



Economic Commission for Africa (ECA)

Sub-regional Office for North Africa

Intergovernmental Committee of Experts (ICE)

Thirty Third Meeting

Tunis, 30 October – 02 November 2018

**Summary of the ECA's activities in North Africa
(October 2017 – September 2018)**

Table of Contents

I. Introduction	1
II. Major Outcomes of the work program for the period under review	1
A. Major Outcome 1: Enhanced capacity of member States in the North Africa sub-region to formulate and implement national policies and strategies for sustainable employment creation	1
1. Youth employment and sustainable development in North Africa	1
2. Institutional quality and structural transformation of North African economies	2
3. Country profiles Egypt and Sudan and STEPS Morocco	3
B. Major Outcome 2: Enhanced capacity of member States and regional economic communities in the North Africa to implement sub-regional development priorities in accordance with both Sustainable Development Goals and Agenda 2063, given youth and gender concerns.	4
1. Coordination and partnerships at the sub-regional level supporting the achievement of SDGs in North Africa.	4
2. Monitoring SDG implementation in North Africa	5
3. Expanding the issue of regional value chains	5
4. Advisory Support	6
III. Special initiatives, interactions with head office divisions and strategic partnerships	8
A. Special initiatives	8
B. North African Development Forum: "Governance, Structural Transformation and Sustainable and Inclusive Development"	10
C. Interaction with Head Office divisions	11

D. Partnerships	12
1. Partnerships with the United Nations system and other development partners	12
2. Partnerships with Universities, Research Centers and think tanks	15
IV. Status of the implementation of ICE 32 recommendations	16
A. General recommendations	16
B. Regional Profile Recommendations	17
C. Recommendations relating to both development program 2030 and Agenda 2063	17
V. Challenges, lessons learned and perspectives	19
A- Reviving the ECA reform process	19
1. A new vision for an Africa autonomous and transformed	19
2. New area of specialization for the ECA Office for North Africa	19
B. About AMU	20

I. Introduction

1. This report provides an account of activities undertaken by the ECA Office for North Africa during the period from October 2017 to September 2018 (from ICE 2017 to ICE 2018). The time frame essentially covers the first year of implementation of the revised strategic framework for 2018-2019, drawn up by the Committee of Experts of the African Ministers' Conference held in Addis Ababa in May 2018, and also incorporates the Office's activities during the last quarter of 2017. For ease of reference, an identical homogeneous format was used for the entire period covered by the report.

2. Activities implemented were carried out in close consultation and collaboration with Member States, ECA Head Office divisions, other Sub-regional Offices and Regional Economic Communities (RECs) including the Arab Maghreb Union (AMU), United Nations system agencies and other partners.

II. Major Outcomes of the work program for the period under review

3. As part of a renewed vision, ECA Sub-regional Office for North Africa conceived a novel specialization strategy for the 2018-2019 biennium focusing on "Employment, skills and equitable development". The new strategic framework aims to help all seven member countries (Algeria, Egypt, Libya, Mauritania, Morocco, Sudan, Tunisia and Libya) design and implement policies and programs to promote job creation and balanced development towards structural transformation in line with both Agendas 2030 and 2063. This is achieved through two major outcomes: (a) Enhanced capacity of member States in the North Africa sub-region to design and implement national policies and strategies for sustainable employment creation; and (b) Enhanced capacity of member States and regional economic communities in the North Africa sub-region to implement sub-regional development priorities in accordance with both Sustainable Development Goals and Agenda 2063, given consideration to youth and gender concerns.

4. Activities carried out under the Office's work program are aimed at producing results to meet the priorities outlined above. Recommendations from previous meetings of the Intergovernmental Committee of Experts (ICE) as well as contributions from Member States, AMU and other partners also helped shape the scope of the Office's work throughout the period under review.

A. Major Outcome 1: Enhanced capacity of member States in the North Africa sub-region to formulate and implement national policies and strategies for sustainable employment creation

5. In contributing to this first major result, the Office focused on strengthening Member States' capacities in the field of employment by addressing the issue from a variety of angles: sustainable development, institutional consolidation, and provision of fundamental data for political and economic situation analysis by producing country profiles.

1. Youth employment and sustainable development in North Africa

6. The Office organized an expert meeting in October 2017 in Rabat under the theme "Youth employment and sustainable development in North Africa." Experts from departments in charge of employment, training and youth integration issues, representing six Member States (Algeria, Egypt, Mauritania, Morocco, Sudan and Tunisia), representatives of the AMU, regional and international organizations and academics as well as researchers in the field participated in this meeting.

7. A detailed study of youth employment and sustainable development in North Africa was presented at this meeting of experts. Study findings were discussed and validated by participants and member countries. Combining both quantitative and qualitative research methods, the study took stock of youth unemployment realities and measures taken by each country to stem it. The review was conducted in connection with the issue of sustainable development in the seven countries of the sub-region (Algeria, Egypt, Libya, Mauritania, Morocco, Sudan and Tunisia).

8. The meeting of experts provided an excellent venue to discuss topics such as: (i) opportunities and challenges related to the promotion of decent employment for youth in North Africa, (ii) evaluation of policies and programs for promoting youth employment, analyzing challenges and opportunities and identifying good practices, (iii) lessons learned from integration of youth employment policies into national development policies. Discussions were based on the presentation and discussion of national case studies.

9. Recommendations for youth employment and sustainable development in North Africa were articulated as an outcome to the meeting. In-depth recommendations were made on several complementary aspects including: the cross-cutting nature of youth employment, challenges of matching training with employment and capacity building, mediation roles of the State in labor markets, support and coaching mechanisms, the necessary adoption of human rights and gender equality approaches, monitoring and evaluation, financing mechanisms, entrepreneurship as well as the issue of the informal sector.

10. Additionally, as part of the 14th International Forum of the Tunisian Association of Economists entitled "Controversies and Challenges of Public Policy Evaluation", the Office prepared and presented a research paper on "Employment Opportunities for the Poor in Africa with Specific Emphasis on Youth". The paper was selected among the best and presented by the Office at the meeting of the Association of Tunisian Economists in June 2018 in Tunis (Tunisia).

11. In formulating its new strategic framework for 2018-2019, the Office is considering the implementation of a series of initiatives in relation to its new area of specialization. The Office will develop its own employment intervention strategy during the current biennium and will organize a regional forum on "skills, employment and balanced development" with the participation of the private sector (CGEM, UTICA, FCE etc.) and other stakeholders.

2. Institutional quality and structural transformation of North African economies

12. Growth in North Africa is often characterized as jobless. Slow structural transformation is one of the reasons for high unemployment, especially among young graduates. The effectiveness of institutions is also recognized as an important determinant of optimal resource allocation underpinning structural transformation.

13. In this regard, the Office carried out a study on the quality of institutions and its impact on efficient resource allocation for true structural transformation. Results of this study were presented and discussed at the regional meeting of experts held from 26 to 27 September 2018 in Rabat under the theme "Quality of institutions and structural transformation of North African economies". Experts from departments in charge of finance and administrative reform in six Member States (Algeria, Egypt, Mauritania, Morocco, Sudan, Morocco and Tunisia) attended the meeting. AMU representatives, the private sector, regional and international development organizations, as well as leading academics and researchers in the field also participated.

