives indicated that implementation was on average at 51 percent across CEMAC member States, with implementation of the budget classification directive at 57 percent on average being the most advanced), staffing and capacity constraints, as well as limited financial resources within the Commission that hinder follow-up activities. Political support for PFM reforms remains uneven, and external factors such as tightening financing conditions and elevated debt vulnerabilities add complexity to the reform landscape. To mitigate these risks, the project continues to provide targeted CD aligned with regional priorities, consistently involves Commission staff in training events, and advocates for increased resources to advance reforms implementation. Looking ahead, the focus will continue to be on validating and disseminating the practical guides, to further strengthen PFM reforms in the region.

II. PROJECT DELIVERY HIGHLIGHTS

RM II: Revenue Module II – Revenue Administration

Key Progress in FY26: A Regional domestic revenue mobilization strategy and regional performance indicators that will be the anchor of the national tax administration strategic reform plans were developed. The implementation of the Directive of the Community Tax Procedures Code (CTPC) using its teaching guide is underway.

Previous Progress: Adoption of the Directive of the CTPC and discussions on the strategic axis and indicators of the future regional domestic revenue mobilization (DRM) strategy. Regarding customs reforms, activities have slowed in the absence of a director in charge of customs at CEMAC.

Next Steps: Finalization of the financial processing guide for VAT credit refunds in close collaboration with FAD and AFC, validation of the regional DRM strategy and definition of the VAT regional tax identification number's parameters.

SM II: Spending Module II – Managing Public Finance

Key Progress in FY26: Drafting of regional practical guides, the main activity under the project for the benefit of CEMAC Member States to improve their PFM processes in line with the regional PFM Directives and three-year rolling PFM action plan is underway.

Previous Progress: A draft regional practical guide on fiscal risks management expected to serve in harmonizing fiscal risks analysis and reporting across CEMAC Member States has been finalized and awaits validation at the CEMAC PFM practitioners' annual meeting. A preliminary draft of the regional practical guide on VAT refunds has been prepared and will be expanded to encompass both the revenue administration and PFM aspects.

Next Steps: Reflecting a coordinated approach between the revenue and spending components of the Global Partnership for Public Finance (GPFP) project for CEMAC, an updated draft of the regional practical guide on administration and accounting of VAT refunds will be prepared for consultation at the joint revenue administration and PFM workshop for CEMAC Member States in January 2026. The regional practical guide will then be expected to be further updated to reflect Member States' comments received at the workshop. The drafting of two additional regional practical guides, identified as priority for the CEMAC Commission, will be prepared, on annual financial statements, and on medium-term fiscal frameworks. A workshop of the CEMAC PFM practitioners in March 2026 is expected to validate the regional practical guide on fiscal risks and serve to gather inputs in finalizing the additional practical guides being drafted. The workshop will also be an opportunity to review and revise the three-year rolling PFM action plan.

III. LOGICAL FRAMEWORK

Country – CEMAC		
RM II: Objective – Strengthened revenue administration management and governance arrangements (SDG 17.1) - RAM		Rating - 3
Outcome	Rating	Narrative
Capacity for reform increased due to clear reform strategy and a strategic management framework adopted and institutionalized	3 Largely Achieved	The broad outlines of the regional tax administration reform strategic plan have been adopted by CEMAC member countries under the leadership of the CEMAC Commission. The structures for developing and disseminating this regional DRM strategy are in place.

Transparency and accountability are more effectively supported by independent external oversight and internal controls	1 Not Achieved	Activity postponed upon CEMAC Commission and member countries request.
Tax and/or customs laws are updated, simplified, and better aligned with modern standards and international protocols	4 Fully Achieved	The Directive of the CTPC was adopted on October 11, 2024. The teaching guide is currently being revised by the CEMAC Commission. Next steps agreed with the CEMAC Commission and country members would be its dissemination.
RM II: Objective – Strengthened core tax administration functions (SDG 17.1) - TAD		Rating - 1
Outcome	Rating	Narrative
The integrity of the taxpayer base and ledger is strengthened	1 Not Achieved	Activity postponed upon request of the CEMAC Commission.
RM II: Objective – Improved customs administration functions (SDG 17.1) - CAD		Rating - 1
Outcome	Rating	Narrative
Foreign trade operators better comply with their reporting and payment obligations	1 Not Achieved	Activity postponed pending to the appointment of the CEMAC customs union director and its staff.
Trade facilitation and service initiatives better support voluntary compliance	1 Not Achieved	Activity postponed pending to the appointment of the CEMAC customs union director.
Audit and anti-smuggling programs more effectively ensure enforcement of customs laws	1 Not Achieved	Activity postponed pending to the appointment of the CEMAC customs union director and its staff.
SM II: Objective – Improve Fiscal Transparency and Reporting - FTR		Rating - 2
Outcome	Rating	Narrative
Comprehensive, timely, and high quality fiscal reports	2 Partially Achieved	Drafting of the regional practical guide on VAT refunds has commenced and will continue now with a broader scope, including both the revenue administration and public financial management aspects
SM II: Objective - Strengthen Budget Management - SBM		Rating - 2
Outcome	Rating	Narrative
Strengthened annual budget process for more efficient and effective use of resources	2 Partially Achieved	Drafting of the regional practical guide on fiscal risks management is almost completed, pending validation at the annual meeting of CEMAC PFM practitioners.

IV. RISK ASSESSMENT

Description	Rating	Mitigation Measures
External Climate/Conditions		
RM II: CEMAC country member commitment to reform tax and customs administration.	Low	Provide support in developing and adopting a regional revenue mobilization reforms strategy.
SM II: Delays and challenges with implementation of reforms at country level.	High	Provide targeted CD to CEMAC Member States in line with regional PFM reform priorities as part of individual CEMAC Member States country projects supported by the GPFP and other funding vehicles (e.g., AFC).
Political Support		
RM II: The CEMAC authorities' commitment to reform is strong. This level of commitment should last and, importantly, it should be associated with full commitment of the heads of the national tax and customs departments.	Low	Engage regularly with the Commissaire in charge of the Common Market to ensure ownership of reforms and commitment.
SM II: Lack of political support for PFM reforms within the Commission and within Member States.	Medium	Provide targeted CD aligned with regional priorities and engage at various fora with senior officials on regional reform priorities to seek buy-in and support.
Management and Technical Staff Support and Commitment		
RM II: Management commitment is strong. However, there is a critical need to enhance reform management capacity.	Low	Provide ongoing training to build the skills of CEMAC Commission's staff and define the profiles of new technical officers to be recruited.
SM II: Staffing and capacity constraints within the public finance directorate at the CEMAC Commission.	Medium	Consistently invite CEMAC Commission staff to all regional and inter-regional training events.
Resource Adequacy		
RM II: Insufficient technical capacity and human resources necessary to help implement and monitor reforms in the member country are limited. Limited resources and working conditions not adapted.	Medium	Ensure CD plans include sufficient training and prioritize CD to risks areas where resources are limited.
SM II: Financial resource constraints not allowing the CEMAC Commission to ensure follow-up with Member States.	High	Prioritize activities within resource envelop and advocate for increased resources.
Other Risks		
RM II: SM II: N/A	N/A	N/A

V. PROJECT MANAGERS: CONTACT INFORMATION

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