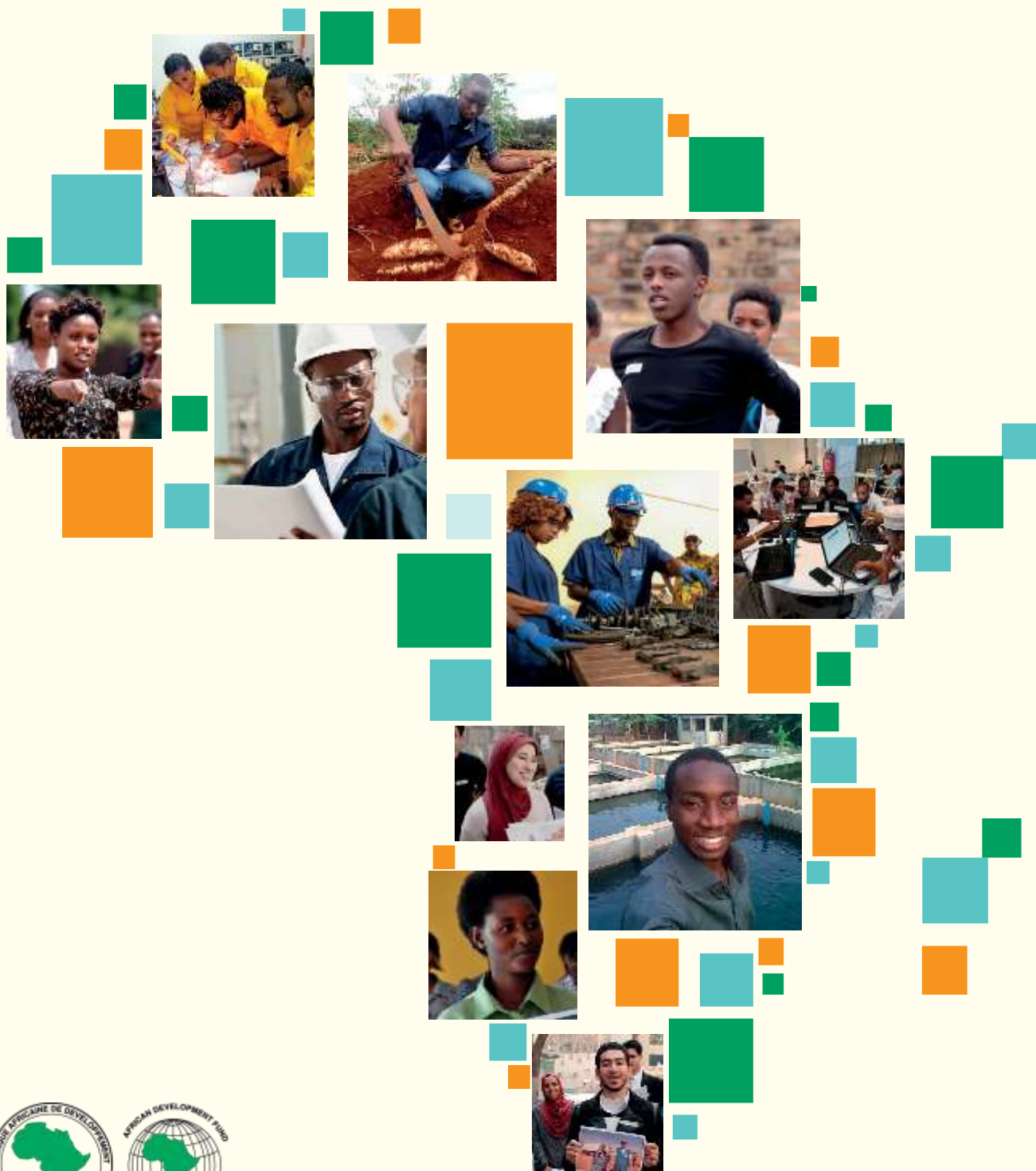


# Jobs for Youth in Africa

Strategy for Creating 25 Million Jobs  
and Equipping 50 Million Youth  
2016-2025



AFRICAN DEVELOPMENT BANK GROUP  
GROUPE DE LA BANQUE AFRICAINE  
DE DEVELOPPEMENT

The High  
Le: Top  
for transforming Africa  
pour transformer  
l'Afrique

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# Acronyms and abbreviations

AFDB	African Development Bank
ADF	African Development Fund
AEO	African Economic Outlook
AGRA	Alliance for a Green Revolution in Africa
AUC	African Union Commission
BPO	Business Process Outsourcing
CSP	Country Strategy Paper
DFI	Development Finance Institution
GDP	Gross Domestic Product
EWI	Employing Workers Indicators
EYE	Enabling Youth Employment Index
FI	Financial Institution
ICT	Information and Communications Technology
ILO	International Labour Organization
JYEIA	Joint Youth Employment Initiative for Africa
LIC	Low Income Country
LMIC	Lower Middle Income Country
MOOC	Massive Online Open Course
M&E	Monitoring and Evaluation
MOU	Memorandum of Understanding
NEET	Not in Employment, Education, or Training
OITC	Transport and ICT Department
OSAN	Agriculture and Agro-Industries Department
OSHD	Human and Social Development Department
OSPD	Private Sector Department
PBOs	Policy Based Operations
REC	Regional Economic Community
RISP	Regional Integration Strategy Paper
RLF	Results-based Logical Framework
RMC	Regional Member Country
RMF	Results Measurement Framework
SME	Small or Medium-sized Enterprise
SPIREWORLD	Social Protection Plan for the Informal Economy and Rural Workers
TVET	Technical and Vocational Education and Training
UMIC	Upper Middle Income Country
UNECA	United Nations Economic Commission for Africa
USD	United States Dollar

BANK-WIDE STRATEGY WHICH  
WILL CREATE

**25 MILLION  
JOBS** AND POSITIVELY  
IMPACT 50  
MILLION YOUTH OVER THE  
NEXT DECADE



AFRICA'S YOUTH  
POPULATION IS  
RAPIDLY GROWING AND  
EXPECTED TO DOUBLE

TO OVER  
**830 MILLION**  
BY 2050

**40%**

OF PEOPLE WHO JOIN REBEL  
MOVEMENTS ARE MOTIVATED BY  
LACK OF ECONOMIC OPPORTUNITY<sup>2</sup>

ONLY **3 MILLION** FORMAL  
JOBS ARE CREATED ANNUALLY<sup>1</sup>  
DESPITE THE

**10-12 MILLION**  
YOUTH THAT ENTER THE  
WORKFORCE EACH YEAR

OVER **3,500**  
**DEATHS** AMONG  
MIGRANTS ATTEMPTING TO  
CROSS THE MEDITERRANEAN  
SEA IN 2015  
ALONE



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## Executive summary

**Youth are Africa's greatest asset.** While Africa's economic growth is positive, there is an urgent need to promote inclusive economic transformation and jobs-induced growth to improve the quality of life for all Africans.<sup>1</sup> Africa's youth population is rapidly growing and expected to double to over 830 million by 2050.<sup>2</sup> If properly harnessed, this increase in the working age population could support increased productivity and stronger, more inclusive economic growth across the continent.

**However, this asset remains untapped due to unemployment and underemployment.** The potential benefits of Africa's youth population are unrealized as two-thirds of non-student youth are unemployed, discouraged, or only vulnerably employed.<sup>3</sup> Only three million formal jobs are created annually<sup>4</sup> despite the ten to twelve million youth that enter the workforce each year.<sup>5</sup> Even when jobs are available, youth often do not have the skills required by employers – despite gains in education access over the past several decades. Women are particularly impacted, often facing even greater barriers to accessing opportunities and earning equal pay.<sup>6</sup>

**There are individual, national, and global benefits to improving youth employment.** Employment leads to increased incomes, higher standards of living, and better health and education access.<sup>7</sup> It also fuels inclusive growth for countries; lowering the youth unemployment rate to that of adults would translate to a 10 to 20% increase in Africa's GDP.<sup>8</sup> Conversely, lack of action has consequences. 40% of people who join rebel movements are motivated by lack of economic opportunity.<sup>9</sup> Unemployment also fuels outward migration both within and from Africa.<sup>10</sup> This leads to unspeakable tragedy, reflected by over 3,500 deaths among migrants attempting to cross the Mediterranean Sea in 2015 alone,<sup>11</sup> and increasing costs for host countries.

**Jobs for Youth in Africa is a Bank-wide strategy which will create 25 million jobs and positively impact 50 million youth over the next decade.** To accomplish this goal, the Jobs for Youth in Africa Strategy 2016-2025 aims to increase inclusive employment and entrepreneurship, strengthen human capital, and create durable labor market linkages by making use of three strategic intervention areas: Integration, Innovation, and Investment.

**Through *Integration*, the Bank will equip itself and Regional Member Countries to become engines of job creation for young Africans.** First, youth employment considerations will be incorporated into Bank projects, staff, and systems. This includes the provision of financial and technical assistance to include a youth employment component in the design of Bank projects across sectors and the addition of youth employment indicators into monitoring and evaluation systems. Second, the Bank will provide technical and financial support to RMCs that enable them to pursue policies and plans that contribute to better youth employment outcomes. These efforts will build institutional capacity and position RMCs to increase their employment effects throughout the next decade.

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**Through *Innovation*, the Bank will work with partners to incubate, implement, assess, and scale promising solutions.**

- **Program models** focused on developing youth entrepreneurs and enhancing the skills of youth to meet private sector needs will be built based on best practices both within and outside the Bank. These models will be tailored to country contexts, implemented in partnership with the private sector, evaluated, and then refined and scaled in a demand-driven way. Programs will initially focus on the Bank's high priority sectors of agriculture, industry, and ICT. Over time, additional programs will be designed and implemented for a variety of different sectors.
- An **Enabling Youth Employment Index** will measure youth employment outcomes and enabling policies at the country-level, and provide information on the evolution of labor market performance over time. It can be used as a tool to incentivize policymakers to pursue agendas favorable to youth employment.
- An **Innovation and Information Lab** will support the youth employment and entrepreneurship ecosystem by incubating promising new ideas and assessing best practices for existing interventions. The Lab will be supported by a web-based platform that will disseminate findings to an internal and external audience. Together, these activities will build the evidence base on youth employment interventions.

**Through *Investment*, the Bank will catalyze private sector investments that fuel job creation and employment for youth.** The Bank will issue guarantees, support student loan financing programs, make indirect

and direct investments, and develop challenge prizes in order to spur more investment into the youth employment and entrepreneurship ecosystem. Together, these activities will reduce financing risks, expand access to capital, and incentivize private sector investments in youth employment challenges.

**Dedicated financial and human resources will be put in place to achieve the goals of the strategy.**

The Bank will set up the *Jobs for Youth in Africa Facility*, a Special Fund which will pool resources from the Bank and like-minded donors and host a dedicated team focused on youth employment. Other financial resources include the establishment of the Boost Africa Investment Fund which will significantly scale up impact by making equity investments in financial intermediaries, which will in turn invest in high-impact early stage businesses. The Bank will also use existing facilities and programs such as the Africa SME program which will further support efforts to create jobs and economic opportunities.

**The Jobs for Youth in Africa Strategy 2016-2025 contributes to the achievement of the Sustainable Development Goals (SDGs) for Africa.**

It directly supports SDG8 on inclusive growth, productive employment and decent work for all, SDG4 on equitable education and skills development, and SDG1 on ending poverty. The Bank's work is anchored in the Bank's Ten Year Strategy (2013-2022), informed by the Human Capital Strategy (2014-2018), and supportive of the Bank's Five High-Priority Areas. It builds on insights from Bank-financed projects, lessons learned from the Joint Youth Employment Initiative for Africa, as well as the experiences and best practices of relevant initiatives led by actors outside the Bank.

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# 1 Introduction and context

## 1.1 Africa's economic outlook is positive, but there is a need for more inclusive growth.<sup>12</sup>

Africa continues to “rise,” but the fruits of its economic growth must be more broadly shared going forward. Africa's growth is key to the success of the UN Sustainable Development Goals (SDGs); otherwise the global SDGs will fall short of eradicating global and regional inequalities. Many African countries are implementing positive policy reforms to improve the business investment climate. As a result, private sector investors have chosen to increase their presence in Africa despite the recent macroeconomic turbulence. However, more efforts are needed to convert this investment into job creation and inclusive growth.

## 1.2 The need for Jobs for Youth in Africa has never been greater.

Youth unemployment and underemployment constitute central challenges to Africa's development. If youth unemployment rates remain unchanged in Africa, nearly 50% of youth – excluding students – will be unemployed, discouraged, or economically inactive by 2025.<sup>13</sup> A sustained economic slowdown could exacerbate this situation: with slower growth rates and depressed incomes, demand for labor will fall and make it more difficult for many Africans to meet their basic needs. The problem is expected to be most severe in Africa's resource-rich countries, such as Nigeria and South Africa, where low commodity prices and the threat of recession make a solution to the youth unemployment challenge all the more urgent. The likely consequences include increased poverty, social and economic exclusion, migration out of the continent, and increased risk of political tensions.

## 1.3 The Jobs for Youth in Africa strategy catalyzes the best set of options for Africa to promote transformative and inclusive growth, where the youth are the drivers of the required transformation and responsible for their own positive economic and social outcomes.

The strategy reinforces the link of jobs with economic progress and human development. Albeit its quest to scale and increase quantities of jobs created, it underscores quality through its emphasis on jobs that promote transformation and sustainable livelihoods and add value to economy which constitutes vital enablers for equitable economic growth, poverty reduction and gender equality. MDBs, regional member countries (RMCs), development partners, philanthropic foundations, civil society, and even members of the diaspora have over the last few decades put in place efforts to create jobs in various contexts. However, these have not reached the scale nor the sustainability that is required to bring about the transformative change that Africa needs today.

## 1.4 The scale of the youth unemployment problem in Africa requires bold, ambitious approaches to successfully address the issue.

Across the continent, there is demand and political will for action. If the Bank wants to make meaningful impact on the issue, it needs to move away from its historic one-off youth employment projects and instead move towards the ecosystem approach – with a suite of policy, programming, investment, and knowledge interventions that tackle youth unemployment from a variety of different angles. The African Development Bank is uniquely positioned to address a challenge of this scale given its convening power, knowledge of the continent, and partnerships with the private sector. Leveraging its leadership in Africa, strong partnerships, and deep understanding of individual country contexts, the Bank can bring coherence and scale to youth employment interventions across the continent.



### 1.5 The strategy will further the Bank's strategic priorities.

The Ten Year Strategy (TYS) focuses on inclusive growth and green growth as critical to transformative and sustainable economic growth in Africa. This strategic stance is further reinforced by the Bank's priorities – Feed Africa, Power Africa, Industrialize Africa, Integrate Africa and Improve the Quality of Life for African people. The Bank's Human Capital Strategy (2014 – 2018) has clearly outlined the need to focus on Africa's demographic dividend. If Africa does not provide mechanisms to engage the growing youth population, jobless growth will continue and the continent could fall into economic stagnation. JfYA helps to address this challenge. Jobs for Youth in Africa also supports the Bank's Gender Strategy, supporting skills development and the creation of entrepreneurial opportunities that support gender equality. 50% of JfYA beneficiaries will be female youth. Similarly, JfYA also enhances the Bank's efforts to support countries affected by fragility, crises, localized conflict, or post-conflict situations by emphasizing jobs and human capital development as a necessary condition to long term sustainable peace and security.

### 1.6 The Jobs for Youth Strategy builds off lessons learned from previous work.

JfYA has been designed through an extensive internal consultation process with a Bank-wide task force. As outlined in Annex A3, there were also in-depth external consultations with public, private, civil society groups and youth groups. The strategy incorporates lessons learned from the efforts of Multilateral Development Banks, RMCs, development partners, philanthropic foundations, civil society, and even members of the diaspora. These groups have implemented efforts to support youth employment over the past few decades, but these efforts have not reached the scale nor the sustainability required to bring about the transformative change that Africa needs today. In addition, the strategy was further informed by the following critical regional and global agreements:

- **Ouagadougou Declaration (AU):** Overall regional framework for employment promotion by all AU member states, emphasizing youth and women;
- **Malabo Declaration (AU):** Commitments from AU member states to reduce unemployment among youth and women;
- **Agenda 2063 (AU):** Strategic framework for inclusive growth and sustainable development, with priorities in job creation and creating opportunities for youth employment and self-realization;
- **African Youth Charter (UN):** Political and legal framework for action on youth development, accompanied by an action plan for 2009-2018.

### 1.7 The overall goal of the Jobs for Youth in Africa Strategy (2016-2025) is to create 25 million jobs and equip at least 50 million youth to realize their full economic potential.<sup>14</sup>

The strategy is anchored in the Bank's overall vision of Improving the Quality of Life for All Africans. The desired long-term outcome for this strategy is expanded economic opportunity for both male and female African youth, which leads to improvements in other aspects of their lives. JfYA has three main objectives that help to achieve this goal. The first objective is to address demand challenges by creating greater economic opportunities for youth across socio-economic strata, rural-urban divides, and gender and age groups. The second objective is to address supply challenges by supporting regional member countries in private sector-centric human capital development, equipping youth with skills that position them for the jobs of tomorrow. The third objective is to address linkage challenges and better connect youth to economic opportunities.



## 2 The state of youth employment in Africa

### 2.1 Africa's youth population is rapidly increasing.

Today, Africa's population is 1.2 billion and is projected to more than double by 2050, when it will comprise one-fourth of the world's population. Already the world's youngest region, Africa will be home to 38 of the 40 youngest countries in 2050, and its median population will be under 25 years old.<sup>15</sup>

### 2.2 This youth bulge can lead to significant economic opportunities.

Countries with growing working age populations can potentially benefit from increases in productivity – which leads to higher savings and investment and overall economic growth. Decades of research across developing and developed economies shows that employment is a pathway out of poverty.<sup>16</sup> Across a 14-country study, a 1% increase in per capita income resulting from improved economic opportunity reduced poverty by 1.7%, on average.<sup>17</sup> In Africa, simply lowering the youth unemployment rate to that of adults would translate to a 10 to 20% increase in Africa's GDP.<sup>18</sup> In particular, raising female employment rates to that of males could have a significant GDP impact.<sup>19</sup>

### 2.3 However, reaping the benefits of the demographic dividend depends on investments in job creation and human capital development.

Asia and Latin America experienced similar demographic shifts, but with differing economic effects. In Asia, significant investments in human capital and physical infrastructure and an initial emphasis on labour-intensive sectors enabled not only the creation of more jobs, but also higher labor force participation. Between 1980 and 2010, GDP per capita in Asia grew by over five times, even according to conservative estimates.<sup>20</sup> By contrast,

in Latin America, weaker policy environments and lower investment levels led to slower growth and slower job creation, despite a similar demographic potential to Asia; unemployment rates among the youth populations are higher than those of adults, and GDP per capita has only doubled since 1980.<sup>21</sup>

#### Box 1 – Defining jobs

The definition of a “job” is broader than a paid or salaried position. In Africa, this broader definition is vital given that most work on the continent is in the informal sector.