14. The event was an opportunity to highlight the structural transformation of North African economies and to develop a detailed definition and understanding of this process. Discussion of study findings led to (i) a better understanding of institutional impact on productive resource allocation, especially in situations where distortions are induced, thus directly affecting structural transformation outcomes, (ii) an assessment of capital/labor factor allocation problems in certain countries and (iii) a comprehensive assessment of data needs of national statistical systems in member countries to gain in-depth insight to allocation issues and their impact on total factor productivity.

15. The meeting of experts ultimately yielded policies for member countries to pursue to reduce the negative impact of distortions on production factor allocation. Participants identified institutional reform options for a better allocation of factors in North African economies. Possible expansions of the study were also identified both in terms of necessary reforms and in terms of assessing their potential impact.

3. Country profiles Egypt and Sudan and STEPS Morocco

16. The purpose of country profiles is (i) to enable ECA to conduct and disseminate country and regional analyses; (ii) to formulate economic transformation recommendations through the promotion of sustainable growth and social development; (iii) to strengthen regional integration, development planning and economic governance; and (iv) to analyze potential risks and propose avenues to mitigate them.

17. Country profiles are developed through continuous collection and harmonization of country data and information, aggregation of indicators for use by regional economic communities and trend analysis to generate timely forecasts. Production of country profiles is intended to have a catalytic effect in strengthening Member States' capacities of production and dissemination of statistics and economic policy analysis. It should also facilitate planning and policy development based on relevant data supporting a sub-region's development priorities.

18. Country profiles produced over the period from October 2017 to September 2018 cover Egypt (1) and Sudan (1). They examine economic growth, fiscal policy, inflation and monetary policy, current account and trade performance, foreign direct investment, demographics, poverty, employment, health, education and gender. In addition to assessing economic and social situations, profiles analyze policies pursued and challenges faced by countries on both the economic and social fronts, with a strong emphasis on employment.

19. Country profiles are enriched with thematic analyses on the promotion of youth employment (Sudan) and the promotion of infrastructure and industrial development (Egypt). Coverage includes recommendations taking into account country specificities. Thematic analyses provide a better understanding of the vision and measures implemented by each country. They are thus a tool for sharing experiences and guiding public policy.

20. A new ECA methodology entitled Structural Transformation, Employment, Production and Society (STEPS) was introduced during the period under review and a pilot analysis was produced using Morocco as a case study. STEPS' main objective is to generate country-specific data analyses and policy recommendations for structural transformation fostering sustainable development. So, just as a Country Profile is a snapshot of a country's situation at a given point in time, STEPS is a prospective study, attempting to discern future trends.

21. STEPS Morocco illustrates that the country's structural transformation inevitably hinges on cultivating its human capital. Deficits in education and healthcare limit the country's ability to fully take advantage of the potential of its population's youth. Better and greater investment in the labor force will enhance productivity, particularly in the non-agricultural sector, where apparent labor productivity has declined since 2012 (with a growth rate of 0.4% in 2015). The situation in the industrial sector is particularly striking; while sector capital intensity, measured by available capital per worker, increased on average by 4.9% per year from 1999 to 2014, value added per worker declined by 0.8% per year.

B. Major Outcome 2: Enhanced capacity of member States and regional economic communities in the North Africa to implement sub-regional development priorities in accordance with both Sustainable Development Goals and Agenda 2063, given youth and gender concerns.

22. In the period under review, strengthening the capacity of member countries and AMU to implement sub-regional sustainable development priorities was conducted through: (i) holding the 4th Annual Consultative Meeting of the Sub-Regional Coordination Mechanism SRCM - North Africa to support the achievement of Sustainable Development Goals (SDGs), (ii) organizing a meeting of experts on implementing SDGs in North Africa, (iii) detailed study of regional value chains, and (iv) continued advisory support activities.

1. Coordination and partnerships at the sub-regional level supporting the achievement of SDGs in North Africa.

23. The Sub-Regional Coordination Mechanism (SRCM) aims to promote coordination and collaboration among regional and international institutions with a mandate to support North African countries and AMU in their development efforts. The objective is to promote greater synergy and effectiveness of interventions, through regular sharing of information, mutual capitalization of results and experiences and deployment of joint programs or projects.

24. The 4th Annual Consultative Meeting of SRCM - North Africa was held in early March 2018 at the initiative of ECA Office for North Africa, in collaboration with AMU General Secretariat. The meeting was attended by the Resident Coordinators of the United Nations System for Algeria, Morocco, Mauritania and the Head of the Office of the Resident Coordinator of the United Nations System in Egypt, United Nations agencies working at country level (FAO, UNDP, UNESCO, IMO, UNICEF, UNFPA, UNIDO, IFAD) and at regional level (FAO, ILO, ESCWA, IFAD), regional organizations (ISESCO, CIDC, ARADO) as well as international institutions (IDB, AfDB, BADEA, ITFC).

25. The topic of the meeting was the achievement of SDGs and the strengthening of partnerships in North Africa. It provided (i) a common understanding of regional priorities and challenges related to SDG implementation; (ii) information sharing on current and future initiatives for SDG achievement led by AMU, UN Agencies and development partners; and (iii) definition of key action items and a regional roadmap (2018-2019) for the achievement of SDGs.

26. A road map was formulated and adopted by all stakeholders at the end of the meeting to strengthen coordination and partnerships at the regional level and accelerate SDG achievement in North Africa. The roadmap includes four cross-cutting axes relating to ownership and understanding of SDGs, integration of SDGs and public policy

coherence, strengthening national capacities for monitoring and reporting of SDGs and harnessing the potential of South-South cooperation. Two themes were also identified: employment and food security. A number of tangible actions were proposed.

27. Enactment of a regional roadmap is an integral part of the Action Plan for the AU-UN Framework Agreement, which aims at a coordinated and harmonized implementation of both Agenda 2063 and 2030. The framework agreement was signed in January 2018 and the action plan adopted on 9 July 2018. Implementation monitoring of the latter is coordinated by the Regional Coordination Mechanism for Africa (RCM-Africa).

2. Monitoring SDG implementation in North Africa

28. The Office organized a sub-regional meeting on the implementation of sustainable development objectives (SDGs) in North Africa in June 2018 in Rabat. Representatives from departments in charge of planning, finance, environment and sustainable development, agriculture, employment and statistical institutes of six Member States (Algeria, Egypt, Mauritania, Morocco, Sudan, Morocco and Tunisia) attended the meeting. The meeting was also attended by AMU General Secretariat, UNDP, FAO, WFP, ILO and AfDB as well as civil society organizations.

29. The ECA North Africa Office presented the first report on SDG implementation in Maghreb countries (Algeria, Mauritania, Morocco, Tunisia and Morocco) at this meeting. Developed at the request of AMU, this report analyzes efforts by these countries in terms of ownership, contextualization, institutional governance and monitoring of SDGs. The report highlights six themes of national relevance and primary importance for regional integration: food security (SDG 2), energy transition (SDG 7), industrialization (SDG 9), youth and women's employment (SDG 8), climate change (SDG 13) and desertification (SDG 15). It also examines the role of regional cooperation and provides orientations to accelerate the implementation of SDGs in Maghreb countries.

