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Background paper for the agenda item, “Implementation by RECs of the First Five Year Priority Programme on Employment, Poverty Eradication and Inclusive Development”

Introduction

In January 2015, the AU Assembly of Heads of States and Governments adopted the Declaration and Plan of Action on Employment, Poverty Eradication and Inclusive Development, with its Follow-Up Mechanism. In the same vein, they also adopted the Public-Private Partnerships Framework on Employment and Poverty Eradication, and the AU-ILO-IOM-ECA Joint Programme on Labour Migration Governance for Development and Integration in Africa which the UNDP joined recently.

The Declaration echoes some of the strategic directions contained in the Resolution L-6 of the 3rd Joint Annual Meeting of the AU Conference of Ministers of Economy and Finance and the ECA Conference of African Ministers of Finance, Planning and Economic Development, Lilongwe, Malawi, March 2010.

Key characteristics of the Five Year Priority Programme

The Declaration and Plan of Action are structured around Six Key Priority Areas endorsed by the Assembly:

1. Political Leadership, Accountability and Good Governance;
2. Youth and Women Employment;
3. Social Protection and Productivity for Sustainable and Inclusive Growth;

4. Well-functioning and Inclusive Labour Market Institutions;
5. Labour Migration and Regional Economic Integration;
6. Partnerships and Resource Mobilization.

In order to effectively facilitate the implementation of the mentioned policy documents, at the request of the AU Assembly, the African Union Commission, in collaboration with the ILO and other international partners, were requested to develop a Five-Year Priority Programme (5YPP) based on the six Key Priority Areas. Accordingly, the AUC set up thematic working groups to cover each of the key priority areas and prepared a ten-page programme outline, containing the outcomes expected to be achieved under each of the six areas. The outline was approved for elaboration into a fully-fledged programme covering a five-year period, by the First Ordinary Session of the AU Specialized Technical Committee on Social Development and Labour in Addis Ababa in April 2015. It was later endorsed by the Assembly of Heads of State and Governments in Johannesburg, South Africa in June 2015. The 5YPP is regarded as a common framework integration the relevant goals and targets of the First Ten Year Plan of Agenda 2063 and Agenda 2030.

The **First 5YPP** takes into consideration related AU policies such as the Programme on Upgrading the Informal Economy, the Social Protection Plan for the Informal Economy and Rural Workers (SPIREWORK), the Labour Market Information Systems Harmonization and Coordination Framework, the Productivity Agenda for Africa and the AU-AfDB-ILO-ECA Joint Initiative on Youth Employment

The First 5YPP, Agenda 2063 and Agenda 2030

The First Five Year Priority Programme (5YPP) on Employment, Poverty Eradication and Inclusive Development translates into strategic actions the relevant Aspirations, Goals and Priority Areas of the First Ten Year Plan of the Agenda 2063. It is expected that “A Prosperous Africa based on inclusive Growth and sustainable development” is attained through a “High Standard of Living, Quality of Life and Well Being for All”, by ensuring “Incomes, Jobs and decent work”.

These are in line with the 2030 Agenda for Sustainable Development, in particular its Sustainable Development Goals (SDGs) aimed at ending poverty in all forms everywhere (Goal 1), promote sustained, inclusive and sustainable economic growth, full and productive en employment and decent work (Goal 8) and reduce inequality within and among countries (Goal 10). The mentioned SDGs also embrace the 2030 Agenda’ systemic issues on policy and institutional coherence, multi-stakeholder partnerships, data, monitoring and accounting.

The need to promote inclusive and sustainable industrialization, while significantly increasing industrial employment, and access of MSMEs to financial services and their stronger integration into value chains and markets, is addressed in SDG 9. Safe, orderly, regular and responsible labour migration and mobility is what SDG 10 seeks to facilitate.

Five Year Priority Programme Strategy

Under each key priority area, the Programme spells out the outcomes expected to be achieved in its five-year life.

Key priority area 1: Political leadership, accountability and good governance

Lays down four outcomes that are to be achieved. The overall objective is to guarantee the necessary transformative leadership, commitment, in particular at the highest political levels, inclusiveness and to nurture a monitoring and evaluation culture in the fields of labour, employment and social protection. This KPA will be realized through :

1. *Improved accountability of AUC, regional economic communities and member states will be more strongly demonstrated in implementation of the Ouga+10 Declaration and Plan of Action.*
2. *Improved policy coherence through an enhanced nexus between employment, social protection and macro-economic and other policies to achieve development and eradicate poverty.*
3. *Framework developed and implemented for measuring and reporting on the state of inclusive development.*
4. *Citizens and non-state actors enabled to participate in political, social and economic governance structures, accountability and transparency mechanisms in matters of employment, poverty eradication and inclusive development.*

Key priority area 2: Youth and women employment

Aspiration 6 of the AUC Agenda 2063 refers to “An Africa where Development is People Driven, Unleashing the Potential of Its Women and Youth”, reinforced in Goal 14 on Gender Equality, and within the Ten-Year Planning framework. KPA-2 on Youth and Women Employment is also in line with the African Youth Decade Plan of Action, AU Gender Policy (2013) and African Women Decade (2010-2020), the “Grassroots Approach to Gender Equality and Women’s Empowerment”¹, all of which put the employment of youth and women as a major driver and catalyst of poverty eradication and inclusive development.