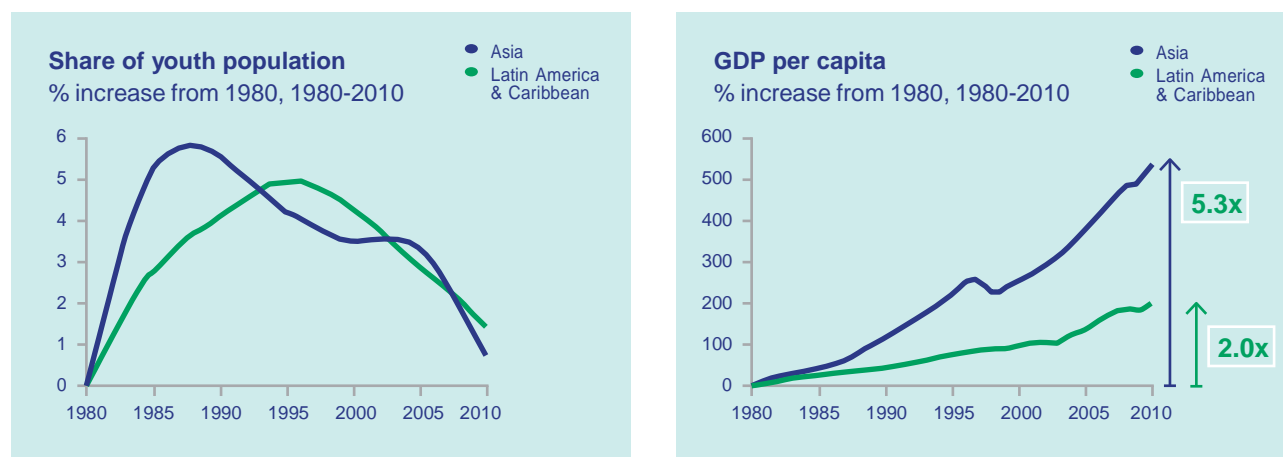
The strategy utilizes a definition based on the International Conference of Labour Statisticians, the 2013 World Development Report, Human Development Report 2015, and the ILO Decent work agenda, in line with the Goal 8 of the SDGs. **“Jobs are a formal or informal set of tasks performed for an employer or for oneself that generate income and do not violate fundamental rights and principles at work.”**

The definition recognizes aspects beyond income which could relate to job satisfaction such as identity, status, dignity, and self-confidence. Jobs usually influence identities and how people relate to each other. A job increases an individual's sense of their role in society and his/her perception of fairness.

Of course, all these aspects are particularly important for Africa's youth. The strategy adopts the AU definition of youth as those aged between 15 and 35.

## 2 The state of youth employment in Africa

Figure 1 – Increases in youth population and GDP per capita, 1980-2010, by region<sup>22</sup>



### 2.4 There are not only benefits to increased youth employment, but consequences if left unaddressed.

Long spells of youth unemployment or underemployment permanently lower future productive potential and earnings.<sup>23</sup> Lack of economic opportunity also fuels conflict and instability. Absolute poverty, in part the result of a lack of economic opportunity, is among the most significant predictors of political violence in Sub-Saharan Africa. 40% of people who join rebel movements worldwide are motivated by a lack of jobs.<sup>24</sup> In fragile states, unemployment poses an even greater risk, as unstable situations and limited social support networks increase the likelihood that frustration with lack of opportunity will translate into violence.<sup>25</sup>

### 2.5 The youth employment challenge in Africa also has global implications.

Political unrest and the lack of economic opportunities often lead to youth dissatisfaction and migration. In Italy, the majority of arrivals by sea in 2015 were from African countries.<sup>26</sup> Evidence shows that in 2015, 94% of people arriving in Greece came from conflict-affected states.<sup>27</sup> For African economies, emigration means the loss of the

continent's greatest asset – its young women and men – and undermines the potential of youth to drive growth. There are also costs for host countries. In 2015, Germany and Turkey spent \$14 billion to address refugees and migrants, which exceeded the total cost of deportations for 28 EU member states from 2000-2015.<sup>28</sup> At the same time, migration within and outside Africa can have a positive impact if harnessed effectively. In the past three decades, global remittances have increased more than nine-fold, surpassing foreign direct investments (FDI) and official development assistance (ODA) combined.<sup>29,30</sup> The African diaspora's networks and resources constitute intellectual and financial capital that could also be catalytic in building ecosystems of entrepreneurship.<sup>31</sup> While these are potential benefits of migration, Africa must focus on those within the continent in order to reach its growth potential.

### 2.6 Today, the majority of youth in Africa do not have stable economic opportunities.

There are 420 million youth aged 15-35 in Africa. Of those who are not students, one-third are unemployed and discouraged, another third are vulnerably employed,

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## 2 The state of youth employment in Africa

and only one in six is in wage employment.<sup>32,33</sup> Youth face over double the unemployment rate of adults, with significant variation by country.<sup>34</sup> The problem is not just unemployment but underemployment, which peaks at just over half of youth, excluding students, in low income countries.<sup>35</sup> Africa is the only region where the number of young working poor living on \$1 a day has increased within the past two decades.<sup>36</sup>

### **2.7 The majority of youth that are employed are engaged in the informal economy, which presents its own challenges.**<sup>37</sup>

The lack of wage jobs pushes youth into the informal economy, estimated to account for nearly 80% of jobs in some countries. Youth and women are even more likely than other groups to be employed in the informal economy, where jobs are typically less stable and have lower earnings potential. 41% of working youth remain food insecure, indicating their income is insufficient to meet even basic needs.<sup>38</sup> Beyond these immediate impacts, most informal workers maintain lifelong low wages due to the lack of pathways for securing formal work.<sup>39</sup>

### **2.8 Lack of opportunity affects youth across all geographies and demographic segments, with variations in the nature of the challenge increasing its complexity.**

Rates of employment vary by countries' income status. 90% of Africa's youth live in low and lower-middle income countries<sup>40</sup> and the biggest challenge they face is the lack

of formal jobs. In these country income groups, 10 to 15% of non-student youth find wage employment, on average, while 30-50% are vulnerably employed. In contrast, upper middle income countries (UMICs) have higher wage employment and lower vulnerable employment, but high overall unemployment rates.<sup>41</sup> Across UMICs, one in five non-student youth are unemployed.<sup>42</sup>

### **2.9 Women, rural youth, and those that live in fragile states are particularly impacted.**

Across country income groups, females face high barriers, with 35% of all youth not in employment, education, or training (NEET), compared to 20% of men.<sup>43</sup> The Bank's Gender Strategy 2014-2018 highlights the challenges women face to access economic opportunities and identifies economic empowerment as one of three components of the strategy. The nature of the challenge differs by geography as well. Opportunities for the one in five youth living in fragile states are particularly limited. In rural areas, opportunities for youth are often limited to family agriculture, resulting in even higher rates of vulnerable employment than in urban areas.<sup>44</sup> These variations reflect not only the severity of the problem but also the need for differentiated programming tailored to the needs of each youth segment.



## 3 Past efforts and lessons learned

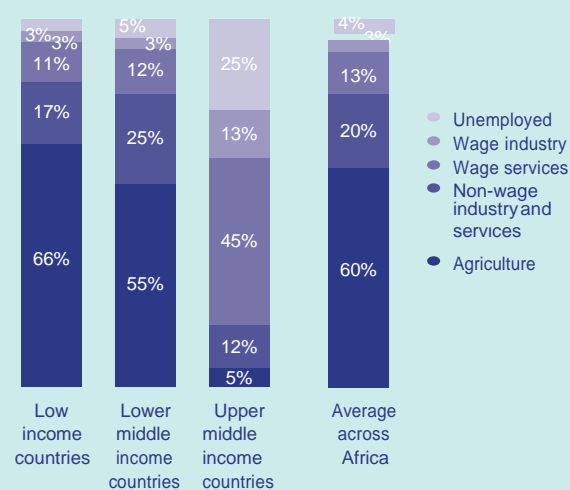
### 3.1 Past and Current Efforts on Youth Unemployment

**3.1.1 Across Africa, youth employment is a key priority.** The Bank has worked closely with others to align on the critical importance of youth employment and develop strategic frameworks that inform Jobs for Youth in Africa. These frameworks include The Ouagadougou Declaration and Plan of Action on Employment Promotion and Poverty Alleviation, the African Youth Charter, the Continental Strategy for TVET to Foster Youth Employment, the Malabo Declaration and Decision of Youth Empowerment, the Social Protection Plan for the Informal Economy and Rural Workers, and, most recently, Agenda 2063. Youth employment is also a priority area for Regional Member Countries (RMCs). Government efforts include key reforms to strengthen the enabling environment for job creation, the creation of new agencies focused on youth, the establishment of job creation funds, and the implementation of programs to increase employment opportunities within particular sectors.

**3.1.2 The Bank's own work has been extensive.** Launched in 2011, the Joint Youth Employment Initiative for Africa (JYEIA) was a collaboration between the Bank, the AUC, UNECA, and the ILO that aimed to increase youth employment in Africa through policy, implementation, and knowledge support. JYEIA showcased the potential gains from collaboration, with each organization bringing its own area of expertise. Its key accomplishments at the Bank included trainings organized jointly with the ILO to provide Bank staff with needed knowledge and tools and the establishment of a Youth Employment Task Force. On

the ground, JYEIA adopted a country-centric approach, seeking to conduct analyses of country situations in order to address youth employment comprehensively. The Bank successfully carried out diagnostic and mapping exercises in Burkina Faso and Senegal, launched capacity development initiatives in RMCs on labor statistics, and developed projects in Mauritania, Togo, Cameroon, and Madagascar in collaboration with the ILO. Despite early momentum, JYEIA's success was limited due to challenges in operationalizing the partnership framework and the lack of dedicated financing and resources for proposed activities.

**Figure 2 – Distribution of employment in sub-Saharan Africa, by country income**  
% of total labour force, 2010



## 3 Past efforts and lessons learned

### 3.1.3 Beyond JYEIA, analysis of the Bank's employment work reveals efforts on which to build as well as current gaps to be filled.

A study assessing the overall employment effects of Bank programming and investments between 1990 and 2010 found 200,000 jobs were created across 51 projects.<sup>45</sup> Employment-loan ratios, while varying by sector, were relatively high for infrastructure, economic and institutional reform, and finance and lines of credit. An OSHD survey of public sector operations revealed 47 projects completed or initiated between 2010 and 2015 that in some way addressed youth employment. These projects span sectors, intervention types, and geographies, and include projects focused on skills development, entrepreneurship capacity, access to finance, and the enabling environment for youth employment. They created an estimated 347,000 jobs; trained nearly 500,000 participants, and provided support to over 32,000 SMEs – of which women were approximately 40% of targeted beneficiaries.<sup>46,47</sup> The Bank has sponsored a number of innovative approaches to foster job creation, including Souk-At-tanmia, Holistic Social Business Movement, and the Africa SME Program, among others. Between 2005-2015, the Bank approved 56 education projects for the whole Africa continent, amounting to US\$1.6 billion, of which 34% went to Technical Vocational Education and Training (TVET). The Bank has also made investments in social funds and microfinance, with 70% of investments in social funds in Egypt, Djibouti, Guinea, the Gambia, and Mali directed toward women and youth. Efforts to assimilate youth in post-conflict settings and fragile states have also been extensive, with the Bank responsible for the reintegration of approximately 60,000 youth ex-combatants in the Great Lake Region.<sup>48</sup> The Bank has also conducted high level dialogue on favorable youth employment policies through sector budget support in Tunisia, Morocco, Cote d'Ivoire, and Rwanda. A key constraint to scaling these projects was the limited availability of resources.

### Box 2 – Example of the Souk Attanmia

The African Development Bank initiated in 2012, the Souk Atanmia program (“market for development” in Arabic) to support entrepreneurship in Tunisia in partnership with United Nations agencies, private sector actors, donors and civil society organizations. Under the program, 61 young entrepreneurs received grants and coaching to grow or to start their businesses, with approximately four jobs created per grantee. A total of 276 direct and indirect jobs were created in the first phase of the program. A key lesson learned was that start-ups need more assistance in addition to funding to ensure survival. The Bank also noted that the survival rate is higher among existing SMEs (88%) than start-ups and (79%). The Souk Attanmia experience improved the Bank's abilities to support SMEs and has informed the Jobs for Youth in Africa

## 3.2 Lessons Learned

**3.2.1 Youth employment interventions are often fragmented, focusing on only one aspect of the situation.** Youth unemployment is driven by interlinked and mutually reinforcing causes. These include demand challenges that impede job creation, supply challenges that limit the development of an appropriately skilled youth workforce, and challenges in linking potential employers and relevant employees together effectively. However, many interventions and policies often focus on only one specific challenge (often supply-side challenges), thus limiting their overall impact. In addition, interventions are often not integrated or linked with wider macroeconomic



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### 3 Past efforts and lessons learned

or sector-specific policies. Another major gap in past efforts was a lack of focus on the informal sector, where the majority of youth are currently employed. Projects are often designed based on labor market data that more accurately captures formal versus informal workers; interventions mostly focus on reducing overall unemployment and not informal employment as well; and many monitoring and evaluation frameworks do not take into account indicators such as job quality and stability, which are especially challenging for informal workers. **Implication:** *Jobs for Youth in Africa will take a holistic, ecosystem approach to addressing youth unemployment in Africa, both in terms of the types of challenges it addresses as well as the types of interventions employed.*

**322 Many interventions do not fully consider the needs and desires of youth.** Oftentimes, youth employment programs are not designed by youth themselves. Youth are seen as recipients of assistance rather than active actors. Often, youth involvement in the design of a policy or program is only through a short consultation and does not go further. The outcomes of the National Consultative Meetings on Youth Employment, organized by ILO in early 2012, corroborate this issue. Youth highlighted their limited engagement in policy dialogue and lack of involvement in the implementation and M&E of youth interventions. They also highlighted the lack of appropriate forums to participate in national dialogues regarding their needs. **Implication:** *Jobs for Youth in Africa will substantively engage a range of youth segments throughout the design and implementation of its programs, partnerships and investments.*

**323 There is also ongoing fragmentation of efforts amongst various actors.** At the government level, a variety of ministries directly and indirectly deal with youth employment. However, a lack of national action plans and defined structures to bring different ministries together

leadstoalackofcoordinationamongstgovernmentactors, which hampers overall effectiveness of interventions. In addition, there is often insufficient consultation with and engagement of the private sector. The private sector is an essential stakeholder in addressing youth unemployment, not only as the engine of job creation but also as a potential partner to implement complex interventions alongside governments and civil society actors. **Implication:** *JfYA will promote strong partnerships with RMCs, private sector actors, and CSOs based on the context of each country - with the involvement of the respective RECs.*

**324 Implementation of interventions is often ineffective.** While there are a number of global and regional declarations to promote employment, and youth employment specifically, the activities to date are still fragmented and fall short of the desired transformational change that is needed. For example, The Third Biennial Report on the Follow Up of the Implementation of the Ouagadougou Declaration stated that even though more member States are incorporating employment objectives and targets in their national development plans, there is still much to be done to create effective policies. Insufficient funding and limited flexibility in funding instruments for youth employment interventions are also challenges. **Implication:** *The Jobs for Youth in Africa Strategy leverages the Bank's convening role to accelerate a collective response that builds on synergies and drives the momentum for shared accountability for action and results. Clear implementation plans and financing flexibility is built into the design of JfYA.*

**325 More data and information from both research and evaluation is needed to enhance future programs and policies.** There is a lack of comprehensive, accessible and aggregate information on youth employment programs, their impacts, and lessons. Despite efforts to map activities, there is insufficient data on

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### 3 Past efforts and lessons learned

what various national, regional and international actors are doing to promote youth employment and how resources are being used. In addition, there is also a lack of sufficient labor market data, disaggregated by age and sex, which enables the design of sufficient interventions. Labor market information systems are often weak, fragmented, limited in scope (e.g., do not capture the informal sector) and often outdated in terms of the available data.

**Implication:** *Jobs for Youth in Africa will establish an index and Innovation and Information lab to address this gap.*

**326 Beyond employment-specific activities, evaluations of other aspects of the Bank's work offer additional lessons learned for the Jobs for Youth in Africa Strategy.** An evaluation of the Bank's support to SMEs found a need to improve the design of operations

by making use of experts from different parts of the Bank, and to collect more information on project outcomes,<sup>49</sup> shortcomings that the Jobs for Youth in Africa Strategy will address. An evaluation of the Bank's intervention on microfinance demonstrated a need for more innovative financial instruments that pull in the private sector. Other studies have affirmed the need for more information on project outcomes, finding impact evaluations to be particularly necessary, but relatively limited thus far.<sup>50</sup> With regards to strategy development and implementation, a recent evaluation revealed a need for strategies to be accompanied by detailed plans for implementation, frameworks for monitoring and evaluation, and support to Bank staff throughout the implementation process.<sup>51</sup> The Jobs for Youth in Africa Strategy is informed by and designed to address each of these findings.



# 4 Jobs for Youth in Africa strategic approach

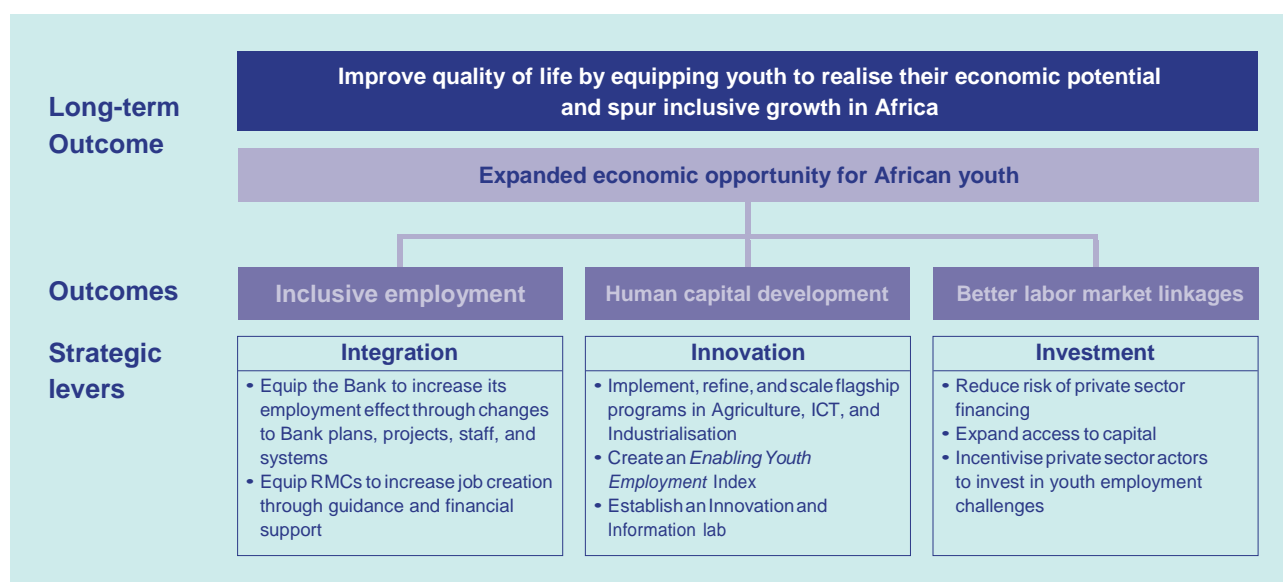
## 4.1 Overview

**4.1.1 Building on lessons learned and the Bank’s strengths, the Jobs for Youth in Africa Strategy takes an ecosystem approach by addressing the full range of youth employment challenges, deploying a variety of interventions, and convening partners from across the continent.** The strategy addresses interrelated demand, supply, and linkage challenges. It also takes a holistic approach to interventions, utilizing programmatic, knowledge, and financing interventions to address challenges from a variety of dimensions. The Bank has a deeper history of programming, research, policy support, and investment across the continent than other initiatives and development institutions, enabling it to design and implement interventions that are applicable across heterogeneous country contexts—including fragile states, smaller countries, and island nations. The Bank’s decentralized structure enables it to understand what is happening within countries and thus deliver interventions that meet country demands and have political support. In addition, the Bank will use its convening power to bring together private, public, and civil society stakeholders to deepen the collective understanding of challenges and potential solutions. Through Jobs for Youth in Africa, the Bank can bring coherence and scale to youth employment

efforts across Africa and will directly contribute to the creation of 25 million jobs and the impact on 50 million youth. These goals are achievable with a clear implementation roadmap for each activity and the right combination of resources, coordination, partnerships, and performance tracking.