30. The meeting provided an opportunity to discuss country-level results of the study and to share information, experiences, good practices and challenges for North African countries in implementing and monitoring SDGs. Discussions and exchanges of side roundtables resulted in recommendations on institutional governance and effective civil society and private sector participation, integration of SDGs into public, sectoral and local policies, SDG monitoring, and budgeting and resource mobilization mechanisms. Two thematic sessions on employment and food security were also held.

31. Both the SRCM and the sub-regional meetings offered an opportunity to highlight Agenda 2063 as promoted by the African Union (AU) and to present commonalities and interrelationships with SDGs promoting harmonized implementation of both agendas by Member States, AMU, UN agencies and development partners all within the AU-UN framework agreement signed in January 2018.

3. Expanding the issue of regional value chains

32. The ECA North Africa Office set up a project to further explore regional value chains in the Maghreb, at the request of AMU. As part of the project, a study was launched in 2017 to build on results of previous activities organized by the Office on the subject, specifically on outcomes of preliminary studies.

33. The ongoing study attempts to identify drivers to accelerate regional integration through development of intra-North African trade and to contribute to structural transformation across economies of the sub-region. It aims to establish a sectoral mapping of existing regional value chains (RVCs) and analyze their development

potential. The outcome thereof should be the development of a common action framework for the promotion of RVCs in North Africa. Results of this study will be presented at a meeting of experts scheduled for December 2018 and are directed at the principal stakeholders: namely national administrations, representatives of the private sector, AMU General Secretariat, the Maghreb Union of Employers and external partners involved in regional integration and trade.

34. The Office also made a presentation on the development of regional value chains at the 4th MENA Trade Workshop organized by the WTO Chair and Tunisia Business School and held in March 2018 in Tunis, Tunisia. Main themes of this event were: global value chains, trade agreements, business competitiveness and informal trade. In a similar vein, in May 2018, the Office participated in the Business Forum of the Agadir Agreement and Member States of the Organization of the Islamic Conference of West Africa in Casablanca, Morocco, where it made a presentation on the "Potential of Regional Value Chains in North Africa".

4. Advisory Support

a. Support to National Statistical Institutes

35. As part of the data collection process, technical missions were carried out in Egypt, Sudan and Mauritania to support the development of national statistical systems.

36. The ECA Office and the African Centre for Statistics (ACS) contributed to a workshop on the audit and analysis of Mauritania's national accounts according to the new System of National Accounts (SNA 2008), held from 7 to 11 May 2018 in Nouakchott, Mauritania. Organized by the National Statistical Office, the workshop was attended by several international and regional institutions, including the Moroccan High Commission for Planning, the National Institute of Statistics of Cameroon, the World Bank and AFRISTAT.

37. The exercise made it possible (i) to analyze the extent to which recommendations of SNA 2008 were taken into account by examining data sources and methods used for base-year 2014 estimates, (ii) to carry out a full audit of national accounts renewed according to SNA 2008, including a consistency check with source data (EPCV, ENESI, TOFE, BDP, Customs, etc.), (iii) to assist in formulating a relevant methodological proposal for retropolation of previous years (2010 to 2013), and (iv) to formulate targeted technical recommendations for improving the quality of national accounts according to SNA 2008.

38. As a follow-up to this initiative, The ECA Office and the African Centre for Statistics participated in a joint mission to Nouakchott, Mauritania, from 25 September to 02 October 2018, encompassing a quality analysis of national accounts for the first two years according to SNA 2008 and an assessment of the degree of implementation of the audit workshop's recommendations. This mission of technical support allowed us to: (i) analyze the extent to which May 2018 workshop recommendations were taken into account and the relevance of proposed solutions for base year (2014) and first current year (2015) accounts estimates; (ii) participate in a national workshop sharing results from 2014 and 2015 accounts to enable data producers and national accounts users to visualize changes and (iii) make operational recommendations to improve national accounts quality as defined in SNA 2008.

39. The ECA has also launched a series of pilot projects to strengthen countries' capacity in using mobile technologies for data collection and statistical production to support development policy decision-making. These pilot projects were designed to be

carried out by the National Statistical Institutes (NSIs) of member countries. In this context, Egypt's Central Agency for the Mobilization of Public Statistics (CAPMAS) received technical and capacity-building support for data collection using mobile technology to monitor implementation of household consumer price indices (CPIs) in Egypt.

40. The Office assisted the Office of the Moroccan High Commissioner for Planning in organizing the 11th meeting of the "High-Level Group for Partnership, Coordination and Statistical Capacity Building of the Agenda for Sustainable Development 2030" organized in May 2018 in Rabat (Morocco).

41. The Office also conducted a technical support mission to Sudan. This mission plans to evaluate the System of National Accounts (SNA) in cooperation with the Sudan Central Bureau of Statistics for the implementation of SNA 2008. This initiative also includes support to the Public Private Partnership (PPP) Unit of the Ministry of Finance and Economic Planning of Sudan for capacity building in the areas of public-private partnership advisory services and tender and contract management.

b. Other Advisory Support Missions

42. As part of a mission organized in April 2018 to Nouakchott, Mauritania, ECA North Africa Office provided technical support to the Directorate for Coordination of the Strategy for Accelerated Growth and Shared Prosperity (SCAPP) for the implementation of a monitoring and evaluation system. Technical support covered (i) quality review of annual sectoral SCAPP implementation notes (NASMOS) on employment, industry and food security; (ii) preparation and participation in the NASMOS workshop and the SCAPP monitoring and evaluation mechanism; and (iii) review of SCAPP and SDG indicators.

43. A second technical support mission to the Directorate General for Development Policies and Strategies was carried out in July 2018 to support in drafting the first voluntary national report on SDGs, to be presented at the High-Level Policy Forum in July 2019. Pursuant to a request from Mauritania, this mission produced a roadmap to be implemented in close collaboration with UNDP and SCAPP's Coordination Directorate.

44. The Office launched a study on the contribution of the Blue Economy to North African economies. To this end, a methodology for collecting empirical data was developed and country missions were carried out. A number of meetings and interviews were held with the ministries and institutions in charge of Planning, Agriculture, Fisheries, Environment, Tourism and Transport. This initiative is designed to assess the degree of integration of the blue economy into North African economic policies with an emphasis on maritime transport, tourism and regional integration issues.

III. Special initiatives, interactions with head office divisions and strategic partnerships

A. Special initiatives

45. The ECA launched a Development Account (DA) project entitled "Capacity Building of African Governments for Integrating Accountability into Development Planning". Implementation of this DA was launched in Egypt through the recruitment of two consultants to support the capacity of national planning and statistics institutions to collect, compile and produce the data essential to the development planning process. As a result of this exercise, the ECA's Capacity Development Division (CDD) in coordination with the Office is expected to organize a workshop in Egypt to present country case studies.

46. As part of the March 2018 meeting of the (African Union) Technical Committee on Transport, Transcontinental and Interregional Infrastructure, Energy and Tourism in Nouakchott, the Office participated in the work of the Subcommittee on Energy. At the North African level, this meeting was attended by AMU, Algeria, Egypt, Morocco, Mauritania, Sudan and Tunisia. Once established, the Energy Subcommittee Bureau reviewed the Lomé Declaration, the Energy Action Plan and the monitoring and evaluation mechanism. Several partner institutions (IRENA, AfDB, Africa-EU Energy Partnership and OMVS) presented their respective energy action plans and how they are implementing recommendations of the Lomé Declaration. At the end of discussions, recommendations were made by the Energy Sub-Committee to improve the Action Plan. The ministerial assembly held on the last day of the conference approved the report of the meeting of experts and the action plan of the subcommittee on energy. It also agreed to the creation of a team to monitor and evaluate action plan implementation by partner institutions, comprising the Bureau subcommittee Chairperson, AUC, AfDB, and NEPAD.

