

I. REFORM PROGRESS

Following administrative delays that postponed planned FY25 missions, implementation accelerated in FY26 and delivered a set of core building blocks to support African Continental Free Trade Area (AfCFTA) implementation, revenue protection, and regional integration. Outputs included: (i) a phased digital interoperability framework for origin documentation, outlining a practical pathway toward AfCFTA-wide electronic certification, data exchange, and eventual integration with national single windows; (ii) a finalized AfCFTA–Regional Economic Communities (REC) rules of origin how-to note, currently being prepared for publication; (iii) standardized, risk-based standard operating procedures (SOPs) to operationalize exporter qualification, origin certification, verification, and monitoring, designed for adaptation at the country level; and (iv) a concept note to support the Central African Economic and Monetary Community (CEMAC) and West African Economic and Monetary Union (WAEMU) tax administrations in adapting procedures to tariff dismantling and strengthening domestic revenue systems.

Delivery was complemented by a regional Southern African Customs Union (SACU) workshop that piloted data-driven customs information exchange and declaration matching, strengthening cooperation, risk management, and safeguards against origin-related irregularities. Stakeholder engagement was further advanced through the 38th Annual Conference of CREDAF (Association of French-speaking Tax Authorities) (Kinshasa, June 2025), where participants underscored the importance of AfCFTA-related support, and CEMAC and WEAMU agreed to pilot the initiative.

Next steps in FY27 will focus on publishing and disseminating the how-to note; validating and rolling out the SOPs, including through a regional workshop; piloting selected elements of the digital interoperability framework; and launching the tax-administration workstream by establishing a working group and preparing a guidance manual for CEMAC and WAEMU. A continental workshop will bring together technical experts and senior decision makers to present results, discuss AfCFTA-related risks and opportunities, and promote replication across subregions.

II. PROJECT DELIVERY HIGHLIGHTS

RM II: Revenue Module II – Revenue Administration

Key Progress in FY26: A conceptual framework for a phased digital system enabling interoperability of origin documentation was completed, outlining a practical roadmap toward integration with national single windows. A comparative how-to note on AfCFTA and REC rules of origin was finalized and is undergoing publication. A concept note was prepared to support tax administrations in CEMAC and WAEMU in adapting to tariff dismantling and strengthening domestic revenue systems. A regional workshop piloted data-driven customs information exchange and declaration-matching techniques among SACU members, strengthening cooperation, risk management, and safeguards against origin-related irregularities under the AfCFTA. In addition, standardized, risk-based SOPs were developed to operationalize exporter qualification, origin certification, verification, and monitoring, with flexibility for country-level customization.

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 how-to note, validating the SOPs for customs administrations, and conducting a regional workshop. In parallel, implementation of the tax-administration component will begin, including establishing a working group and drafting the guidance manual for CEMAC and WAEMU. A continental workshop is planned to convene technical experts and senior decision-makers from across Africa’s subregions to present and discuss project results, highlight key AfCFTA-related risks and opportunities, and foster engagement to replicate and adopt these practices in support of regional integration. 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, 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 WAEMU consented to pilot the initiative.

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

Key Progress in FY26: Four analytical works have advanced the project’s objectives. First, a conceptual framework for digital interoperability of origin documentation was completed, proposing a phased approach toward AfCFTA-wide electronic certification and data sharing. Second, a study compared the rules of origin under the AfCFTA with those of the major RECs, with a focus on how differences in origin regimes impact customs procedures. A how-to-note was finalized and is being prepared for publication. Third, a concept note on adapting tax procedures in WAEMU and CEMAC to tariff dismantling was also completed. Fourth, standardized, risk-based standard operation procedures were developed to operationalize exporter qualification, origin certification, verification, and monitoring under the AfCFTA, with flexibility for country level customization. Together, these deliverables support improved trade policy analysis, revenue protection, and regional integration.

Previous Progress: No analytical or research activities were completed prior to FY26.

Next Steps: In FY27, 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. A continental workshop is planned to convene technical experts and senior decision makers from across Africa’s subregions to present and discuss project results, highlight key AfCFTA related risks and opportunities, and foster engagement to replicate and adopt these practices in support of regional integration. 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		
RM II: Objective – Improved customs administration functions (SDG 17.1)		Rating - 2
Outcome	Rating	Narrative
Audit and anti-smuggling programs more effectively ensure enforcement of customs laws	2 Partially Achieved	SOPs have been developed to strengthen information exchange and cooperation among customs administrations, while a regional workshop (November 2025) further enhanced coordination and demonstrated the potentialities of data-sharing among customs administrations.
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 development of AfCFTA-related SOPs and the November 2025 workshop on customs information exchange, 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 November 2025 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 Regional Economic Communities' 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 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.
RM II: Objective – Strengthened revenue administration management and governance arrangements - (SDG 17.1)		Rating - 2
Outcome	Rating	Narrative
Effective implementation of a new tax or modernized legislation	2 Partially Achieved	Preparatory work toward the development of a tax procedure code is underway.

RM IV: Objective – Support African customs administrations in implementing the FAD recommendations for the successful implementation of the AfCFTA		Rating - 2
Outcome	Rating	Narrative
Increased trade volumes between African countries. Protection of government revenue through better customs procedures. Improved trade policy research and AfCFTA monitoring with accurate data reporting.	2 Partially Achieved	Analytical outputs, such as the digital interoperability framework, comparative how-to-note on AfCFTA and Regional Economic Communities rules of origin, and draft SOPs, have laid a strong foundation for improving trade data reliability, protecting government revenue, and supporting AfCFTA monitoring and regional trade integration. Additionally, a standardized, risk-based SOP was developed to operationalize exporter qualification, origin certification, verification, and monitoring under the AfCFTA, with flexibility for country-level customization.

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., management by customs, may be faced by political resistance.	Medium	Engage regularly with ministers and senior management to ensure government ownership of proposed actions and close consultation with the 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.

Description	Rating	Mitigation Measures
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

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