



Subregional Office for North Africa

Intergovernmental Committee of Senior Officials and Experts for North Africa

Thirty-eighth session*

Accra, 1–3 November 2023

Item 7 of the draft agenda**

Review of ECA activities in North Africa (October 2022 – September 2023)

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* The thirty-eighth session of the Intergovernmental Committee of Senior Officials and Experts for North Africa is being convened in conjunction with the twenty-sixth session of the Intergovernmental Committee of Senior Officials and Experts for West Africa as their second joint session.

** ECA/SRO-NA/ICSOE/38/1-ECA/SRO-WA/ICSOE/26/1.

Executive summary

1. During the period covered by this report, North African countries, like the rest of the world, have experienced soaring food and energy prices, which have slowed recovery in the aftermath of the Covid-19 pandemic. Countries have been struggling to finance their debts, amid elevated global interest rates which are expected to remain ‘higher for longer’. In 2022 and 2023, the combined repercussions of the pandemic, the protracted war in Ukraine, and in some cases political upheavals, have caused some challenges for North African economies. In addition, two of the sub-regional members, Libya and Morocco, recently experienced devastating natural disasters. Despite the challenging context, growth was positive in 2022 and is expected to remain so in 2023.

2. For ECA Subregional Office of North Africa (SRO-NA), the period under review was one marked by progress, as the SRO amplified its role, increased its results and strengthened its overarching focus on supporting member States in delivering on Agenda 2030 and Agenda 2063. Furthermore, the Office strengthened its technical support to regional economic communities and intergovernmental organizations, with an emphasis on employment, skills, intra-African trade and inclusive development. It also continued its collaboration with other UN Agencies and Country Teams, and expanded its partnerships in support of subregional integration programs.

3. In line with its Annual Business Plan, the Office undertook policy-oriented research, convened meetings and webinars, led capacity-building workshops, and intensified its advisory services as well as operational support to member countries. The Office also published surveys, reports, and policy papers. It reinforced its role as a reliable knowledge hub through overhauling its Knowledge Platform, thus leading to a substantive increase in the number of visitors and the frequency of use. This summary highlights results and related accomplishments in the areas that were designed in the SRO’s Work program to directly address the member States needs and priorities.

Active adoption of best practices in job creation by North African countries

4. SRO-NA placed great emphasis on achieving this result as employment is an area of special focus and the key driver for poverty reduction and social stability in the sub-region and on the continent. Major accomplishments are grouped together by theme under three related areas as follows:

❖ *Harnessing Best Practices in Employment, Skills, and Job Creation*

5. SRO-NA increased its focus significantly on sharing best practices in employment. Its performance in this regard is highlighted, *inter alia*, by a number of related capacity development workshops and high-level policy dialogues in partnership with the Sudanese National Population Council; workshops on employment and female entrepreneurship in Morocco, as well as webinars on access of female entrepreneurs to credit. All these activities enabled member countries to learn from successful employment and skill-building initiatives, hone their skills to design gender-sensitive policies, and renew their pledge to leverage SMEs in support of job creation.

❖ *Migration Statistics and Skills Recognition (within the GCM implementation)*

6. Tangible progress has been achieved in the implementation of the “2019-2023 Project on Migration statistics and skills recognition in Africa”. Well targeted training workshops were organized, and intensive technical support was provided to Côte d'Ivoire, Morocco, South Africa, Zambia and Zimbabwe, to help them push forward the development of their National plans, and the building of reliable migration databases and migrant’s skills recognition mechanisms.

❖ *Taxation: modernizing national systems and leveraging international frameworks*

7. In this area, SRO-NA aimed to help several North African countries streamline their taxation systems and raise tax revenues. Technical assistance and capacity building workshops covered: (i) Sudan (tax-related issues), thus leading to the preparation of the Sudanese Transfer Pricing Guidelines; (ii) Libya (capacity building to redress and overhaul the tax system); (iii) Mauritania (international tax treaty and transfer pricing); and iv) Egypt (technical support to facilitate implementation of the Climate/SDGs Debt Swap Mechanism launched by the ESCWA).

Increased policy design capacity of North African countries to foster regional integration

8. As regional integration is a core pillar of the ECA and key to fulfilling the SDGs, the Office put more emphasis on furthering the AfCFTA implementation, increasing experience sharing, advocating for stronger public-private partnerships, building regional data bases, and developing capacities in all these areas. This result was attained through the successful completion of i) Training and advisory services to Algeria, Libya, Mauritania, Tunisia and the Arab Maghreb Union (AMU) to develop their AfCFTA strategies; ii) Webinars and presentations on two topics ‘Food and energy security in North Africa’, and ‘Addressing the food crisis with the use of African phosphatic fertilizers’; and iii) Multi-activity support to Tunisia to mitigate its food shortage.

Boost for SMEs as engines of sustainable development in North Africa

9. SRO-NA gathered momentum to support SMEs by conducting various activities, capacity development workshops and advisory services hinging around the following highlights: i) supporting women-led SMEs in Morocco to tap into the AfCFTA opportunities; ii) encouraging gender-smart investing for inclusive growth; iii) technical assistance to Sudanese officials, SMEs and exporting companies; iii) driving special initiatives and empirical research on policy development to enhance the private sector’s role in development; and iv) advocating for effective progress on SD Goal 12 to adopt more sustainable consumption and production patterns.

Special initiatives, interactions with headquarters divisions and partnerships

10. SRO-NA has engaged in special initiatives of ECA Headquarters within the joint programming framework, to benefit the member States. It has also strengthened partnerships with the United Nations system and development partners, academia, research institutions and think tanks.

11. Highlights are i) the flagship Project led in collaboration with the ILO on migration statistics and migrants’ skills recognition in South Africa and Zimbabwe; ii) the high-level policy dialogue and capacity building workshop on job creation in Sudan; iii) series of joint capacity building workshops with EBRD, to strengthen the export capacity of female entrepreneurs in Morocco, iv) the Climate/SDGs Debt Swap - Donor Nexus Initiative and collaboration with the ESCWA to help Egypt improve its debt sustainability; v) a flagship report with Oxford Economics Africa on Human Capital in Africa; vi) Policy Brief on “Resilience amid systemic crises - lessons from Tunisia”; vii) webinars and conference presentations on Gender-smart investment and Gender bonds in Africa; and viii) intensified technical assistance to Libya and Morocco after the recent natural disasters.