47. The Office participated in the African Economic Forum organized by Tunisia's Ministry of Commerce from 24 to 25 April 2018 in Tunis. The event was devoted to promoting regional integration and building business relationships between North Africa and the rest of the continent. The Office contributed to an expert panel on regional integration as a driver of economic growth on the African continent. The panel was attended by the AMU Secretary General, the AU Director of Trade and Industry, the AfDB Director General - North Africa, Commissioner for Trade, Customs and Free Movement and the COMESA Director of Trade and Customs. The Expert Group emphasized the implications of the African Continental Free Trade Area (ACFTA) agreement, signed at the historic event of March 2018 on the promotion and advancement of regional integration at the sub-regional and continental levels. Discussions also focused on the role of regional economic communities in supporting member countries and in facilitating the enactment of ACFTA. Discussions also focused on the role of development banks such as AfDB in mobilizing investment to roll-out the infrastructure necessary to facilitate trade between African countries and foster regional integration.

48. The Office also took part in the work of the Regional Coordination Mechanism (RCM) retreat organized by the Joint Secretariat of RCM (composed of the African Union Commission and the Economic Commission for Africa) from 24 to 27 April 2018 in Nairobi (Kenya). In preparation for the activity report to be presented at the 19th session of RCM - Africa, this meeting reviewed the work of clusters resulting from the sub-regional coordination mechanisms (SRCM) for the 2017-2018 biennium. It also produced a draft 2018-2019 work plan for RCM and a common understanding of ongoing reforms within the United Nations and their implications for RCM-Africa. As part of the RCM-

SCRM relationship, it was agreed to further involve the Regional Economic Communities (RECs) in the work of RCMs through their liaison office in Addis Ababa.

49. The Office then participated in the 19th session of the Regional Coordination Mechanism (RCM) in Addis Ababa from 12 to 13 May 2018, held in conjunction with the ECA Conference of African Ministers of Finance, Planning and Economic Development. The session was jointly organized by the secretariats of the Mechanism and the regional teams of UN Theme Groups under the title "United Nations system support to the African Union in winning the fight against corruption: a sustainable path to Africa's transformation". Deliberations finally resulted in the following recommendations:

- African governments were urged to strengthen existing policies, laws, rules and regulations to prevent corruption;
- African governments were urged to institute mechanisms to reward honest public officials, citizens and individuals who comply with rules and regulations and do not engage in corrupt practices;
- African governments were called upon to strengthen existing public procurement guidelines and codes of conduct and to encourage integrity in order to prevent corruption;
- The United Nations was urged to support the African Union in the area of transparency and financial disclosure rules for public officials, with a view to eliminating corrupt practices;
- The United Nations, in collaboration with the African Union, was urged to conduct studies on the impact of corruption on the livelihoods of women and girls;
- African countries were invited to strengthen public sector management with the aim of making it more effective and efficient;
- The United Nations was invited to assist African countries in strengthening laws and mechanisms supporting whistleblowers.

50. The Office attended the regional and national workshops of the African Peer Review Mechanism (APRM) held in Egypt from 10 to 13 December 2017, where it shared its experience and lessons learned from its visit to South Darfur. APRM Secretariat commended ECA on its engagement as the only organization to have participated in the review mission to Sudan. APRM had entered into special support agreements with five African institutions appointed by the Forum of Participating Heads of State and Government: AfDB, ECA, UNDP, Mo Ibrahim Foundation and the African Foundation for Capacity Building.

51. The Office took part in the 4th session of the African Regional Forum on Sustainable Development (FRADD) held from 02 to 04 May 2018 in Dakar, Senegal. This meeting was organized by ECA and the Republic of Senegal, in collaboration with the AUC, AfDB, UNDESA, UNDP, UNEP, FAO, UN-Habitat and the United Nations Office for Disaster Reduction. On this occasion, Senegal replaced Togo as Chair of the Forum Bureau. The Forum sessions provided an opportunity to present (i) progress made in the SDG implementation as well as challenges and lessons learned, including in the preparation of voluntary national reports, (ii) similarities and specificities of Agendas 2063 and 2030 and the range of tools developed to facilitate their integration in public policy. Parallel sessions were devoted to the themes corresponding to SDGs identified by the 2018 High Level Policy Forum (HLPF) (SDGs 6, 4, 11, 12, 15 and 17).

52. Discussions highlighted constraints faced by countries, particularly in terms of institutional mechanisms for coordinating SDG implementation and monitoring; processes for actively and effectively involving civil society, the private sector and academia; taking into account local issues through the integration of SDGs and adapting national-level policies to local conditions and specificities; availability of data to support indicators and the need to strengthen local actors' capacities. Forum recommendations were made in the form of key messages aimed at accelerating the implementation of Agenda 2030 on SDGs and Agenda 2063. These messages constitute Africa's collective regional contribution to the HLPF, held from 9 to 18 July 2018 in New York. The Forum's next session will be held in Morocco in 2019.

53. As part of the United Nations Integrated Strategy for the Sahel (UNISS), under the aegis of the West Africa Sub-regional Office, the Office contributed as a member of the working group established by ECA, to the socio-economic outlook study for the Sahel (SEPS), outlining political, economic and social challenges of the Sahel region and its interactions with North Africa. To this end, the Office participated in the reflection and preparation of the SEPS study workshop, held in Dakar, Senegal, from 5 to 7 April 2018. This workshop provided an opportunity to collect, review and integrate feedback from UN System Agencies, to present a global perspective on the situation and propose integrated solutions for overcoming instability and insecurity in the region over and above especially difficult economic conditions.

B. North African Development Forum: "Governance, Structural Transformation and Sustainable and Inclusive Development"

54. The North African Development Forum is a bi-annual initiative that mobilizes regional actors around an issue of interest and relevance to the sub-region. The 7th edition of the Forum was held in Rabat (Morocco) from 21 to 22 November 2017 under the theme "Governance, structural transformation and sustainable and inclusive development".

55. The primary objective of this forum is to further reflect on interrelationships and interactions between governance, structural transformation and sustainable development. The forum addressed issues of governance in relation to crucial aspects of structural transformation such as resilient infrastructure, inclusive and sustainable industrialization, effectiveness of public institutions and integration into global trade. To do so, the forum brought together recognized researchers and experts as well as national and regional development actors in their fields of expertise to confront academic research with practice on the ground and to draw useful insights for development policy.

56. First of all, the meeting raised participants' awareness to the importance of governance in the process of structural transformation and sustainable development. Participants also learned about ECA's capacity-building program in governance and planning. The forum helped identify priority areas of governance to accelerate structural transformation of North African economies and to learn from experiences presented at the meeting. The Forum finally yielded recommendations aimed at improving governance in structural transformation and sustainable development. Specifically, by the end of the Forum:

- Participants identified connections between structural transformation and inclusive economic growth and stressed the importance at country level of strengthening governance in infrastructure development and management as well as industrialization.

