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Intergovernmental Committee of Senior Officials and Experts for North Africa
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Enhancing domestic resource mobilization through innovation and technology in North Africa

Concept note

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I. Background

1. As a statutory deliberative body, the Intergovernmental Committee of Senior Officials and Experts for North Africa is responsible for the strategic direction of the activities of the Subregional Office for North Africa. The Committee holds an annual session to consider the report on the activities of and results achieved by the Subregional Office, its work programme and strategic orientations as they relate to the development priorities of North African countries. The session also provides a forum for high-level experts from government bodies, researchers, representatives of the private sector and civil society and other stakeholders to assess and discuss evolving patterns in economic and social conditions across the subregion and to make recommendations on ways to accelerate the fulfilment of the 2030 Agenda for Sustainable Development and Agenda 2063: The Africa We Want, of the African Union, and to deepen regional integration.

2. In this context, the theme of the fortieth session of the Committee will be "Enhancing domestic resource mobilization through innovation and technology in North Africa".

3. Domestic resource mobilization forms the backbone of a country's fiscal independence and its ability to chart a resilient development trajectory. By effectively harnessing domestic financial resources through efficient taxation systems, public savings and public spending, countries can strengthen their capacity to fund core public services and long-term strategic investments without excessive reliance on external financing.

4. A strong domestic revenue base minimizes vulnerability to fluctuations in development aid and foreign direct investment and to sovereign debt cycles, offering greater stability in economic planning. Domestic resource mobilization is also a core priority of the 2030 Agenda, under which the international community committed to strengthen domestic resource mobilization, including through international support to developing countries, to improve domestic capacity for tax and other revenue collection by 2030. This includes targeted capacity-building for developing countries to modernize tax systems, invest in digital infrastructure and improve data governance.

5. In addition, in the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, adopted in 2015, the international community emphasized that the mobilization and effective use of domestic resources were central to the common pursuit of sustainable development. More recently, at the Fourth International Conference on Financing for Development, held in Seville, Spain, in July 2025, a strong emphasis was placed on enhancing domestic resource mobilization as a cornerstone of sustainable development. One of the main outcomes was a renewed global commitment to strengthen national fiscal systems, in particular through progressive tax reforms, digitalization of revenue administration and improved public financial management. Countries pledged to align their budgets with the Sustainable Development Goals using such tools as integrated national financing frameworks and to broaden their tax bases by integrating informal sectors and taxing high-net-worth individuals more effectively. They also called for the rationalization of inefficient subsidies, especially fossil fuel subsidies, and encouraged gender-responsive budgeting and fiscal transparency to ensure equitable resource allocation.

II. Domestic resource mobilization in North Africa

6. Across North Africa, countries have progressed to varying degrees in their efforts to mobilize domestic resources.

A. Algeria

7. The domestic resource mobilization strategy of Algeria is shaped by the country's hydrocarbon-dominated economy and ongoing efforts to diversify fiscal revenue sources. While oil and gas continue to account for over half of government income, the country has launched a series of reforms to modernize its tax administration, digitalize public financial systems and lay the groundwork for more inclusive and sustainable fiscal governance.

8. Tax reform has been a central focus of the fiscal modernization agenda of Algeria. The Government has introduced measures to simplify tax codes, reduce exemptions and improve compliance. The General Directorate of Taxes has expanded its network of tax centres and launched the *Jibaya'tic* digital tax platform, which enables remote filing, payment and taxpayer authentication. These reforms are aimed at increasing non-oil tax revenue, which remains relatively low compared with the non-oil revenue of regional peers. However, challenges persist, including a large informal sector, limited taxpayer trust towards the Government and institutional resistance to change.

9. Digitalization has emerged as a transformative tool in the country's public financial management. Platforms have been deployed to automate customs and tax procedures, enhance transparency and reduce corruption. The *Tabioucom* portal allows citizens to purchase fiscal stamps online, while another platform facilitates electronic tax identification through the use of a tax identification number. These initiatives have improved service delivery and compliance, but gaps in digital literacy, infrastructure and cybersecurity remain significant barriers to full implementation.