12. Further, to deliver on joint programming, SRO-NA increased its interaction with ECA Headquarters divisions, thus harnessing mutual expertise to better meet the needs of member States. Besides contributing to ECA’s reports and publications reviews, the Office has embarked on the E-mobility project led with Southern and Central Africa Offices, including via missions to

both countries; and is currently engaging with the African Trade Policy Centre to develop a regional value chain in E-Mobility between Morocco, DRC and Zambia.

13. Also, in addition to its dynamic involvement with RITD/ATPC in the AfCFTA Green Initiatives project, SRO-NA has fruitfully collaborated with the Gender, Poverty and Social Policy Division and participated in a Training for Trainers Workshop on “Digital upskilling of women and girls in Tunisia”, to build a critical mass of women and girls with relevant skills for future jobs.

14. SRO-NA has also participated regularly in UNCT meetings and strengthened synergies, and has provided ad hoc technical support and lent assistance in the preparation of the Common Country Analysis. The Office is currently collaborating with UNDP on Social and Solidarity Economy strategy in Mauritania. Furthermore, collaboration is ongoing with the ILO on the migration data and migrants’ skills recognition project, and with UN Habitat Maghreb Office, to implement the “Joint Project on the impacts of the Ukraine war on food security in Tunisia”.

15. SRO-NA continues to collaborate with ESCWA to co-organize the Arab SMEs Summit 2023. Besides its support to SMEs to benefit from the AfCFTA potential and opportunities, the SRO has partnered with the European Bank for Reconstruction and Development to conduct capacity building workshops for women-led businesses, in addition to its cooperation with the Islamic Development Bank to support Mauritania and Tunisia in the implementation of their AfCFTA national strategies. On the other hand, the Office has extended its partnership network to new international institutions, academia and research centers. Highlights include i) partnership with Oxford Economics Africa to conduct studies and webinars on emerging issues; ii) partnership with Brookings Institution; and iii) partnership with ESSEC Africa Business School and Euro Mediterranean University of Fes. Regarding national institutions, partnership with the Association of Business Women of Morocco (AFEM) has been particularly fruitful.

Challenges and Lessons Learned

16. SRO-NA has deployed consistent efforts to fulfill its mission and achieve tangible progress, as shown through the accomplished results. However, the Office has encountered various challenges, which need attention and concerted action. Indeed, a complex international context, in addition to a dire regional situation, have proved challenging for SRO-NA, especially in its endeavor to implement its activities and projects intended to address the needs of specific countries. Furthermore, the paucity of reliable statistics and delay in receiving national data continue to represent a challenge for the Office’s work, to monitor economic trends and undertake policy reviews.

17. The recent devastating earthquake in Morocco and floods in Libya have underscored the necessity to support member States in disaster prevention and early recovery. In this context, ECA has prioritized technical support to Libya (to reinforce its capacity in using AfCFTA potential), and to Morocco (to strengthen female-led SMEs in affected areas), and has discussed with its counterparts a plan to support post-disaster recovery through its 2024 workplan.

18. Despite these challenges, SRO-NA remains determined to bring about improvement by drawing on the lessons learned. One of these lessons is that the effective implementation of the AfCFTA by some countries in the region has already started yielding benefits for them. This landmark Agreement remains a unique tool to boost trade and regional integration as a powerful driver for development. Therefore, bold policy actions and reforms are needed to address political and social crises, curb the effects of rising inflation, combat climate change, invest in digitalization and e-governance, and scale up domestic resource mobilization. SRO-NA will continue to support member countries in designing and implementing policies that will enhance their resilience against future shocks. It calls upon North Africa member States to accelerate structural reforms liable to create employment, consolidate inclusion, stimulate growth, and renew optimism for rising Africa.

I. Introduction

19. Against the backdrop of a region still grappling with the residual impact of the COVID-19 pandemic, the present report, which is being submitted to the 38th Intergovernmental Committee of Senior Officials and Experts for North Africa (ICSOE), covers the period extending from October 2022 to September 2023, and highlights the main achievements of ECA's Subregional Office for North Africa (SRO-NA), as per its mandate and mission. It underlines key results achieved and the challenges SRO-NA has faced; and singles out some of the lessons learned. Activities successfully accomplished during this period were implemented in close collaboration with sub-regional member States, ECA headquarters, other sub-regional offices, the Arab Maghreb Union (AMU), the regional economic communities (RECs), UN agencies, and other partners.

II. Main achievements

20. SRO-NA continued to implement its business plan to meet the needs of its member States amid increased demand due to the combined effects of Covid-19 pandemic, climate change, food shortages and the war in Ukraine. It executed its mandate and provided support through a wide range of hybrid activities, in order to meet the needs and requests of member States, accompany their national policies implementation efforts and build on previous achievements.

21. Further, during this period, SRO-NA has enhanced its role as a knowledge hub by improving and innovating its Knowledge Platform for more sustainable production, diversification and dissemination of knowledge materials, in order to better inform its member States, partners and other constituencies, and stimulate interaction in areas of mutual interest. Results attained by SRO-NA are articulated as follows:

A- Result 1: Active adoption of best practices in job creation by North African countries

22. Development and economic growth in developing countries especially depend to a very large extent on labor, job creation and the sustainable increase in employment opportunities. Policymakers need reliable, accessible and sex-disaggregated data when developing policies for job creation, and reliable information on skills supply and demand can provide critical insight into the development of quality jobs and sustainable employment opportunities. SRO-NA continued focusing on these issues through activities thematically highlighted under the following categories:

1- Employment

a. Harnessing best practices in employment creation

23. As employment creation is one of its major areas of focus, SRO-NA held in Sudan two activities on this topic: a capacity building workshop in partnership with the Sudanese National Population Council, and a high-level policy dialogue on Best practices in employment creation. These activities, attended by over 50 senior government officials, representatives of civil society and the private sector, aimed to promote a clear understanding of the changing labor market situation and examine successful employment initiatives.

