

I. COUNTRY REFORM PROGRESS

Implementation of the regional integration project advanced significantly during the period. The IMF completed the conceptual framework for a phased digital system to support interoperability of origin documentation and finalized a comparative how-to note on the rules of origin of the African Continental Free Trade Area (AfCFTA) and the Regional Economic Communities (RECs). A major milestone was the regional workshop held in Pretoria in November 2025, which brought together customs officials from South Africa, Namibia, and Eswatini. The workshop strengthened practical cooperation by enabling the three administrations to work jointly with real customs data, identify inconsistencies, and explore opportunities for systematic information exchange. This collaborative approach is helping build the trust, technical capacity, and shared standards needed to promote regional integration and support the proper implementation of AfCFTA rules. The workshop's results will serve as a basis for scaling up cooperation and reinforcing revenue protection across the region in 2026.

A concept note was prepared to support tax administration in the Central African Economic and Monetary Community (CEMAC) and West African Economic and Monetary Union (WAEMU) as they adjust to tariff dismantling and strengthen domestic revenue systems. A roadmap outlining validation and implementation has been created. Next steps involve forming a working group and beginning the drafting of a guidance manual for CEMAC and WAEMU.

II. PROJECT DELIVERY HIGHLIGHTS

RM II: Revenue Module II – Revenue Administration

Key Progress in FY26: Project implementation advanced significantly during the period. A conceptual framework for a phased digital system enabling interoperability of origin documentation was completed, outlining a practical roadmap toward full integration with national single windows. A comparative how-to-note on the AfCFTA and REC rules of origin was finalized and is undergoing publication. Work is also underway to develop standard operating procedures (SOPs) that will guide customs authorities in harmonizing certification, verification, and risk management processes under the AfCFTA. In addition, a concept note was prepared to support tax administrations in CEMAC and WAEMU as they adapt to tariff dismantling and strengthen domestic revenue systems.

Previous Progress: As planned missions during FY25 were shifted owing to administrative delays, no activities were carried out before FY26.

Next Steps: Upcoming activities will focus on finalizing and publishing the AfCFTA–REC rules of origin how-to note, completing and validating the SOPs for customs administrations, and conducting a regional workshop on customs information exchange scheduled for November 2025, bringing together South Africa, Namibia, and Eswatini to strengthen cooperation and detect irregularities in origin claims. In parallel, the implementation of the tax-administration component will begin, including establishing a working group and launching the drafting of the guidance manual for CEMAC and WAEMU. Together, these efforts will strengthen regional integration, promote consistent application of AfCFTA provisions, and enhance coordination between customs and tax administrations across Africa.

RM III: Revenue Module III – Training and Peer Learning

Key Progress in FY26: The 38th Annual Conference of CREDAF (Association of French-speaking Tax Authorities), held from June 17–20, 2025 in Kinshasa, the Democratic Republic of the Congo, provided a platform to present the project to central and West African nations, along with other stakeholders including representatives from approximately 30 countries, international organizations, and academic institutions. During the session dedicated to international taxation, participants concurred that supporting the effective implementation of the AfCFTA is of critical importance. Representatives from CEMAC and WEAMU consented to pilot the initiative.

Previous Progress: As planned missions during FY25 were shifted owing to administrative delays, no activities were carried out before FY26.

Next Steps: Next activities will strengthen regional integration, promote consistent application of AfCFTA provisions, and enhance coordination between customs and tax administrations across Africa.

RM IV: Revenue Module IV – Fiscal Tools, Research, and Analytical Work

Key Progress in FY26: Significant analytical work has advanced the project's objectives. A conceptual framework for digital interoperability of origin documentation was completed, proposing a phased approach toward AfCFTA-wide electronic certification and data sharing. A comparative how-to-note on AfCFTA and RECs rules of origin was finalized and is being prepared for publication. Drafting of AfCFTA-related SOPs is underway to operationalize these analytical outputs and guide customs administrations in harmonizing certification, verification, and control processes. A concept note on adapting tax procedures in WAEMU and CEMAC to tariff dismantling was also completed. Together, these deliverables support improved trade policy analysis, revenue protection, and regional integration.