The Five Year Priority Programme will contribute to the achievement of specific targets of the Ten Year Plan of the Agenda 2063. Under the Priority Area “Incomes, Jobs and decent work”, member states will endeavour to (i) Reduce 2013 unemployment rate by at least 25% and (ii) Reduce Youth and Women unemployment rate by 2% per annum. Under the Priority Area “STI driven Manufacturing / Industrialization and Value Addition”, the “Share of labour intensive manufacturing output is increased by 50% over its 2013 level”. For the post-conflict countries, under the Priority Area “Maintenance and Restoration of Peace and Security”, member states must reduce the level of conflict emanating from ethnicity, **all forms of exclusion**, religious and political differences by at least 50% of 2013 levels.

The SDG seeks to “achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value”, by 2030 (Target 8.5), and to “substantially reduce the proportion of youth not in employment, education or training”, by 2010 (Target 8.6). By 2020, develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization.

The AUC/ILO/ECA Initiative on Youth Employment will be implemented as a flagship programme under this KPA. Youth and women employment will be

¹Grassroots approach to Gender Equality and Women’s Empowerment (GEWE); AU’s Women Empowerment and Development – Towards Africa’s Agenda 2063; Joint Programme on Youth Employment.

mainstreamed in AU policies and programmes in agriculture through the Rural Employment Strategy; in ICT through the Digital Africa Work project; in culture and social development through the AU Social Business Strategy; and in post-conflict recovery and reconstruction through the Post-Conflict Reconstruction and Development Policy.

Outcomes

Outcome 1: Youth and women employment mainstreamed and given appropriate prominence (e.g. through pro-women and pro-youth initiatives) in relevant AU policies and programmes.

Outcome 2: Continental TVET and employment policies, strategies and programmes harmonized and operational in support of employment of Women and Youth.

Outcome 3: Inclusive participation of women and youth in employment initiatives in post-conflict countries achieved in line with AU Post Conflict Reconstruction and Development policy (PCRD).

Key priority area 3, Social protection and productivity for sustainable and inclusive growth

KPA-3 targets Social Protection and Productivity. Social protection enables households to invest in productive activities and human capital, which in turn raises their productivity and incomes. In most developing and emerging countries, underemployment and informal employment are expected to remain high over the next five years, with three out of four workers in vulnerable employment (predominantly women), and thus unable to access basic necessities and decent work.²

KPA-3 builds on the AUC Agenda 2063 which, under Aspiration 1, pursues the goals of “A high standard of living, quality of life and well-being for all citizens”, through the priorities of (i) affordable social security and protection for all, (ii) increase incomes and provide decent jobs for working age”. These priorities constitute the key pillars of social protection as promoted by the AU Social Policy Framework (2008), which recognizes that social protection should be a state obligation. The goal also emphasizes the need to improve productivity and provide social protection to vulnerable persons, in particular those in the informal economy and in agriculture, aiming at transitioning from vulnerable and informal sector jobs to formal sector jobs. Programmes to improve productivity will unlock the huge potentials of SMEs and micro enterprises for decent jobs creation.

The SGDs call on African Governments to “Implement nationally appropriate social protection systems and measures for all, including floors, and by 2030 achieve substantial coverage of the poor and the vulnerable”. SDG target 8.2 aims to “...achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors”. Target 8.3 calls for the promotion of “... development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services”, while target 8.4 is the promotion of green productivity through progressively improving global resource efficiency in consumption and production.

² World Employment and Social Outlook – Trends 2015, ILO

Outcomes

Outcome 1: Social Protection and Social Security coverage expanded in Africa³.

Outcome 2: Productivity increased and competitiveness improved in African economies.

Outcome 3: Incremental transitioning of the Informal Economy to the Formal Economy facilitated.

Key priority area 4: Well-functioning and inclusive labour markets

KPA-4 builds on the Intra-African Technical Cooperation Platform and the Ministerial Panel Discussion Paper on the theme of the 9th Ordinary Session of the Labour and Social Affairs Commission⁴. It is also linked to the AU Social Dialogue Guidelines, as well as the AU Public-Private Partnership Framework on Job Creation and Inclusive Development (PPPF-JCID).