10. Public financial management reforms are under way to strengthen budget transparency and expenditure tracking. Algeria has adopted performance-based budgeting and is working to integrate fiscal risk analysis into its medium-term planning. The Ministry of Finance is enhancing coordination among fiscal institutions. Despite these efforts, subnational fiscal systems remain weak, and governance reforms of State-owned enterprises are still in early stages.

11. Savings mobilization is constrained by limited financial intermediation and low public trust in banking institutions. The country's pension and insurance sectors are underdeveloped, and household savings rates are modest. The Government is exploring Islamic finance instruments that adhere to cultural norms and mobile banking solutions to expand access to savings.

B. Egypt

12. Egypt has made significant strides in enhancing domestic resource mobilization, driven by a comprehensive reform agenda that integrates tax modernization, digital transformation, savings mobilization, capital market development and improvements in public financial management. These efforts are central to the country's broader goals of fiscal sustainability, economic resilience and inclusive growth.

13. Tax reform has been a cornerstone of the fiscal strategy of Egypt. The Government launched a medium-term revenue strategy, aiming to increase tax revenue by 3 per cent of gross domestic product (GDP) by 2027. The reforms also mandate electronic invoicing and receipts for both individuals and corporations, aligning the country's tax system with international standards and reducing loopholes that previously hindered compliance.

14. Digitalization has transformed the country's tax administration and public finance system. The Ministry of Finance has automated the work of the Egyptian Tax Authority, deploying platforms powered by artificial intelligence and cloud-based systems to streamline tax filing,

payment and audit processes. These digital tools have enhanced transparency, reduced corruption and improved taxpayer engagement.

15. Public financial management reforms have been focused on improving budget execution, expenditure tracking and debt sustainability. Egypt has adopted performance-based budgeting and is expanding its integrated financial management information system. These reforms are aimed at strengthening fiscal discipline and ensuring that public resources are allocated efficiently and equitably.

16. Savings mobilization is being pursued through efforts to enhance financial inclusion and implement institutional reforms. The banking sector has expanded access to savings products, notably through mobile banking solutions and platforms that use innovative technologies to provide financial services. Pension and insurance reforms are under way to channel long-term savings into productive investments.

17. Capital market development has accelerated in recent years. In 2020, Egypt issued the first sovereign green bond in the subregion, raising $750 million for climate-smart infrastructure projects.[1] The Government is working to deepen the domestic bond market and attract institutional investors. These efforts are part of a broader strategy to diversify financing sources and support sustainable development.

C. Libya

18. The fiscal landscape of Libya is shaped by its vast hydrocarbon wealth and prolonged political fragmentation. While oil revenue continues to dominate public finances, accounting for over 90 per cent of government income, the country faces urgent challenges in diversifying its revenue base, modernizing fiscal institutions and building inclusive and transparent systems for domestic resource mobilization.

19. Tax reform efforts in Libya have gained traction. The Libyan Tax Authority has initiated a road map to modernize its operations and develop an integrated tax administration solution. These reforms are aimed at improving taxpayer registration, simplifying procedures and enhancing compliance. However, the tax-to-GDP ratio remains below 5 per cent,[2] reflecting the limited contribution of non-oil taxes and the dominance of informal economic activity.

20. With support from the Economic Commission for Africa (ECA), the Libyan Investment Authority has begun implementing digital platforms for tax filing and customs declarations, supported by training in data analytics and information technology architecture. These initiatives are designed to increase transparency, streamline business processes and foster a culture of voluntary compliance. However, connectivity gaps and limited institutional capacity pose significant hurdles to full-scale implementation.

21. Efforts to reform public financial management are under way, with the Ministry of Finance working to establish a medium-term fiscal framework and improve fiscal risk analysis. Enhancing coordination between the Central Bank of Libya and fiscal institutions is critical to restoring policy credibility.