**4.1.2 To achieve the Jobs for Youth in Africa vision and desired outcomes, the Bank will use three strategic intervention areas: Integration, Innovation, and Investment.** Through Integration, the Bank will equip itself and RMCs to become engines of job creation. Through Innovation, the Bank will incubate, implement, assess, and scale promising solutions. Through Investment, the Bank will catalyze private sector investment. The figure below indicates how these sets of activities provide both short and long-term solutions that lead to expanded economic opportunities for African youth. Across the strategy, the Bank’s roles include funding, support with program design, knowledge generation and dissemination, and policy guidance and capacity development within RMCs. Public, private, and civil society partners will co-fund activities, co-design programs, administer projects, share knowledge through the Innovation and Information Lab, and execute private sector investments.

**Figure 3: Theory of change of jobs for youth in Africa**



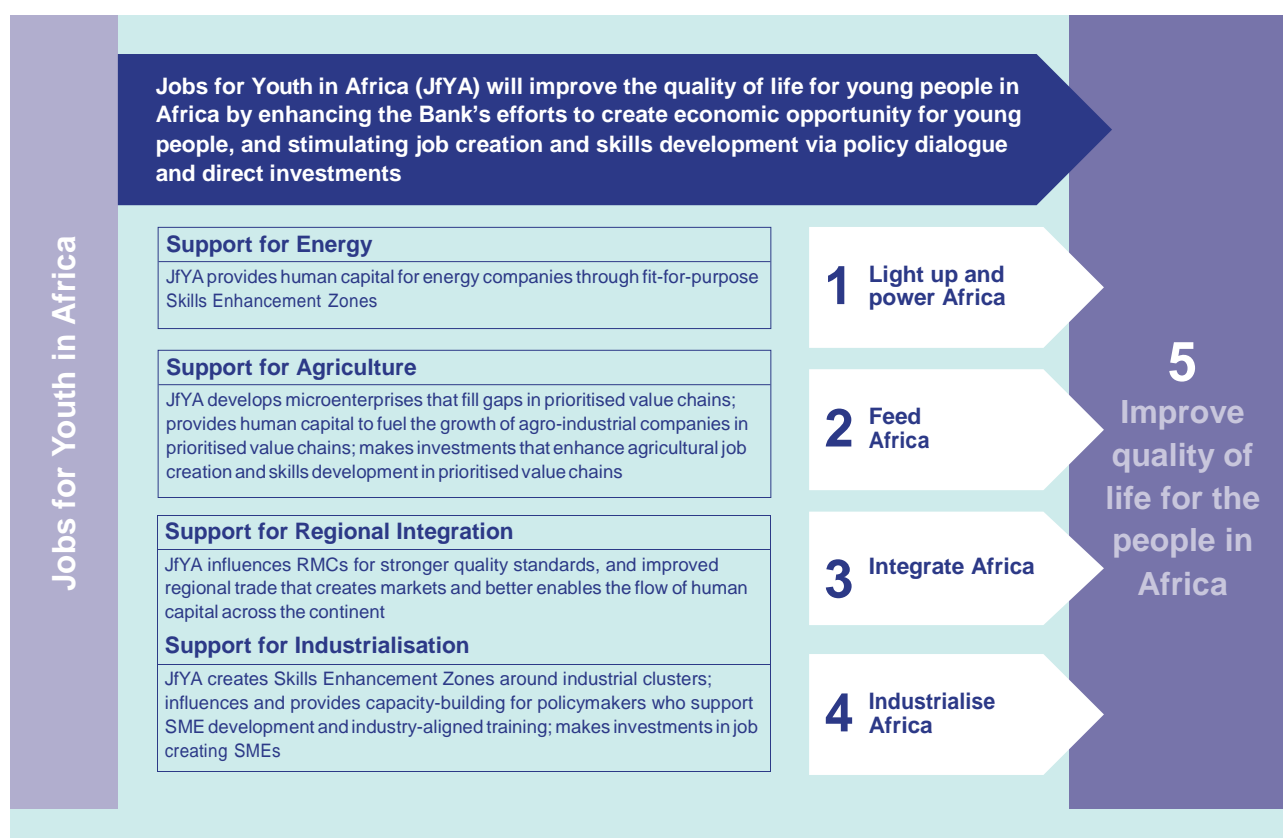
## 4 Jobs for Youth in Africa strategic approach

### 4.2 Alignment with Bank Priorities

**4.2.1 Jobs for Youth in Africa is mission-aligned with the AfDB’s mandate and purpose, including the Ten Year Strategy and the other High Five Priority Areas.** These Priority Areas have ambitious goals – to reach universal energy access by 2025 (Light Up and Power Africa); to transform agriculture into a competitive and inclusive agribusiness sector (Feed Africa); to raise industrial GDP by 130% by 2025 (Industrialize Africa); and to integrate Africa’s diverse regions and countries (Integrate Africa). There are several overarching ways in which the Jobs for Youth in Africa strategy supports the goals to Feed Africa, Light Up and Power Africa, Industrialize Africa, and Integrate Africa. First, JfYA flagship

programs will provide the human capital necessary for the growth of other priority sectors, via private sector industry-aligned skills development. Second, JfYA can promote policies (via policy guidance and PBOs) and provide capacity building to support policies that not only create jobs, but also catalyze economic growth and private sector job creation in priority sectors identified by other strategies. Third, JfYA will promote SME development and private sector growth in priority sectors through direct and indirect investment in business formation and growth – a common goal across all of the High-Fives. The figure below provides a snapshot of how Jobs for Youth in Africa can support other aspects of the High Five Priority Areas.

**Figure 4: Jobs for youth in Africa and high five priority areas**



### AREAS OF INTERVENTION

#### 4.3 Intervention 1: Integration

##### Overview

**4.3.1** The Bank will broaden its impact on youth employment and equip RMCs to respond more effectively to the employment challenge. This will be achieved through the increased focus of youth employment into Bank plans, projects, staff trainings, and systems, and through increased Bank influence and support in RMCs.

##### Guiding Principles

**4.3.2** The Bank's work within Integration will be guided by four key principles:

- 1 Strengthening core competencies:** The Integration activities capitalize on the Bank's relationships with and presence in RMCs, expertise on diverse topics, and numerous financial and non-financial tools, such as policy-based operations. It also aims to strengthen these competencies, positioning the Bank not only to better address employment but also to advance its broader mission.
- 2 Amplifying existing work:** The Integration activities take into account lessons learned from and identified gaps in the Bank's past and current work. These activities aim at systematic change on the institutional level that will affect the Bank's work over the coming decade.
- 3 Fostering collaboration:** The Integration activities depend on the commitment of and collaboration between Bank staff across departments. They aim to align the entire institution behind this agenda.
- 4 Applying a strategic approach:** The Integration activities are high-impact and supported by detailed implementation plans. They reflect a recognition that there are constraints to Bank time and resources and that the Bank's new way of doing business must entail strategic thinking to prioritize its interventions and to undertake activities in a phased approach.

#### Action 1: Equip the Bank

**4.3.3** Integration activities will require strategic changes to Bank systems in order to better equip the Bank to sustainably address youth employment. Changes will be aligned with the Bank's mission, priorities, processes, and operational procedures, and build on the youth employment related work in which the Bank is already engaged. These changes will be Bank-wide: owned and implemented by all Bank departments, with support from the Bank team focused on youth employment. The Bank will take the following key actions to increase its impact:

- **Sector action plans:** Each operations department will be supported to develop a sector action plan on employment in order to provide a clear framework for incorporating youth employment in their work. For departments that have listed job creation as a key outcome in their sector strategies, a sector action plan will be developed to provide guidelines on how to identify high employment projects and measure progress in achieving job creation targets. Each sector action plan will include an overview of the department's past relevant work and lessons learned, a vision for how the sector can contribute to job creation, and a typology of projects with high employment potential. The action plan will complement existing sector strategies and will be updated on a regular basis. By serving as a roadmap for operations departments, it will increase youth employment programming for each department and lead to higher youth employment impacts.
- **High employment projects:** Projects with high-employment potential will be identified, mandated to comply with specific requirements, and given additional financial and technical support. High-employment potential projects are those that could create large numbers of direct or indirect jobs.<sup>52</sup> These projects will be marked with an "employment tag" that will direct how the project will be handled throughout the project lifecycle. Employment tags will come with

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## 4 Jobs for Youth in Africa strategic approach

additional requirements, such as the inclusion of relevant indicators in the project's log-frame and targeted monitoring in order to ensure progress toward employment objectives. The designation will also make projects eligible for additional technical assistance such as the support of employment specialists as well as financial support. This financial and technical assistance can be used to incorporate more youth employment components into the project design, focusing on recruiting, hiring, training or certifying a greater number of youth within the project.

- **Strategic procurement: The Bank will conduct assessments and provide financial and technical assistance as needed in order to increase the use of local content.** The Bank's current procurement policy reflects a commitment to use procurement to advance the Bank's overall mission of poverty reduction. It is designed to be sensitive to the socioeconomic aspirations of the Borrowers as long as the principles of sound public procurement are not diluted. As part of the Jobs for Youth in Africa strategy, the Bank will provide technical and financial assistance for country, sector, and project-level assessments and economic studies to determine the potential of using preference criteria to promote contracts to local firms. The Bank will also provide additional funding and support to discover innovative ways to increase local content – including increased support to joint ventures involving local firms – with the intention of bringing successful solutions to scale. These assessments and the support for innovative ways to increase local content will lead to more effective usage of local content within Bank projects and ultimately greater uptake of local content requirements within projects.
- **Staff capacity and expertise: The Bank will provide support and guidance to Bank staff, and will hire specialized experts to strengthen the Bank's skills base for addressing youth employment.** This builds off ongoing discussions on the Bank's business development model and

organizational structure. It takes into account the lessons learned from recent evaluations about the need for training to accompany strategy development. Given that Bank staff face significant time constraints, training will be action-oriented and focused on identifying opportunities that have added value. Improved capacity and expertise will enable staff across the Bank to better deliver job creation outcomes through their daily work.

- **Monitoring and Evaluation Systems: New indicators related to youth employment will be added to all of the Bank's information management systems in order to ensure that indicators related to youth employment are more systematically tracked and monitored.** Employment outcomes and monitoring of the Bank's progress on youth employment will be added to the Results Measurement Framework and reporting on progress will be added to the Bank's Results Scorecard and Annual Development Effectiveness Reviews. Changes will also include the development of core sector indicators related to youth employment and the addition of relevant indicators to results-based logical frameworks for projects. This will allow the Bank to better determine the effects of its employment work, bring greater external visibility of its efforts, and enable organizational learning. These changes to monitoring and evaluation systems will also allow for rigorous M&E of those projects with an employment tag. New metrics and measurement systems will incentivize Bank staff and create accountability to meet ambitious job creation and employment targets.

### Action 2: Equip Regional Member Countries

**4.3.4** The Integration set of activities will leverage the Bank's decentralization and the establishment of field offices, which have enabled even more direct engagement with RMCs. Working through these relationships, the Bank will equip RMCs – including fragile states and smaller countries – to better address youth employment

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## 4 Jobs for Youth in Africa strategic approach

by building their capacity and equipping them with the tools, guidance, and financial support necessary to drive policymaking and activities that are favorable to employment and entrepreneurship. This includes the creation of a more supportive enabling environment for the private sector and SMEs. These activities will be tailored to country demands and contextual realities (For example, the needs for initial investments in capacity development and regulatory reforms may be higher in fragile and post conflict countries) to put in place a variety of new policies and institutions that address youth employment. The separate Implementation Plan has details on each of the activities below in Section 3, including implementation approach, key actors, responsibilities, and timelines.

- **CSPs and RISPs: Requiring the inclusion of youth employment as a specific investment area in CSPs and RISPs will improve the consistency with which these key planning documents address youth employment.** New analysis will draw, where possible, on existing diagnostics of youth employment in the country and will focus on identifying key opportunities for Bank investments. The inclusion of youth employment in these planning documents will bring youth employment to the forefront of the Bank's work, ensure political will and support for future activities, and ultimately build a framework for stronger pipelines of employment-related activities that RMCs can then implement.
- **Policy-Based Operations (PBOs): The Bank will work with RMCs to develop a set of thematic PBOs that provide financial incentives to adopt more policies favorable to youth employment.** PBOs influence governments to adopt new policies through the provision of targeted budget support. Building on the increased use of PBOs in recent years, the Bank will prioritize tailored policies that spur formal employment, targeted interventions in the informal sector, and enabling business policies. Policies could include tax incentives that decrease costs to hire, incentives for market-driven curricula

to replace outdated education policies, and financing regulations that increase access to finance for SMEs. Policies could also address the unique challenges faced by females or those in transition states. For instance, PBOs could require RMCs to increase the number of girls in STEM, thus enhancing their future economic opportunities. Policies in transition states could include incentives for private sector investments that contribute to value chain development and incentives for economic diversification that advances local development.<sup>53</sup>

- **Guidance to policymakers: The Bank will engage in ongoing dialogue with government ministers, public representatives, and Regional Economic Communities (RECs) to more systematically spotlight youth employment in the continent's development agenda.** Senior management, including the President, will lead outreach efforts to highlight issues related to youth employment, including regional and country-specific challenges and efforts to connect RMCs and RECs with relevant resources. Guidance will help to support RMCs to create more supportive environments for businesses and build the youth employment and entrepreneurship ecosystem.
- **Capacity development: The Bank will support RMCs in developing the institutional and delivery capacity necessary to increase employment.** The Bank will provide targeted financial support and technical assistance for putting in place appropriate structures and systems to drive employment in RMCs. This includes the establishment of job creation units tasked with coordinating action or policymaking on youth labor, job creation, or the transition of youth from the informal to formal sector. It also includes support to help improve RMCs' employment information management systems. Building on ongoing capacity development work, the Bank will also run trainings and workshops for policymakers and government



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## 4 Jobs for Youth in Africa strategic approach

representatives on the national and regional levels. For fragile states in particular, the Bank will support coordination mechanisms between the public, private, and civil society actors in the country.<sup>54</sup> Those RMCs with increased capacity will be better able to pursue employment and entrepreneurship agendas over the long term.

### 4.4 Intervention 2: Innovation

#### Overview

**4.4.1** As outlined in the lessons learned section as well as extensive research on this issue, one of the major constraints to youth employment is the lack of interventions that clearly lead to appropriate skilling of youth and the creation of sustainable jobs and enterprises. In particular, given the macroeconomic dynamics that are unique to African countries, the interventions and incentives to attract the private sector are different. The Innovation activities address these constraints by bringing scale and coherence to proven and promising interventions.

#### Guiding Principles

**4.4.2** The Bank will support RMCs to establish country and regional partnerships which involve the private sector, CSOs, and financial institutions on the ground to establish country investment plans for jobs. This will be guided by three key principles:

- 1 Incubating new interventions:** The Innovation activities will develop and implement new program and policy interventions. This will involve designing new ideas in job creation, SME growth, and skills development which have the highest impact for individual countries and the continent overall. The Bank will also promote a new approach to program design by building on best practices, replicating across countries and continuously adapting program elements.
- 2 Ensuring coherence of interventions:** Innovation activities will promote coherence on youth employment programming, policy interventions,

and research across Africa. The Flagship Program approach promotes the implementation of similar programs in numerous countries, generating insights that can be used to inform future work across the continent. The Enabling Youth Employment Index will develop a consistent framework for discussing youth employment outcomes and policies, highlighting successful policy approaches for job creation and skills development to be emulated across countries. The Innovation and Information Lab will collect, analyse, and disseminate information on what works and what doesn't work – both within and outside the Bank. This will lead to greater coordination amongst all stakeholders and stronger coherence and efficacy of various interventions.

- 3 Driving impact at scale:** Innovation activities will leverage the Bank's strong relationships with RMCs, private companies, and civil society actors to ensure promising ideas have the full buy-in from the range of stakeholders that are needed to both create jobs and provide the human capital for these jobs. This support will enable successful interventions to scale further across the continent.

**4.4.3 Youth in fragile states and post-conflict areas will be specifically targeted by the Innovation activities, particularly the flagship programs.** These youth are often excluded from many development programs during periods of active conflict. Therefore, the JfYA strategy will provide urgently needed support on skills development combined with apprenticeship and internship programs in both the private and public sector, as well as in the informal economy. These activities will help to integrate youth into the economy. These programs will also work with local active partners to reintegrate ex-combatants. There will also be a clear focus on ensuring women have equal access to jobs opportunities.

### Box 3 – General Electric pledged to invest \$2 billion in Africa by 2018

to boost infrastructure, worker skills and access to energy. GE outlined that there is real potential for growth in local demand in Africa and there should be more efforts made to address the gaps in financing, better technology, improved localization and reducing potential risks to investments by promoting investor friendly reforms. and has informed the Jobs for Youth in Africa

### Action 3: Flagship Programs

**4.4.4** The Bank will deliver flagship programs to increase and accelerate its development impact on job creation for youth, with a special emphasis on reducing gender disparities in the labor market.

### Box 4 – Special considerations for implementation

#### Jobs for Youth in Africa and Transitional States

The implementation of the Jobs for Youth in Africa strategy will take into consideration the special circumstances inherent to operating in fragile states. It will do so by tailoring activities to the fragility context, providing supplementary support to fragile states, and explicitly targeting youth living in these RMCs. Together, these efforts will help to increase youth employment and entrepreneurship in these countries, supporting economic growth and potentially reducing migration rates from these countries.

- **Tailoring support:** The Jobs team will consult the fragility assessments in CSPs or Mid-Term Reviews to guide the design of policy or programmatic activities. All flagship programs can be customized to the unique situations in fragile states. The Jobs team will integrate the fragility perspective from the start of the project cycle, working with ORTS to be responsive to the risks related to working in fragile situations.

- **Providing supplementary support:** Through Integration activities, the Jobs team will invest supplementary resources to help fragile states pursue employment and entrepreneurship agendas over the long term. For example, capacity development in fragile states will help create coordination mechanisms between public, private, and civil society actors.
- **Targeting youth in fragile situations:** A number of activities will explicitly target youth in fragile states and post-conflict areas. In Integration, incremental funding and technical assistance to high employment projects; PBOs; and capacity development will focus on fragile states. In Innovation, implementation of the rural microenterprise program will specifically target fragile states given the importance of the agriculture sector in many of these countries. Investment activities – such as the lines of credit issued through the Africa SME Program – will also focus on executing deals in fragile states.<sup>55</sup>

## 4 Jobs for Youth in Africa strategic approach

### Box 4 – Special considerations for implementation (continued)

#### Jobs for Youth in Africa and Gender

As gender equality is an essential part of the inclusive growth agenda and an area of special emphasis for the Bank, Jobs for Youth in Africa will support projects that empower women with the skills, resources, and opportunities to improve their quality of life. Similar to the approach to fragile states, Jobs for Youth in Africa will support gender equality through tailored support and explicit targeting of women.

