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Item 5 of the provisional agenda*
Review of the implementation of regional and international development agendas and special initiatives in North Africa

Progress towards

Sustainable Development Goal 8: achieving inclusive and sustainable economic growth and decent work in North Africa

* ECA/SRO-NA/ICSOE/40/1.

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Executive summary

1. With an overall score of 64.8 out of 100 on the 2025 Sustainable Development Goals Index, North Africa has performed best among the five subregions in Africa. However, the score declined marginally from 65.2 in 2024, indicating that limited progress has been made in achieving some Goals and that the extent of progress varies among countries and across Goals. Multiple global crises, climate change issues and difficulties in financing development have severely affected progress. A decade after the adoption of the 2030 Agenda for Sustainable Development and despite efforts made, progress remains mixed. Positive trends have been observed in some areas, while progress is lagging in others, confirming that progress towards the attainment of the Sustainable Development Goals overall is still off-track in the subregion, reflecting a similar trend at the global level.

2. An analysis of progress towards Goal 8 shows that the subregion is not on track to achieve the Goal and is losing ground or stagnating with regard to several Goal targets. North African countries have made some progress in terms of access to financial services but have struggled to overcome long-standing challenges to ignite economic growth, increase labour productivity and create decent work opportunities.[1] Labour productivity is generally low, while growth in that area has been limited in recent years, with significant disparities within the subregion. The employment situation is critical, characterized by a high structural unemployment rate and low labour participation, in particular among young people. The informal employment rate is also high, with an underdeveloped private sector and limited capacity in the public sector to meet demand for employment owing to budgetary constraints.

3. Low performance in reaching Goal 8 is severely affecting the achievement of other Goals, constraining efforts to end poverty (Goal 1), reduce inequality (Goal 10), ensure good health and well-being (Goal 3) and achieve gender equality (Goal 5) and limiting investment in important sectors. This low performance is a result of structural challenges, including macroeconomic instability, high debt levels, climate shocks, political tension, high export concentration and low regional integration. Engaging in economic diversification and developing sectors that are sustainable, inclusive and productive will help to improve performance. A holistic and integrated approach to development is needed to unlock the full potential of Goal 8 and ensure a sustainable future for all.

4. To accelerate the attainment of Goal 8, North African countries need to: (a) pursue fiscal and regulatory reforms and mobilize sufficient financial resources, including through better domestic resource mobilization and public-private partnerships; (b) invest in high value added sectors that create decent jobs and foster economic diversification; (c) improve the quality of education and develop vocational training programmes; and (d) promote private sector development and formalize the informal sector. In addition, an integrated approach, combining training, job matching and financial support, is needed to promote innovation and boost employment among young people. Digital transformation is a critical accelerator for the achievement of Goal 8 and has immense potential for reducing inequality and creating decent jobs. Finally, fostering collaboration between countries and with other African countries is essential for accelerating progress.

5. The present report provides an assessment of progress made in the subregion in achieving the Goals, with a particular focus on Goal 8, on decent work and economic growth.

[1] As a result, the updated objective of the Subregional Office for North Africa is to help to create an enabling environment for accelerated and inclusive growth and sustainable development in North Africa through strengthened economic diversification, fiscal management, regional integration and a better recognition of migrant workers' economic contributions. Much of the work of the Office is focused on issues faced by middle-income countries.

The report is divided into three sections. The first section contains a summary of the overall progress made in the subregion in achieving the Goals in 2025. The second section provides a review of the progress made by North African countries in achieving Goal 8, including an assessment of existing policies and initiatives to achieve sustained and inclusive growth and of challenges and opportunities to achieve such growth. Selected indicators of the Goal 8 targets are used to measure progress in attaining the Goal. The third section provides policy recommendations for achieving Goal 8.

I. Progress in achieving the Sustainable Development Goals

6. North African countries achieved an overall score of 64.8 out of 100 on the Sustainable Development Goals Index in 2025. While the subregion has the highest score of all subregions on the continent, with East Africa having the lowest score (53.7), the score declined from 65.2 in 2024 (see table 1), reflecting limited progress in attaining some Goals and significant disparities among countries. A decade after the adoption of the 2030 Agenda for Sustainable Development and despite efforts made by North African Governments to accelerate implementation of the 2030 Agenda, progress remains mixed, as some countries show positive trends in specific areas while others lag behind. This confirms that progress in attaining the Goals is still off-track in the subregion, echoing a similar trend at the global level.

Table 1
Average aggregate scores of the Sustainable Development Goals Index, by subregion

	2022	*2023*	*2024*	*2025*
North Africa	64.2	64.9	65.2	64.8
Southern Africa	57.7	58.3	59.3	59.4
West Africa	55.1	53.2	54.5	58.0
Central Africa	51.8	57.0	57.6	55.2
East Africa	52.7	52.6	53.2	53.7

Source: Author calculations based on data from Jeffrey D. Sachs and others, *Financing Sustainable Development to 2030 and Mid-Century: Sustainable Development Report 2025* (Paris, Sustainable Development Solutions Network; Dublin, Dublin University Press, 2025).

7. Tunisia is the best performing country in the subregion and in Africa, with the highest score on the continent (72.0) and ranked 66th out of 167 countries globally. This is followed by Morocco, with a score of 71.7. Algeria scored 70.1, which is slightly higher than Egypt, with a score of 68.1. Mauritania and the Sudan are ranked low, in 132nd and 161st place, respectively, as they both scored under 60 (see table 2). At the global level, Finland ranked first, with a score of 87.0, followed by Sweden and Denmark, and the top 10 countries are all in Europe. However, even these countries face substantial challenges, and progress in attaining the Goals is far off-track around the world. In terms of the global average, none of the 17 Goals will be achieved by 2030. Structural challenges, limited fiscal space and conflicts impede progress in many parts of the world. In particular, progress is off-track in reaching Goal 2 (zero hunger), Goal 11 (sustainable cities and communities), Goal 14 (life below water), Goal 15 (life on land) and Goal 16 (peace, justice and strong institutions), as countries are facing major challenges in those areas and are showing no or very limited progress.