KPA-4 addresses key emerging issues in African labour markets in the context of what the AUC Agenda 2063 refers to as “the ebbs and flows of the global context” relating to production, technology and labour markets. Well-functioning labour market governance is essential to sustain rapid and inclusive economic growth in Africa. For successful implementation of the Ouaga +10 Declaration and Plan of Action, labour market management must be raised to the level of quality required for attracting and supporting investment, by combining natural, capital and human resources. This same strategic capability is required for the successful implementation of related AU policies on agriculture and agribusinesses, industrialization, decentralization, “Blue Economy”. Labour force strategies must also be identified as necessary complementary components of specific AU Policies on industrialization (AIDA), Blue Economy, Mining, etc.

The Ouaga +10 Declaration and Plan of Action seek to strengthen the capacities of local authorities in order to be able to develop, implement and monitor measures for local employment, within the framework of the African Charter on the Values and Principles of Decentralization, Local Governance and Local Development.

Outcomes:

Outcome 1: Strategic leadership and planning role played by Ministries of Labour and Labour Market Institutions in the economic and social development agenda of Africa

Outcome 2: Value addition created through labour, employment and social protection services provided by Labour Market Institutions

³Particularly for the following vulnerable groups: excluded categories of workers and members of their families; domestic workers; people living with HIV, TB and Malaria, and people with disabilities. See expected outcome under the Plan of Action on Employment, Poverty Eradication and Inclusive Development in Africa KPA3.

⁴Intra African Technical Cooperation Platform (IATCP): Improving Labour Market Governance in Africa, LSC/EXP/7(IX)Panel discussion paper on Issues on the labour market institution LSC/EXP/1(IX)The theme of the 9th Ordinary Session is “Enhancing the Capacity of the Labour Market Institutions in Africa to meet the Current and Future Challenges”.

Key priority area 5: Labour migration and regional economic integration

KPA-5 links directly to the Joint Labour Migration Programme. The African Union (AU) Migration Policy Framework recognized that “migration will be a major topic in the 21st Century and will therefore pose certain social, economic and political challenges for policy makers in the future management of migration for the betterment of African societies”. In AU’s Agenda 2063, Aspiration 2 refers to an integrated continent, one where labour can move freely across national borders.

Outcomes:

Outcome 1: Increased ratification, domestication and implementation of key international labour standards on labour migration

Outcome 2: Improved use of databases on labour migrants’ skills, economic activities, education, working conditions, and social protection

Outcome 3: Inter-regional and intra-regional skills and labour matching operational

Outcome 4: Social Security extended to migrant workers and their families through access and portability regimes compatible with International Standards and good practice.

Outcome 5: Labour migration governance, policy and administrative responsibilities effectively carried out by capable Labour Market Institutions in RECs and MS

Outcome 6: Tripartite policy consultation and coordination on Labour Migration operational at continental and regional levels

Key priority area 6: Partnership and resource mobilization

KPA-6 elaborates on how the Programme will be implemented with and through a wide range of continental and international partnerships. It emphasizes the need to mobilize sufficient resources in order to make the programme operational and effective. Various AU partnerships and strategies are outlined in “Resource Mobilisation for Implementing the Ouagadougou Plan of Action for the Promotion of Employment and Poverty Alleviation” (Yaoundé, 2011).

The prevailing challenges with regard to mobilizing resources to implement the Plan of Action and the 5YPP include: (i) employment and labour are not given priority in the national budgets of Member States; (ii) constraints linked to economic policies where countries have been unable to take on board employment as part of their national development plans; (iii) constraints relating to competence and institutional order in terms of poor and fragmented labour administration and labour market information systems; and (iv) constraints linked to the persistence of the international financial crisis. KPA-6 proposes to achieve outputs to overcome these funding challenges, among others.

Outcomes:

Outcome 1: Strengthened capacities of AUC/RECs/MS in developing, implementing, monitoring, and evaluating strategies for mobilizing resources (local and other resources) for 1st 5YPP

Outcome 2: Effective partnership(s) operational among key stakeholders in delivering the results for the 5YPP – in terms of advocacy, lobbying and communication.

Domestication of the First Five Year Priority Programme on Employment, Poverty Eradication and Inclusive Development

As the blueprint for the development trajectory of the Continent, the AU Agenda 2063 makes extensive reference to the AU policies on employment and poverty eradication, mainly in Aspiration 1 “**A prosperous Africa based on inclusive growth and sustainable development**”. The first goal is to attain “**A High Standard of Living, Quality of Life and Well Being for All**”, with a top priority dedicated to “**Incomes, Jobs and Decent Work**”.