- **Tailoring support:** The Jobs team will engage closely with the Office of the Special Envoy on Gender (SEOG) to ensure that the gender agenda is addressed in the implementation of the three levers. To ensure constant collaboration, members of SEOG will participate in the Youth Task Force. New sections on youth employment to be added to the CSPs, RISPs, and sector action plans will take into account the special circumstances that female youth and women face in accessing labor market opportunities. This will provide the basis for designing projects to include the gender dimension and take into account the needs and conditions of women in a given context, sector, or country.
- **Targeting women:** All activities within the strategy have an explicit target to reach 50% or more women (see RBLF in Annex), at a minimum. Select flagship programs, such as the rural microenterprise program, will aim to exceed this target.

To enable tailored support and targeting of women, new employment indicators will track gender-disaggregated data on job creation and employment. This information will provide a clearer view of the

Bank's performance on contributing to women's economic empowerment and support continuous course-correction over time.

#### Jobs for Youth in Africa and the Informal Economy

Given the predominance of the informal sector in many African economies, the Jobs for Youth in Africa strategy ensures activities are specifically tailored to this unique context. Most importantly, PBOs, capacity building for RMCs, and policy guidance for RMCs will promote supportive policies for youth within the informal economy. These policies include social protections for informal workers, overcoming poor oversight in some industries (e.g., domestic workers), and other policies that support formal job creation (e.g., better access to finance for SMEs) and can help youth transition from informal to formal employment. The rural microenterprise flagship program specifically focuses on enhancing the incomes of rural youth involved in the informal economy. The investment activities will seek to expand access to finance for SMEs – through guarantees and lines of credit to financial institutions and equity investments supported by the Boost Africa Investment Fund – which can help to formalize businesses. Finally, the Private Sector Challenge Prizes will also have a select number of challenges specifically focused on the informal economy. For instance, the potential first challenge could be to incentivize actors to “create a mechanism that takes advantage of seasonality, volatility, or spikes in demand for employees (e.g., tourist or harvest season) and unleashes the latent demand for jobs.” To win the associated prize, solvers would need to prove they have connected previously unemployed youth with jobs in either the informal or formal sector.

### Box 5 – Flagship Programs: The Bank’s Approach to Scaling Proven Models

The flagship program approach: The approach is to **implement**, assess, **refine**, and then **roll-out proven program models across the continent at an unprecedented scale**. These programs will focus on entrepreneurship and demand-led skills development. Based on the best practices of past Bank work (e.g. Rwanda Skills Entrepreneurship and Employability Project) and successful projects implemented by external actors, a dedicated team at the Bank (i.e., the Jobs team) will be established and will develop program models. These models will lay out the key elements of a specific program (e.g., size of training cohort, features to be included in training curricula, type of mentorship to be provided to MSMEs). RMCs can then select these models and the Jobs team and relevant Task Managers will customize the models to individual country contexts – such as those of fragile states. Following implementation in a few countries, the initial projects will be evaluated and the program models will be further refined and rolled out across other RMCs.

Critical elements of success:

- **Partnerships:** Working closely with youth groups, RMCs, the private sector, and civil society is essential to success and to reaching youth across different demographics – female and male, rural and urban, those in fragile states, and those engaged in the informal economy. In particular, private sector partners will help to identify their human capital needs, provide input into training curricula, integrate youth into their work culture via

apprenticeships and internships and then absorb youth trainees into full-time roles. The Bank will act as a bridge, supporting coordination between the different actors for the implementation of the flagship programs.

- **Sufficient human and financial resources:** The Jobs Team will include dedicated human resources that will work closely with relevant Task Managers and RMCs to support implementation. In addition, the Bank will have dedicated funding (i.e., grants and loans) available to RMCs to implement these programs.
- **Responsive to demand and flexible to individual country contexts:** Flagship programs have been designed to meet RMC and private sector needs and demands, based on assessed gaps and opportunities.<sup>56</sup> RMCs will be able to select from a variety of program models that suit their needs. Some elements of the programs must remain the same to allow comparability across countries, while other elements can be completely customized to the local context.
- **Enabling environment:** Through its other integration activities under the Jobs for Youth in Africa strategy such as high-level dialogue with Heads of State, active engagement in RMC priority-setting during CSP revision, and direct interaction with decision makers from a variety of public agencies, the Bank will also help to create a supportive enabling environment for the successful implementation of these strategies.

## 4 Jobs for Youth in Africa strategic approach

### Box 5 – Flagship Programs: The Bank’s Approach to Scaling Proven Models (continued)

- **Sector focus:** Supporting growth across sectors and creating a more competitive environment for business in Africa is essential to economic development. The flagship programs support sector-specific growth by developing new enterprises and providing human capital for high-priority sectors. This includes engagement with the informal economy, which offers the majority of job opportunities for youth in Africa. The flagship programs will either enhance the incomes of youth involved in the informal economy or

support skills development efforts to help then transition to formal employment. An initial set of flagship program models have been built and focus on three sectors with high potential for youth inclusion: agriculture, industrialization, and ICT. These three high priority sectors provide opportunities for job creation across a variety of country contexts and demographic segments, creating a menu of project options for RMCs. Over the next decade, as the needs of the various sectors evolve and new industries such as retail, hospitality, renewable energy and others continue to grow in importance in RMCs, additional flagship programs can be designed and implemented.

**4.4.5** Program operationalization will follow the proposed cycle (extensive details on the implementation steps for the flagship programs and the partnerships approach for the private sector can be found in Section 3 of the Implementation Plan:

- 1** Flagship program models will be built focusing on high priority sectors identified by the Bank, RMCs, and private sector actors.
- 2** The Jobs team and Task Managers will approach RMCs that fit within the country archetypes outlined in the program models, which include various characteristics such as the size of the relevant sector in that country and the country’s policy priorities. The team will also look at countries’ CSPs and the potential of flagship programs to fill gaps or to complement existing employment and entrepreneurship programs in the RMC. Finally, the team will look at countries that could work with implementing partners or private sector employers that have MOUs with the Bank. It is important to note that while the Task Manager will proactively discuss flagship programs and potential private sector employer partners with the RMC, the RMC is the one that must ultimately choose to implement a specific flagship program.

- 3** Task Managers, relevant staff from the field offices, and RMC counterparts will then customize the model document (e.g., to the country’s prioritized agricultural value chains), and initiate the Bank’s project cycle. While some aspects of the flagship programs will need to be customized to the specific country context (e.g., the unique situation in fragile states), some elements will remain consistent across all countries in order to enable learnings. Over the ten years of the strategy, specific elements may be purposely randomized (e.g., extent of follow up support to rural microenterprises, demographic segments that are targeted) to further strengthen impact evaluation. An important part of this customization process is engaging with potential private sector employers to ensure programs are tailored to their needs. At this time, discussions on cost-sharing or Memorandums of Understanding (MOUs) for trainees to be placed with employers may also occur.
- 4** There will be a fast-tracked process for projects following flagship program models. Details on this fast-track process can be found in the separate Implementation Plan.
- 5** The project mid-term review reports and project completion reports will feed into the Innovation and

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## 4 Jobs for Youth in Africa strategic approach

Information Lab. The Lab will assess performance and highlight best practices. These insights will inform future program design and further scaling of programs and can also be disseminated externally to inform project design for actors outside the Bank.

**4.4.6** Below is an overview of an initial set of flagship programs in the key sectors of agriculture, industry, and ICT. For each of the flagships, there are detailed 20-page program models that have been developed and outline the key components of the flagship, the role of the Bank vs. partners, the implementation timeline, the projected costs and impacts, and relevant analogues of other projects from the Bank and external partners. An example of one of these models can be seen in the Annex of the Implementation Plan.

### Agriculture Flagship Programs

**4.4.7 Opportunity:** On average, the agriculture sector accounts for 32% of Sub-Saharan Africa's economic output and 65% of its jobs.<sup>57</sup> Within low and lower middle income countries, it is the sector best suited to employment and income generation for wide demographics of youth.<sup>58</sup> A 2011 AGRA study indicates that a 1% increase in agricultural per capita GDP reduced the poverty gap five times more than a 1% increase in GDP per capita in other sectors, mainly among the poorest and most vulnerable people.”

**4.4.8 Challenge:** Africa's demand for food is projected to double by 2020, with a growing population and an increasingly urban consumer base.<sup>59</sup> Imports have been increasing faster than exports for the last four decades, reaching a record high of \$81 billion in 2011, with a corresponding deficit of \$36 billion.<sup>60</sup> Lack of agricultural inputs, insufficient human capital, limited access to markets, and other factors limit productivity growth.

**4.4.9 Solutions:** African youth can support increased agro-processing and production in priority agricultural value chains. With more than 60% of Africa's population living in rural areas, engaging rural youth is not only critical to economic growth but is also the most direct way to ensure that the growth is truly inclusive. There are a number

of Bank initiatives that are supporting the Agricultural Transformation Agenda and will also have an impact on youth employment across rural and urban areas. The flagship programs detailed below seek to address the full spectrum of challenges and opportunities presented by underemployed youth of varying education levels and backgrounds. The three programs specifically target youth with different profiles and provide comprehensive support for agribusinesses of different sizes along agricultural value chains.

**4.4.10 The Jobs for Youth in Africa agriculture flagship programs focus on creating new micro-enterprises in high priority value chains, equipping high skilled youth to launch large-scale agribusinesses, and providing the human capital for Africa's agro-industrialization.** Together, these flagship programs will help to support different parts of the agricultural value chains. A summary of each program is below:

**4.4.11 The Rural Microenterprise program provides youth with capital, skills training and mentorship to launch agriculture-based micro enterprises.** The target youth are rural males and females, typically with less than secondary education. The program will particularly focus on female youth, with at least 60% female participation. Groups of up to 90 rural youth will be provided a short business basics training by trainers from civil society organizations that have been contracted by RMCs.<sup>61</sup> After training, youth will submit business plans for review by trainers. Youth with approved plans will receive seed capital of approximately \$250.<sup>62</sup> Youth will receive additional support via regular follow up by trainers and will form peer groups to share best practices and troubleshoot challenges. Microenterprises supported by the program could potentially include the provision of agricultural inputs, crop production, post-harvest handling, transport and trading.<sup>63</sup> Students will be encouraged to focus on key gaps in existing value chains (e.g., gaps in supply inputs) or areas particularly attractive to youth (e.g., crops that need limited land, given the challenges for young people to acquire land). The training and mentorship will help youth identify linkages with other parts of the value chain.

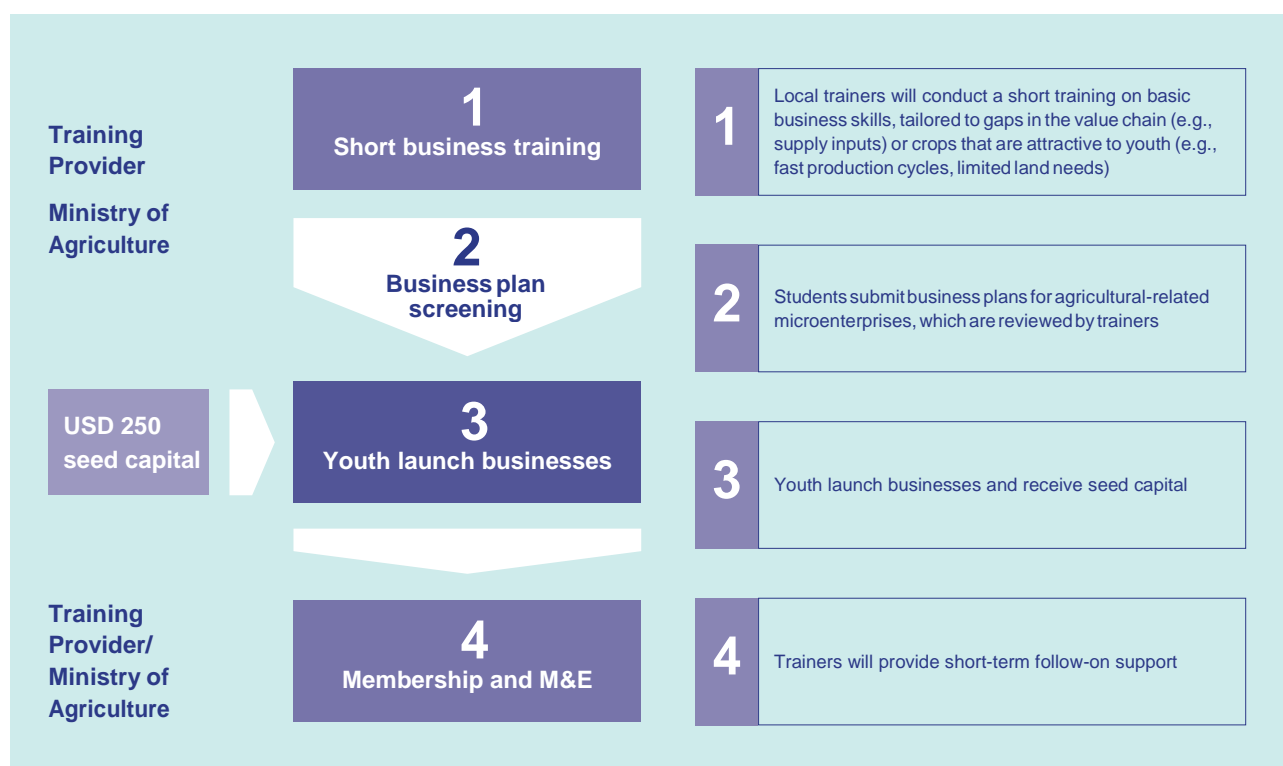
## 4 Jobs for Youth in Africa strategic approach

In particular, the microenterprises could become suppliers to SMEs that then support other parts of the agricultural value chain. In this way, the program both provides opportunities in the informal economy and provides a pathway to more formal employment.

**4.4.12** The archetype country for this program is a low to lower middle income country with a large rural population, large agriculture GDP contribution, and strong government and development partner emphasis

on agricultural policy and programs that support SMEs. Given the importance of the agriculture sector for many fragile states, the program will particularly focus on implementation in those countries. Government bodies such as Ministries of Agriculture and Finance will oversee the project. Local CSOs/NGOs and other service delivery providers with strong rural SME training experience will be considered for partnerships in administering these training programs.

**Figure 5: Rural Microenterprise Program Overview**



**4.4.13** The ENABLE Youth (Empowering Novel Agri-Business Led Employment) program will help young African men and women incubate new larger scale agri-businesses and support them in accessing financing for growth of these businesses. The program will first focus on creating an enabling environment for young “agripreneurs” by fostering public and private partnerships, supporting policy dialogue, and developing a risk-sharing facility to increase access

to finance. The target youth are skilled tertiary graduates, irrespective of discipline. The young agripreneurs will be trained in all aspects of the commodity value chains promoted under the national agricultural transformation agenda. The training will include modern production techniques, commodity marketing, value added processing, export opportunities, supplies and equipment leasing. Specialized technical skills as well as business and life skills will be covered during the incubation.

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## 4 Jobs for Youth in Africa strategic approach

ENABLE Youth will leverage from the existing experience of International Institute of Tropical Agriculture (IITA) and lessons learnt during design and implementation. Upon the completion of their training, the agripreneurs (either as individuals or in partnerships) will develop bankable proposals of their planned business projects and apply for loans.

**4.4.14** **ENABLE Youth is an existing program currently being rolled-out by OSAN and several projects are at the pre-implementation stage as of Q22016.** ENABLE will be further scaled throughout RMCs as one of the Jobs for Youth in Africa Strategy's three agriculture flagship programs, filling the gap between small microenterprises and large agro-industrial processors that are supported by the other flagship programs.<sup>64</sup>

**4.4.15** **The Agro-industrialization pipeline development program will develop a pipeline of skilled labor for agro-industrial companies.** The Agro-industrialization Pipeline Development program will provide demand-led, employer-aligned training and placement in agro-processing and related industries. These industries include food processing and distribution, animal feed production, grain storage and marketing, and development of supply inputs. The project will convene large agri-businesses to determine local entry-level skills needs, obtain curricular input, and identify project vacancies to be filled by successful trainees. Over a 1-year period, relevant training will be delivered to cohorts of up to 150 youth through local TVET colleges. This will be augmented with soft skills and role-specific training through internships with participating employers in the second half of the program. Students will be provided a stipend for the duration of the training, and graduates will be placed directly into full time jobs. Target youth are post-secondary youth in urban, peri-urban, and rural areas, with an equal emphasis on male and female youth.

**4.4.16** The archetype country for this program is a middle income country that is experiencing growth in agro-industrialization, has the presence of large agribusinesses, and has a strong policy emphasis on agro-processing and value addition. Target employers are multinational agribusinesses such as AFGRI, Cargill, Cevital, Dangote, Illovo, and Nestle. Trainers could either come from these multinational firms or through partnerships developed with local training organizations.

### Industrialization Flagship Programs

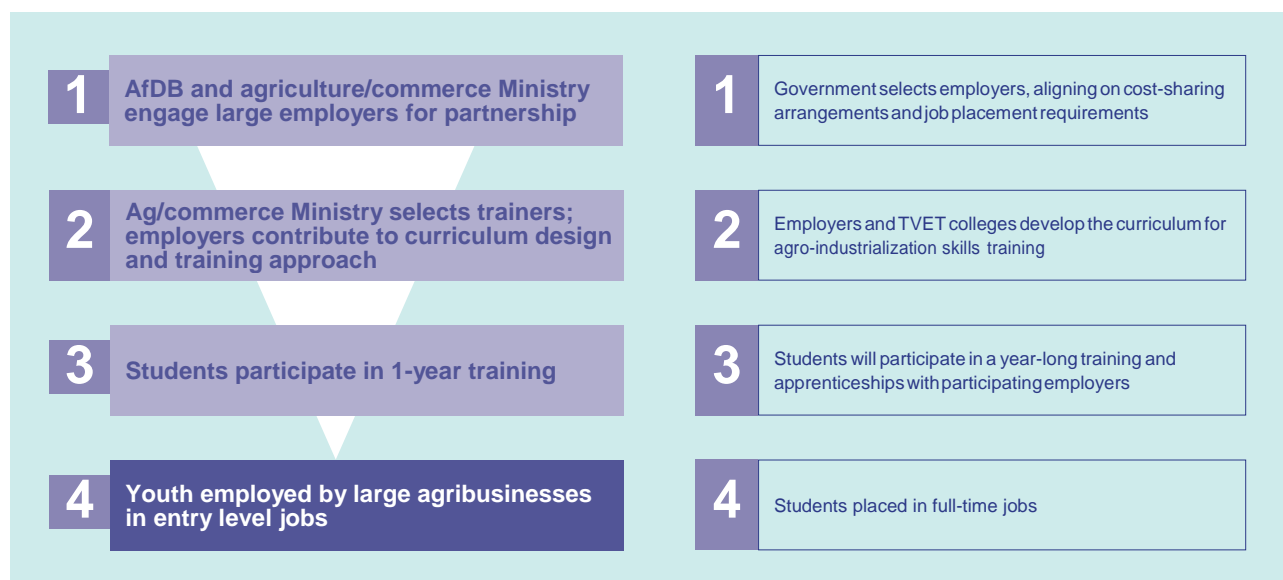
**4.4.17 Opportunity:** At the cusp of the Fourth Industrial Revolution, industry today offers a new set of opportunities for African youth.<sup>65</sup> This is especially true in Sub-Saharan Africa LICs and LMICs, where industry is projected to grow at ~7% per year on average from 2015-2020, one point faster than GDP (~6%).