- They also highlighted the importance for member countries to focus on the rule of law and independent and transparent justice on the one hand, and on the effectiveness of institutions in achieving sustainable development objectives on the other;
- They recognized the value of the ECA's work in helping member countries increase their share of global trade to structurally transform their economies and meet the overarching goal of job creation.

C. Interaction with Head Office divisions

57. The ECA Office for North Africa was represented at the proceedings of the Steering Committee of the African Centre for Trade Policy, meeting on 14 and 15 February 2018 in Marrakech. The meeting reviewed the Centre's achievements in 2017, presented its new Logical Framework for Intervention and validated its work program for 2018.

58. As part of implementing the New Urban Agenda adopted in October 2016 at the United Nations Conference on Housing and Sustainable Urban Development (Habitat III), the ECA initiated a program to strengthen the capacity of member States to design and implement strategies and policies for sustainable and inclusive cities in Africa. In this context, the ECA's Social Development Policy Division (SDPD), in coordination with the North Africa Office, launched a study on Morocco's experience in urbanization and economic development and links between urbanization and sectoral and national development policies. The study is nearing completion and should lead to an assessment of the integration of urbanization into Morocco's national development planning. It will provide valuable lessons from the country's experience as well as recommendations to leverage the good practices established by Morocco.

59. During the period under review, the Office initiated and finalized a project to establish an integrated knowledge management platform in coordination with the ECA head office units. Such an outcome builds on what has been achieved in Knowledge Management (KM) at the Office level and integrates and develops functionalities within a common KM standard for other sub-regional offices and divisions at headquarters. As a result of this initiative, the Bureau developed an integrated platform offering various complementary functionalities:

- A CRM (Customer Relationship Management) module, offering the possibility of managing customer relations in a targeted manner from a database of partners and allowing selective dissemination of knowledge and information to communities of practice;
- A collaborative module, offering the possibility to work in real-time collaborative mode and to facilitate online discussions with communities of practice;
- An electronic document library of the ECA Office North Africa, providing free access to publications and conditional access to the Office's working documents;
- A search engine, allowing to follow publications and events on themes and countries covered by the Office.

60. During the period under review, the Office paid particular attention to the dissemination of information about its activities, recommendations and new publications in the three main working languages of the ECA and the sub-region (English, French and Arabic). Aiming to foster a better understanding of ECA activities and recommendations by its interlocutors, the academic community, the private sector and the general public in North Africa, these actions covered a wide range of themes (Regional Integration, SDGs, Statistics, Employment, Sustainable Development, etc.) and included the launch of a number of publications. Target audiences were reached through different channels (traditional media, social media and KM platform). To enhance its country presence, the Office worked closely with ECA networks in Africa and the United Nations Information Centre (UNIC) in North Africa.

D. Partnerships

61. The ECA North Africa Office developed new partnerships for the implementation of specific initiatives in addition to existing partnerships with AMU through multi-year work program and with other UN agencies for economic and social development and regional integration in North Africa through SRCM and participation in the work of UN country teams.

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

62. The March 2018 meeting of the Sub-Regional Coordination Mechanism (SRCM) North Africa reactivated a privileged partnership framework involving several multilateral cooperation agencies, including the coordination of the United Nations system, United Nations agencies working at both country level (FAO, UNDP, UNESCO, IOM, UNICEF, UNFPA, UNIDO, IFAD) and at regional level (FAO, ILO, ESCWA, IFAD).

63. A meeting with the United Nations Country Team (UNCT) Tunisia was organized during a technical mission to that country in November 2017. This meeting provided an opportunity for the Office to present its regional economic and social profile and discuss complementarities and opportunities for collaboration between the Office and UNCT Tunisia, in particular with regard to sub-regional economic analyses, experience sharing and coordination of activities and synergies between countries in the sub-region with the aim of strengthening cooperation and regional integration. In addition, the meeting provided an opportunity to discuss ways to strengthen collaboration with UNIC to disseminate more information on ECA activities.

64. This closer dialogue and collaboration provided the opportunity for the Office to contribute to the mission on "Mainstreaming, Acceleration, and Policy Support" (MAPS) commitments in Tunisia, from 09 to 13 July 2018. The mission is part of the United Nations System's joint program to support SDG implementation and monitoring. It aimed to promote the adoption of systemic, integrated and inclusive approaches, the integration of a "no one left behind" dimension and the engagement of all stakeholders as well as the localization of SDGs. The mission stressed the need to prioritize SDGs and national targets for investment in selected priority areas with a catalytic effect on the achievement of other SDGs (acceleration component). An analysis of the level of integration of SDGs and five-year development plan and specific sectoral strategic targets as adopted by the government (according to the Rapid Integration Assessment Methodology - RIA) is currently being finalized. The ECA suggested including an analysis of the level of integration of Agenda 2063 objectives once the RIA analysis work of the five-year plan becomes available.

65. MAPS will develop policy briefs to be presented and discussed with national stakeholders at a high-level policy dialogue to be held in December 2018. Policy briefs cover the following areas: agriculture, energy, health, employment, education, governance and violence prevention as well as data, SDG localization and the "no-one left out" dimension. In this context, the Bureau undertook to sign a joint project document drawn up by the Tunisian government in collaboration with UNCT Tunisia to take a more active role in the implementation of Agenda 2030. ECA also briefed stakeholders of the January 2018 signing of the joint AU-UN framework on greater coherence in the implementation of agendas 2063 and 2030 and highlighted the ECA's role in promoting a coherent integration of both agendas.

66. A meeting with UNCT Mauritania was held during a mission organized by the Office in March 2018, after the Mauritania Resident Coordinator's participation in the SRCM meeting in Rabat in February 2018. Discussions focused on the planned G5 Sahel meeting as well as humanitarian issues directly related to the drought situation. The Office presented AU Agenda 2063 and the AU-UN Framework Agreement aimed at better coordination and coherence between the two agendas. The Office also used the opportunity to present the regional roadmap for SDG implementation in North Africa drawn up following the consultative meeting of SRCM 2018. The employment statistics challenge for Mauritania was also addressed on this occasion, not least because the new national employment strategy provides for the establishment of an employment observatory and a monitoring and evaluation system.

67. On the occasion of the Office's technical mission to Sudan, a briefing was held with UNCT under the chairmanship of the Country Resident Coordinator, attended by all United Nations agencies (UN) represented in Sudan. The event provided the opportunity to present the ECA, its priorities and interventions in Africa as well as activities carried out in North Africa. Discussions then focused on strengthening collaboration between the ECA, acting at the regional level, and UN agencies acting at the national level as part of a broader reform of the United Nations system calling on its organizations to better exploit potential synergies and complementarities for greater effectiveness. The Office's visit to UNCT was highly appreciated as a first outreach as well as a proactive initiative to work more closely and better with UN country teams.

68. The Office regularly participated in UNCT Morocco's monthly meetings because of its location in Rabat. As such, the Office actively participated in UNCT's December 2017 retreat, during which key areas of work and collaboration for 2018 were identified. In addition, several UNCT meetings were organized in 2018, including one at the ECA North Africa Office premises. These meetings allow agencies to share information on their program and projects in Morocco, to monitor joint program developed under UNDAF and to discuss common services (security, procurement, maintenance, etc.). The meetings also provide an opportunity for each agency to present one of its initiatives. As such, the meeting held at the ECA Office provided an opportunity for the ECA to present AU Agenda 2063, its interactions with Agenda 2030 and the work done to support member countries in responding coherently and harmoniously to both agendas and to facilitate reporting of outcomes. Complementarities and synergies were identified and led to the organization of bilateral meetings with WFP, UNIDO, UNDP and FAO among others.