8. Among the seven countries in North Africa, four (Algeria, Egypt, Morocco and Tunisia) achieved a score higher than 66, or two thirds of the total score. The variation in scores among these four countries is relatively modest, with a difference of approximately four points between the highest ranked country (Tunisia) and the last ranked country (Egypt) of the four. Mauritania and the Sudan scored below the subregional score. These findings indicate that there are disparities among the countries and that each country is facing contextual challenges, highlighting the need for accelerated efforts to address specific gaps and challenges within each country and to collaborate and develop innovative solutions to boost performance in achieving the Goals across the subregion.

Table 2
Aggregate scores and rankings in the 2025 Sustainable Development Goals Index, by country

	Score	*Ranking*
Algeria	70.1	79
Egypt	68.1	91
Mauritania	57.9	132
Morocco	71.7	68
Sudan	49.1	161
Tunisia	72.0	66

Source: Author calculations based on data from Jeffrey D. Sachs and others, *Financing Sustainable Development to 2030 and Mid-Century: Sustainable Development Report 2025* (Paris, Sustainable Development Solutions Network; Dublin, Dublin University Press, 2025).

Note: Data for Libya are not available.

9. The 2025 Index reveals a mixed picture in terms of progress made in achieving the 17 Goals in the subregion. However, there are common challenges. Positive trends are observed in some areas, in particular no poverty (Goal 1), good health (Goal 3), affordable and clean energy (Goal 7), environmental sustainability (Goal 13) and partnerships (Goal 17). Significant concerns remain in achieving food security (Goal 2), in particular in areas related to sustainable agriculture, in addition to challenges related to the quality of education (Goal 4), water scarcity (Goal 6), gender equality (Goal 5), inclusive and sustainable economic growth (Goal 8) and reduced inequality (Goal 10).

10. Overall, among the seven countries, scores for each of the 17 Goals reveal that challenges are still widespread. More than half of those scores indicate that major challenges (labelled as “D” in table 3) or significant challenges (labelled as “C”) remain. Only Goals 1 (no poverty), 10 (reduced inequality) and 13 (climate action) contain scores that indicate that some countries have achieved the Goals (labelled as “A”). Algeria has achieved Goals 1 and 10, and Mauritania, Morocco, the Sudan and Tunisia have achieved one Goal each. Egypt and Libya, however, have not made sufficient progress to achieve any of the Goals.

Table 3
Progress thresholds in the 2025 Sustainable Development Goals Index, by country

	Algeria	*Egypt*	*Libya*	*Mauritania*	*Morocco*	*Sudan*	*Tunisia*
Goal 1	A	B	..	C	B	D	A
Goal 2	C	D	D	D	C	D	D
Goal 3	C	D	D	D	D	D	C
Goal 4	D	C	..	D	C	D	C
Goal 5	D	C	D	D	D	D	D
Goal 6	C	C	D	D	C	D	C
Goal 7	D	C	D	D	D	C	D
Goal 8	D	D	D	D	D	D	D
Goal 9	C	C	C	D	C	D	C
Goal 10	A	C	..	B	C	C	C
Goal 11	C	D	C	D	C	D	B
Goal 12	B	B	C	B	B	B	B
Goal 13	C	B	D	A	A	A	B
Goal 14	C	D	D	D	D	D	D
Goal 15	D	D	C	D	D	D	D
Goal 16	D	D	..	D	D	D	D
Goal 17	C	C	C	C	B	D	B

Source: Author calculations based on data from Jeffrey D. Sachs and others, *Financing Sustainable Development to 2030 and Mid-Century: Sustainable Development Report 2025* (Paris, Sustainable Development Solutions Network; Dublin, Dublin University Press, 2025).

Note: A, Goal achieved; B, challenges remain; C, significant challenges remain; D, major challenges remain.

11. Over the past five years, the subregional score has stagnated as a result of challenges at the continental and international levels, in addition to an escalating climate crisis that has had a negative impact on progress in attaining the Goals. North African countries also face difficulties in meeting the financing needs for achieving all Goal targets by 2030, highlighting the need for more efforts to mobilize sufficient innovative and alternative financial resources and to increase collaboration across the subregion. It is therefore important for each country to look beyond its overall score and to identify, for each Goal, its challenges and strengths in making progress in order to take proper action.

II. Progress in the attainment of Sustainable Development Goal 8

12. Goal 8 is aimed at promoting sustained, inclusive and sustainable economic growth, along with full and productive employment and decent work for all, without harming the environment. As part of reaching the Goal, emphasis is also placed on the importance of achieving universal access to banking and financial services and improving efficiency in the management of resources for the purposes of consumption and production to decouple economic growth from environmental degradation.

13. Goal 8 contains strong links to several other Goals, as it is critical to the achievement of other Goals. Achieving Goal 8 is crucial for eliminating poverty (Goal 1), ensuring good health and well-being (Goal 3) and reducing inequality (Goal 10). Conversely, progress in other areas, such as quality education (Goal 4), gender equality (Goal 5), clean energy (Goal 7) or

industry, innovation and infrastructure (Goal 9), is essential for realizing the full potential of Goal 8 and fostering inclusive and sustainable development.