**4.4.18 Challenges:** However, despite this growth, poor infrastructure, lack of supportive policies, the small size of domestic markets, and insufficient human capital all remain constraints.<sup>66</sup> Focusing on human capital in particular, workers in manufacturing, construction, and mining often lack moderate technical skills required for advanced manufacturing, new energy technologies, and life sciences.<sup>67</sup> In addition, industrial sub-sectors compete against one another to secure limited human resources and talent.<sup>68</sup>

**4.4.19 Solutions:** The Bank will remove human capital constraints to growth by delivering a skilled workforce tailored to private sector needs. These efforts will be supported by targeted policy changes that create supportive infrastructure for industries.<sup>69</sup> Together, these interventions will create a stronger, more competitive business environment for a range of industries.



**Figure 6: Agro-Industrialisation Pipeline Development Program Overview**

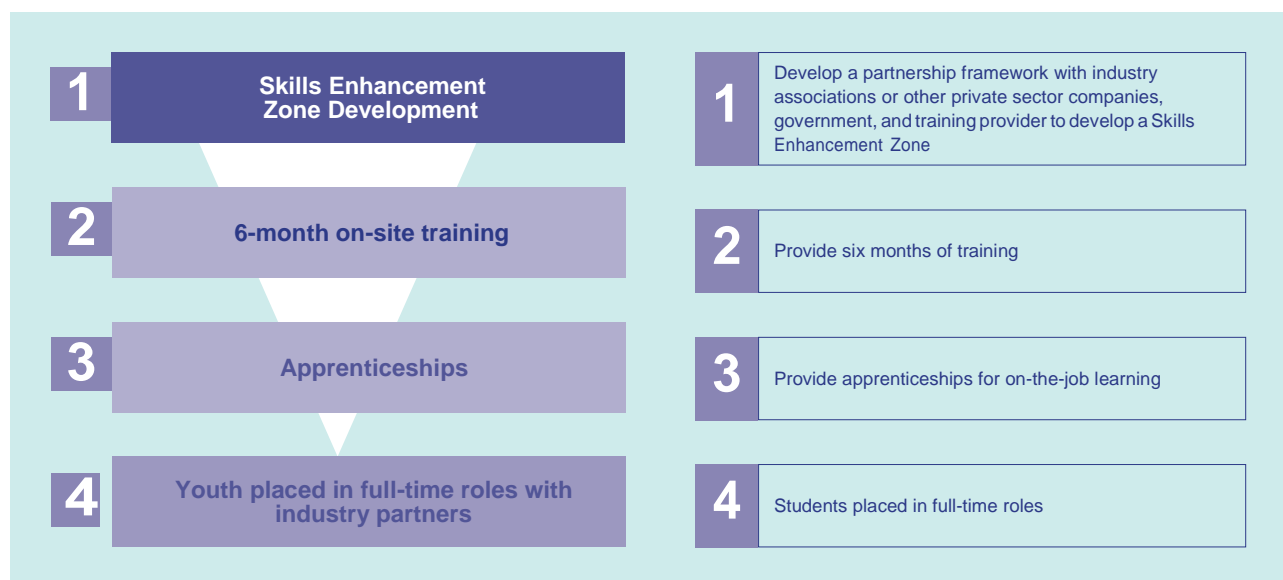


**4.4.20** The Skills Enhancement Zones program aims to address a critical constraint to Africa’s industrialisation related to the productivity and competitiveness of the human capital available to match industry aspirations. The SEZs will develop a skilled workforce aligned to employer needs by creating demand-led training and job placement programs within industrial clusters. The Bank will help design, implement, and franchise a continent-wide network of “Skills Enhancement Zones” located near industrial parks. These Skills Enhancement Zones will provide training tailored to the needs of employers within the industrial parks. First, the Bank will develop MOUs with industry associations or private sector companies at either a regional-level or at a country-level working with RMCs. The MOUs will include agreements about percentage of trainees that will be absorbed by the participating private sector employers and incentives for employers to participate (e.g., costs of trainees during apprenticeship and first few months of employment could be covered by the program). Once these agreements have been set up, a training facility will be built or existing facilities will be adapted as needed and technical trainers will be contracted. Together, the RMCs, private sector companies, and trainers will develop curriculum tailored to the participating employers. Youth will receive six months of training. This will include technical

theoretical training and a strong focus on soft skills training and technical practical training for at least 20% of the time. Youth will simultaneously undertake an apprenticeship with a participating employer to enable on-the-job learning and will then be placed into full-time employment.<sup>70</sup> There will be significant variation in terms of the types of industries that will be targeted, ranging from the garment industry to pharmaceuticals to green technology to heavy manufacturing. Thus, while the approach of having a six-month training near an industrial park will remain the same across sites, there will be significant variation in the technical and soft skills training given the need to tailor the curriculum to individual employer needs. To ensure long-term sustainability of these Skills Enhancement Zones, the Bank may set up a certification system to assess the quality of skills delivered via the SEZs and support franchising of high-quality curriculum across SEZs in other locations that are also focusing on similar sectors. The Zones will target youth of medium skill level, such as those that have some secondary-level education, with an equal emphasis on men and women.

**4.4.21** The country archetype for this program is a middle-income country with at least one large industrial park, ongoing government or private investments in industrial parks, and strong industrial growth policies. This

**Figure 7: Skills Enhancement Zones Program Overview**



flagship program may also target resource-dependent countries looking to shift their economic structure towards more industrialization. Partners include Ministries of Industry and of Professional Training, public and private TVET or training institutes, industry associations, industrial park anchor tenants, and pan-African implementation partners such as UNIDO. Ethiopia is an illustrative example of a country that fits within this archetype. The Skills Enhancement Zones will be focused on high-priority sectors for each country, aligning with the priorities of other strategies such as Industrialize Africa or Power Africa. For instance, the skills zones could be developed alongside the Special Economic Zones highlighted in the Industrialize Africa strategy. Overall, the program will prioritize high-growth industrial clusters and sectors capable of moving African industry from primary unprocessed commodities to diversified value addition.

### ICT Flagship Programs

**4.4.22 Opportunity:** Jobs in the services sector are expected to grow faster than in the industrial sector in the near term as domestic demand for a variety of services grows.<sup>71</sup> In particular, despite being perceived as less labor intensive, Information Communications Technology

(ICT) provides numerous opportunities for youth. The mobile sector creates over four million direct and indirect jobs in Sub-Saharan Africa alone.<sup>72</sup> There is also growth in technology start-ups in Sub-Saharan Africa, with funding increasing almost ten times between 2012 and 2014.<sup>73</sup> The online outsourcing industry is expected to employ at least 30 million registered workers by 2020. African countries are just starting to enter this market as both providers and clients, with room for expansion.<sup>74</sup> The e-commerce industry also provides potential employment opportunities.

**4.4.23 Challenge:** For continued ICT growth, more communications infrastructure, stronger ICT literacy, and new skill sets are essential.<sup>75</sup> However, many youth lack sufficient skills. ICT is estimated to represent only one to three percent of university enrolments in Africa, fewer than 200,000 students and far below expected needs.<sup>76</sup>

**4.4.24 Solutions:** Skills development focused on problem solving, computational thinking, and advanced programming is essential to continued ICT growth. This fits with a worldwide movement to update education curricula to better prepare youth for tomorrow's jobs.<sup>77</sup> In fact, the rapid pace of change and business model

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## 4 Jobs for Youth in Africa strategic approach

disruption amplifies the need for new skill sets.<sup>78</sup> By 2020, according to the World Economic Forum, more than one third of all jobs across all industries are expected to require complex problem-solving as a core skill.<sup>79</sup>

**4.4.25 The ICT flagship programs aim to develop and launch Africa's next generation of tech-enabled youth.** A summary of the Computational Thinking and the Coding for Employment program can be found below:

**4.4.26 The Computational Thinking program will introduce digital literacy, logical thinking, and complex problem-solving curricula in secondary schools.** The program aims to develop the digital skills required across sectors, such as digital marketing skills. The Bank will develop the basic curriculum and develop partnerships or MOUs with technology and equipment manufacturers to support distribution across participating secondary schools. Potential partnerships with solutions like Raspberry-Pi will be explored.<sup>80</sup> The Bank will support RMCs in tailoring curriculum to specific national contexts, alongside technology partners from the private sector. The RMCs will provide teacher training either directly or through local partners and then work with the Bank and its partners to procure relevant hardware and software. The curricula will be rolled out either during standard class-time or as part of an after-school program. It will focus on digital literacy and problem-solving and will have a mix of offline and online training. The target youth are secondary school youth in both urban and rural areas.

**4.4.27** The country archetype for this program has a strong policy emphasis on ICT adoption in the education system, ongoing pedagogy innovation and technology integration, and reliable internet connectivity. Ministries of Education will play large roles in program implementation, with equipment procured from technology manufacturers with active regional partnerships. Insights from the work of the New Education Model in Africa will be incorporated into the implementation plan for this flagship program.

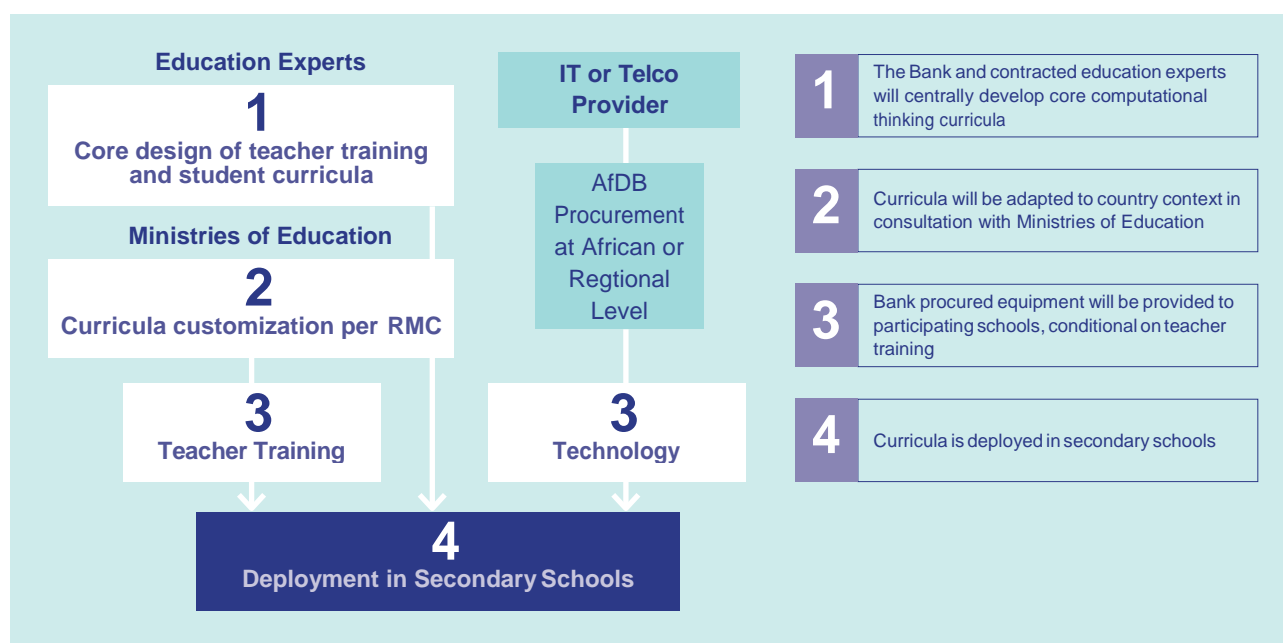
**4.4.28 The Coding for Employment program will develop premier coding academies and match graduates directly with ICT employers.** The Bank will

work with both ICT employers and online outsourcing platforms to identify skills needs and develop a practical, demand-driven 6-month training curriculum. RMCs will work with local employers to customize the curriculum to the local ICT and ICT-enabled sector. RMCs will then develop MOUs with existing technology hubs or develop new technology centers of excellence in primarily urban areas. The 6-month training will focus on technical skills (e.g., programming languages), soft skills relevant to ICT roles (e.g., agile development) and entrepreneurship skills. The technical skills will be tailored to the needs of the local sector. The target youth will be urban men and women with some secondary education and basic digital literacy. During the training, youth will be paired with mentors to help support them as they prepare to graduate. This pool of voluntary mentors will be composed of previous graduates of the program, private sector partners, or others within the local ICT community. After training, the technology hubs will help place students in internships or full-time roles with firms in the ICT, ICT-enabled, and ICT services sectors or will support students as they start their own business.<sup>81</sup>

**4.4.29** These ICT programs, as well as other flagship programs, are built off the successes and best practices of other projects both within and outside the Bank. This includes the African Virtual University project and the Rwanda Skills, Employability and Entrepreneurship Programme. More details of these programs and other analogues can be found in the separate Technical Annex.

**4.4.30** The country archetype for this program is a country with strong ICT innovation communities, the presence of numerous large multinationals and local start-ups, and a strong policy emphasis on ICT penetration. Rwanda is an illustrative example of a country that fits within this archetype. Key partners will include ICT trainers and potential ICT or online outsourcing employers. This could include technology firms such as IBM, e-commerce organizations such as Jumia, or online outsourcing platforms such as Andela.

**Figure 8: Computational Thinking Program Overview**



### Action 4: Enabling Youth Employment Index

**4.4.31 The Enabling Youth Employment Index will provide a comprehensive view of a country's youth employment situation, allowing for cross-country comparisons over time.** While there are some datasets with cross-country, time series data on labor market outcomes that have enabled empirical studies on labor market performance, there is no consensus on an index that can be consistently used for cross country comparison.<sup>82</sup> In Africa, measurement of labour market performance has been particularly challenging because of the predominance of the informal sector.

**4.4.32** Specifically, the Enabling Youth Employment Index will be composed of two sub-indexes, aimed at measuring:

- **Youth employment outcomes** (e.g., job quantity, job quality), including in the informal sector.<sup>83</sup>

- **Enablers for youth employment** (e.g., the extent to which countries have implemented a set of policies that are known to benefit youth employment). These Job Enablers indicators will aim to measure the favorable policy and regulatory environment for youth employment.<sup>84</sup>

**4.4.33 Implementation of the EYE Index:** The rollout of the index will be a collaborative effort across Bank departments, working in partnership with labor experts at partner organizations. The Enabling Youth Employment Index will build, whenever possible, on existing indicators or index sub-components from respected institutions – such as ILO and the Global Entrepreneurship Monitor (GEM). Additional data will be collected through extensive surveys, working through the Statistics Department and its relationships with RMCs.

**Figure 9: Coding for Employment Program Overview**



### Action 5: Innovation and Information Lab

#### 4.4.34 The Bank will establish an Innovation and Information Lab for youth employment.

The lab has two main purposes. First, it will build evidence on existing interventions related to youth employment and entrepreneurship. Second, it will incubate new ideas that aim to *accelerate* employment and entrepreneurship. Through these dual objectives, the Lab will build a rich repository of interventions and put these insights to work via the Bank's own work and through engagement with other actors focused on youth employment. To this end, the Lab's repository will play a critical role in linking actors interested in collaboration.

#### 4.4.35 More specifically, the Lab will:

- Store Bank Knowledge on Employment and Entrepreneurship: The Lab's virtual platform will house all information on Bank projects and investments related to employment and entrepreneurship. This includes economic briefs and information on all relevant completed and ongoing projects.
- Conduct Original Research and Analysis: The Lab will conduct additional analysis and evaluation of Bank projects related to employment and entrepreneurship, with a focus on the flagship programs under the Jobs for Youth in Africa Strategy. The Lab will also conduct original research on policies and interventions that support job creation – particularly for populations disproportionately impacted by unemployment and underemployment – such as females and those in transition states. The analysis could also assess more innovative entrepreneurship models and best practices in effectively scaling programs. Finally, the EYE index will be developed as part of the research activities of the Lab (*more details in the section before*)
- Incentivise Market-Based Solutions: The Lab will identify and support market-based solutions related to employment and entrepreneurship. Activities will include providing financial and technical assistance to refine and scale innovative ideas that are currently being implemented by other actors. Insights from the Lab's research activities could also be tested through the launch of small pilot programs.

## 4 Jobs for Youth in Africa strategic approach

- Support to entrepreneurs: The Lab will support young entrepreneurs through training and workshops.

**4.4.36** As with other aspects of Jobs for Youth in Africa, the Lab's success depends on collaboration across Bank departments and partnerships with other actors, and insights will inform the Bank's own work and the work of these actors.

**4.4.37** The Lab links together each of Jobs for Youth in Africa's three strategic intervention areas. It directly advances the Strategy's overall objectives by providing a way to continually improve the Bank's programming and enabling the use of the Bank's knowledge and relationships with partners to guide other actors.

### 4.5 Intervention 3: Investment

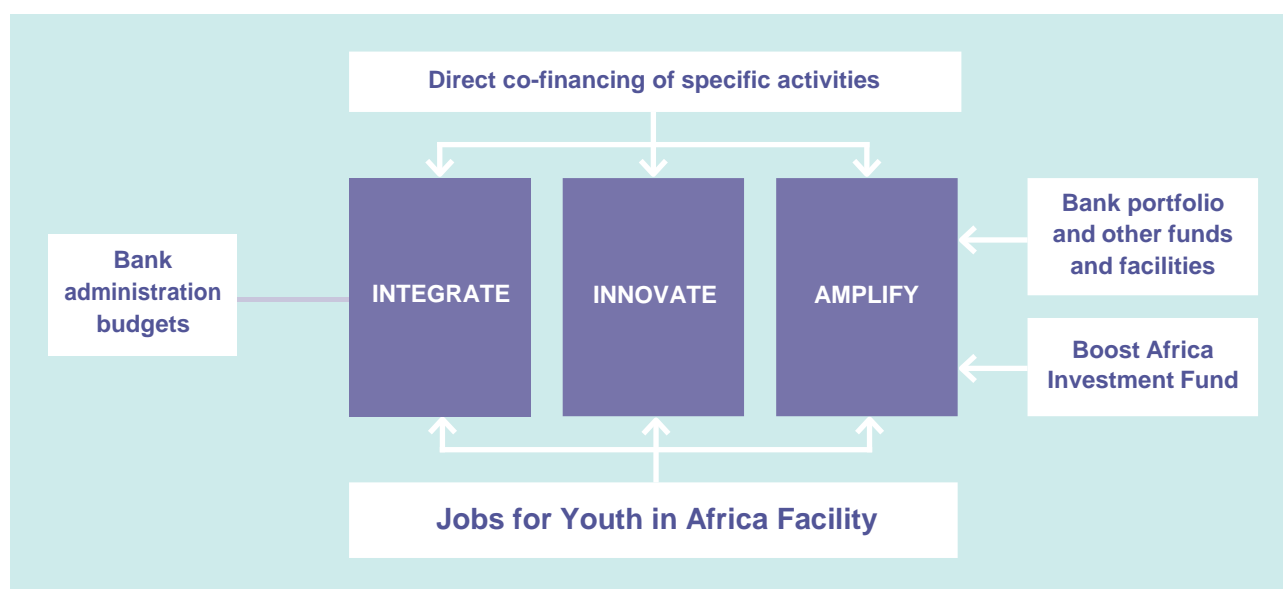
#### Overview

**4.5.1** The Bank proposes that in the short term existing instruments such as ADB/ ADF/ NTF/ AGTF/ FSF, and other approved private sector vehicles will be used to start the JfYA models projects and program funding immediately in RMCs. Furthermore, the Bank will also use these existing instruments to leverage co-financiers who have already shown interest

and where an exchange of preliminary project and program ideas has taken place. This will be in line with the ILO scoping assessment studies already conducted where RMCs have indicated their priority interests for investments. In the medium to long term the Bank will further undertake a resources mobilization exercise which will need more in depth partnership dialogue to establish the JfYA Facility as a Bank financing instrument. The JfYA Facility will be presented to the Board for Approval in line with Bank procedures.