24. Regarding the high-level policy dialogue, it targeted policymakers to provide them with the major findings and recommendations of the above workshop, and put employment and job creation, especially for women and youth, at the top of national policy priorities for the achievement of the SDGs. Additionally, SRO-NA organized a widely attended Workshop on employment, female entrepreneurship and SMEs, subsequent to which the Sudanese Minister of Labor expressed a request for further support.

b. Women entrepreneurship, youth employment, and the demographic dividend

25. Drawing on its study on the impact of Covid -19 in Tunisia, SRO-NA convened an Expert Group Meeting in November 2022 themed “Crisis Resilience and Sustainable Development in North and West Africa”, which laid emphasis on women entrepreneurship, youth employment, and the demographic dividend, and examined the best way to foster economic resilience. Recommendations focused on the need to adapt sectoral policies to climate change challenges, boost technology transfer and knowledge sharing, support entrepreneurship and promote regular collection and use of data on women and youth.

c. AI4D, Food security and Youth employment

26. Delivering on its commitment to promote youth employment, SRO-NA participated in the “Artificial Intelligence for Development conference (AI4D)” at Al Akhawayn University (Morocco), and made a strong plea for more youth-centered policies in a debate it moderated on job creation around agriculture, digitalization, and food security. In addition, SRO-NA participated in UM6P and SemeCity webinar on “African Cities: What role for the youth?” with a presentation on “Addressing Urban Youth Unemployment”, and called upon policymakers to support aspiring young entrepreneurs with training, professional networking, and funding opportunities.

2- Migration Statistics and Skills Recognition (The Global Compact for Migration)

a. Efficient support to selected member States in building national databases on migration

27. SRO-NA provided different member countries with guidance within the framework of the Global Compact for Migration (GCM), which aims to strengthen national migration policies. In this context, the Office brought support to Morocco, and more specifically to the statistics department of the Haut Commissariat au plan (HCP), through consistent follow up of GCM implementation and support on related technical matters. Thanks to all this support, Morocco now has a high-quality database, which will help it implement migration policies tailored to its needs.

28. Likewise, the Office lent its support to South Africa’s Technical Working Group for Migration to develop an Action Plan for the enhancement of its migrant’s skills recognition mechanism. Additionally, thanks to its fruitful partnership with the Home Affairs Department and ILO, the Office has completed two reports on “Recognition of qualifications of international migrants and views of key actors and stakeholders in South Africa”, and “Migration Statistics in South Africa”.

29. Further, SRO-NA provided support to Côte d’Ivoire and held a workshop on migrants’ skills recognition, all the more since Côte d’Ivoire, both a sending and receiving country, is home for a significant number of migrants. A new mechanism to recognize migrants’ skills and qualifications was thus proposed to the government of Côte d’Ivoire, and a Roadmap to set up a unique system of migrants’ skills recognition was adopted, as along with an Action plan to establish a unified governance structure in charge of elaborating the National migration policy.

30. In addition, SRO-NA extended its technical assistance to the Ministry of Public Services, Labor and Social Welfare in Zimbabwe, in order to develop a new Migrants’ skills and qualifications recognition mechanism. A Task Force comprised of 15 ministries was also set up to lead this project. Likewise, a National plan for migration statistics was presented in a workshop held to this effect.

b. Enhanced experience-sharing on migration statistics and migrants skills recognition

31. SRO-NA has progressed in the implementation of the “2019-2023 Project on migration statistics and skills recognition in Africa” under the GCM. As part of this project carried out jointly with UNDESA, IOM, ILO and UN Resident Coordinators, the Office held a landmark workshop gathering senior participants from Côte d’Ivoire, Mali, Morocco, Senegal, South Africa and Zimbabwe. It was a unique platform to share experience in these areas and examine pending challenges. Participants benefited from presentations made on their respective experiences by Côte d’Ivoire, Mali, Morocco, Senegal, and South Africa.

c. Active advocacy for the GCM at the 14th edition of Rabat International Colloquium

32. Besides, SRO-NA provided its crucial support to organize the 14th edition of Rabat International Colloquium on “Trade and investment in a context of crises”, with the WTO Chair of Mohammed V University of Rabat, the Laboratory for Applied Development Economics (LEAD-Toulon University and other partners. SRO-NA provided attendees with an exhaustive overview of the “ECA’s role in the Global Compact for Migration implementation”, and underscored its important contribution to global governance and coordination on international migration.

33. Also, during this event, the Office made a presentation on “Gender bonds and their impact on employment creation in North Africa” as a means to bolster women’s empowerment and access to finance in order to better meet crucial sustainable development goals and targets.

3-Taxation**a. Impactful multifaceted support to Sudan**

34. SRO-NA intensified its support to member States in the area of taxation and organized, within the framework of the ECA Project on technical assistance to Sudan, the 9th capacity building workshop on the Double Tax Treaty model for Sudan Taxation Chamber (STC). Participants gained useful knowledge on the UN tax treaty models and shared experience with experts from the Egyptian Tax Authority. Thanks to this training, participants are now in a better position to leverage their expertise towards solving legal and administrative bottlenecks when drafting and administering tax treaties.

35. Besides, under the same project, SRO-NA conducted another capacity building workshop for STC senior officials on Tax evasion and the required skills to fight it effectively. The workshop focused on the legal and practical administration frameworks of the Tax evasion department in Egypt as an example and discussed court cases and real-life examples, as well as various regulations and audit reports which illustrate good international tax practices. STC officials gained enough expertise to review regulations on fighting tax evasion and formulated specific recommendations on amending national VAT regulations and income tax laws.

36. In addition, SRO-North Africa held a capacity building workshop on Transfer Pricing for officials from STC, to deepen their knowledge and hone their skills in the area of international taxation legal and administration frameworks. Among major results of the training, participants agreed to start developing the Sudanese Transfer Pricing Guidelines and identify target companies.