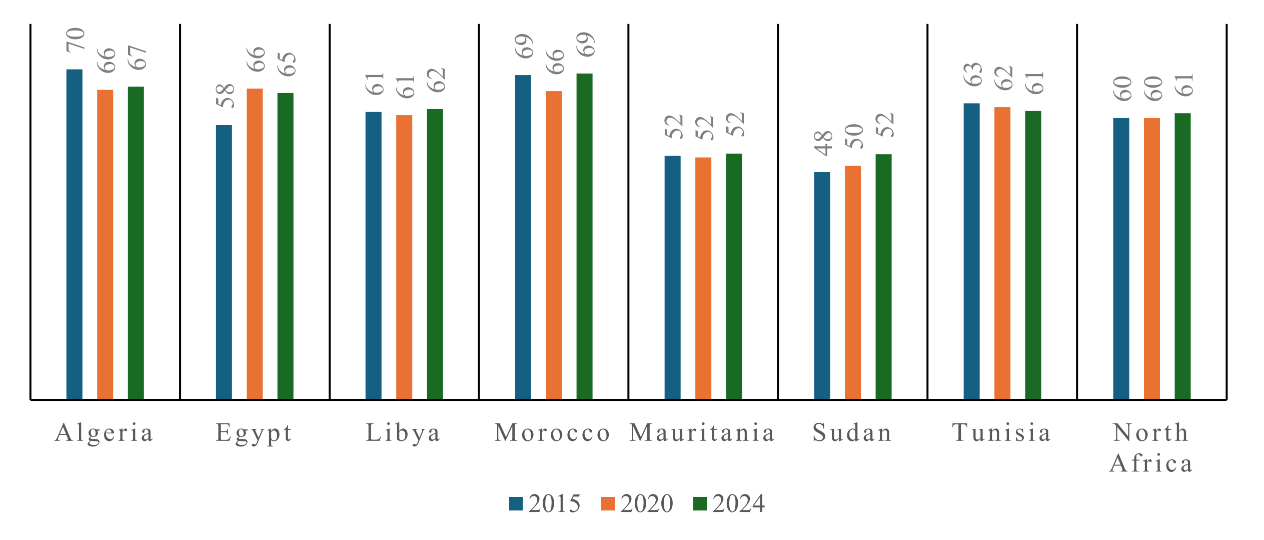
14. In addition, Goal 8 is closely aligned with Goals 1 (a high standard of living, quality of life and well-being for all citizens), 4 (transformed economies and job creation), 5 (modern agriculture for increased productivity and production) and 7 (environmentally sustainable and climate-resilient economies and communities) of Agenda 2063: The Africa We Want, of the African Union.

15. According to the 2025 *Sustainable Development Report*, progress made by North African countries in attaining Goal 8 has not met expectations. There are positive trends in relation to some Goal 8 targets, but low performance is observed for the majority of them. Since 2015, the scores for Goal 8 in the subregion have stagnated, indicating significant challenges in attaining the Goal. With just five years left to fulfil the 2030 Agenda, Goal 8 remains one of the Goals for which progress is most off-track in North Africa and on the continent. Although modest gains have been made, including increased access to financial services, progress has stagnated or regressed in such critical areas as economic growth, equality, youth employment, formal employment and economic diversification. This limited progress is a result of structural challenges, including macroeconomic instability, high debt levels, climate shocks, political tension and limited regional integration.

16. For all seven countries in the subregion, the Goal 8 scores for 2025 are below the global average of 73. Morocco has the highest score (69) in the subregion, progressing at a slow pace, while Mauritania and the Sudan have the lowest scores (52) (see figure I). The subregion is losing ground as progress in reaching several critical targets is stagnating, and no country is on track to achieve Goal 8 by 2030. North African countries have struggled to overcome long-standing socioeconomic challenges and diversify their economies. Since the coronavirus disease (COVID-19) pandemic, the situation has worsened as a result of rising debt, low domestic financial resources, climate change issues and political instability, which hinder economic growth and increase existing inequalities.

17. The section below provides an assessment of progress made in specific areas under Goal 8, using selected indicators of Goal 8 targets to measure the progress.

Figure I
Scores for Sustainable Development Goal 8



Source: Author calculations based on data from Jeffrey D. Sachs and others, *Financing Sustainable Development to 2030 and Mid-Century: Sustainable Development Report 2025* (Paris, Sustainable Development Solutions Network; Dublin, Dublin University Press, 2025).

A. Economic growth, technology and economic diversification

1. Indicator 8.1.1. Annual growth rate of real gross domestic product per capita

18. North African countries have been navigating the challenges of needing to boost economic growth in an uncertain international context and having to make difficult decisions to secure macroeconomic stability and finances. Against a backdrop of multiple crises, it has been extremely difficult for North African countries to achieve inclusive and sustainable growth and thereby improve well-being and reduce inequality. This limited progress is reflected in the adjusted gross domestic product (GDP) growth index.[2] North African countries are not performing well in this regard. Except for Egypt, with a score of 71.57, and Mauritania, with a score of 65.85, all countries had a score of less than 55.00 in 2023, reflecting substantial difficulties in achieving sustainable and inclusive economic growth. Major challenges remain for the subregion, especially for Libya and the Sudan, which had the lowest scores in the subregion, at 25.25 and 3.97, respectively (see table 4).

19. Between 2015 and 2024, the average annual GDP per capita growth rate was low in the subregion, at 0.11 per cent. Libya recorded the highest annual growth rate of real GDP per capita, increasing from 2.0 per cent in 2000 to 8.9 per cent in 2023. By contrast, the rate in the Sudan declined from 3.4 per cent to -21.2 per cent during the same period as a result of the war.[3]

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[2] The index measures the growth rate of GDP adjusted according to income levels. It provides a holistic view of economic progress and enables a better understanding of individual living standards as it reflects the level of inclusivity and sustainability of economic growth. The long-term objective for countries is a value of 100.
[3] World Bank, "GDP per capita growth (annual %)", World Development Indicators database. Available at https://data.worldbank.org/indicator/NY.GDP.PCAP.KD.ZG (accessed on 25 June 2025).