22. Savings mobilization remains constrained by limited financial intermediation and low public trust in banking institutions. The prohibition on interest-based products has restricted

[1] World Bank, *Egypt: The First Sovereign Green Bond in the Middle East and North Africa* (Washington, D.C., 2022).
[2] International Monetary Fund (IMF), "Libya: 2025 article IV consultation – press release; and staff report", Country Report, No. 25/148 (Washington, D.C., 2025).

conventional savings instruments, prompting calls for the development of Islamic finance tools that align with the country’s legal and cultural context. Expanding access to mobile banking is an essential step in building a more inclusive financial system.

23. Capital market development is still nascent. Libya lacks a functioning domestic bond market, and pension funds are underutilized as sources of long-term investment. The Libyan Investment Authority, which manages the country’s sovereign wealth fund, operates with limited transparency and accountability. Reforming the governance of the Investment Authority and linking its operations to a coherent macroeconomic fiscal strategy could unlock significant domestic capital for investing in infrastructure and improving economic diversification.

24. A domestic resource mobilization strategy must balance short-term stabilization with long-term transformation. Diversifying revenue sources, digitalizing fiscal systems and building institutional capacity are essential to reduce dependence on oil and foster inclusive growth. Continued international support, political reconciliation and a clear economic vision will be vital to sustaining reform momentum.

D. Mauritania

25. Mauritania has made notable progress in enhancing domestic resource mobilization, driven by a robust reform agenda aimed at improving fiscal sustainability, expanding the non-extractive revenue base and modernizing public financial institutions. Despite structural constraints and regional vulnerabilities, the country is demonstrating resilience and commitment to long-term economic transformation. Mauritania is actively working on domestic resource mobilization to enhance its fiscal sustainability and achieve its priorities in financing for development. This involves improving tax revenue collection, broadening the tax base and strengthening tax administration. The country is also exploring options for diversifying revenue sources for local governments, in addition to the central Government.

26. Tax reform has been central to the domestic resource mobilization strategy of Mauritania. Since 2012, the Government has transitioned from a global income tax to a dual system that applies proportional taxation to capital income and progressive rates to wages. Corporate income tax reforms have strengthened the tax base, including through the removal of exemptions for major mining firms and the introduction of mandatory declarations. These reforms helped to raise the tax-to-GDP ratio from 12.6 per cent in 2020 to 14.7 per cent in 2022 (below the average for African countries of 16 per cent).[3] However, it dipped slightly to 13.3 per cent in 2023 owing to external shocks.[4]

27. Digitalization is playing an increasingly important role in improving revenue collection and transparency. Mauritania has launched e-tax filing systems, digitalized customs operations and initiated a government-wide payment digitalization project. These platforms are aimed at reducing administrative costs, curbing corruption and expanding access to fiscal services, especially in underserved regions. The operational model for digital payments is tailored to the country’s infrastructure and regulatory context, with a phased deployment road map already being rolled out.

28. The Government has adopted a medium-term fiscal framework anchored by a non-extractive primary deficit target of 3.5 per cent of GDP. Programmatic budgeting and performance contracts for State-owned enterprises are being rolled out, alongside a new law on public

[3] African Union and others, *Revenue Statistics in Africa 2024: Facilitation and Trust as Drivers of Voluntary Tax Compliance in Selected African Tax Administrations* (Paris, OECD Publishing, 2024).
[4] IMF, *Islamic Republic of Mauritania: Selected Issues*, Country Report, No. 24/269 (Washington, D.C., 2024).

enterprises submitted to parliament in 2024. The Ministry of Finance is also implementing measures to improve budget execution, debt management and climate-sensitive investment planning.