37. Further, SRO-NA conducted another workshop on the Withholding Tax System (WTH) for the benefit of senior officials from the Withholding Tax Division in Sudan, to help them reform and modernize the Sudanese WTH system. During this workshop, the Egyptian Withholding Tax System was showcased as an example, and participants were able to gauge its strengths and weaknesses based on the review of specific cases. As a practical outcome of the workshop,

participants agreed to design the Withholding Tax Process Forms to be used subsequently by the competent authority and identify target companies.

b. Crucial support to Libya to diversify national income and modernize the tax system

38. Based on Libya's endeavors to diversify its national income sources, reduce reliance on oil and increase tax revenues, SRO-NA organized for the Libya Tax Authority (LTA) a series of workshops to enhance the technical and administrative skills of its officials, notably on i) Tax auditing techniques for telecommunication businesses, ii) Tax auditing techniques for banks and financial institutions, iii) Tax auditing techniques for the contracting sector; and iv) Restructuring and modernizing the tax administration.

39. A number of concrete developments have ensued, namely: i) LTA officials addressed the administrative and legal gaps under the Oil and Gas Agreements, ii) they engaged stakeholders to introduce a change in management plan, iii) they issued an internal memo to unify the audit process of income and stamp taxes for banks and insurance, and iv) officially requested that banks duly collect the withholding stamp tax from clients and send it to the Tax Authority.

c. Sustained support to Egypt to enhance its performance in financial reporting

40. SRO-NA consolidated its support to Egypt through leading a number of activities, mainly a capacity building workshop on "International financial reporting standards and impact on Tax Audits" to improve the country's performance in the areas of consistency, transparency and comparability in financial reporting. Participants gained enhanced skills and practical insights in applying and reviewing financial statements that are prepared according to IFRS guidelines.

41. Likewise, SRO-NA continued providing technical support to Egypt to facilitate its involvement in the ESCWA Climate/SDGs Debt Swap Mechanism, aiming to address the debt burden, improve climate finance and accelerate the Paris Agreement and the Agenda 2030 implementation. Such support has in fact started since the Office took part in COP 27 and co-organized the side event on "The Sustainable Debt Coalition and the African Green Finance".

d- Related Studies and Policy Papers

**** Study on "Gender-smart investing for inclusive growth in North Africa"***

42. SRO-NA is in the process of producing this report jointly with Oxford Economics Africa to analyze employment trends for women in N.A and investigate the entrepreneurial and the SME landscapes with a specific focus on women's contributions. The report insists that inequalities in ownership of resources, such as land especially, impede women's access to credit and limit the growth of their firms. It tries also to probe the way in which adequate policies and other initiatives such as gender-smart investing can help address social gaps, particularly gender inequality. The report is expected to provide recommendations for Governments on adequate policies to be designed to foster a more favorable environment for women-led enterprises and increase investments supporting them, so as to achieve a more inclusive and resilient growth.

**** Study on "Human capital and productive employment creation: Addressing Africa's skills gap"***

43. SRO-NA produced this study jointly with Oxford Economics Africa to analyze how African countries can use the symbiotic relationship between skills supply and related sector developments to further develop them and accelerate economic transformation. The study contends that i) mastering the appropriate skills is becoming increasingly important as the global economy is evolving towards a more sophisticated, interconnected, and digital landscape; ii) for Africa to thrive

in such a landscape, governments should put in place responsive and accessible education and training programs, and ensure that designed policies and infrastructure do allow for the development of economic sectors of the future; iii) labor market outcomes should be seen as a positive result of the broader development policy environment, in order to ensure a greater employment equilibrium and build economic resilience.

*** Policy Paper on “Structural Transformation and Distortions in North Africa”**

44. SRO-NA is currently finalizing this policy paper jointly with the Moroccan Higher Planning Commission (Haut Commissariat au Plan, HCP) to see how distortions can slow Total Factor Productivity (TFP), while examining the case of Moroccan economy as an example. To reduce the impact of policy distortions on the allocation of resources, the paper, to be published towards the end of October, is considering a number of recommendations among which: (i) increasing evaluation and capacity building for policymakers; (ii) focusing on transparency, accountability and combating corruption; and (iii) strengthening inclusion of all stakeholders. As a way forward, SRO-NA will collaborate with the HCP to conduct a survey on climate change impacts on Moroccan firms and identify policy measures needed to build capacity and address the issue in a sustainable manner.

B- Result 2: Increased policy design capacity of N.A countries to foster regional integration

45. This result was attained thanks to the consistent effort deployed by SRO-NA to harness its expertise, vary its technical materials and customize its training programs for the benefit of member States, so as to advance the regional integration agenda which is core to the achievement of the SDGs. In its activities designed to this effect, the Office laid emphasis on experience sharing, encouraging Public-Private Partnerships, building regional data bases, integrating policies and strategies and building the capacity of member States in all these areas. Highlights include:

1. Well targeted support to member States and/ or REC for the AfCFTA implementation

*** Libya**

46. SRO-NA resumed its advisory services and capacity building to the Government of Libya to i) accelerate the design and implementation of its national AfCFTA strategy, and ii) identify its list of goods to diversify economy and increase exports. The Office organized two capacity building workshops for (14) officials from designated ministries and the Central Bank of Libya. Outcomes expected by year end include setting a draft tariff list and schedule of commitments on trade in services, with a draft list of sensitive and excluded items. Another outcome of the SRO's support is that Libya is now considering the next steps in the AfCFTA ratification. A National AfCFTA Working Group was also formed to follow up on the process.

*** Mauritania**

47. SRO-NA provided support to Mauritania, whose national AfCFTA strategy has been validated in a national workshop for participants from the private sector. Support is ongoing to implement the national AfCFTA strategy priority actions. Another workshop will be held to introduce operational tools, processes and documentation needed to trade within the AfCFTA. Further, SRO-NA submitted a funding proposal to the Regular Program of Technical Cooperation (RPTC) for a potential Agribusiness regional value chain between Mauritania and Morocco.