69. In January 2018, a meeting with the Technical Unit of the Agadir Agreement was organized to discuss collaboration possibilities for improving trade among member countries of the Agadir Agreement, including Egypt, Morocco and Tunisia. Possibilities for future collaboration between the Office and the Technical Unit were explored.

70. The ECA Office for North Africa organized a meeting in March 2018 with the President and CEO of the International Islamic Trade Finance Corporation (ITFC), a subsidiary of the Islamic Bank Group, to discuss opportunities for cooperation. On this occasion, potential areas for joint programs were identified, including trade development in Africa, implementation of ACFTA, fostering regional integration, increased investment and financing for development projects, strengthening the private sector and youth employment.

71. As part of the implementation of its new strategic approach, WFP's Regional Office in North Africa requested that the ECA conduct a strategic analysis of the food and nutrition situation in Morocco. A Memorandum of Understanding was signed to carry out this study, through which WFP provided \$40,000 in funding to the Office to carry out the work. In this context, a steering committee, headed by the Ministry of General Affairs and Governance was set up. It includes the HCP, the Ministry of Agriculture, the Ministry of Employment, the Ministry of Health, the Ministry of Education and the Ministry of Commerce. The Steering Committee, meeting at the beginning of the work, endorsed the approach proposed by the Office, WFP and the group of consultants. As soon as it is finalized, this study will be presented to Moroccan stakeholders for validation and to define priority areas of intervention for WFP, ECA and other UN agencies to improve the food and nutrition situation in Morocco. It is expected that this first experience will lead to tangible projects to be implemented by the ECA within its field of specialization. It is also expected that this joint working experience can be replicated in other countries in the sub-region and with other UN agencies.

72. The ECA participated for the first time in the annual meeting of the IMF/WB African Central Banks and Finance Ministers Caucus and the 41st Annual Meeting and Symposium of the Association of African Central Banks (AACB). Both meetings were held in Sharm el Sheikh, Egypt, in August 2018. The African Caucus meeting was an opportunity for the ECA to share its focus and priorities for Africa's development. The Bureau facilitated a session on "Export Diversification: Challenges and Opportunities", during which discussions focused on the WTO process and the current stalemate in the Doha Development Agenda negotiations, the signing of ACFTA as well as how international institutions can bolster its implementation and the role of the IMF, WB and ECA to foster better regional integration.

73. The AACB Symposium was an opportunity for the Executive Secretary to present her vision of the African continent's financial situation given the difficulties created by rampant corruption, illicit financial flows and banks' extensive scrutiny of all transactions, jeopardizing African companies' access to financing at affordable rates. One recommended solution is to foster transparency and information sharing between African banks and financial institutions for better solidarity and complementarity. The ECA also suggested the establishment of an African credit rating agency, a project currently under discussion with the AACB, the African Union and the Central Bank of Egypt.

74. Several meetings were held with development partners (EU, France, Japan, USAID, EBRD, OECD, and AfDB) to identify areas of collaboration and initiate joint projects to support the North African region for better integration at the level of the African continent. Discussions focused on employment promotion, trade development, improved gender approach and reaching SDGs. These discussions are expected to lead to concrete projects to be implemented in 2019.

2. Partnerships with Universities, Research Centers and think tanks

75. These partnerships are intended to strengthen cooperation and exchange between the ECA, universities and research centers, and to undertake concerted actions to define frameworks for future joint initiatives and actions of benefit to all parties. In the ECA's view, these partnerships are aimed at fostering cooperation with partner institutions so as to respond effectively to the needs of member States of the North African region through the creation, collection, dissemination and sharing of knowledge and experience to support decision-making processes in development policy matters. For these institutions, partnerships aim to establish and develop exchanges with the ECA as a North African regional Think Tank, so as to adapt training provided to market needs on the one hand, and to use ECA's network with similar institutions in Africa to forge collaborative relationships and organize joint scientific and exchange activities on the other hand.

a. International Symposium on "Governance Practices, Economic Transformation and Inclusive Development"

76. The Office jointly organized, in partnership with the WTO Chair of the Faculty of Legal, Economic and Social Sciences - Souissi of Mohammed V University in Rabat and the Laboratory of Applied Economics for Development (LEAD) of the University of Toulon (France), the eleventh edition of the Rabat International Symposium from 23 to 25 November 2017 on the topic of "Governance practices, economic transformation and inclusive development".

77. This meeting provided academic researchers, development experts and private sector actors with the opportunity to discuss essential themes for the development of the sub-region including: challenges of structural transformation in Africa, economic transformation and inclusive development, human capital and economic transformation, state role in economic transformation, industrial policy and economic transformation, sustainable development objectives and economic transformation, good governance and social and political inclusion, governance and trade and domestic investment. Some fifty papers by researchers and development practitioners were presented at the symposium. To complement this, a full day was dedicated to bringing together young researchers and more experienced actors in the context of a doctoral school. Previous editions of the symposium produced several books and special issues in scientific journals. This represents a concrete expression of the cooperation between the Office and the academic community at large.

b. Agreements and research activities with Universities and Research Institutes

78. During the reporting period, the Office signed a number of agreements with Universities and Research Centers, contributed to scientific research and publications and actively participated in a number of scientific meetings such as the following:

- Initiation of a research project in collaboration with the Institute of Advanced Studies (IMERA) of the University of Aix Marseille and Aix Marseille School of Economics on "Governance, political transition and structural transformation in North Africa". An expert meeting was organized by the Office at IMERA to develop a survey tool measuring citizens' perceptions and expectations of institutions in North African countries. The Office was asked by the London School of Economics to submit the project to a research fund financed by the European Commission.
- Launching a research project in April 2018 in partnership with the University of Cergy (France) to better understand the causes of corruption in institutions. This

project consisted of two scientific publications: the first examined how corruption emerges as a result of institutional inefficiency, the second focused on how state budgetary constraints impact the ability of governments to produce better quality public goods and services and spur the emergence of corruption.

- Contribution to the 14th International Forum of the Tunisian Association of Economists in June 2018 on "Controversies and Challenges of Public Policy Evaluation," with the presentation of a research paper on "Employment Opportunities for the Poor in Africa with a Special Emphasis on Youth".
- Visiting an economist researcher to collect data on industrial policy in Morocco so as to prepare a policy paper on the subject as part of a collaboration with the German Development Institute.
- Presentation of a paper on the development of regional value chains at the 4th MENA Trade Workshop organized in March 2018 in Tunis (Tunisia) by WTO Chair and Tunisia Business School.
- Production of a research paper on culture, inequalities and institutions as part of the ECA Fellowship Program. This study explores the effect of culture and the impact improved institutional quality can have on the evolution of inequality.
- Initiation as part of the Fellowship Program of a study on the contribution of the Blue Economy to North African economies. An empirical research methodology was developed in this regard and country data collection missions were initiated to assess the state of the blue economy in countries of the sub-region.

79. The Office also began new discussions with further North African Universities and Research Centers with a view to reaching new agreements and diversifying its portfolio of research partnership relationships at the sub-regional level.