29. Savings mobilization is being pursued through efforts to enhance financial inclusion and implement institutional reforms. The Central Bank of Mauritania is expanding access to mobile banking and promoting Islamic finance instruments to align with cultural norms. The pension and insurance sectors are being restructured to channel long-term savings into domestic investment. However, household savings remain low, and financial literacy gaps persist, requiring targeted outreach and consumer protection measures.

30. Capital market development is still in its early stages. Mauritania lacks a deep domestic bond market, but recent reforms have laid the groundwork for future issuances. The Government is exploring climate-linked fiscal instruments, including a new carbon contribution introduced in the 2025 finance law – starting at $10 per ton of carbon dioxide, with plans to increase to $50 by 2030.

31. The country's domestic resource mobilization strategy reflects a balanced approach to fiscal consolidation, institutional modernization and inclusive growth. Continued technical assistance, regional cooperation and private sector engagement will be essential to sustain reform momentum and unlock the country's full revenue potential.

E. Morocco

32. Domestic resource mobilization remains a cornerstone of the fiscal strategy of Morocco to facilitate sustainable development, achieve financial sovereignty and ensure resilience against external shocks. Through a blend of structural reforms, digital innovation and institutional modernization, the Government has advanced several major strategies to enhance revenue generation and long-term financial capacity.

33. Tax reform has played a central role in the country's domestic resource mobilization agenda. Following the enactment of the framework law on tax reform in 2021, Morocco embarked on a comprehensive modernization of its tax code. These measures are aimed at reducing distortions, broadening the tax base by integrating the informal economy, and improving compliance. By streamlining exemptions and harmonizing procedures, Morocco has not only increased its tax revenue, estimated at about 23 per cent of GDP in 2024,[5] but also bolstered fiscal equity and economic competitiveness. The strong tax revenue performance of Morocco is attributed to several factors, including digital reforms, a broader tax base and stronger efforts to combat fraud and tax evasion.

34. Digitalization has become a powerful method for enhancing tax compliance and public sector efficiency. The Government has implemented electronic platforms, facilitating e-filing and e-payment for individuals and businesses. More than 547 administrative services are now digitalized, with plans to expand to full coverage by 2030. Such tools as electronic invoicing and mobile-based tax payment systems are being scaled up to include small and medium-sized enterprises and informal traders, helping to reduce transaction costs, minimize corruption risks and increase visibility within the tax system.

35. Reforms to public financial management have also gained momentum. Morocco now operates integrated financial management information systems and implements performance-

[5] Badr Elhamzaoui, "Recettes fiscales : le vrai poids de l'impôt en 2024" (Tax revenue: the real tax burden in 2024), Médias24, 20 June 2025.

based budgeting frameworks to enhance expenditure efficiency. Such platforms as the *Ajal* observatory of payments track payment delays in State-owned enterprises and foster transparency in public procurement. These reforms have improved budget execution, reduced leakages and strengthened the credibility of fiscal governance.

36. To boost domestic savings and financial inclusion, Morocco has advanced policies targeting both households and institutional investors. The implementation of financial literacy programmes, the expansion of mobile banking and the promotion of microfinance have enabled wider access to formal savings tools, in particular among rural and underserved populations. Simultaneously, the pension and insurance sectors are being reformed to mobilize long-term capital, offering a more stable funding source for development needs, including for financing infrastructure projects and supporting small enterprises.

37. Morocco has taken significant steps to deepen its capital markets. The country has issued more than $300 million in green bonds to support renewable energy and sustainable transport initiatives.[6] Financial institutions have introduced products tied to environmental, social and governance objectives, and regulatory bodies have established guidelines for responsible investment practices. The Mohammed VI Investment Fund acts as a catalyst to channel private capital towards such strategic sectors as innovation, agriculture and climate resilience. By promoting broader access to bond markets and pension fund assets, Morocco is reducing its reliance on short-term foreign debt and building a robust financial system rooted in domestic capital.

38. These strategies reflect the country's commitment to building a sustainable and resilient economy through a sophisticated, inclusive and forward-looking approach to domestic resource mobilization.