*** Tunisia**

48. A national validation workshop was organized for Tunisia, whose AfCFTA strategy is in its final stage, and SRO-NA is now supporting this country to implement the priority actions of this strategy, including the mainstreaming of green initiatives within the framework of a project funded by The Islamic Development Bank. Currently, the Office is undertaking a study on Tunisia's exportable supply within the context of the African market.

*** Algeria**

49. Algeria's AfCFTA national strategy is ready and also includes a Green initiative component aimed to boost its priority green value chains (GVCs). Currently, SRO-NA is bracing itself to organize a workshop dedicated to presenting this strategy as soon as a date is agreed upon.

*** Egypt**

50. Egypt has already ratified AfCFTA, and the Office is currently providing its substantive assistance and advice on the adequate policies to harness AfCFTA provisions and help Egyptian firms resolve their bottlenecks and build regional value chains.

*** South-South Cooperation**

51. Thanks to its commitment, expertise and readiness to meet the needs of member States, SRO-NA has successfully leveraged South-South cooperation, namely between i) Egypt and Sudan in the activities related to AfCFTA and taxation; ii) Egypt and Libya in the areas of domestic resource mobilization, and iii) Côte d'Ivoire, Morocco and other African countries in the area of migration.

*** Support to the AMU**

52. Additionally, SRO-NA has strengthened its support to the Arab Maghreb Union (REC-AMU) for the elaboration of its AfCFTA regional strategy, which will enable the AMU to better assist its member States in the next stages of AfCFTA implementation.

2. Advancing regional and international agendas and other special initiatives*** *Webinar on food and energy security***

53. SRO-NA organized the above webinar during the special session of North and West Africa joint ICSOE, and succeeded in building consensus on key recommendations, which focused on supporting intra-regional trade and regional integration through applying the AfCFTA to agricultural commodities and food products. The need for a regional approach was also emphasized to share experiences on good practices in the circular economy and technological innovation applied to agriculture, encourage firms including SMEs, and improve socio-economic conditions as an enabling environment for family farms.

*** *Webinar on African solutions to the food crisis: Use of phosphatic fertilizers and supportive policies***

54. Based on a Policy Brief titled "African solutions to the current food crisis: Use of African phosphatic fertilizers and supportive policies", SRO-NA convened a Webinar, which discussed the priority actions needed to increase the use of African phosphate fertilizers as a most relevant African solution to boost agricultural productivity, ensure food security, reduce poverty and build North Africa economic resilience. Key messages emerging from the webinar focused on i)

strengthening continental and national initiatives to promote fertilizers such as the AfCFTA, ATEX Platform for B2B & B2G, and Afreximbank; ii) supporting the Africa Fertilizer Financing Mechanism (AFFM) aiming to enhance pan-African agricultural productivity; and iii) addressing climate change challenges through sustainable soil management and use of fertilizers.

3. Multi-pronged support to mitigate the effects of the Ukraine war on food security

55. In order to help North Africa mitigate the impact of the Ukraine war and its multifaceted crises, SRO-NO organized a “Webinar on food and energy security in North Africa”, which stressed the urgency for the region to adopt a climate-proof approach focusing on sustainable agricultural production, job creation in rural areas and transition to renewable energy. Using the AfCFTA potential for agricultural and food products, and harnessing technology and Artificial Intelligence were also stressed as practical measures to enhance sustainable nutrition systems in the region.

56. Further, SRO-NA launched a “Project on addressing the Ukraine war impacts on food security in Tunisia”, and proposed to the Tunisian government a budget and growth prospects, in addition to elaborating a Mitigation Plan and holding a high-level discussion meeting with the Minister of economy and planning to propose an action plan. A workshop on Enhancing food security under the SDG Funds Joint Program was also organized to present the project’s outcomes, the results of the simulation model, and the battery of reforms intended to overcome the current food crisis.

4. Insightful recommendations of the Subregional Review on N.A socioeconomic development

57. SRO-NA produced the “North Africa Subregional Profile Review 2023” focusing on the period 2022-2023, which was marked by the outbreak of the Russia-Ukraine war. The Profile review shows the extent to which the region has been affected by the impact of the war on commodity prices and global monetary tightening. It also highlights the economic threats of climate change and their effects on food security, and recommends a set of medium-term measures, including expanding domestic resource mobilization, restructuring debt and making North Africa economies greener, more resilient and inclusive.

5. Webinar on debt management and sustainable finance

58. SRO-NA started the preparatory work for this webinar due in November 2023 to present its study on debt management and sustainable financing in North Africa, and provide participants with an opportunity to examine/come up with solutions to develop effective and innovative debt relief and financing mechanisms.

C- Result 3: Boost for SMEs as engines of sustainable development in North Africa

59. A healthy small-and-medium sized enterprises (SME) sector is vital for inclusive growth and job creation across regions and sectors, and can contribute significantly to improving the business environment for women and youth employment, entrepreneurship and business growth. SMEs are also crucial to create wealth, and thereby contribute to alleviating poverty and achieving inclusive and sustainable development. Harnessing the private sector is therefore a key driver of growth, as well as a provider of alternative means of financing for development. In this context, SRO-NA increased its focus and activities on this particular issue, leading to the following outcomes:

1. Stronger pledge to support women-led SME's in Morocco's development process

60. SRO-NA partnered with EBRD Women in Business-Morocco to implement a large support program for women-led SMEs, and held five capacity building workshops in different regions in the country (Rabat, Casablanca, Marrakech and Tangier), prior to extending it later to three more regions: Fes-Meknes, Oujda, and Beni Mellal. Through this program, SRO-NA aimed to i) enhance SMEs capacity to seize the AfCFTA opportunities; ii) enhance female productive employment through entrepreneurship-dedicated programs; iii) enhance export capabilities of women-led and managed enterprises, and iv) enhance digital skills and capabilities of women-led and managed enterprises. Accordingly, SRO-NA enabled 200 women-led SMEs to bolster their export and digital capabilities, and policy recommendations were formulated in order to re-frame public policy approaches to better support women employment and entrepreneurship, and thus enhance SMEs role in national development.