The implementation strategy of the Agenda 2063 is based on the principle of domestication at regional and national levels, building on the fundamental axiom of subsidiarity which governs the regional integration policy.

The domestication process starts with the responsibilities of the RECs which are the entry point of continental level initiatives for Member States in the regions, as also contained in the AU Agenda 2063 when it states that: “*RECs will be the focal points for the facilitation of the adoption, implementation, monitoring and evaluation of all continental frameworks related to Agenda 2063 by Member States*”. To this effect, they are expected to:

- Adapt / align continental long /medium term Agenda 2063 10 Year Plans / Guidelines to regional plans
- Coordinate the preparation and execution of regional projects / programmes as per Agenda 2063.

This applies for:

- The First Five Year Priority Programme on Employment, Poverty Eradication and Inclusive Development,
- The Productivity Agenda for Africa and Social Dialogue Guidelines
- The Labour Market Information Systems Harmonization and Coordination Framework
- The Public-Private Partnerships Framework on Jobs Creation and Inclusive Development
- The AU-ILO-IOM-ECA Joint Programme on Labour Migration Management
- The AU-AfDB-ILO-ECA Joint Initiative on Youth Employment
- The Programme on Upgrading the Informal Economy
- The Social Protection Plan for Informal Economy and Rural Workers

Two crucial actions are implied in the domestication process:

- (i) Planning on the basis of the targets and indicators of the First Ten Year Plan on employment, labour, social protection/security and productivity; and
- (ii) Establishment of baseline information using the targets and indicators of the First Ten Year Plan of Agenda 2063.

The baseline information will be established using selected indicators from the AU Minimum List of Indicators on Labour, Employment and TVET, which was adopted

by the Joint Annual Meeting of the AU Conference of Ministers of Economy and Finance and ECA Conference of African Ministers of Finance, Planning and Economic Development, Addis Ababa, March 2012.

The domestication approach and process

As per the calendar of the First 10YP of Agenda 2063, consultations with RECs should be completed in 2016 on the First 5YPP on Employment, Poverty Eradication and Inclusive Development.

The AUC will work with and support RECs' Secretariats in conducting the domestication process. AUC and the REC Secretariats must agree on the timeline. AUC will facilitate the review of the relevant regional policy and legal frameworks, in line with the First Five Year Priority Programme and the other related frameworks. The review will conclude with the drafting of a Regional Domestication Document on Employment, Poverty Eradication and Inclusive Development.

A validation meeting of the Domestication Document will be facilitated to bring governmental experts and social partners together, alongside regional ministerial conferences or at other relevant forums. The validation can also be done through the regional Social Dialogue structure where it exists.

Financing Mechanism - Employment and Social Cohesion Fund

The two Comprehensive Follow-Up Report on the implementation of the Ouagadougou 2004 Plan of Action on Employment and Poverty Alleviation underlined the funding as one of the major factors that limit the effective implementation of employment policies in Africa. Drawing from the evaluation, the Declaration on Employment, Poverty Eradication and Inclusive Development called to “**INCREASE** significantly and appropriately the budgetary resources allocated to employment policies financing and put employment among our development priorities with international partners in the true spirit of the Paris Declaration and Accra Call for Action”.⁵

The Declaration also requested the Commission, in collaboration with the African Development Bank and international development partners, to consider the establishment of the Employment and Social Cohesion Fund as financing mechanism for the Declaration and its Plan of Action.

Finally, the Declaration encourages the UN, international financial institutions, bilateral and multilateral institutions, regional and continental development banks to adopt policies in coherence with the present Declaration and its Plan of Action, including UNDAF processes the Decent Work Country Programme at country level.

Format of the ministerial meeting:

The STC on Finance, Economic Development, Planning and Integration is an appropriate policy space to engage with RECs and Member States regarding the domestication journey of the AU policies on Employment, Poverty Eradication and Inclusive Development. Experts will hold discussion on the Declaration and Plan of Action, and on the domestication process envisaged by the Agenda 2063. They will also prepare a decision or resolution for consideration by ministers. The Departments

⁵ Assembly/AU/20/Decl/6(XXIV)

of Social Affairs and Economic Affairs, as well as the Agenda 2063 Team, will facilitate the session of the experts on the item.

The topic will be also discussed during the Ministerial panel discussion on the theme of the Conference. It is expected that the Chairperson of the Bureau of the STC-Social Development, Labour and Employment (STC-SDLE-1) will participate, as well representatives of social partners in the Bureau of the STC-SDLE1.