F. Sudan

39. The domestic resource mobilization efforts of the Sudan are deeply constrained by prolonged political instability, armed conflict and economic fragility. The 2023 civil war between the Sudanese Armed Forces and the Rapid Support Forces has devastated the country's productive capacity, displaced over 12 million people[7] and triggered the largest GDP contraction in the history of the Sudan, estimated at 37.5 per cent in 2023.[8] Despite these challenges, the transitional government (between 2019 and 2021) and development partners laid important groundwork for fiscal reform and institutional recovery.

40. Tax reform remains a critical priority. Before the war, the tax-to-GDP ratio hovered around 5–6 per cent,[9] far below the African average (16 per cent). The country's tax system suffers from narrow tax brackets, widespread exemptions and weak enforcement. For example, 85 per cent of public employees are exempt from personal income tax, and agriculture (representing 31 per cent of GDP) contributes virtually no corporate tax revenue.[10]

41. Digitalization is emerging as a strategic lever for reform. With technical assistance from ECA, the Sudan has begun implementing electronic tax filing, customs automation and digital

[6] Amundi Asset Management and International Finance Corporation, "Emerging market green bonds report 2021: riding the green wave", World Bank, 2022.
[7] World Bank, *Sudan Economic Update: The Economic and Social Consequences of the Conflict – Charting a Path to Recovery* (Washington, D.C., 2025).
[8] African Development Bank, "Making Sudan's capital work better for its development", Country Focus Report 2025 Sudan.
[9] ECA, "Support from the Economic Commission for Africa for increasing tax revenues in the Sudan", 2025.
[10] IMF, "Revenue mobilization", in *Sudan: Selected Issues*, Country Report, No. 20/73 (Washington, D.C., 2020).

identification. These tools are aimed at improving compliance, reducing corruption and expanding the tax base. However, digital infrastructure remains limited, and institutional capacity is fragmented owing to political divisions and weak governance.

42. The Sudan carried out a staff-monitored programme supported by the International Monetary Fund (IMF) to restore debt sustainability and clear arrears with international creditors. The Ministry of Finance and Economic Planning is working to improve budget execution, unify exchange rate practices and enhance fiscal transparency.

43. Savings mobilization is constrained by macroeconomic instability, hyperinflation and low confidence in financial institutions. The country's banking sector is undercapitalized, and interest-based savings products are limited owing to legal and religious restrictions. The Government is exploring Islamic finance instruments and mobile banking solutions to expand access to savings, in particular in rural and conflict-affected areas.

44. Capital market development is virtually non-existent. The Sudan lacks a functioning domestic bond market, and pension funds are not yet leveraged for long-term investment. The country's debt is unsustainable. In 2024, its external debt was estimated by IMF to stand at 272 per cent of GDP.[11]

45. The country's domestic resource mobilization strategy must balance immediate stabilization with long-term transformation. Restoring peace and political stability is a prerequisite for fiscal recovery. Once achieved, the Sudan can build on existing reform blueprints to modernize its tax system, digitalize public finance and mobilize domestic savings. Continued international support, debt relief and institutional capacity-building will be essential to unlock the country's revenue potential and lay the foundation for inclusive development.

G. Tunisia

46. Tunisia is actively pursuing reforms to enhance its capacity for domestic resource mobilization. Despite political transitions and economic headwinds, the country has made notable progress in modernizing its tax system, digitalizing public finance operations and laying the groundwork for capital market development. Tunisia collects proportionately more tax revenue than most of its peers around the world.[12] In 2024, the tax-to-GDP ratio in Tunisia was about 25.1 per cent.[13] That same year, the budget deficit was reduced to 6 per cent of GDP as a result of increased tax revenue and a more efficient tax system.[14]

47. Tax reform has been a central pillar of the country's fiscal strategy. The Government has worked to broaden the tax base by reducing preferential treatment and exemptions, in particular those embedded in its legacy incentive system. A simplified tax regime for small enterprises has been introduced, and efforts are under way to integrate the informal sector through presumptive taxation and improved enforcement. The Ministry of Finance is aligning future tax policy with its national development plan for 2026–2030, aiming to harmonize fiscal tools with national priorities and reduce reliance on external borrowing.