2. Increased capacities and heightened export potential for Sudanese women-led SMEs

61. Sudan has also benefited from SRO-NA capacity building services in this area, as, in partnership with the Ministry of Trade, a workshop and a study tour were organized for a number of Sudanese SMEs and officials in charge of Export promotion, to identify and share best practices to boost job creation and exports. Guidance and support were therefore provided to a number of Sudanese exporting companies, particularly SMEs, in the fields of product development, access to finance, and marketing. Over (40) SME owners, mostly women, from different exporting sectors benefited from this workshop, together with Exports promotion officers from the Trade Ministry.

3. Greater awareness of the need for gender-smart investing in support of inclusive growth

62. SRO-NA and Oxford Economics Africa held a widely attended Webinar to discuss the findings of a joint study on "*Gender-smart investing for inclusive growth in North Africa*". The webinar examined the broad trends of the entrepreneurial and the SME landscapes in the region, and shed light on the extent of women's participation. The Office managed to mobilize momentum for gender-smart investing as a driver of employment growth and economic resilience, hence, the need for Governments to unlock the gender transformative potential of their policies, promote a more conducive environment for women entrepreneurship and deliver on gender equality goals.

4- Compelling case to improve SME governance in North Africa

63. SRO-NA was successful in stimulating debate on the need for North Africa SMEs to build sustainable governance, and initiated to this effect the preparation of a Study based on a situation analysis in which it builds a strong case on the relevance for North African SMEs to improve their corporate governance. The study is expected to come up with a set of policy recommendations for Governments, and suggest an agenda of reforms implementation to accelerate SME participation in the climate adaptation strategies developed by all the countries in the region.

5. Placing SME development at the heart of regional and international agendas

64. Leveraging the role of the private sector, especially SMEs, in development and transition to green economy was also the theme of a major side event SRO-NA organized jointly with ITU at COP27, to show how Information and Communication Technologies (ICTs) can help drive a green transition. Another event organized with the ILO analyzed in particular the way in which SMEs can benefit from and contribute to more sustainable and inclusive economies in North Africa.

6- Bolstering research on policy development to leverage private sector role

65. Positioning itself as an authoritative regional Think Tank, SRO-NA has enriched research on such issues as employment, competitiveness, private sector, Public-Private Partnerships and the role they can play to bolster state capacity, especially in times of crisis. Work done includes:

** Two reports public-private partnerships*

66. “Leveraging public-private partnerships to address the challenges of the Covid-19 pandemic in North Africa”, and “Understanding promises and main issues related to Public-Private Partnerships in developing countries”.

67. Both reports analyzed the vulnerabilities to which the pandemic has exposed the region, and emphasized the need for heightened investments in healthcare, education, social safety nets and climate change mitigation strategies. As recommended by the two studies, harnessing public-private partnerships can help share the financial burden, but this will necessitate governance reforms to establish a conducive environment, particularly in public investment management.

** Three country surveys on Covid-19 impact on national firms*

68. The Office coordinated (3) surveys on the impact of Covid-19 on 1000 firms per country in Algeria, Morocco and Tunisia, with the aim of analyzing this impact and discerning resilience factors during the crisis. Recommendations made to build economic resilience include: (i) strengthening the capacity of the financial system to better respond to the needs of businesses, (ii) harnessing digital technologies to better anchor them in the economy and benefit from productivity gains, (iii) reinforcing state capacity to better deal with situations of market failure and public governance, (iv) rethinking sectoral development by aligning policies with resilience objectives.

** Policy brief on Enhancing Private Sector Participation in North Africa*

69. SRO-NA has structured this policy brief around six themes: effective government, access to finance, national and regional value chains, innovation capacity, skills gaps and the green transition. Its aim is to stimulate dialogue and action among policymakers, stakeholders and investors regarding the crucial role of the private sector in economic diversification, technology transfer and increased productivity. Innovative solutions and actionable policy recommendations are suggested on regulatory reforms, investment incentives and PPPs role in boosting business.

7. Effective advocacy for delivering on the SDGs in North Africa

** “SDG 2 Progress Report 2023 on Food Security and sustainable agriculture”*

70. SRO-NA keeps sensitizing and reporting on implementing Agenda 2030 and its goals, and a report is produced annually to track the region’s global performance in achieving the SDGs. This year’s report provides a comprehensive overview of progress achieved in 2022 with a close focus on **SDG2**, which is about creating a world free of hunger. The report discussed food security and sustainable agriculture in North Africa, while underlining persistent gaps in agricultural policies, which exacerbate food security challenges. The Progress report suggests practical measures to move towards sustainable agricultural systems with higher productivity and less waste.

**SDG Report 2022: “Progress towards achieving SDG 12 in North Africa”.*

71. SRO-NA launched this report last year at the 37th session of the ICSOE as a comprehensive overview of progress made in 2021 towards the SDCs implementation, with a close focus on **SDG12** that aims to ensure sustainable consumption and responsible production. Given the dire current context, the report advised member countries to adopt adequate measures to achieve sustainable consumption and production patterns, such as reducing production energy intensity, accelerating renewable energy transition and promoting circular economy.

III. Special initiatives, Interactions with headquarters divisions and Partnerships

72. During the period under review, SRO-NA has engaged actively in several special initiatives, thus leveraging its expertise and that of ECA Headquarters to meet the needs of member States, within the framework of their joint programming. The Office has also strengthened its constructive partnerships with the United Nations system, as well as with development partners, the academia, research institutions and think tanks.