**4.5.2** Moreover, the Bank will also pursue the establishment of the Boost Africa Investment Fund (for Board approval) as a complementary JfYA financing vehicle leveraging on the private sector resources and other financial intermediary partners. The Boost AIF is aimed to leverage and significantly scale up the desired impact by providing suitable instruments to reduce financing risks, expand access to capital, and incentivize private sector investments in youth employment challenges. In addition, the Bank will also anchor JfYA implementation through the Affirmative Finance Action for Women in Africa (AFAWA) which is proposed as a dedicated facility addressing specifically the needs of women entrepreneurs in Africa. (See the Implementation Plan for details).

**Figure 10: Sources of Funding for Jobs for Youth in Africa**



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## 4 Jobs for Youth in Africa strategic approach

### Guiding Principles

**453** The Bank's work will be guided by four key principles:

- 1 Using private sector instruments to scale market-based solutions to the youth employment crisis:** The Bank will leverage its diverse portfolio and financing capabilities to make investments that stimulate the youth employment and entrepreneurship ecosystem. The Bank aspires to invest in all actors – from education providers to entrepreneurs – who can deploy sustainable solutions that complement and enhance programmatic activities. Activities within Investment will not only scale proven models but also support the experimentation and innovation needed to discover new solutions.
- 2 Unlocking private capital constraints to investment:** The Bank will focus on specific interventions that address the concerns of private investors. Risk mitigation instruments and financing incentives to develop promising employment solutions will aim to attract more private investment into the employment and entrepreneurship ecosystem.
- 3 Demonstrating the viability of investing in youth:** Direct and indirect investment activities will focus on finding opportunities that both generate financial returns and spur youth employment. By demonstrating the investment case, the Bank will crowd in other investors to the sector.
- 4 Deploying a One Bank approach:** Where possible, the Bank will execute youth-centric investments through existing vehicles and facilities in order to avoid duplication and increase the employment effects of its portfolio. The Bank will also encourage collaboration across sector departments and integration of financing instruments with its program and policy tools.

### Action 6:

#### The Jobs for Youth in Africa Facility

**454** It is proposed that the Jobs for Youth in Africa Facility would be the primary public sector vehicle for financing the activities as outlined in this strategy. This includes direct co-financing agreements with external funders for specific activities and the use of existing funds and facilities. Below, and additional detail is included in the technical annex and implementation document.

**455** The Bank seeks to mobilize UA 3.5 billion (between 2016 to 2025, i.e. UA 350 million per year) to implement the Jobs for Youth in Africa strategy.<sup>1</sup> This resource envelope will consist of funding commitments from the Bank and external funders:

- **Funding commitments from the Bank.** The Bank will make an anchor commitment to the Facility in order to crowd in external funding. This could happen through a commitment from ADF, ADB, or both.
- **Commitments from external funders.** The Bank will mobilize resources from external funders for activities that have a strong value proposition beyond the Bank, including: flagship programs, other projects that incorporate youth employment, the EYE index, the Innovation and Information Lab, policy support to RMCs, and private sector employment challenges tied to financial rewards.

**456** It is proposed that Co-funders will contribute to the Facility through grants and long-term concessional debt. As a Special Fund hosted at the AfDB, the Facility will have a fit-for-purpose structure to drive the launch and roll-out of programming. Compared to other funding vehicle options, a Special Fund offers a flexible structure integrated into Bank systems. Lastly, the Facility will make use of existing Bank safeguards due to operation within the existing Bank strategy framework, policies, and procedures.

<sup>1</sup> The full breakdown of costs and impacts, including all assumptions, will be included in the accompanying implementation document.

### Action 7: The Boost Africa Investment Fund

4.5.7 The Bank will undertake a series of investment activities to catalyse private capital. Each activity has a specific purpose grounded in unmet need: i) reduce financing risks in order to unleash more capital ii) expand access to capital, and iii) incentivize private investment in youth employment challenges. OFSD will lead in developing this new investment vehicle.

#### Reduce financing risks

**4.5.8** The Bank will mitigate the risks of providing capital to young entrepreneurs and enterprises that drive youth employment. These investments will leverage the Bank's existing guarantee and risk mitigation financial instruments, as well as guarantee facilities the Bank has helped structure and launch.<sup>2</sup>

- **Guarantees for bank lending to SMEs.** The Bank will use guarantee facilities and other risk-sharing instruments to promote increased commercial bank lending to young entrepreneurs, microenterprises, and SMEs. These de-risking mechanisms will promote job creation by easing the financing constraints faced by many entrepreneurs and small businesses across the continent. Expanded access to finance, including credit, will help formalize microenterprises and SMEs in the long-term. Providing guarantees to financial institutions expands access to finance for SMEs, thereby enabling youth entrepreneurs to grow their businesses and hire more employees.

#### Expand access to capital

**4.5.9** The Bank will make debt and equity investments to support the formation and growth of businesses that promote market-based solutions to youth employment. These enterprises – which include youth-owned SMEs, larger companies in labour-intensive

sectors, business development services, education institutes, and job matching platforms – focus on building demand for and supply of human capital and creating linkages between the two. The Bank will primarily focus on addressing gaps in the market in the near term. In the long-term, there will be a demonstration effect of the viability of these investments, thus crowding in capital over time. Overall, the Bank's debt and equity investments will have a catalytic effect across the youth employment and entrepreneurship ecosystem.

- **Scaling of investment vehicles with employment effects.** The Bank will invest in vehicles with a clear strategy to create jobs, promote human capital development, or build market linkages by investing in youth-centric businesses. On the demand side, the Bank will support early stage venture equity through the Boost Africa Investment Fund (Boost AIF), a multi-investor and donor fund of funds. Boost AIF will enable the creation of high-quality jobs by increasing the support it provides to the earliest, riskiest stage of the entrepreneurial value chain. Boost AIF will do so in a commercially viable and sustainable way by making equity investments in financial intermediaries, which will in turn invest in high-impact early stage businesses. The intermediaries will include seed funds, accelerator's follow-on funds, incubator funds, business angels, equity crowd funding platforms, and impact and venture capital funds. AIF will execute these investments alongside other investors, thereby unlocking additional private capital to spur job creation. Boost AIF will also provide technical assistance to investees and business incubators to build their capacity and grow their activities. These grants will help close the entrepreneurship skills gap and equip African youth with the competencies they need to secure employment opportunities. In addition to Boost AIF, the Bank will make select investments in other intermediated investment vehicles. Boost AIF will expand access to venture capital for early

<sup>2</sup> Further conversations with these facilities is required to determine full operational details.



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## 4 Jobs for Youth in Africa strategic approach

stage businesses across the continent. Innovative entrepreneurs, microenterprises, and SMEs will therefore have the capital needed to grow and create jobs, both directly and indirectly.

- **Direct investment to grow youth-centric businesses.** The Bank will make debt and equity investments in businesses that drive job creation and industry-aligned human capital development. On the demand side, investments will target businesses in labour-intensive sectors with high potential for growth and job creation. On the supply side, investments will support training institutes with the potential to scale. Based on the needs of the investee, the Bank will provide technical assistance to complement its financial support. Targeted debt and equity investment will enable the formation and growth of businesses with the potential to scale, hire more employees, and provide products and services that address youth employment challenges.

### Action 8: Incentivize private investment in youth employment challenges

**4.5.10** Through innovative results-based financing mechanisms, the Bank will incentivize private sector investment in high-impact solutions to employment challenges. This includes use of challenge mechanisms and other instruments to spur private sector investment in inclusive employment, human capital development, and labour market linkages.

- **Challenge mechanisms to spur private sector solutions to employment barriers.** The Bank will develop pull mechanisms<sup>3</sup> that incentivize the private

sector to invest in developing market-based solutions that address youth employment barriers. The Bank will design specific “challenges” that reward private sector actors for successfully achieving pre-defined results. For instance, the Bank could design a challenge that incentivizes solutions to address migrant and refugee unemployment in host countries. By reducing the risk of pursuing new solutions and directly paying for the achievement of positive social results, these mechanisms will motivate private sector actors to address specific challenges that limit economic opportunities for youth. At the same time, these mechanisms will identify innovative, market-based solutions that both drive youth employment and provide financial benefits. By demonstrating the viability of these opportunities, the mechanisms will crowd in additional private capital to scale these solutions.

**4.5.11** Overall, the financial capital provided will complement the human capital development efforts of Jobs for Youth – creating a powerful combination of interventions to address the youth employment challenge at scale.

**4.5.12** Together, these three intervention areas of Integration, Innovation, and Investment holistically address the interrelated demand, supply, and linkages challenges of youth employment through a range of policies and interventions.

<sup>3</sup> Pull mechanisms incentivize the private sector to work towards a defined goal, and help to address market failures.



## 5 Implementation of the strategy

### 5.1 Implementation of the strategy has been carefully designed to ensure the ideas become reality. There are six aspects to implementation that are critical to success:

- **Roadmap:** Clear guidance for each action is in the Implementation Plan, which details the implementation approach, actors involved, responsibilities for each actor, and expected timelines for every activity. The plan was developed through consultations with staff from 29 Bank departments to ensure the steps are correct and the timelines are realistic (See Annex A3 for the full list of consultations).
- **Funding:** As highlighted before, the activities will be financed by three sources of funding: a new Special Fund called the Jobs for Youth in Africa Facility, Other Funding Resources, and cost sharing for flagship programs. These numerous and flexible sources of financing can help to ensure that sufficient financial resources will be available to support JfYA. Details can be found in section 6 of the Implementation Plan.
- **Team:** A dedicated Jobs team with new competencies that the Bank does not currently have (e.g., specialized expertise on youth employment and understanding of youth employment considerations in policies, programming, and investments) is necessary to oversee all activities. More details on the rationale for the Jobs team and the proposed structure of the team can be found below and in section 5 of the Implementation Plan. Figure 38 in the Implementation Plan provides information on the roles and responsibilities of each member of the Jobs team, including information on specific capabilities required and preferred experience.
- **Coordination:** JfYA takes a “One Bank” approach to implementation, with the Jobs team acting as a centralized unit to coordinate activities across departments to maximize efficiency and impact
- **Partnerships:** The Strategy recognizes that the Bank cannot reach specified targets by acting alone. Opportunities for partnerships have been identified across the strategic areas, and conversations have already begun with a number of key partners. The Implementation Plan outlines types of partners required and the approach to partnership.
- **M&E:** M&E efforts will entail improved tracking of employment-related data and a new emphasis on leveraging M&E to inform program design. Activities will be rolled out in a phased approach, with initial activities then assessed within the first 2-3 years of the strategy. This will ensure that lessons learned from initial activities will be leveraged to ensure greater efficiencies and impact in implementation over time.

**5.2 The combination of these factors above (which take into account lessons learned from other youth employment initiatives and numerous Bank evaluations) indicate that the goals of the strategy will be achievable. In addition, there will be a phased approach to implementation with the structures and systems set up within the next year before all activities are implemented (more details in Figure 2 of the Implementation Plan). If these systems are not in place by the proposed timeframe or if the mid-term review indicates that some of the impact goals are not being met as planned, certain amendments will be made to the approach based on lessons learned.**

**5.3 The following sections summarize JfYA organizational structure and its approach to partnerships. Please see the full JfYA Implementation Plan for additional information.**

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## 5 Implementation of the strategy

### Organizational Structure

**5.3.1 Jobs for Youth in Africa is designed as a Bank-wide strategy**, engaging staff in both headquarters and in the field across departments. Details of the Jobs team responsible for leading the activities outlined in the strategy are further outlined in the Implementation Plan and through the ongoing thinking on the new Business Model.

**5.3.2 A dedicated team is needed to effectively implement the Jobs for Youth in Africa Strategy.** The success of this strategy will require specialized expertise on youth employment, coordination across Bank departments at both headquarters and in the field, and partnerships with private sector partners and RMCs. As youth employment is a cross-sectoral topic, there has not historically been a single dedicated “home” or operations department responsible for either the technical expertise on the topic nor for the coordination of youth employment activities across the Bank. For successful implementation, a dedicated group of staff with specialized expertise in youth employment will be essential to help support other departments and RMCs in the implementation of the proposed activities. This dedicated group of staff (referred to as the ‘Jobs team’) is also critical for coordinating efforts of various actors and encouraging collaboration. Internally, this means the Jobs team will be practicing a “One Bank” approach, acting as an independent unit to support staff and coordinate activities across departments. Externally, this team will be seen as a “one-stop-shop” for youth employment and entrepreneurship work within the Bank. This will ensure engagement with partners is both efficient and also fully representative of the range of work that the Bank conducts in youth employment and entrepreneurship.

**5.3.3 The team will need to have a few different sets of specific capabilities.** The complexity of the youth employment challenge requires a range of different interventions from policy development to programming to research. Thus, team members must have specialized

experience and skills in areas such as policy analysis, financial modelling, and monitoring and evaluation. Despite these unique needs, there are also overall capabilities that each team member must possess. Most importantly, team members must have a deep understanding of the causes of youth unemployment and an appreciation for the complexity of measuring the issue and the impact of different interventions. They should also be knowledgeable on both proven and promising interventions, particularly in economies where the workforce is largely informal. Other cross-cutting capabilities include public and private sector stakeholder management, project administration, grants management.

**5.3.4 Proposed organizational structure:** The proposed structure for the dedicated Jobs team is to have the team housed within an operations department, with members of the Jobs team coming from the Special Fund as well as the broader department. This option would be similar to the model of the African Water Facility (AWF), where the Director of OWAS is also the Director of AWF. The primary benefit of this option would be the combination of Special Fund flexibility with full integration into Bank systems and processes, which may enable easier coordination with other Bank departments. In addition, the Jobs team would be able to capitalize on the department’s relationships with RMCs and make use of representatives in field offices. Lastly, the clear and already established processes for department operations would increase the ease of launching the strategy.

### Staff Participation and Capacity Development

**5.3.5 Implementation of the Jobs for Youth in Africa Strategy will require Bank-wide efforts to bring coherence and scale to the Bank’s actions.** To ensure a One Bank Approach and institutional ownership, the Bank will embed activities into existing Bank systems and processes. CSPs and RISPs will include youth employment to ensure that Jobs for Youth in Africa is accounted for in country-level programming. Certain activities, such as

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## 5 Implementation of the strategy

the development of sector action plans and operational guidelines for launching flagship programs, will provide strategic roadmaps for participating departments and field offices. These activities will help to institutionalize the collaborative arrangements between the Jobs Team, departments, field offices, and other funds and facilities involved in programming and investments under Jobs for Youth in Africa.

**5.3.6 Capacity development is also a key component of implementation.** All Bank staff will participate in sensitization efforts and will have access to training resources. For field offices, departments, or individuals with specific responsibilities, additional technical assistance and guidance will be provided. These capacity development activities will aim to keep Bank staff informed of and linked to resources that will facilitate the inclusion of Jobs for Youth in Africa into Bank operations.

### Monitoring and Evaluation

**5.3.7 Monitoring and evaluation is core to the design of Jobs for Youth in Africa.** The strategy will make use of existing Bank systems and will support increased monitoring at the Bank-wide, department, and project-specific level.

**5.3.8 The inclusion of the Jobs for Youth in Africa Strategy in Bank-wide performance management systems will ensure adequate monitoring and accountability** for the proposed activities. New indicators will be added to the One Bank Results Measurement Framework (RMF) and the Executive Results Dashboard so that the Bank can monitor its progress on indicators related to the Jobs for Youth in Africa Strategy.

**5.3.9 The results framework that is specific to the Jobs for Youth in Africa Strategy includes indicators that capture results across the three levers of Integration, Integration, and Investment.** For all flagship programs and other high employment projects, monitoring and evaluation will entail the inclusion of youth employment indicators in project results-based logical frameworks. Measurement of outcomes will also be strengthened by additional monitoring and evaluation throughout the project lifecycle. This is a particularly

important component for the flagship programs, since they are intended to generate evidence on what works for future program design. The establishment of the Innovation and Information Lab will also facilitate evaluation and inform programming for Jobs for Youth in Africa.

**5.3.10 Monitoring and evaluation depends on collaboration across Bank departments.** Efforts to monitor operations will be led by the youth team and a number of Bank departments, including ORQR, ESTA, and COPM. Successful monitoring and evaluations will also require close collaboration between the Bank, RMCs, and implementing partners, in order to invest adequate human and financial resources in measuring progress and results. To do so, monitoring and evaluation will need to build on the Bank's broader capacity development efforts, and Bank departments and staff will need to be held accountable for delivery, through the Executive Results Dashboard and other mechanisms.

### 5 Partnerships

**5.3.11 Partnership will be critical to the success of Jobs for Youth in Africa.** Through the Jobs for Youth in Africa Strategy, the Bank will build long-term relationships with other initiatives and actors addressing unemployment as well as crucial private sector stakeholders. Collaboration will take a variety of forms, and will evolve over time as needs change. This coordination and collaboration will occur in four main areas: Funding, Incubation & Knowledge Generation, Programmatic Design and Implementation, and Job Linkages. Private sector partners are particularly important to engage through the various activities of this strategy, as they are the main engines of jobs creation for youth with 9 out of 10 jobs provided by the private sector.<sup>85</sup> Overall, partnerships will be flexible and designed to meet the needs of the individual institutions or companies.

- **Funding:** The Bank will pool resources with other public, private and philanthropic institutions to support implementation of projects across the continent, information collection and dissemination, and private sector investments. More details on funding can be found in section 4.5 and in the Implementation Plan.

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## 5 Implementation of the strategy

- **Incubation, Knowledge Generation and Dissemination:** The Innovation and Information Lab will work with other partners to collect, analyse, and disseminate data – building a strong evidence base on what works to address youth unemployment. After the launch of this strategy, the Bank will engage private sector partners to understand their key areas of enquiry regarding employment and entrepreneurship. The incubation of new ideas and the research agenda of the Lab can then be tailored to their needs. Findings from this work will then be disseminated to the private sector to inform their work. Every two years, the Lab can repeat this process of engaging with the private sector to understand their needs. The Lab will also engage with other researchers in the employment and entrepreneurship ecosystem in order to share ideas and best practices.
- **Programmatic Design and Implementation:** A range of stakeholders from private, public and civil society organizations have been consulted in the design of the flagship programs and other activities outlined in the Jobs for Youth in Africa strategy (see annex for full consultation calendar). Partners will support in the implementation of programs in various countries as well as in the future refinements in the design of programs. In particular, private sector companies are key stakeholders and will provide critical input on the specific skills and capabilities demanded by the market, assist in designing the training curriculum, and also serve as hosts for internships and apprenticeships during training.
- **Job linkages:** The Bank will leverage its existing relationships with large corporations and actively seek new alliances with small, medium, and large companies to strengthen its understanding of these potential employers' business and hiring needs. Jobs for Youth in Africa will form partnerships or MOUs with these companies or specific industry associations (within or across countries).

**5.3.12** These may be three potential “levels” of partnership proposed for private sector stakeholders, which correspond to different levels of responsibilities and levels of reciprocal support from the Bank. For instance, a “light” Level 1 partnership may only necessitate the private sector company to provide input on the design of a training curriculum or to engage in policy discussions; a Level 2 partnership may commit the private sector partner to participate in the curriculum implementation or provide work-study opportunities; a more intensive Level 3 partnership may commit the Private sector partner to hiring X number of youth per year as long as they can pass a pre-determined set of criteria or it may commit a private sector partner to establish a business or factory in a specific location if appropriate human capital is provided through the efforts of the Bank. In order to ensure private sector participation, the Bank will need to strategically target companies within high-priority sectors (e.g., Agriculture, ICT, and Energy), engage with them regularly, and provide incentives such as recruiting and skilling workers at no cost to the employers.<sup>86</sup> In addition, the Jobs for Youth in Africa strategy will also work with the private sector to support policies that can lead to job creation and labor market flexibility. This will enable the private sector to grow and will provide additional incentives for cooperation with the Bank.