20. The low performance of North African countries and the difficulties in recovering after multiple international crises are due to the low degree of diversification in trade, which makes the countries more susceptible to external shocks. The market concentration index[4] listed for North African countries in table 4 reflects the limited diversification of trade in the subregion. Egypt has the lowest concentration index (0.03) in the subregion, reflecting more diversification in its trade markets, in comparison with, for example, the Sudan (0.28), which has limited diversification.

Table 4
Adjusted gross domestic product growth index and market concentration index

	Adjusted gross domestic product growth index[a]	*Market concentration index*[b]
Algeria	51.60	0.08
Egypt	71.57	0.03
Libya	25.25	0.11
Morocco	49.57	0.08
Mauritania	65.85	0.12
Sudan	3.97	0.28
Tunisia	53.51	0.12

Source: "SDG 8 indicator: adjusted GDP growth index", Sustainable Development Goals Index dashboard. Available at https://dashboards.sdgindex.org/map/indicators/adjusted-gdp-growth-index/; and World Bank, "Middle East and North Africa Trade", World Integrated Trade Solution. Available at https://wits.worldbank.org/CountrySnapshot/en/MEA (accessed on 25 June 2025).

[a] Data for the adjusted gross domestic product growth index are for 2023. The long-term objective for countries is to reach a value of 100.

[b] Data for the market concentration index are for 2022. A value of 0 indicates high trade diversification, while a value of 1 signifies very limited trade diversification.

2. Indicator 8.2.1. Annual growth rate of real gross domestic product per employed person

21. As shown in table 5, labour force productivity[5] in all North African countries remains lower overall than the global average. Real labour productivity growth stagnated in 2015 and was highly affected by the COVID-19 pandemic in 2020, resulting in a decline in the seven countries. The annual growth rate of output per worker in Mauritania, Morocco, Tunisia and the Sudan dropped to negative numbers in 2020, while Libya had a very high negative growth rate, at -58.3 per cent, owing to the instability in the country.

22. A positive trend in labour productivity growth for all North African countries in 2025 indicates some recovery. Libya, with a projected rate of 11 per cent, is estimated to be the best

[4] The market concentration index is a measure of the dispersion of trade value across an exporter's partners. A country with trade (exports or imports) that is concentrated in very few markets will have an index value close to 1. A country with a greatly diversified trade portfolio will have an index close to 0. More information can be found at https://wits.worldbank.org/CountryProfile/en/country/by-country/startyear/ltst/endyear/ltst/indicator/HH-MKT-CNCNTRTN-NDX.

[5] Labour force productivity is measured by the total volume of output (measured in terms of GDP) produced per unit of labour (measured in terms of the number of employed persons or hours worked) during a given time reference period.

performing country, followed by Morocco (2.4 per cent) and Egypt (2.2 per cent). Mauritania (1.0 per cent), Algeria (1.9 per cent) and Tunisia (0.6 per cent) are expected to experience a slow increase while remaining below the global average of 2.2 per cent.

Table 5
Annual growth rate of output per worker
(Percentage of gross domestic product per unit of labour; in constant 2021 international dollars using purchasing power parity rates)

	Algeria	*Egypt*	*Libya*	*Mauritania*	*Morocco*	*Sudan*	*Tunisia*	*World*
2005	0.3	0.5	8.8	6.3	1.2	3.7	0.7	2.7
2010	1.7	-0.3	1.8	-0.4	2.9	3.7	0.8	3.8
2015	3.3	4.8	-2.2	3.6	3.8	-0.8	1.4	2.0
2020	2.0	3.0	-58.3	-1.9	-3.4	-3.2	-3.6	-1.0
2025	1.9	2.2	11.0	1.0	2.4	..	0.6	2.2

Source: International Labour Organization, “Statistics on labour productivity”, ILOSTAT database. Available at https://ilostat.ilo.org/topics/labour-productivity/ (accessed on 25 June 2025).

23. Labour productivity in North Africa is generally low, while labour productivity growth has been limited in recent years, with significant disparities among the countries in the subregion. This low performance is due to structural challenges such as reliance on low-productivity sectors (for example, agriculture), the mismatch between people’s skills and education levels on the one hand and needs in the labour market on the other, large informal sectors and labour market rigidities, along with challenges in accessing finance and limited investment in training and professional education.

24. To increase labour productivity, North African countries need to adopt an integrated approach, with a focus on, for example, improving the quality of education and promoting training, improving labour regulations, investing in human capital and boosting private sector participation. In addition, it is essential for countries to implement policies that foster private sector dynamism and investment in high value sectors (for example, manufacturing) and encourage innovation and technological transition.

25. North African economies have suffered as a result of a lack of structural transformation and low industrialization, with the agriculture sector being one of the largest sources of wealth creation. Investments are increasingly concentrated in importers of large quantities of intermediate goods and services, such as in the building and construction sectors or mechanical and electrical industries.

26. Major reforms are under way in North African countries to increase labour productivity. For example, through its national programme for structural reform, Egypt aims to develop skills, promote female labour force participation and expand social benefit programmes. Moreover, through its national strategy for industrial development, Egypt seeks to enhance the value addition of goods and services in certain priority industrial sectors. Morocco also adopted measures to increase access to finance, extend social insurance coverage and reduce the dominance of the informal sector, which is characterized by low wages and poor-quality jobs.