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[11] Statistical appendix to *Regional Economic Outlook: Middle East and Central Asia – Charting a Path through the Haze* (Washington, D.C., 2025). Available at www.imf.org/en/Publications/REO/MECA/Issues/2025/04/24/regional-economic-outlook-middle-east-central-asia-april-2025.
[12] World Bank, "Tunisia economic monitor: equity and efficiency of Tunisia tax system", 2024.
[13] Tunisia, Ministry of Finance, "Synthèse des résultats des finances publiques (budget de l'État)" (Summary of public finance results (State budget)), 2019.
[14] Tunisia, Ministry of Finance, "Provisional State budget's achievement: end December 2024"; Webmanagercenter, "Budget 2024 : baisse de 6% du déficit public en Tunisie grâce à la hausse des recettes fiscales" (2024 budget: public deficit in Tunisia reduced by 6 per cent as a result of increased tax revenue), 21 May 2025.

48. Digitalization has emerged as a critical enabler of fiscal modernization. Tunisia has launched e-tax filing and mobile payment systems to improve compliance and reduce administrative burdens. These platforms are being expanded to cover a wider range of taxpayers, including small and medium-sized enterprises and informal actors. The Government is also investing in digital procurement and expenditure tracking systems to enhance transparency and reduce leakages.

49. Public financial management reforms have been focused on improving budget transparency, expenditure efficiency and debt sustainability. Tunisia has adopted a framework budget law and is operationalizing performance-based budgeting across ministries. A national treasury agency is being created to centralize debt management and improve fiscal forecasting. The Government is also working to publish audited financial statements for State-owned enterprises and implement governance reforms to reduce contingent liabilities and improve service delivery.

50. Savings mobilization is another priority and is being carried out in particular through efforts to enhance financial inclusion and mobilize institutional savings. The country's programme to modernize the financial sector includes initiatives to expand access to savings products through mobile banking, microfinance and cooperatives. Pension and insurance reforms are being designed to channel long-term savings into productive investments. However, household savings remain low, and trust in financial institutions is fragile, requiring sustained efforts in financial literacy and consumer protection.

51. Capital market development is progressing gradually. The Financial Market Council has issued guidelines for green, social and sustainability bonds, and the Tunis Stock Exchange is preparing for future green bond issuances. While the Government has not yet tapped green bond markets, technical groundwork is being laid to support future instruments. The country is also exploring ways to deepen domestic bond markets and attract institutional investors, including pension funds and insurance companies, to finance infrastructure and climate adaptation projects.

52. These strategies reflect the country's commitment to building a more resilient and inclusive fiscal architecture. Continued reform momentum, coupled with political stability and private sector engagement, will be essential to unlocking the full potential of domestic resource mobilization.

H. Challenges and opportunities to enhance domestic resource mobilization in North Africa

53. North African countries face a complex array of challenges that limit their ability to generate sufficient domestic revenue to finance inclusive and sustainable development. These challenges stem from structural constraints, weak institutional capacity and fragile political environments that undermine efficient taxation and effective fiscal governance.

54. A major common hurdle is the prevalence of large informal economies across the subregion. In many North African countries, informal employment accounts for well over half of total labour activity, making it difficult for Governments to track and tax economic transactions. Informal businesses often operate outside the legal and regulatory systems, resulting in low levels of tax registration, poor compliance and limited revenue from personal and corporate income taxes. Tax authorities face additional constraints owing to outdated systems, fragmented databases and manual administrative processes. Without sufficient digital tools or data analytics capabilities, these institutions struggle to perform risk-based audits or to enforce compliance effectively.