IV. Status of the implementation of ICE 32 recommendations

80. Implementation of ICE32 recommendations to the ECA is the backbone of the 2017-2018 work program. Several of these recommendations have been addressed in Part II of this report. However, and to comply with Member States' express request, the most significant achievements by field are listed below:

A. General recommendations

1. Systematically use updated data for ECA reports.

81. The ECA North Africa Office maintains a statistical data focal point that systematically updates country databases in coordination with the ECA African Center for Statistics (ACS), and ensures verification and alignment of data used with official national sources in member countries.

2. Improve geographical footprint of interventions by developing more projects and activities in Mauritania and Sudan, in particular with regard to the Memorandum of Understanding signed between ECA and Sudan.

82. In response to this recommendation, the ECA North Africa Office organized a mission to Mauritania and Sudan in March 2018 to meet with partner institutions, identify priorities and strengthen collaboration with these two countries.

83. In Mauritania, a series of high-level meetings were held with the Ministry of Economy and Finance, the Ministry of Employment, the Ministry of Trade and Industry, the Ministry of Social Affairs, the Central Bank of Mauritania and the National Statistics Office to identify priorities and discuss areas of cooperation with Mauritania. Following this mission, the received specific requests for support in: (i) the implementation of a monitoring, evaluation and reporting mechanism for the Accelerated Growth and Shared Prosperity Strategy (SCAPP), (ii) the preparation of a first voluntary national report on SDGs to be presented to the High Level Policy Forum in 2019, (iii) the strengthening of statistical and national accounts capacities, (iii) the analysis of the regulatory environment in the context of the establishment of ACFTA and the conduct of an impact assessment of the Association Agreement with ECOWAS, and finally (iv) the conduct of a study on regional development prospects.

84. In Sudan, high-level meetings were held with the Ministry of Economy and Finance, the Ministry of Mines, the Ministry of Trade, the Ministry of Labor, the Ministry of Industry, the Central Bank of Sudan, the Central Bureau of Statistics and the Ministry of Foreign Affairs to identify priorities and discuss areas of cooperation with Sudan. Specifically, this involves providing assistance to enable Sudan improve its macroeconomic policy and foster an environment that is more conducive to attracting investment, improving trade and supporting sustainable economic growth. Strengthening the country's statistical capacity was identified as a key priority. Sudan's integration with the African continent was also identified as another priority for the country.

85. This mission also collected data as part of a study on the blue economy in Sudan. Several meetings and discussions were held with the National Strategic Planning Council, the Ministry of Agriculture and Forestry, the Ministry of the Environment, the Ministry of Tourism, the Ministry of Transport and the Seaports Corporation. The objective of this initiative is to examine the degree of integration of the blue economy into the country's economic policies by focusing on maritime transport, tourism and regional integration issues.

B. Recommendations relating to both development program 2030 and Agenda 2063

7. Disseminate Agenda 2063 as well as work carried out by the ECA and AU on the alignment and convergence of implementation and monitoring of Development Agenda 2030 and Agenda 2063 as soon as possible at country level.

86. A special session at the 2018 SRCM consultative meeting was devoted to the presentation and discussion of the Framework Cooperation Agreement between the UN and the AU to strengthen the strategic partnership between the two institutions and ensure a coordinated and harmonized implementation of both Agendas 2030 and 2063, with goals that overlap by nearly 90%. An action plan to implement this framework was discussed and agreed at the April 2018 leaders' meeting for the 2nd AU-UN Annual Conference. This session provided an overview of the continent's main socio-economic challenges, particularly in terms of economic growth, slow progress in poverty reduction and low employment and value-added content in the manufacturing sector. A lack of statistical data was also noted, given that only 38% of SDG indicators can be reported with the data available. The SDG composite index was also presented and discussed. Priorities identified for the MENA region are food security (SDG 2) and water (SDG 6). A regional results framework for the integrated implementation of both agendas 2030 and 2063, developed by ECA in support of the African Union, was also presented and discussed at the meeting.

87. Implementation of the action plan relating to the AU-UN framework agreement adopted in July 2018, coordinated at the continental level by RCM, should help address this recommendation.

8. Improve access to information about tools for integrating sustainable development objectives into public policies.

88. The ECA North Africa Office produced a report providing an initial assessment of progress made by Maghreb countries (Algeria, Mauritania, Morocco, Tunisia and Morocco) in the implementation and monitoring of sustainable development (SDG) objectives. Specifically, this report analyses efforts in terms of ownership and contextualization, institutional governance and monitoring of SDGs. It emphasizes six themes of importance to countries and of priority interest for regional integration. The report also discusses the role of regional cooperation, before offering guidelines to accelerate implementation of SDGs in Maghreb countries. The report was presented for discussion and improvement at the sub-regional meeting on the implementation of SDGs in North Africa held in June 2018 in Rabat.

89. The Office as a stakeholder in the joint United Nations system program to support SDG implementation and monitoring in Tunisia, contributed to the "Mainstreaming, Acceleration, Policy Support" (MAPS) mission organized from 9 to 13 July 2018. The mission raised awareness of MAPS and Rapid Integration Assessment (RIA) among sectoral government departments.

90. In addition, the Office will provide member countries with easier access to the integrated planning and reporting tool developed by the ECA to harmonize implementation and monitoring of both Agendas 2063 and 2030.

9. Organize a regional workshop to review progress, share good practices and facilitate the exchange of experiences and collaboration between countries, with a view to attaining sustainable development objectives.

91. The Office organized a sub-regional meeting on SDG implementation in North Africa in June 2018 in Rabat, Morocco. The meeting reviewed progress, challenges, good practices and lessons learned in the implementation of SDGs in North Africa. It also provided an opportunity to deepen reflection and formulate recommendations in areas that still need to be strengthened, including the effective participation of civil society and the private sector, the integration of SDGs into public, sectoral and local policies, the monitoring of SDGs and, finally, budgeting and resource mobilization mechanisms.

10. Assist countries in statistical capacity building in the context of sustainable development objectives.

92. The Office assisted the Office of the High Commissioner for Planning of Morocco in organizing the 11th meeting of the "High-Level Group for Partnership, Coordination and Statistical Capacity Building of the Agenda for Sustainable Development 2030" organized in May 2018 in Rabat (Morocco).

12. Support AMU in developing regional cooperation initiatives in priority areas likely to accelerate the implementation and monitoring of sustainable development objectives.

93. The SRCM 2018 consultative meeting devoted to strengthening collaboration and partnerships led to a common understanding of regional priorities and challenges related to SDG implementation. It led to the definition of key orientations for a regional roadmap (2018-2019) and proposals for practical actions supporting the attainment of SDGs. The roadmap provides a framework that should enable AMU to develop regional initiatives.

In addition, the report on SDG implementation in the Maghreb provides guidelines to strengthen the role of AMU in deploying SDGs. These orientations relate to five major areas: (i) development of a sustainable development strategy for the Maghreb in support of efforts by member countries to implement SDGs and Agenda 2063, (ii) regular monitoring of current status, progress and prospects for sustainable development in the Maghreb, (iii) development of a capacity-building program for the institution's staff, (iv) knowledge, experience and best practices sharing among member countries and (v) identification and implementation of special initiatives to strengthen partnerships.