3. Indicator 8.3.1. Proportion of informal employment in total employment, by sector and sex

27. The informal economy constitutes a significant share of the labour market in North African countries and plays a major role in production, job creation and income generation. About two thirds of workers in North Africa operate without any formal arrangement and social protection, and 30 per cent of GDP is estimated to be produced by informal workers and firms.[6]

28. In 2024, informal employment comprised more than 62.8 per cent of all jobs in the subregion, putting workers at a high risk of vulnerability. This rate is higher than the global average of 57.85 per cent and lower than the continental average of 83.1 per cent.[7] Such sectors as agriculture, fisheries and construction tend to have higher rates of informal employment. In Tunisia, for example, the proportion of informal employment to total employment is estimated to be about 44 per cent.[8] In Morocco, between 60 and 80 per cent of the working population is engaged in informal activities.[9] In Egypt, it is 62.5 per cent of the working population.[10]

29. The high levels of informal work in North African countries can be attributed to the high number of low-skilled workers and large populations of young people (as the probability of being an informal worker is particularly high among young adults), as well as tax systems, business environments and institutional and regulatory frameworks that contain policy distortions and encourage many firms and workers to operate in the informal sector.[11] Removing these barriers and policy distortions may lead to a reduction in the informal sector and improve productivity levels. In Algeria, Egypt and Tunisia, an increase in public sector jobs contributed to reducing informal employment, while improved business regulations, governance and tax systems helped to reduce informal work in Egypt, Mauritania and Morocco.

B. Full and productive employment and decent work

30. The employment situation is critical in the subregion, characterized by a high structural unemployment rate and low labour participation, in particular among young people. The informal employment rate is also high. Employment rates in the private sector remain below expectations. In the public sector, budgetary constraints limit the capacity to meet demand for employment.

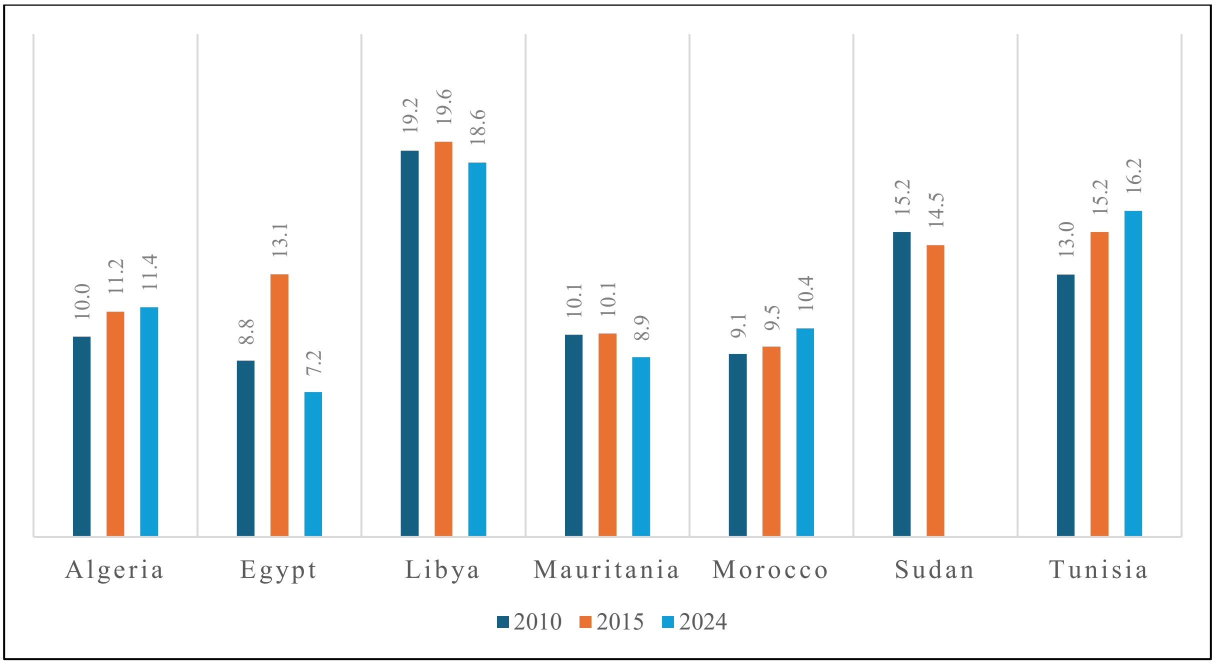
1. Indicator 8.5.2. Unemployment rate, by sex and age

31. The unemployment rate in the subregion is high, standing at 12 per cent in 2024 compared with 5 per cent at the global level.[12] Since 2010, unemployment has been increasing overall (see figure II). While the unemployment rate decreased from 13.1 to 7.2 per cent in Egypt and

[6] Roberto Cardarelli and others, *Informality, Development, and the Business Cycle in North Africa*, Departmental Paper, No. 2022/011 (Washington, D.C., International Monetary Fund, 2022).
[7] International Labour Organization (ILO), "Overview of the informal economy in Africa". Available at www.ilo.org/sites/default/files/2025-02/Africa_Informality%20Regional%20statistical%20profile.pdf; and ILO, *World Employment and Social Outlook: Trends 2024* (Geneva, 2024).
[8] Gladys Lopez-Acevedo and others, *Informality and Inclusive Growth in the Middle East and North Africa* (Washington, D.C., World Bank, 2023).
[9] Morocco, Economic, Social and Environmental Council, "An inclusive approach to address informal economy in Morocco". Available at www.cese.ma/en/docs/une-approche-integree-pour-resorber-leconomie-informelle-au-maroc/.
[10] Lopez-Acevedo and others, *Informality and Inclusive Growth in the Middle East and North Africa*.
[11] Cardarelli and others, *Informality, Development, and the Business Cycle.*
[12] Author calculations based on World Bank, "Unemployment, total (% of total labor force) (modeled ILO estimate)", World Development Indicators database. Available at https://data.worldbank.org/indicator/SL.UEM.TOTL.ZS (accessed on 10 July 2025).

from 10.1 to 8.9 per cent in Mauritania between 2015 and 2024, it increased from 9.5 to 10.4 per cent in Morocco and from 11.2 to 11.4 per cent in Algeria. Libya and Tunisia have the highest rates of unemployment, with 18.6 per cent and 16.2 per cent, respectively.