**5.3.13** In addition to these various types of partnerships with a range of stakeholders, the Bank can convene an “Advisory Council” of youth, private, philanthropic and civil society partners who provide strategic guidance on the strategy and implementation. The Advisory Council, established once the strategy is approved, will serve as a mechanism for the continued engagement of private sector partners and formalize the process through which they offer strategic guidance to the strategy's overall direction. Members will be selected by the Jobs team, and will include senior members of existing corporate partners as well as the leaders of smaller companies that have expressed interest and youth who have demonstrated leadership in youth

## 5 Implementation of the strategy

employment issues. The Committee will meet twice per year and will be used to solicit input on any key strategic questions. Committee members may also be asked to take on minimal additional responsibilities to ensure smooth implementation, such as ad hoc consultations with the Jobs Team when specific input is necessary or time sensitive.

**5.3.14 The Jobs for Youth in Africa Strategy is complementary to other existing initiatives.** The vision of inclusive growth and youth employment aligns with those of African political leaders, as described in the Ouagadougou Declaration, the African Youth Charter, the Malabo Declaration, and Agenda 2063. Through Jobs for Youth in Africa, young people across different countries, socio-economic strata, rural-urban divides, genders, and age groups will have access to productive opportunities for employment and entrepreneurship. Overall, the strategy is designed to build on the best practices of other actors in the space and fill in gaps that are not already being addressed. The figure below illustrates how Jobs for Youth in Africa and potential partners could mutually benefit from taking a highly collaborative approach, particularly from a “Knowledge Generation & Dissemination” perspective.

**5.3.15 The Jobs for Youth in Africa Implementation Plan clearly distinguishes the role of the Bank vs. the role of other actors for each JfYA activity.** In summary, these roles differ for each area of the strategy:

- **Integration:** The Bank will lead all Integration activities to equip the Bank and to equip RMCs. RMCs and REC will participate in relevant Integration activities, including: CSP and RISP revisions, PBOs, guidance to policymakers, and capacity development.
- **Innovation:** First, The Bank will act as a lead funder and support RMCs in designing projects at country-level. RMCs will typically co-fund and administer projects in collaboration with private, public, and civil society partners. Second, the Bank will launch and operate the Innovation and Information Lab. Knowledge partners will support the Lab’s activities by sharing information and participating in joint research. Third, the Bank will develop and maintain the EYE Index in collaboration with expert labor institutions, such as ILO.
- **Investment:** The Bank will identify, execute, and monitor investments through its portfolio and the *Jobs for Youth in Africa Facility*. The majority of investments will pass through a financial intermediary, such as the *Boost Africa Investment Fund*, the African Guarantee Fund, and country-level financial institutions. Therefore, these financial intermediaries have roles and responsibilities to on-lend to youth and/or invest in target businesses. Please see the full JfYA Implementation Plan for additional detail.

**Figure 11: Illustrative relationship with complimentary initiatives**

Initiative Name	Initiative Type	Collaboration Approaches
Let’s Work	Global partnership	<ul style="list-style-type: none"> <li>• Share insights from respective activities</li> <li>• Co-develop methodologies for projecting and tracking direct, indirect, and induced jobs (building off existing work of the AfDB research department)</li> </ul>
S4YE	Global partnership	<ul style="list-style-type: none"> <li>• Jobs for Youth in Africa contributes continent-specific information to S4YE evidence base on what works in terms of employment and entrepreneurship interventions</li> <li>• Jobs for Youth in Africa leverages lessons learned from global interventions to inform Bank programming</li> </ul>
ILO	International agency	<ul style="list-style-type: none"> <li>• Collaborate on efforts to develop capacity in RMCs</li> <li>• Receive guidance and support from ILO experts</li> </ul>





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## 6 Conclusion

**6.1** The opportunity presented by the demographic dividend is enormous. The continent's youth population is rapidly increasing. If more jobs are created and more youth are productively employed, this labor force can unlock the next stage of Africa's growth.

**6.2** The Bank is uniquely positioned to make this growth a reality. In the context of the Ten Year Strategy and High-Five Priority Areas, it has the mandate to advance inclusive growth by addressing youth unemployment. The Bank has a wide set of resources at its disposal, including its deep expertise across the continent, strong partnerships, and a suite of flexible financial tools.

**6.3** The success of Jobs for Youth in Africa is fully dependent on the efforts of a wide network of partners. This strategy does not end with the Bank: for each of the strategic levers, the Bank will form purposeful, extensive partnerships. Achieving its objective depends on RMCs, donors, companies, and civil society organizations, each of which have unique roles.



# Annex

## A.1 Results Measurement Framework

Results Chain	Performance Indicators			Means of verification	Risks and mitigating measures
	Indicator	Baseline 2015	Target (Year)		
Impacts	<b>Level 1</b>				
	Youth unemployment and discouragement[PS1] rate (%) <sup>87</sup>	29%	27% (2030)	AfDB/ILO	<b>Risk:</b> 1 Insufficient funding to support the scale of ambition in youth employment outcomes 2 Lack of buy-in from RMCs during implementation  <b>Mitigation measures:</b> 1 Resource mobilization by the African Development Bank to catalyze other funders into investing in the youth employment ecosystem in Africa 2 Intensive and high-level policy dialogue with Bank senior management and RMCs
	Youth vulnerable employment rate (%) <sup>90</sup>	39%	27% (2030)	AfDB/ILO	
	Youth: adult unemployed [PS2]and discouraged rate (ratio) <sup>90</sup>	2.7%	2.5 (2030)	AfDB/ILO	
% of working youth who live on less than \$1.25/day <sup>88</sup>	49% <sup>89</sup>	42%	AfDB		
Outcomes	<b>Level 2</b>				
	Employer satisfaction, for youth placed through flagship programs <sup>90</sup> (%)	0%	85% (2030)	AfDB	<b>Risk:</b> 1 Changes in employment needs and preferences over time. 2 Poor quality of training  <b>Mitigation measures:</b> 1 Maintain flexibility in program models to enable changes in curricula and other core components. Conduct private sector convenings on employer needs 2 Provide technical assistance to RMCs and civil society actors based on best practices from within the Bank and from other projects
	Amount of additional financing made available to businesses through Investment activities (USD)	0%	1,400,000,000 (2030)	AfDB	
	Direct jobs created by the Bank (Of which females (%))	0%	5,800,000 (2030) <sup>91</sup> 50%	AfDB	
Indirect and induced jobs created by the Bank (Of which females (%)) under JfYA	0%	19,200,000 (2030) <sup>92</sup> 50%	AfDB		

Chai	Performance Indicators			Means of verification	Risks and mitigating measures
	Indicator	Baseline 2015	Target (Year)		
Outputs	<b>Level 2</b>				
	Rural microenterprises created	0%	2,790,000 (2025)	AfDB	<p><b>Risk:</b></p> <ol style="list-style-type: none"> <li>Lack of support for flagship programs in RMCs</li> <li>Lack of support for flagship programs from private sector partners</li> </ol> <p><b>Mitigation measures:</b></p> <ol style="list-style-type: none"> <li>Intensive and high-level policy dialogue with Bank senior management and RMCs. The Strategy has been designed based on country demand to ensure that there is sufficient political will for all key activities. The incorporation of youth employment into CSPs will elevate youth employment to the forefront of countries' development agendas and build a framework for stronger pipelines of employment-related activities that RMCs can then implement. These strategic planning documents will also allow RMCs to identify and pursue activities that are most aligned with country priorities and needs.</li> <li>Ongoing refinements to flagship program models to align to private sector needs. Regular convening with the private sector</li> </ol>
	Youth placed in full-time positions in agro-industrial companies	0%	178,000 (2025)	AfDB	
	Of which females (%)	0%	55%		
	Skills enhancement zones developed <sup>93</sup>	0%	123 (2025)	AfDB	
	Youth trained in industry skills	0%	553,500 (2030)	AfDB	
	Of which females (%)				
	Placed in jobs (%)	0%	60%		
		0%	95%		
	Youth trained in computational thinking	0%	25,760,000 (2031)	AfDB	
	Of which females (%)	0%	60%		
	Coding centers developed <sup>94</sup>	0%	130 (2025)	AfDB	
	Youth trained in coding centers	0%	234,000 (2030)	AfDB	
	Of which females (%)	0%	60%		
	Placed in jobs (%)	0%	72%		
Guarantees issued to financial intermediaries for on-lending to youth entrepreneurs and SMEs	0%	9 (2025) <sup>95</sup>	AfDB	<p><b>Risk:</b></p> <ol style="list-style-type: none"> <li>Low utilization of on-lending</li> </ol> <p><b>Mitigation measures:</b></p> <ol style="list-style-type: none"> <li>Provision of technical assistance and flexible financing instruments. Dedicated JfYA investment officers with experience and expertise in SME finance that will support financial intermediaries with on-lending. A range of financial tools will be made available to youth entrepreneurs and SMEs, including: guarantees, lines of credit, and equity financing. In addition, local currency lending will be made available via guarantees and LOCs JfYA will focus on scaling the Bank's SME assistance to new geographies (e.g., fragile states) and types of SMEs (e.g., those run by youth and women). JfYA will leverage the Bank's decentralized structure to work with field offices to build pipelines and identify new clients.</li> </ol>	
Amount of guarantees issued to financial intermediaries for on-lending to youth entrepreneurs and SMEs (USD)	0%	45,000,000 (2025) <sup>96</sup>	AfDB		
Loans provided to students in TVET and tertiary education	0%	11,574 (2025)	AfDB		
Lines of credit issued to financial institutions for on-lending to youth entrepreneurs and SMEs	0%	21 (2025)	AfDB		
Amount of lines of credit issued to financial institutions for on-lending to youth entrepreneurs and SMEs (USD)	0%	105,000,000 (2025)	AfDB		

Chai	Performance Indicators			Means of verification	Risks and mitigating measures
	Indicator	Baseline 2015	Target (Year)		
Outputs	<b>Level 2</b>				
	Boost AIF investments in financial intermediaries	0%	25 (2025)	Boost AIF	See Previous Table
	Amount of Boost AIF investments in financial intermediaries	0%	170,000,000 (2025) <sup>97</sup>	Boost AIF	
	Bank direct investments in youth-centric businesses	0%	13 (2025)		
	Amount of new direct investments in youth-centric businesses (USD)	0%	105,000,000 (2025)	AfDB	
	<b>Level 3</b>				
	Sector action plans developed on employment	0%	5 (2025)	AfDB	<p><b>Risk:</b></p> <ol style="list-style-type: none"> <li>1 Lack of ownership and accountability</li> <li>2 Competition with other Bank priorities</li> <li>3 Loss of support from Bank staff over ten-year timeframe</li> </ol> <p><b>Mitigation measures:</b></p> <ol style="list-style-type: none"> <li>1 Establishment of a Jobs Team, including the hiring of additional youth employment experts, will ensure that there are Bank staff who actively oversee and monitor the implementation of the Strategy. The inclusion of the Strategy in the Bank's performance management systems will ensure accountability</li> <li>2 Strategy has been designed to be fully-aligned with the Bank's Ten Year Strategy and High-Five priorities</li> <li>3 Trainings and workshops for Bank staff on an annual basis rather than instituting one-time trainings. Other key activities, such as sector action plans and the Innovation and Information Lab will ensure Bank staff have constant access to available, frequently updated resources.</li> </ol>
	Projects incorporating youth employment, non-flagships	0%	160 (2025)	AfDB	
	Bank staff having received training on youth employment	0%	200 (2025)	AfDB	
	CSPs incorporating youth employment (%)	0%	100 (2025)	AfDB	
	RISPs incorporating youth employment	1%	5 (2025)	AfDB	
	Flagship project sites approved	0%	54,400 (2025)	AfDB	
	Average time from deal origination to investment (guarantees, equity, and debt) for employment-related deals (months)	0%	2-3 (2025)	AfDB	
Youth employment challenges launched by the Private Sector Challenge Fund	0%	10 (2025)	AfDB		

**The Strategy has been designed to enable improved measurement and tracking of the Bank's employment effects.** The lack of current indicators related to youth employment makes establishing baselines for some of the Bank's work difficult. As the Bank's RMF is revised and the Strategy is launched, some of the indicators in the Strategy's RMF may be replaced as the new data becomes available. Additional detail on the indicators above and the process for collecting data are in the Implementation Plan that accompanies the Strategy.

**Job creation targets included above were estimated using best-practice methodologies from the AfDB, other DFIs, and researchers – as well as benchmarks from youth employment programs both within and outside of the Bank.** There are many efforts and conversations underway regarding best-practice methodologies to estimate job creation effects. This includes the work of many departments at the Bank as well as broader, multi-stakeholder initiatives, such as Let's Work. The estimates included in this document are based on the best available data and methods at this time. The Bank's approach to estimating and measuring job creation will continue to evolve throughout the duration of Jobs for Youth in Africa – and will be further strengthened by the strategy's activities. Estimates for the employment impact for Jobs for Youth in Africa are disaggregated into direct jobs and indirect and induced jobs:

- **Direct:** Direct jobs created are estimated on a per-activity basis. For integration and innovation, the estimate for each activity is based on benchmarks from similar programs and analogues. For investment, direct job creation is estimated through investment multipliers from the AfDB and IFC.<sup>98,99</sup> Investment multipliers assess the total number of jobs created per \$1 million invested.
- **Indirect and induced:** For integration and innovation, the indirect and induced jobs created by each activity are estimated using employment multipliers. Each multiplier expresses a relationship assessing the total number of jobs created in an economy for every direct job. Multipliers are commonly used to estimate economy-wide effects of job creation; however, multipliers vary significantly depending on factors such as management style, the capital intensity of the project, the business cycle, and the regional and country context.<sup>100</sup> Therefore, the indirect and induced jobs created by each activity are estimated using specific employment multipliers.<sup>101</sup> For investment, the indirect and induced job creation effects of each activity is estimated using investment multipliers from AfDB and IFC.<sup>102,103</sup>
- Jobs for Youth in Africa will conduct activities until the end of 2025. These activities will create 25 million jobs and reach 50 million youth.<sup>104</sup>
- **All outcomes and outputs in the Results Measurement Framework can be attributed to the Bank-led efforts through this strategy.**

## A.2 Risks and Mitigation Measures

Risk	Mitigation Measure
Insufficient funding to support the scale of ambition in youth employment outcomes	Ideally, a substantial portion of funding required will be mobilized upfront. However, resource mobilization can and should continue over the 10-year period of this strategy. Activities will be implemented in a phased manner, initially focusing on those that maximize impact and minimize resource requirements.
Lack of ownership and accountability	The establishment of a Jobs Team, including the hiring of additional youth employment experts, will ensure that there are Bank staff who actively oversee and monitor the implementation of the Strategy. The Strategy also assigns specific roles to individual Bank departments to ensure clarity on who is responsible for key actions. The inclusion of the Strategy in the Bank's performance management systems will ensure accountability.
Lack of support for flagship programs in RMCs	Country consultations have taken place across the continent (Nigeria, Ethiopia, Kenya, Senegal, Cote D'Ivoire, Cameroon, Rwanda, Egypt, and Morocco with further consultations planned in South Africa and Zambia) to test that RMCs would generally be supportive of program blueprints/models. Task Managers can customize program blueprints/models to country contexts to ensure they are additive and complementary to existing initiatives.
Loss of support from Bank staff over ten-year timeframe	The Strategy includes actions to run trainings and workshops for Bank staff on an annual basis rather than instituting one-time trainings. Other key activities, such as sector action plans, are set to be regularly updated over the ten-year period. Additionally, the establishment of an Innovation and Information Lab will ensure Bank staff have constant access to available, frequently updated resources.
Competition with other Bank priorities	The Strategy has been designed to be fully-aligned with the Bank's Ten Year Strategy and High-Five priorities. While there are inherent limits on the Bank's resources and the time of Bank staff, this alignment ensures that the implementation of the strategy will further the Bank's overall development agenda and will therefore not be seen as in competition with other priorities.

## A.3 Consultations to Inform the Strategy

The Jobs for Youth in Africa Strategy has been

informed by consultations with Bank departments, external stakeholders, country consultations, and youth engagement workshops.

Consultations with Bank Departments				
1	ANRC	8	FRMB	
2	CHRM	9	FTRY	
3	COPM	10	GCRO	
4	COSP	11	GECL	
5	EADI	12	IDEV	
6	EDRE	13	OFSD	
7	ESTA	14	OHSD	
15	OITC	22	SEOG	
16	ONEC	23	ORTS	
17	OPSD	24	ORWA	
18	ORCE	25	OSAN	
19	ORNA	26	OSGE	
20	ORPF	27	OWAS	
21	ORQR	28	SARC	
		29	CHRM	
Consultations with the African Union – November and December				
30	Engagement in Ethiopia – November		31	Engagement in Nairobi – December
Consultations from November – Mid-March with External Stakeholders				
32	Abdul Latif Jameel Poverty Action Lab (J-PAL)		47	KfW Group
33	Agence Française de Développement (AFD)		48	Madanyu
34	Andela		49	Mastercard Foundation
35	Coega Development Corporation (CDC)		50	McKinsey Generation
36	Department for International Development		51	National Skill Development Corporation, National Skills Development Agency
37	Digital Opportunity Trust		52	Novastar
38	Education Development Center		53	The Rockefeller Foundation
39	Equity Group Foundation		54	State Secretariat for Economic Affairs (SECO)
40	European Commission		55	SPIRE
41	Federal Ministry for Economic Cooperation and Development, Germany (BMZ)		56	Tata STRIVE
42	General Electric (GE)		57	United States Agency for International Development (USAID)
43	Generation Initiative		58	West Africa Vocational Education (WAVE)
44	Global Affairs Canada		59	World Summit Award
45	Groupe Spéciale Mobile Association (GSMA)			
46	Innovations for Poverty Action (IPA)			
Country Consultations				
Ethiopia, 1-3 December, 2015				
60	Addis Ababa Saving and Credit Cooperative Union		68	Knowledge Ethiopia
61	Addis Ababa Youth Federation		69	Ministry of Education
62	AfDB Field Office		70	Ministry of Industrialization
63	Agricultural Transformation Agency		71	Ministry of Youth and Sport
64	Agriculture and Natural Resource Ministry		72	Talent Youth Association
65	Consortium of Self Help Group Approach Promotion		73	Youth Network for Sustainable Development
66	Ethiopia Youth Federation			
67	Ethiopian Airlines			