Previous Progress: As planned activities during FY25 were shifted owing to administrative delays, no analytical or research activities were completed prior to FY26.

Next Steps: In FY26–27, focus will shift to finalizing and disseminating the AfCFTA–REC how-to-note and the SOPs, validating the proposed digital interoperability framework through pilot initiatives, and initiating the tax-administration guidance workplan. These efforts will consolidate analytical achievements into actionable tools to enhance trade data reliability, protect government revenue, and support increased intra-African trade.

III. LOGICAL FRAMEWORK

Country – African Continental Free Trade Area		
Objective – Improved customs administration functions (SDG 17.1) - CAD		Rating - 2
Outcome	Rating	Narrative
Audit and anti-smuggling programs more effectively ensure	2 Partially Achieved	SOPs are being developed to strengthen information exchange and cooperation among customs administrations, while the

enforcement of customs laws		upcoming regional workshop (scheduled for November 2025) will further enhance coordination and data-sharing capacities.
Customs control during the clearance process more effectively ensures accuracy of declarations	2 Partially Achieved	The forthcoming publication of the how-to-note comparing AfCFTA and REC rules of origin, together with the ongoing development of AfCFTA-related SOPs and the November 2025 workshop on customs information exchange, will strengthen the consistent application of international standards for valuation, origin, and tariff classification, improving the accuracy of customs declarations.
Foreign trade operators better comply with their reporting and payment obligations	2 Partially Achieved	The development of AfCFTA-related SOPs and the forthcoming regional workshop on customs information exchange are advancing the alignment of customs procedures with international standards and regional integration objectives. The how-to-note comparing AfCFTA and RECs' rules of origin further supports this process by promoting procedural harmonization and compliance across member administrations.
Trade facilitation and service initiatives better support voluntary compliance	2 Partially Achieved	The comparative study of AfCFTA and REC rules of origin, together with the ongoing development of SOPs and related guidance, is helping clarify certification and verification procedures for traders. These efforts will enhance transparency and engagement with the trade community, thereby promoting voluntary compliance under the AfCFTA.
Objective – Strengthened revenue administration management and governance arrangements - (SDG 17.1) - RAM		Rating - 2
Outcome	Rating	Narrative
Effective implementation of a new tax or modernized legislation	2 Partially Achieved	A tax procedure guide to support the implementation of the AfCFTA is in process.

IV. RISK ASSESSMENT

Description	Rating	Mitigation Measures
External Climate/Conditions		
Deterioration of fiscal situation may impact availability of resources to finance reforms	Medium	Ensure sufficient flexibility in program execution and allow the ability to adjust activities as the situation dictates.
Political Support		
There may be vested interest in the current management of preferential origin arrangements in some countries. The return to sound international practice, i.e.,	Medium	Engage regularly with ministers and senior management to ensure government ownership of proposed actions and close consultation with the

Description	Rating	Mitigation Measures
management by customs, may be faced by political resistance.		country team to help authorities recognize the relevance of the issue.
Management and Technical Staff Support and Commitment		
Proper management of the AfCFTA requires that customs administrations develop the economic function of their mission while in many countries the focus remains largely or even exclusively on direct revenue collection.	Medium	Engage proactively with senior management and technical staff and explain the importance of regional integration and its positive impacts, including revenue mobilization.
Resource Adequacy		
Insufficient technical capacity and human resources needed to monitor and control inter-regional trade.	Low	Ensure CD plans include sufficient capacity building and training elements.
Other Risks		
Multiple donors are providing technical assistance on the management and control of the origin of goods and overlaps or divergencies in the recommended approach may arise as a result.	Low	Take an active role in engaging with other donors to ensure support is coordinated and aligned.

V. PROJECT MANAGERS: CONTACT INFORMATION

Project Manager	Module Project Manager	E-mail
Rebecca Sparkman	Marco Antonio Siqueira René Ossa	RSparkman@imf.org MSiqueira@imf.org LOssa@imf.org