V. Challenges, lessons learned and perspectives

94. Launched in 2012, the ECA's reform process is currently gaining real momentum with a new strategic vision and its translation into programmatic and organizational terms. At the same time, there is a new dynamic to efforts by countries in North Africa to reach new trade agreements at the continental level. Some of these countries have taken steps towards other sub-regional economic communities, a situation that raises more questions than ever about the future of AMU. Additionally, these countries face economic, political and social challenges.

A. Reviving the ECA reform process

1. A new vision for an Africa autonomous and transformed

95. The ECA's reform exercise is currently picking-up momentum in the wake of the implementation of a new vision, "For an autonomous and transformed Africa - from ideas to action", initiated by the Executive Secretary. The fruit of a long consultative process, this new vision provides for an institutional focus on tackling the most pressing challenges to achieve sustainable development objectives (Agendas 2030 and 2063). It is also an integral part of the overall United Nations reform process and aims to strengthen the ECA's role as a regional think tank.

96. The reform process also involves a reorganization of sub-regional offices towards greater focus, relevance and effectiveness, in particular for the Member States and the regional economic communities they serve. This involves transforming Sub-Regional Offices into "centers of excellence" by mobilizing resources and expertise in specific areas of specialization to provide research and analysis services at a recognized level, policy advice and capacity building for the benefit of Member States, RECs and other stakeholders in the sub-region.

97. As a think tank, an ECA sub-regional office is now called upon to play a leadership role in addressing regional issues and providing forward-looking strategic advice based on regional priorities for achieving sustainable development. It is called upon to monitor and evaluate progress in the implementation of development agendas and to provide support to relevant coordination mechanisms. Improved regional capacity to collect and analyze required data and management of consultative monitoring processes are also of paramount importance. The sub-regional office will need to successfully mobilize United Nations entities and development partners in its area of specialization in order to better serve the sub-region, generate economies of scale and optimize development impact.

2. New area of specialization for the ECA Office for North Africa

98. As part of a renewed ECA vision, the North Africa Sub-Regional Office has, in conjunction with member countries, formulated and validated a new strategy for specialization for the 2018-2019 biennium. This new strategic framework aims to help all seven member countries design and implement policies and programs to foster job creation and balanced development with a view to structural transformation in line with Agendas 2030 and 2063.

99. The Office has thus launched its program to provide the analyses, policy options and capacity-building services needed to implement a participatory process for the production, at the national and regional levels, of more targeted and needs-based job creation strategies that take into account gender and youth issues. The Action Plan aims to support Member States in aligning their training and education programs with labor market needs, taking into account rapidly changing competence needs, new occupations and the need to absorb new entrants to the job market.

100. The Office, in collaboration with the ECA substantive divisions, will address issues of economic diversification, industrialization, private sector development, regional integration, green economy, women's empowerment, migration, education, poverty and inequalities and social development from an employment perspective for the States of the Sub-region. The work plan will also include financing for development, improving macroeconomic and fiscal policies, and combating illicit financial flows in order to ensure sustainable growth.

101. In addition, assistance will be provided to AMU in implementing its roadmap to strengthen Maghreb integration, taking into account recent continental developments resulting from the implementation of the African Continental Free Trade Area and the Action Plan to Boost Intra-African Trade, with a focus on creating new jobs for youth and women. North Africa's engagement in the implementation of trade facilitation measures and the Arab Customs Union will also be assisted by the Sub-regional Office for North Africa. This includes designing and implementing policies to increase harmonization and transparency of trade support processes and procedures within the sub-region, establishing innovative financing mechanisms and methods such as domestic resource mobilization, and designing a new job creation project, including measures to manage migration flows to and from the sub-region.

102. In addition, particular emphasis will be placed on the creation and management of knowledge and information networks to promote best practices and lessons learned in the sub-region and elsewhere, and to disseminate them to Member States and their organizations. Quality assurance and evaluation systems will be integrated into all activities of the action plan in order to monitor quality and impact, and to adjust the new strategy accordingly.

B. About AMU

103. The North African region has undergone significant developments in terms of regional integration. Morocco has applied for membership of ECOWAS (Economic Community of West African States), which would allow it to open up to an area of more than 300 million inhabitants. Similarly, Mauritania recently signed an association agreement with ECOWAS. Tunisia officially joined Africa's largest trading bloc, COMESA (Common Market for Eastern and Southern Africa) in July 2018. Algeria, for its part, has opened negotiations to join COMESA as well.

104. It is undeniable that these agreements offer attractive economic horizons, but it must be noted that such agreements will have an impact on the Maghreb integration process piloted by AMU.

C. Political, economic and social conditions in the region

105. The region has yet to face a variety of political, economic and social challenges. On the political level, the region continues to witness political instability in most countries. Political and social events starting in 2011 plunged Libya, Tunisia and Egypt into a period of uncertainty. Although still suffering from a fragile security situation, Egypt and Tunisia have undertaken political reforms marking a return to political stability. Libya still faces significant political challenges, with clear security consequences and severe limits on development prospects. Morocco, Algeria and Sudan remain immune to major political upheavals. However, all countries in the region need to strengthen good governance, particularly economic governance and this will ultimately reduce political instability, which remains a real impediment to the region's development.

106. On the human level, all countries have made ever-increasing efforts to invest in human capital, leading to significant reductions in poverty, increases in child school enrolment rates, significant reductions in maternal and infant mortality, increased access to safe drinking water and energy, etc. Admittedly, poverty has declined, but results vary from one country to another.

107. Economic growth in North Africa remains volatile due to the dependence of sub-regional economies on primary resources (agriculture, mining). As a result, real GDP grew by 4.8% in 2017 after an increase of 2.9% in 2016, due to more favorable weather conditions in Morocco (+4.1% GDP growth, against 1.6% in 2016) as well as a significant increase in oil production.

108. Inflation remains high in the sub-region, reaching 15.9% in 2017, compared to 10.3% in 2016. This increase is due to currency exchange rate depreciation (Egypt, Sudan) and subsidy reductions (Egypt, Libya).

109. The limited diversification of North African economies also impacts volatility in public finances and current account balances. As the price of oil rose, the sub-region's budget deficit fell to -8.9% of GDP in 2017, from -11.4% in 2016.

110. The current account deficit fell from -10% of GDP in 2016 to -6.7% in 2017. The rise in oil prices strongly benefited the Algerian (deficit of -6.7%, against -16.6% in 2016) and Libyan (surplus of 2.2%, against deficit of -48.1% in 2016) economies.

111. The insufficient diversification of North African economies also has consequences on the employment front, with unemployment in the region remaining at a relatively high level, 12% in 2016. Despite dynamic growth, job creation is insufficient to meet the needs of a fast-growing population. Labor productivity growth also remains insufficient, and lags far behind that of more dynamic countries, such as India and Turkey for example.

112. One explanation resides in production factor allocation within the economy. An analysis of enterprise productivity dispersion shows that, compared to other regions, North African economies suffer from a misallocation of production factors as a result of significant distortions. These distortions stem from market imperfections and inefficiencies in the institutions of countries in the sub-region. Significant increases in productivity, as well as an acceleration of structural transformation in North Africa, can be achieved through the development of strong institutions, restricting the discretionary power of government, isolating economic institutions from political influence, effective administration, strong property rights protection, a regulatory regime favorable to investment, and sufficient availability of public infrastructure to support private initiatives.