55. Low tax-to-GDP ratios remain a pressing issue. Countries such as Egypt, Libya, Mauritania and the Sudan collect less than 15 per cent of GDP in taxes,[15] which is significantly below international benchmarks and inadequate to finance core public services. Many countries rely heavily on trade taxes and resource rents, creating volatility in revenue flows and exposing them to external shocks. Moreover, illicit financial flows, including tax evasion, smuggling, and mispricing in extractive industries, drain billions in potential revenue from domestic resources. Weak enforcement of transfer pricing rules and limited transparency in natural resource management exacerbate this loss.

56. Limited financial inclusion is another widespread challenge. Despite progress, significant difficulties remain, and inequalities between and within North African countries are making it difficult to ensure universal financial inclusion in the subregion. Across North Africa, large segments of the population – especially rural households, women and informal sector workers – remain outside the formal financial system. Limited access to banking services and savings products restricts the ability of individuals and institutions to accumulate capital and contribute to national investment. This also constrains efforts to develop domestic bond markets or mobilize long-term institutional savings from pensions and insurance schemes.

57. Overcoming these challenges will require a holistic approach. Key priorities include digitalizing tax administration, formalizing informal economic activity, reducing exemptions and investing in public financial management systems that enhance budget transparency and expenditure tracking. Financial inclusion initiatives and capital market development must be scaled up to mobilize savings and attract domestic investment. For such countries as the Sudan, restoring political stability and rebuilding institutional trust is essential before structural reforms can take root.

58. Climate finance can play a transformative role in helping North African countries to strengthen domestic resource mobilization. Climate finance provides Governments with access to international funding and technical assistance, thereby enabling them to improve their fiscal and institutional frameworks. Climate finance can also support the development of carbon pricing systems and green taxes, helping Governments to generate income from environmental initiatives while encouraging eco-friendly behaviour.

59. Mauritania faces climate finance needs that amount to 59 per cent of its GDP,[16] requiring such innovative approaches as environmental taxation and carbon markets to mobilize resources. The Sudan, with needs at 7 per cent of GDP,[17] can benefit from climate-smart agricultural initiatives and reforms that enhance its fiscal resilience. Egypt and Morocco, both with relatively lower climate finance needs, can harness opportunities in renewable energy and public-private partnerships to strengthen domestic finances.

60. Digitalization can revolutionize the manner in which North African countries mobilize their domestic resources by enhancing efficiency, transparency and inclusiveness in public finance systems. Advanced data analytics and artificial intelligence can help to detect tax evasion, broaden the tax base and improve overall compliance. Given the large informal economies that are present in North Africa, mobile payment platforms can provide an effective solution by simplifying tax processes and encouraging participation from remote and underserved communities.

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[15] African Union and others, *Revenue Statistics in Africa 2024.*

[16] Sandra Guzmán and others, "The state of climate finance in Africa: climate finance needs of African countries", Climate Policy Initiative, 2022.

[17] Ibid.

61. E-procurement platforms and digital audits can reduce leakages and corruption, while digital budgeting tools allow for more accurate fiscal forecasting and planning. Powerful digital tools can be leveraged to tackle illicit financial flows. Governments can monitor cross-border transactions more effectively and collaborate regionally to curb money-laundering and tax avoidance.

62. North African Governments can unlock greater non-tax revenue potential by aligning instruments with their unique assets and administrative structures. This hinges on tailoring revenue instruments to each country's distinct economic assets and governance frameworks. A one-size-fits-all model does not work in a region marked by diverse resource endowments, institutional capacities and administrative systems.

63. Such resource-rich countries as Algeria and Mauritania can focus on royalties from mining and hydrocarbons. Mauritania has successfully leveraged fishing licences and iron ore royalties, aligning its revenue instruments with its maritime and mineral wealth. By contrast, such resource-scarce countries as Morocco and Tunisia may rely more on administrative fees, dividends from State-owned enterprises and tourism-related charges. Morocco, for example, collects substantial non-tax income from entry fees to cultural sites and public service charges, reflecting its strong tourism sector and relatively advanced administrative infrastructure.