<b>Country Consultations</b>	
<b>Senegal, 2-4 December, 2015</b>	
74 AfDB Field Office	80 Investissements et Partenaires
75 Agence du Developpement et d'Encadrement des Petites et Moyennes Entreprises (ADEPME)	81 Ministry of Economy and Finance
76 Agence Nationale Pour la Promotion de l'Emploi des Jeunes (ANPEJ)	82 Ministry of Higher Education
77 Bureau Plan Sénégal Emergent	83 Ministry of Vocational Training
78 Ennablis	84 Ministry of Youth and Employment
79 International Labour Organization (ILO)	85 Nestlé
	86 World Bank
<b>Nigeria, 7-11 December, 2015</b>	
87 AfDB Field Office	92 Ministry of Communication Technology
88 Co-Creation Hub	93 Ministry of Labour and Employment
89 Harvest Hills	94 Nigerian Economic Summit Group
90 Job Creation Unit of the Office of the Vice President	95 United Nations Industrial Development Organization
91 Ministry of Agriculture and Rural Development, Gender and Youth Division	
<b>Kenya, 13-15 December, 2015</b>	
96 AfDB Field Office	100 Ministry of Labour and Social Services-National Training Authority Institute
97 Ministry of Devolution and Planning	101 TechnoServe
98 Ministry of Education, Science and Technology	102 CAP Youth Empowerment Institute
99 Ministry of Industrialization and Enterprise Development	
<b>Cameroon, 15-19 February, 2016</b>	
103 AfDB Field Office	110 Ministry of Employment and Professional Training
104 Afriland First Bank	111 Ministry of SMEs, Social Economy, and Handicrafts
105 Agro-PME	112 Ministry of Youth and Civic Education
106 Conseil National de la Jeunesse (CNJ)	113 North West Farmers' Organization (NOWEFOR)
107 Fonds National pour l'Emploi (FNE)	114 Réseau des Operateurs des Filières Horticoles du Cameroun (RHORTICAM)
108 Ministry of Agriculture	114. United Nations Development Programme
109 Ministry of Economy and Finance	
<b>Côte d'Ivoire, 12-19 January, 2016</b>	
116 Agence Emploi Jeunes	123 Ministry of Employment and Social Affairs
117 Agence Française de Développement (AFD)	124 Ministry of Entrepreneurship, SMEs, and Handicrafts
118 Cellule de Coordination, de Suivi et de Réinsertion (CCSR)	125 Ministry of ICT and Communication
119 Confédération Générale des Entreprises de Côte d'Ivoire (CGECI)	126 Ministry of Industry and Mining
120 Convention de la Société Civile Ivoirienne (CSI)	127 Ministry of National Education
121 International Labour Organization (ILO)	128 Ministry of Planning and Development
122 Ministry of Agriculture	129 Ministry of Youth and Youth Employment
	130 World Bank

<b>Country Consultations</b>	
<b>Morocco, 8-12 February, 2016</b>	
131 AfDB Field Office	137 Japanese International Cooperation Agency
132 AMIDEAST	138 Ministry of Economy and Finance
133 Association Marocaine des Industries du Textile et de l'Habillement (AMITH)	139 Ministry of Education and Professional Training
134 Confédération Générale des Entreprises du Maroc (CGEM)	140 Ministry of Industry
135 Institut de Formation aux Métiers de l'Industrie Aéronautique (IFMIA)	141 OCP Foundation
136 International Youth Foundation	142 Office Chérifien des Phosphate (OCP) Group
	143 Office de la Formation Professionnelle et de la Promotion du Travail (OFPPT)
	143. United Nations Industrial Development Organization (UNIDO)
<b>Rwanda, 22-26 February, 2015</b>	
145 AfDB Field Office	153 NetHope Academy
146 African Network Operators Group (AfNOG)	154 New Artel
147 Education Development Center (EDC)	155 Rural Development Initiative
148 Flemish Association for Development Cooperation and Technical Assistance (VVOB)	156 Rwanda Development Board
149 International Computer Driving License	157 Rwanda Private Sector Federation, ICT Chamber
150 Ministry of Finance	158 Technobrain
151 Ministry of Labour	159 Workforce Development Authority
152 Ministry of Youth and ICT	160 Worldwide E-learning Campus
<b>Youth Engagement Workshops</b>	
<b>Côte d'Ivoire</b>	
161 Abidjan, 19-21 January, 2016	
<b>Nigeria</b>	
162 Abuja, 7-8 March, 2016	163 Lagos, 10 March, 2016
<b>Egypt</b>	
164 Cairo, 8-10 March, 2016	
<b>Rwanda</b>	
165 Nyamata, 24 February, 2016	167 Kigali, 26 February, 2016
166 Huye, 25 February, 2016	



# Endnotes

- 1 African Economic Outlook 2015
- 2 Youth are defined as ages 15-35 in this strategy based on the African Union definition. Data from United Nations Population Division, "World Population Prospects: the 2015 Revision"
- 3 Dalberg Global Development Advisors analysis using income groups based on African Economic Outlook, "Promoting Youth Employment," 2012; United Nations Population Division, "World Population Prospects: the 2015 Revision." Approximately one sixth are in wage employment and the final one sixth are inactive. All AEO statistics used throughout the document define youth as 15-24.
- 4 "3 million jobs projected per year from 2010-2020," based on data for Sub-Saharan Africa from International Monetary Fund, "Working Paper on Africa's Employment Prospects," 2013. This includes jobs created in both the public and private sector.
- 5 African Economic Outlook, "Promoting Youth Employment," 2012
- 6 United Nations Development Programme, "Human Development Report 2015: Work for Human Development," 2015
- 7 UN Human Development Report, 2015
- 8 Dalberg Global Development Advisors analysis based on Okun's Law using population data from United Nations Population Division, "World Population Prospects: the 2015 Revision;" GDP data from World Bank (2013, 2014); and African Economic Outlook, "Promoting Youth Employment," 2012
- 9 39.5% of people join rebel movements due to unemployment or idleness. World Bank, "World Development Report 2011: Conflict, Security, and Development," 2011
- 10 United Nations University, "Conflict, Disaster and No Jobs," Research Paper No. 2008/85, October 2008
- 11 International Organization for Migration, "Mediterranean Update, Migration Flows Europe: Arrivals and Fatalities," December 18, 2016
- 12 African Economic Outlook 2015.
- 13 Dalberg analysis based on African Economic Outlook, "Promoting Youth Employment," 2012; United Nations Population Division, "World Population Prospects: the 2015 Revision"
- 14 The activities of this strategy will be completed by 2025 and lead to 25 million jobs and 50 million youth reached. As some flagship programs run for several years, projects that are approved and begun by the end of the strategy may not fully accrue projected impact until after 2025. Indirect and induced jobs may include other individuals other than youth, but the assumption is the majority of those impacted will be youth given the median age in Africa was 19.5 years in 2015. United Nations Population Division, "World Population Prospects: the 2015 Revision." The 50 million number includes the number of jobs created and youth trained.
- 15 United Nations Population Division, "World Population Prospects: the 2015 Revision." Medium variant, median age.
- 16 The correlation between changes in unemployment and poverty is estimated at 0.65. Marianne Page, "Are jobs solution to Poverty?" 2014, Stanford University
- 17 DFID, "Pro-Poor Growth in the 1990s: Lessons and Insights from 14 Countries"
- 18 Dalberg Global Development Advisors analysis based on Okun's Law using population data from United Nations Population Division, "World Population Prospects: the 2015 Revision;" GDP data from World Bank (2013, 2014); and African Economic Outlook, "Promoting Youth Employment," 2012
- 19 PWC, "Women and the World of Work in 2012"
- 20 United Nations Population Division, "World Population Prospects," 2015. GDP per capita data for Asia comes from the ASEAN-5 countries. This data gives a conservative estimate of growth, as GDP per capita growth was even higher in 29 developing and emerging Asian countries (~11x relative to 1980 baseline).
- 21 IMF World Economic Outlook Data; ILO, "Unemployment and informality beset Latin American youth," 2014
- 22 ILO, "Unemployment and informality beset Latin American youth," 2014; IMF World Economic Outlook; IMF, "Africa Rising: Harnessing the Demographic Dividend," 2014; UNFPA, "Demographic Dividend;" Asian Century Institute, "Asia's Looming Demographic Dilemmas," 2014; Nearshore Americas, "How Will Latin America Convert on its Massive "Demographic Dividend?," 2014
- 23 For example, in South Africa, young people who successfully found and kept their first job for twelve months were found to have an 85% chance of being employed for the remainder of their lives. World Bank, "Mobility, scarring, and job quality in Indonesia's labor market," 2015; IMF, "Scarred Generation," 2012; TD Economics, "Assessing the Long Term Cost of Youth Unemployment", 2013; McQuaid et al, "Multiple scarring effects of youth employment in the UK," 2014; Arulampalam et al, "Unemployment Scarring," 2001; Harambee
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- 25 Reuters, "Liberian President says youth unemployment a threat to peace," 2013; Oxfam Research, "Poverty and unemployment fuel the conflict according to 70% of Afghans," 2009; MercyCorps, Youth & Consequences Report, 2015; MercyCorps, "Why Youth Fight", 2014; DfID, Youth Voices on a Post-2015 World, 2013; ODI, "Youth in International Development Policy", 2013; Dalberg analysis.
- 26 International Organization for Migration, "Addressing complex migration flows in the Mediterranean Sea and in Europe," 2015
- 27 International Organization for Migration, "IOM Counts Latest Mediterranean Arrivals in 2016," 2016
- 28 The Huffington Post, "Turkey Has Spent Nearly \$8 Billion Caring For 2.2 Million Syrian Refugees," 2015; CNBC, "Germany to Spend \$6.6 Billion on 800,000 Refugees and Migrants," 2015; The Guardian UK, "Sweden considers redirecting 60% of aid budget to refugee crisis", 2015; Journalism++, "The Migrant Files", 2015; IOM, "IOM Counts Latest Mediterranean Arrivals in 2016", 2016; CNBC, "Counting the cost of Europe's migrant crisis", 2015; Time, "How Europe is Spending Money on the Migrant Crisis"

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- 29 International Organization for Migration, "Migrants' Remittances and Development," 2006
- 30 OECD, "Lost in intermediation; How excessive charges undermine the benefits of remittances for Africa." 2014.
- 31 Such as PAY Africa, AFFORD etc.
- 32 United Nations Population Division, "World Population Prospects: the 2015 Revision"; African Economic Outlook, "Promoting Youth Employment," 2012; Dalberg Global Development Advisors analysis. The final one-sixth of the youth population is inactive.
- 33 The drivers of youth unemployment and underemployment are discussed in the technical annex.
- 34 AEO cites youth unemployment rates are double those of adult unemployment rates in most African countries. Dalberg Global Development Advisors analysis finds the rate of unemployed and discouraged youth (15-35, excluding students) is roughly three times the rate of unemployed and discouraged adults (36-64). Note that unemployment figures when viewed in isolation can be misleading in countries with substantial underemployment.
- 35 African Economic Outlook, "Promoting Youth Employment," 2012; Underemployment refers to vulnerable employment, which AEO cites at 51.4% in LICs (excluding students).
- 36 ILO, "Decent Work Agenda in Africa", 2007-2015; refers to youth ages 15-24.
- 37 World Bank, "Youth Employment in Sub-Saharan Africa Report," 2014. Labor force displayed in graph includes people aged 15-64.
- 38 African Economic Outlook, "Promoting Youth Employment," 2012.
- 39 IMF, "Scarred Generation," 2012.
- 40 United Nations Population Division, "World Population Prospects: the 2015 Revision"
- 41 Vulnerable employment definition from African Economic Outlook; related to those employed in relatively precarious circumstances, such as self-employed, employed in family businesses, or employed part-time. World Bank, "Youth Employment in Sub-Saharan Africa Report," 2014; African Economic Outlook, "Promoting Youth Employment," 2012; Dalberg analysis.
- 42 African Economic Outlook, "Promoting Youth Employment," 2012
- 43 Statistic is based on all youth, including students. African Economic Outlook, "Promoting Youth Employment," 2012
- 44 African Economic Outlook, "Promoting Youth Employment," 2012; United Nations Population Division, "World Population Prospects: the 2015 Revision"
- 45 African Development Bank, "Employment Effects of Multilateral Development Bank Projects: The Case of the African Development Bank," 2015
- 46 For the purposes of this strategy, the European Commission's definition of an SME is used: An enterprise with up to 250 employees and a turnover of no more than €50 million or a total balance sheet of no more than €43 million.
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- 48 African Development Bank, "Accelerating the AfDB's Response to the Youth Unemployment Crisis in Africa," 2013.
- 49 African Development Bank, "Management Response to the Review of the Bank's support to Small and Medium Enterprises (SMEs) 2006-2013," 2015.
- 50 African Development Bank, "Impact Evaluation in Development Institutions: A Look at the African Development Bank," 2015; African Development Bank, "Improving Impact Evaluation in Department Programs and Projects," 2015.
- 51 African Development Bank, "Independent Evaluation of Policy and Strategy Making and Implementation," 2015.
- 52 This could include infrastructure projects that have high labor-intensity
- 53 This is in line with the Bank's Strategy on Addressing Fragility and Building Resilience in Africa (2014 – 2019). The Bank will leverage its experience in working in countries affected by fragility and those that are in transition.
- 54 ?
- 55 The SME Program prioritizes financial institutions in LICs and fragile states.
- 56 Consultations in over ten countries took place to help inform the design of the Flagship Programs. The details of these consultations are found in Annex A3 of the strategy. OSHD is also conducting a scoping exercise that is focused on identifying "country champions" that will be the first RMCs to implement JfYA flagship programs.
- 57 Alliance for a Green Revolution in Africa (AGRA), 'Africa Agriculture Status Report', 2015
- 58 Ibid.
- 59 World Bank, 'Africa can help feed Africa: Removing barriers to regional trade in food staples', 2012
- 60 Food and Agriculture Organization (FAO), FAOSTAT Detailed Trade Matrix, 2013
- 61 One analogue for a short training program is the AVSI Uganda Women's Income Generating Support that provided a week of basic business skills training, mentorship and cash grants of \$375. This led to double the likelihood of a participant running a business.
- 62 The amount of seed capital will be customized to country contexts.
- 63 The microenterprises started by youth could in fact become household enterprises.
- 64 Costs and impacts have not been indicated for ENABLE Youth as only additional, new activities and flagship programs have been included in the financial model for this strategy
- 65 The World Economic Forum refers to the "Fourth Industrial Revolution" as the rapid change that will result from "cyber-physical systems" integrating interconnected machines with human labor
- 66 UNCTAD, The state of industrial development in Africa: unexploited opportunities amidst growing challenges, 2013

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- 67 Deloitte, Africa Human Capital Trends, 2014
- 68 In South Africa, growing construction business is drawing workers away from the mining industry; Rasool, F., & Botha, C.J., Sajhm "The nature, extent and effect of skills shortages on skills migration in South Africa," 2011
- 69 Additional details on these activities can be found in the Integration section of this strategy. The Industrialize Africa strategy also outlines additional policy changes required to make a more competitive business environment.
- 70 Youth will be placed either within the industrial clusters or in other areas of the employers' operations.
- 71 World Bank, "Youth Employment in Sub-Saharan Africa Report," 2014
- 72 In 2014, the mobile ecosystem provided approximately 2 million direct jobs and 2.4 million indirect jobs in Sub-Saharan Africa according to GSMA, The Mobile Economy Report – Sub-Saharan Africa, 2015.
- 73 Funding numbers obtained from GSMA, The Mobile Economy Report – Sub-Saharan Africa, 2015. One example of the quickly growing local app market is the 2go application from South Africa, which outpaced Facebook in Nigeria in 2014 with 13 million users.
- 74 World Bank, Online Work Global Study.
- 75 World Bank, ICT Competitiveness in Africa
- 76 African Economic Outlook, 2008-2010; Education for All 2015 Global Education Monitor, statistical tables for school year ending 2012
- 77 Dozens of cities and countries have already mandated computational thinking.
- 78 Computer and mathematics-intensive jobs are anticipated to experience very high growth both within ICT and in financial services, media and entertainment, and professional services, according to World Economic Forum, The Future of Jobs, 2016
- 79 World Economic Forum, The Future of Jobs, 2016
- 80 The Raspberry Pi is a low cost, credit-card sized computer that plugs into a computer monitor or TV and uses a standard keyboard and mouse.
- 81 The ICT sector includes hardware manufacturers and telecom operators; the ICT-enabled sector includes online outsourcing actors; and the ICT services sector includes internet-based companies (such as e-commerce players).
- 82 Comparing indicators of labor market regulations across databases: A post scriptum to the employing workers debate, ILO, 2014
- 83 This is particularly important as there is currently no comprehensive data on youth employment outcomes in many RMCs.
- 84 An initial proposal of indicators is available in the annex
- 85 World Bank (2012): World Development Report 2103.
- 86 S4YE, "The Private Sector and Youth Skills and Employment Programs."
- 87 Unemployed/discouraged and vulnerable methodology: The number of African youth (15-35) is calculated for each country income group. The number of students is subtracted from each country income group (using percentages of students by country income group from the AEO, "Promoting Youth Employment," 2012). It is assumed that no one over the age of 24 is a student. The number of non-students in each country income group is multiplied by the percentage of those unemployed/discouraged or those vulnerably employed for that income group (using percentages from the AEO, "Promoting Youth Employment," 2012). If ORQR develops a new methodology for calculating employment, these numbers will be updated accordingly. For targets, it is assumed that approximately 7 million jobs will be targeting unemployed and discouraged youth and the remainder will be targeting youth that are vulnerably employed. Adult unemployment and discouragement rates have been calculated according to the following methodology. The number of African adults (36-64) is calculated for four age groups: 15-24, 25-29, 30-34, and 35. It is assumed that no one over the age of 35 is a student. The number of adults in each age group is multiplied by the percentage of those unemployed/discouraged for that age group (using percentages from the AEO, "Promoting Youth Employment," 2012). If ORQR develops a new methodology for calculating employment, these numbers will be updated accordingly.
- 88 The World Bank raised the international poverty line to \$1.90/day at the end of 2015. Future measurements should align with this metric.
- 89 49% of working youth (ages 15-24) in Africa live on less than \$1.25/day, according to ILO estimates from a sample of 24 African countries. Assumes the rate for working youth ages 15-35 is also 49%. AEO, "Promoting Youth Employment," 2012.
- 90 To be determined based on employer surveys for Agro-industrialization Pipeline, Skills Enhancement Zones, and Coding for Employment.
- 91 Note that some of the flagship programs will be running for multiple years. Thus, for programs launched in 2025, an ex-post measurement of jobs will not be possible until 2030.
- 92 This may be updated based on improved methodologies for calculation of indirect and induced employment effects through the Bank's ongoing efforts (more details provided in the Implementation Plan).
- 93 This refers to the number of physical zones established, not the number of projects implemented.
- 94 This refers to the number of physical centers established, not the number of projects implemented.
- 95 Assumes a guarantee volume of \$45 million over ten years and an average guarantee size of \$5 million (based on historical AGF data). Exact amount may change following discussions with AGF and Bank Senior Management.
- 96 Assumes the Bank makes a \$10 million equity investment in AGF, which results in \$45 million in increased guarantee volume. The exact amount may change following discussions with AGF and Bank Senior Management.

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## Endnotes

- 97 The Boost AIF seeks to execute 5 investments with an average ticket size of 6 million euros each year throughout an investment period of 5-6 years.
- 98 AfDB, "Employment Effects of Multilateral Development Bank Support: The Case of the African Development Bank," 2015
- 99 IFC, "IFC Jobs Study: Assessing Private Sector Contributions to Job Creation and Poverty Reduction," 2013
- 100 Ibid.
- 101 Sector-specific multipliers are used for flagship programs in agriculture, industrialization, and ICT. Agriculture: IFC Jobs Study, Tanzania case, 2013. Industrialization: Center for Urban Economic Development, US average, 2013. ICT: World Bank ICT Policy Notes, US case, 2012.
- 102 AfDB, "Employment Effects of Multilateral Development Bank Support: The Case of the African Development Bank," 2015
- 103 IFC, "IFC Jobs Study: Assessing Private Sector Contributions to Job Creation and Poverty Reduction," 2013
- 104 As some flagship programs run for several years, projects that are approved and begun by the end of the strategy may not fully accrue projected impact until after 2025.