Figure II
Unemployment rate of North African countries
(Percentage of the total labour force)



Source: World Bank, "Unemployment, total (% of total labor force) (modeled ILO estimate)", World Development Indicators database. Available at https://data.worldbank.org/indicator/SL.UEM.TOTL.ZS (accessed on 10 July 2025).

Note: Data for the Sudan for 2024 are not available.

32. In all North African countries, there are large disparities between men and women in labour market participation. At 18.5 per cent, the unemployment rate of women in the subregion in 2024 was more than triple the global average of 5.2 per cent. It was also almost double that of men (10.0 per cent) in the subregion. Libya (24.8 per cent), Tunisia (21.9 per cent) and Algeria (20.8 per cent) had the highest rates of unemployed women (see table 6). North African countries are not on track to reduce high unemployment rates, in particular among young people and women, highlighting the need to move towards a more diversified economy and review the educational system to reduce the mismatch between offer and demand in the labour market.

Table 6
Unemployment rates of men, women and young people, 2024
(Percentage of the total labour force for each category)

Unemployment rate	*Algeria*	*Egypt*	*Libya*	*Mauritania*	*Morocco*	*Tunisia*	*Average for North Africa*
Women	20.8	18.0	24.8	10.5	15.0	21.9	18.5
Men	9.5	4.9	15.5	8.0	8.5	13.8	10.0
Young people (aged 15–24)	29.8	18.7	49.5	22.1	23.2	40.1	30.6

Source: World Bank, World Development Indicators database. Available at https://data.worldbank.org/indicator/ (accessed on 10 July 2025).

Note: Data for the Sudan are not available.

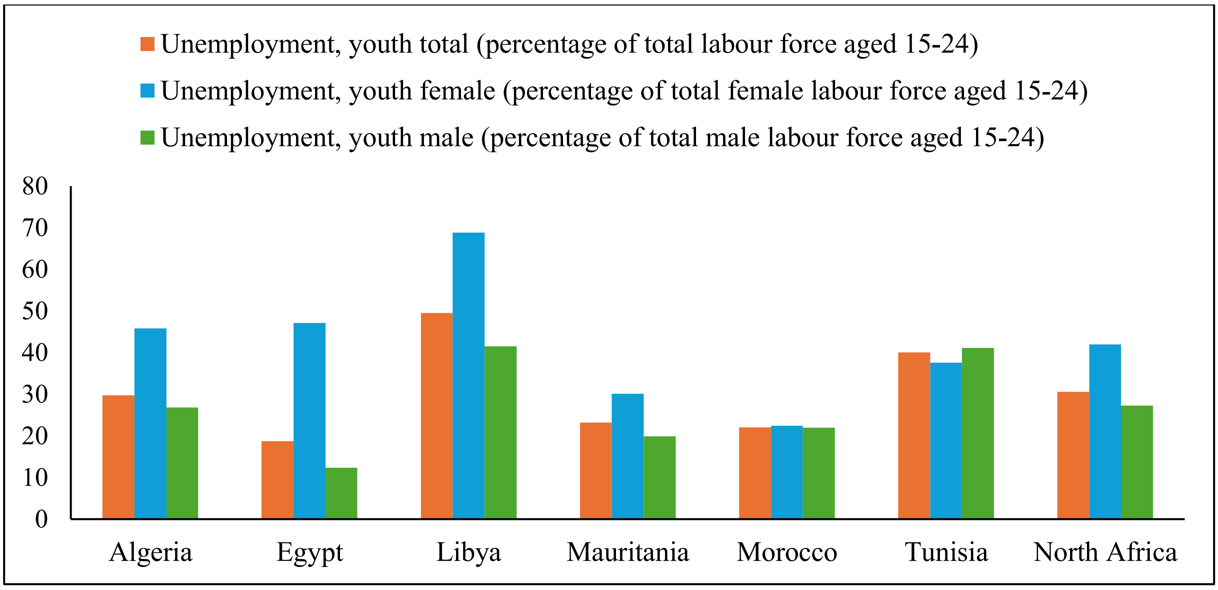
2. Indicator 8.6.1. Proportion of young people (aged 15–24) not in education, employment or training

33. The unemployment rate of young people in North Africa is among the highest in the world, with an average of 30.6 per cent, which is more than double the global level.[13] This high rate highlights the lack of economic opportunities for young people and confirms that unemployment remains a persistent challenge in the subregion.

34. The situation is particularly acute in Libya, Tunisia and Algeria, with a total youth unemployment rate of 49.5 per cent, 40.1 per cent and 29.8 per cent, respectively, in 2024. Young women are severely disadvantaged: the unemployment rate of young women in the subregion was 42.0 per cent in 2024, compared with 27.3 per cent for young men (see figure III). In all countries except Tunisia, the youth unemployment rate is higher among young women, reflecting an important problem of gender discrimination in the subregion.

[13] World Bank, "Unemployment, youth total (% of total labor force ages 15–24) (modeled ILO estimate)", World Development Indicators database. Available at https://data.worldbank.org/indicator/SL.UEM.1524.ZS (accessed on 10 July 2025).

Figure III
Unemployment rates of young people, 2024



Source: World Bank, World Development Indicators database. Available at https://data.worldbank.org/indicator/ (accessed on 10 July 2024).