64. South-South cooperation and capacity-building are powerful methods for helping African countries to strengthen domestic resource mobilization by fostering peer learning, technical exchange and institutional development. Regional collaboration and South-South knowledge exchanges amplify these efforts, allowing peers to share lessons and pool resources across borders. For example, Egypt, Libya and the Sudan share the same source of tax law. Since 2020, the Egyptian Tax Authority has shared its experience in modernizing and developing the taxation system with authorities in both Libya and the Sudan. Such support helped the Sudan to generate income from withholding tax and develop an annual tax return for strategic economic sectors. It helped Libya to establish centres for managing large taxpayer payments and to restructure the Libyan Tax Authority.

65. Capacity-building is equally vital. Through capacity-building, Governments gain the skills required to improve tax administration, broaden revenue sources and curb illicit financial flows. It provides the foundation for Governments to strengthen their fiscal systems and increase public revenue sustainably.

66. One main focus of capacity-building is the improvement of tax administration. This entails training tax officials on compliance and audit procedures and on ways to reinforce legal frameworks to close loopholes.

67. Illicit financial flows pose a significant threat to the subregion's economic stability, draining billions in potential public resources each year. Capacity-building initiatives that are focused on strengthening enforcement of customs and taxation regulations, enhancing data analysis capabilities and improving cross-border cooperation can help to address this challenge.

III. Fortieth session of the Intergovernmental Committee of Senior Officials and Experts for North Africa

A. Objectives

68. The central aim of the session is to provide a platform for peer learning among senior officials and experts to deliberate and formulate actionable policy recommendations that can help North African countries to enhance domestic resource mobilization, in line with the objective of achieving the Sustainable Development Goals by 2030.

69. Participants will also discuss the results achieved and the future work programme of the Subregional Office, review the economic situation and prospects of the subregion and determine the actions that are needed, where relevant to the development priorities of North African countries, to accelerate progress towards attainment of the Goals.

B. Expected results

70. It is expected that participants at the fortieth session of the Intergovernmental Committee of Senior Officials and Experts for North Africa will:

(a) Assess and discuss the current status of and advancements in domestic resource mobilization across North African countries, with particular emphasis on the role of innovation, digital transformation and technology in strengthening the mobilization of domestic resources in support of achieving the Goals by 2030;

(b) Identify strategic policy measures and targeted responses designed to strengthen domestic resource mobilization efforts and fast-track sustainable and inclusive development throughout the subregion;

(c) Review the statutory reports from the Subregional Office, along with its accomplishments and planned interventions, and the future work of the Economic Commission for Africa in support of its members.

71. A report on the outcome of the fortieth session will be prepared for submission to the Conference of African Ministers of Finance, Planning and Economic Development at its 2026 session.

C. Organization and operational details

72. The fortieth session of the Intergovernmental Committee of Senior Officials and Experts for North Africa will be held in plenary sessions, during which reports and papers drawn up by the Subregional Office will be presented and discussed. The draft version of the final report will be sent to participating members of ECA within one month of the closure of the session.

1. Participation

73. Participation is open in particular to high-level representatives of national ministries, administrations and institutions responsible for planning and economic and social development, finance, employment, trade and industry, agriculture and the environment.

74. Representatives of the general secretariat of the Arab Maghreb Union and other regional intergovernmental organizations based in North Africa, representatives of civil society and the private sector, representatives of universities and research institutions, representatives of United Nations agencies and other development partners can participate as observers.

2. Date and place

75. The session will be held from 11 to 13 November 2025, in Rabat.

3. Working languages

76. Arabic, English and French will be the working languages of the session.

4. Contacts

77. Further information may be obtained from the following officials of the Subregional Office.

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