A. Special initiatives

73. SRO-NA took part in various initiatives to support member States. Major highlights include:

- *Project on migration statistics and migrants' skills recognition* and collaboration with the ILO to organize two related workshops in South Africa and Zimbabwe.
- *Climate/SDGs Debt Swap - Donor Nexus Initiative* and collaboration with ESCWA to help Egypt improve its debt sustainability and scale up long-term financing.
- *High-level policy dialogue and capacity building workshop on Empowerment and Job creation in Sudan*, in partnership with the National Population Council to i) gain insight into the changing labor market; ii) share best practices in job creation, and iii) build policy design capacities.
- *Policy Brief on "Resilience in the face of systemic crises - lessons from Covid -19 in Tunisia"*, which recommended to consolidate economic resilience by (i) strengthening the capacity of the financial system to better meet business needs, (ii) developing digital technologies to anchor them in the economy, (iii) building the capacity of the State to better address market and government failures, and (iv) aligning sectoral policies with risk resilience goals.
- *Policy brief on "Gender bonds and their impact on employment in North Africa"*, as a concrete contribution from SRO-NA to foster inclusivity and promote gender-sensitive investments.
- Participation and presentation at the *Renpower North Africa Storage*, where the SRO discussed the critical role of energy storage in achieving North Africa's 2030 renewable energy targets. The Office also chaired a session on "The missing link in energy transition and establishing a clear regulatory framework".
- *Participation at the Imagine Africa's Future Forum jointly held by the UM6 Polytechnique university in collaboration with UNESCO and the OCP Foundation*, and attended by a large number of researchers, academics and experts, to brainstorm on Africa's futures thinking and ability to design efficient policies, and initiate alternative development options (July 2023).
- *Rebuild and Recovery Package for Morocco and Libya*, to address the needs of areas hit by the recent natural disasters (capacity building workshops for women-led SMEs in these areas, and a study to boost early response, recovery mechanisms and resilience).

B. Interactions with Headquarters divisions

74. In the spirit of joint programming, SRO-NA reinforced interaction with various Divisions, and harnessed mutual expertise to better meet the needs of member States. Major highlights include:

- Active contribution with Headquarters to the Issues Paper for COM 2024, and regular participation to its related Task Force meetings.
- Meaningful participation in the Internal Review Panel of 2023 Africa Economic Governance Report: “A Framework for Assessing and Reporting Tax Expenditures”, produced by the MGD.
- Constructive involvement in the E-mobility project with both Southern Africa and Central Africa Subregional Offices and ECA African Trade Policy Centre, to develop a regional value chain in E-Mobility between Morocco, DRC and Zambia.
- Meaningful contribution to the “Experts review meeting on the AfCFTA Country Business Index Reports” (Results for Angola, Côte d’Ivoire, Democratic Republic of Congo, Egypt, Gabon, Kenya, Namibia, Nigeria, Morocco, Rwanda, Senegal, South Africa and Tunisia).
- Dynamic contribution to “ECA Track Brainstorming Group on Climate Change” to present North Africa perspective and needs.
- Productive collaboration with RITD/ATPC project on AfCFTA Green Initiatives to ensure the successful implementation of this project in North Africa.
- Crucial collaboration with the Gender, Poverty and Social Policy Division to organize a national training for trainers workshop on the “Digital upskilling of women and girls in Tunisia”, aimed at building a critical mass of women and girls with relevant skills for future jobs.

C. Partnerships

1. Partnerships with the United Nations system and other development partners

75. SRO-NA has participated regularly in the periodic meetings of the UNCTs of North Africa countries, thus availing itself of the opportunity to report on ECA's activities at the regional level, and discuss potential synergies with national projects in the framework of coordinated support at different levels, to accelerate delivery of the SDGs. During the period under review, SRO-NA provided ad hoc technical support to the Resident Coordinator Offices (RCOs) upon request, and lent assistance to prepare the Common Country Analysis (CCAs).

76. SRO-NA has recently participated in the Joint Work Plan (JWP) 2023-24 meeting, and is also collaborating with UNDP on Social and Solidarity Economy (SSE) strategy in Mauritania, as well as with the ILO on the recognition of migrants’ skills and qualifications and migration statistics. Likewise, the Office is collaborating with UN Habitat- Maghreb Office and the Resident Coordinator Office to implement the “Joint Project on the impacts of the Russia-Ukraine war on food security in Tunisia”.

77. Other highlights include:

- Partnership with the European Bank for Reconstruction and Development and the European Union representations in Morocco to build the capacity of Moroccan women-led businesses.
- Partnership with the Islamic Development Bank to support Mauritania and Tunisia in implementing their respective AfCFTA national strategies.

- UN system-wide partnership to organize the Global Congress on Population, Health and Development (PHDC 23), to which SRO-NA contributed two informative presentations on “Food Security in North Africa”, and “Demographic Dividend in Africa”.
- Partnership with ESCWA to prepare the upcoming Arab SMEs Summit 2023 themed “From Resilience to Prosperity”, during which SRO-NA will launch its “Study on Gender-smart investing in support of inclusive growth in North Africa”.

2. Partnerships with Institutions, Academia, Research Centers and Think Tanks

78. SRO-NA is building an extensive partner network in order to intensify its cooperation with other international institutions, academia and research centers, and undertake concerted actions to finetune the cooperation framework for future initiatives in areas of common interest. SRO-NA is intent on concluding new partnerships with partner institutions and research centers to diversify its portfolio and bring new insights to the region. Major highlights include:

- Partnership inked with ESSEC Africa Business School and Euromediterranean University of Fes, to propel innovation and knowledge exchange in the area of electric mobility.
- Partnership with the European Bank for Reconstruction and Development (EBRD) to provide targeted support to and enhance digital and export capabilities of women-led businesses.
- Partnership with the Association of Moroccan Women Entrepreneurs (AFEM) and the Moroccan Association of Exporters (ASMEX) to provide women entrepreneurs with essential skills, knowledge, and resources needed to navigate the business landscape successfully.
- Partnership with Oxford Economics Africa to convene the Webinar held on Addressing Africa’s Skills Gap, and the expected launch of the joint study on “Gender- smart investing in support of inclusive growth in North Africa” at the upcoming Arab SMEs Summit 2023.