Note: Data for the Sudan are not available.

35. The rate of young people who are not in employment, education or training is also high, with young women facing a significantly higher rate than young men. In 2024, the share of young women not in employment, education or training was higher than 30 per cent in all countries except Tunisia (20.9 per cent) and reached 62.9 per cent in the Sudan (see table 7). The continental average stood at 23.3 per cent.

36. Under target 8.6, countries are called upon to substantially reduce the proportion of young people not in employment, education or training. North African countries are not on track to achieve this target by 2030, reflecting the urgency of generating adequate employment opportunities for the next generation. Vocational training could provide a solution for young people who are not in employment, education or training and even unemployed higher education graduates. In Morocco, for example, vocational training has helped to meet the needs of the private sector in some sectors (more than 80 per cent of young people with a vocational training are employed in the construction and tourism sectors).

Table 7
Share of young population not in education, employment or training

		Algeria	*Libya*	*Egypt*	*Mauritania*	*Morocco*	*Sudan*	*Tunisia*
Share of young people (percentage of total young population)	2010	24.5	31.8	33.1	40.1	36.3	34.6	25.2
	2015	21.2	30.3	27.6	37.1	35.1	38.3	29.9
	2020	21.6	31.1	30.2	36.7	35.4	46.2	26.9
	2024	20.1	29.3	26.9	36.5	32.9	47.0	22.7
Share of young men (percentage of total young male population)	2010	10.8	24.3	15.6	24.9	17.0	20.1	19.4
	2015	10.9	24.1	19.8	23.6	16.5	24.7	27.5
	2020	12.5	25.5	17.1	24.6	17.6	31.7	27.7
	2024	10.5	23.6	15.3	24.5	15.0	31.3	24.4
Share of young women (percentage of total young female population)	2010	39.3	39.7	51.4	54.6	56.4	48.7	31.2
	2015	32.3	36.9	35.8	49.6	54.6	52.0	32.4
	2020	31.1	37.0	43.8	48.1	54.0	60.9	26.0
	2024	30.0	35.3	39.0	48.2	51.8	62.9	20.9

Source: World Bank, World Development Indicators database. Available at https://data.worldbank.org/indicator/ (accessed on 10 July 2025).

37. North African countries are undertaking significant reforms to develop technical and vocational training to address skills shortages in sectors with high demand for skilled labour, such as tourism, healthcare, technology and construction. In Tunisia, efforts are being made to overcome the skills gap problem and modernize an outdated training system. The country is working to internationalize its vocational training institutions to align training curricula with international standards and attract foreign investment. Algeria, Egypt, Mauritania and Morocco are developing vocational training programmes to strengthen the link between training and the demands of the labour market.

38. In North Africa, national strategies for youth employment, either as a stand-alone strategy or as part of a broader national employment strategy, are being developed, and various initiatives to tackle youth unemployment are being implemented. Morocco has various initiatives to provide financial support and training to young entrepreneurs to align with the needs of the labour market. Tunisia has initiatives to support start-ups and young entrepreneurs and reinforce vocational training and education to improve youth employability. Algeria, Egypt and Mauritania have national employment strategies that include specific measures targeting young people and focusing on skills development and entrepreneurship promotion. Libya is also working to promote youth employment through various programmes.

3. Indicator 8.9.1. Direct contribution of tourism to gross domestic product as a proportion of total gross domestic product and in growth rate

39. The tourism sector is a significant contributor to GDP and employment in most North African countries. According to the World Travel and Tourism Council, the sector contributed 6.8 per cent of the continent's total GDP in 2023, increasing by more than 13 per cent over 2022, and provided some 5 per cent of total employment.[14] The situation is similar in the

[14] World Travel and Tourism Council, "Africa – 2024 annual research: key highlights" (London, 2024).

subregion: the sector contributed almost 8.5 per cent of the total subregional GDP and supported 5.3 million jobs in 2023.[15]

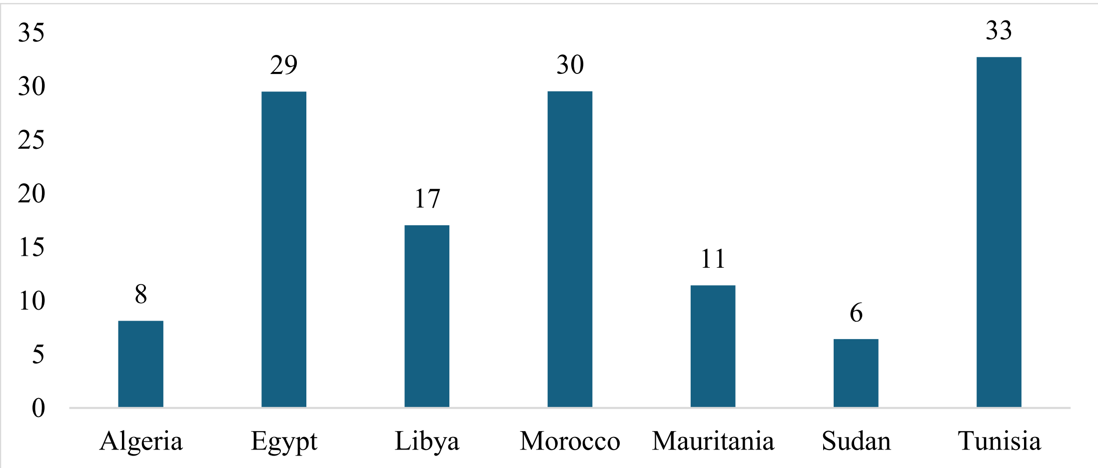
40. Egypt, Morocco and Tunisia have gained significant benefits from the development of their tourism sectors, which, in 2024, contributed 8.5 per cent, 7.3 per cent and 14.0 per cent, respectively, of GDP and provided 7.6 per cent, 5.0 per cent and 4.0 per cent, respectively, of employment, contributing to job creation in all three countries. In order to achieve target 8.9, which is to devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products by 2030, North African countries are called upon to put into place adequate tools and policies to increase the contribution of tourism to GDP in a manner that ensures sustainable and decent job creation.

C. Financial inclusion

1. Indicator 8.10.1. Number of commercial bank branches per 100,000 adults and number of automated teller machines per 100,000 adults

41. In the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, adopted in 2015, Heads of State and Government underscored the critical role of financial inclusion in sustainable development and called for the strengthening of domestic financial institutions and capital markets. In North Africa, significant progress has been made in expanding access to financial services. The density of bank branches and automated teller machines per 100,000 adults varies by country. Tunisia had the highest density of automated teller machines in 2022, approximately 33 per 100,000 adults, and was ranked eighth at the continental level, with Seychelles having the highest number of automated teller machines (93 per 100,000 adults) on the continent. In contrast, Algeria and the Sudan had the lowest number per capita, at 8 and 6 per 100,000 adults, respectively (see figure IV).

Figure IV
Automated teller machines (per 100,000 adults), 2022



Source: World Bank, "Automated teller machines (ATMs) (per 100,000 adults)", World Development Indicators database. Available at https://data.worldbank.org/indicator/FB.ATM.TOTL.P5 (accessed on 21 July 2025).

[15] World Travel and Tourism Council, "Travel and tourism: economic impact 2023 – North Africa", May 2023.

2. Indicator 8.10.2. Proportion of adults (15 years and older) with an account at a bank or other financial institution or with a mobile-money-service provider

42. In the subregion, almost 25 per cent of adults have an account with a formal financial institution, with Algeria leading at 44 per cent, followed by Morocco (39 per cent) and Tunisia (36 per cent). The rate is 15 per cent in the Sudan and 11 per cent in Mauritania. Egypt has the lowest rate, with 10 per cent. The world average is about 66 per cent.[16.]

43. Access to financial services has significantly increased in North African countries in recent decades. Many financial services are now offered to individuals and companies. New technology, such as mobile money and mobile transaction services, have also helped to expand access to financial services. However, large disparities remain, especially among vulnerable groups and rural populations.

44. The figures highlight the varying levels of financial access and infrastructure development across the subregion, which have been affected by population growth and technological progress. Despite some progress, significant inequalities between and within North African countries are observed, making universal financial inclusion difficult to reach in the subregion.

45. Overall, North African countries are not on track to achieve Goal 8 and are facing a number of challenges to achieving inclusive and sustainable economic growth, increasing labour productivity and improving employment levels, in particular among young people. Attention needs to be focused on aligning skills with labour market demands, formalizing the informal sector, reducing policy distortions (such as those engendered through labour market rigidity or regulatory burdens), increasing economic diversification and promoting private sector development.

III. Concluding remarks and policy recommendations

46. North Africa has made some progress in implementing Goal 8, but the progress has been uneven and below expectations owing to macroeconomic factors, environmental challenges and political instability in some countries. While positive developments are observed for indicators related to financial inclusion and better access to financial services, persistent, structural gaps and challenges remain.

47. Economic growth rates remain below expectations and are mainly driven by private and public consumption. Investment has remained concentrated in sectors with low value added and high importation of intermediate consumption products, rather than in sectors that would enable the creation of sustainable and decent jobs. In addition, low labour productivity and high levels of informal work, exacerbated by limited diversification and regulatory barriers, hamper the efforts of North African countries to achieve inclusive and sustainable growth.

48. High levels of unemployment, especially among young people, pose a major challenge for North African countries. It is indeed a structural problem caused by the lack of diversification, reliance on low-productivity sectors (such as agriculture and construction) and a mismatch between skills and the needs of the labour market. Some examples from countries have shown that vocational training can provide a solution to enable young people and even

[16] Pengyu Ren and others, "Financial inclusion, mobile money, and tax revenue in Africa", *Sage Open* (January–March 2025).

unemployed higher education graduates to gain employment or participate in education or training programmes.

49. These findings emphasize the need for accelerated action, collaboration and innovative solutions to ensure sustainable and inclusive development and inform future strategies, taking into account the context of each country. A holistic and integrated approach to development – including technical and vocational education and skills development, economic diversification, job creation initiatives, innovation and digital transformation – is needed to unlock the full potential of Goal 8 in North African countries. That involves, among other things:

a) Developing macroeconomic and sectoral strategies that are job centred, inclusive and climate resilient;

b) Strengthening domestic resource mobilization and leveraging innovative financing to finance projects with high value added by improving and modernizing tax administration and accelerating its digitalization;

c) Engaging in economic diversification and encouraging public and private sectors to innovate and develop high value added activities that are climate friendly;

d) Fostering private sector development and creating more incentives to develop highly productive business environments;

e) Removing policy distortions and binding regulatory and institutional frameworks to formalize the informal sector;

f) Tailoring educational policies and labour market interventions to reduce mismatches and enhance the alignment between skills demand and offer;

g) Developing vocational and technical education to reduce the skills gap and increase employment, education and training programmes;

h) Focusing on research and development and encouraging innovative and new methods to accelerate efforts to establish green economies;

i) Promoting financial inclusion through technological innovation;

j) Boosting innovation and employment opportunities for young people by supporting young people-led innovation hubs, expanding digital literacy and promoting education in the fields of science and technology;

k) Enhancing South-South cooperation and effectively implementing the Agreement Establishing the African Continental Free Trade Area for more diversified trade and better development of regional value chains.