IV. Implementation of the 37th ICSOE recommendations

79. Implementing the recommendations of the 37th ICSOE to SRO-NA has been an integral part of the 2022 work program. Many of these recommendations have been covered in Part II of this Activity Report. As requested by the member States, a list of the most significant achievements in each area is below:

- **Facilitate the exchange of knowledge and good practices between member States and between regions**

1. *Pursue and expand the local resource mobilization program to support ongoing reforms in North Africa in the area of adaptation to climate change and the transition to more sustainable growth.*

80. To implement this recommendation, SRO-NA has: i) launched a study on promoting sustainable corporate governance in North Africa to boost the subregion’s capacity and help it adapt to climate change, ii) contributed to resource mobilization with ECA Technology, Climate Change, and Natural Resource Management Division (TCND), to work on the adaptation of SMEs to climate change in Africa, and iii) is currently contributing to build a theory of change for Africa (aligned with the 2023 Africa Climate Summit), aiming to adapt the Continent to climate change. This will ease resource mobilization both for the Continent and for North Africa.

2. *Expand the migration framework by including additional countries and sharing experiences and good practices with other regions.*

81. SRO-NA has duly delivered on this through the interregional workshop organized in Harare (Zimbabwe, June 2023), to assess progress made under the (GCM) Project on migration statistics and migrants' skills recognition. Besides, in order to meet incoming requests from member states, a new Project Proposal submitted to the United Nations Department of Economic and Social Affairs (UNDESA) was agreed, and will target Cameroon, Comoros, Egypt, Ghana, Lesotho, and Tunisia. The project funded by the Development Account will start in 2024, and shall run until 2028, in partnership with different UN bodies and African regional organizations.

3. *Advocate for countries in international fora regarding indebtedness.*

82. SRO-NA is contributing to ECA advocacy in international fora to explore how to provide liquidity to countries, while honoring obligations to creditors and preserving future market access. To underpin its advocacy efforts empirically, SRO-NA has conducted an in-depth situational analysis of the debt crisis in North Africa, to study the drivers of rising debt burdens, their implications on tax and spending in the member countries, and the potential for remedial action in debt management, but also in innovative finance mechanisms to sustain development projects.

- **Provide support in policy analysis and development area**

4. *Strengthen the role of the Sub-Regional Office for North Africa in policy analysis and consulting in skills, competitiveness, entrepreneurship and employment areas.*

83. SRO-NA has increased its multi-faceted action and impact in these areas through the completion of several policy papers (example "Impact of Covid-19 on SMEs in Tunisia, Morocco, and Algeria", "Gender bonds and impact on women's employment in North Africa", etc.), in order to provide member States with relevant knowledge and enhance their capacities in public policy development and implementation, to build resilience and accelerate inclusive development.

84. SRO-NA has also strengthened its focus on issues pertaining to entrepreneurship and employment through organizing webinars, launching studies specifically dedicated to female entrepreneurship, the skills gap in Africa, and gender-smart investing. Further, the Office intends to provide technical assistance to the Morocco Agency for Investment and Exports Development to develop a multiannual strategy aiming at empowering women-led businesses in the export sector.

5. *Help member countries analyze their debt situation, climate change and private sector development, and assist them in formulating the policies needed to attract private sector investment, especially in sectors vital for green transformation.*

85. In addition to the situational analysis of the debt crisis in North Africa, the Office has undertaken to understand the drivers of rising debt, their implications, and the potential for action to strengthen debt management. The SRO-NA has also developed a Policy brief on *Enhancing Private Sector Participation in North Africa*. Among its key themes are access to finance and the green transition.

- **Support for capacity building**

6. *Continue to make efforts to strengthen the capacity of member States to access regional markets, with a view to enabling them to take full advantage of the Agreement establishing the African Continental Free Trade Area.*

86. SRO-NA is consistently supporting member States to harness their capacities towards accelerating the AfCFTA implementation. In this context, the Office has contributed to increasing Mauritania's private sector capacity to operationally take advantage of the AfCFTA opportunities, just as it has helped Tunisia to position itself on high potential external supply. Likewise, the Office is also collaborating with AMU Secretary General to develop the Maghreb AfCFTA strategy.

7. *Provide member countries with capacity building programs to assist them in national initiatives to monitor Sustainable Development Goals.*

87. SRO-NA has deployed continuous efforts to strengthen member States' capacity towards improving their performance in migration statistics and recognition of migrants' skills through *The Global Compact for Migration* project. Support provided aims to help them achieve the GCM Goals 1 and & 18 and accelerate the delivery of the SDGs, especially Goals 1, 8, 10, 16.2 and 17.

V. Challenges and lessons learned

88. SRO-NA has deployed consistent efforts to successfully fulfill its mission, advance its objectives, forge stronger relations with member States, enhance their development policies, and propel innovation and efficacy. Results achieved show an impactful progress in attaining the goals of its mission, however, the Office has encountered various challenges, which merit attention and concerted action to be overcome. Indeed, a convoluted international context, coupled with a difficult regional dynamic marked by conflicts and natural disasters in North Africa, have proved challenging to navigate for the Office, especially when designing and implementing activities and ongoing projects meant to address the needs of specific countries.

89. Further, the paucity of timely and regularly generated data, as well as their discrepancy, continue to be the major challenge SRO-NA is facing in its endeavor to monitor economic trends and undertake policy reviews and research. Further, the lack of adequate funds often reduces the Office's ability to work in a sustainable way with member States and address their requests.

90. Yet, SRO-NA is determined to bring about improvement by drawing on the lessons learned. One of these lessons is that the involvement of member States in the AfCFTA implementation can only increase their chances to effectively boost free and inclusive trade and regional integration. Good examples monitored so far show that those countries who have consistently engaged in the process are already reaping its benefits. The Office will continue to support all member States to catalyze AfCFTA national ownership.

91. Mitigating the incidence of multiple crises in North Africa remains challenging. Bold policy actions are needed to address the effects of political and social unrest, rising inflation and slow growth. Reforms to build tax administration capacity, address climate change, invest in e-governance, and scale up domestic resources are crucial to meet these persistent challenges.

92. SRO-NA will continue to support member countries to develop and implement adequate policies and enhance their resilience against future shocks. It calls upon North Africa member States to accelerate structural reforms liable to consolidate inclusion, stimulate growth and rekindle hope.