

**AFRICAN DEVELOPMENT BANK
AFRICAN DE VELOPMENT FUND**



**THE BANK'S HUMAN CAPITAL STRATEGY FOR AFRICA
(2014-2018)**

OSHD DEPARTMENT

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Acronyms

ADB	African Development Bank
ADF	African Development Fund
AfDB	African Development Bank
AU	African Union
ECCD	Early Childhood Care and Development Services
EDRE	Development Research Department
ESDA	Education for Sustainable Development in Africa
EU	European Union
GAP	Governance Strategic Framework and Action Plan
GDP	Gross Domestic Product
HAC	Harmonization, Alignment and Coordination
HCS	Human Capital Strategy
HD	Human Development
HEST	Higher education, Science and Technology
HHA	Harmonization for Health in Africa
HSBM	Holistic Social Business Movement
ICT	Information and communication technology
IFC	International Finance Organization
ILO	International Labour Organization
KPI	Key Performance Indicator
MDGs	Millennium Development Goals
MIGA	Multilateral Investment Guarantee Agency
NEMA	New Education Model in Africa
NEPAD	New Partnership for Africa's Development
OECD	Organisation for Economic Co-operation and Development
OPEV	Operations Evaluation Department
OSHD	Human Development Department
OWAS	Water and Sanitation Department
PBS	Promotion for Better Services
REC	Regional Economic Community
RMC	Regional Member Country
STI	Science, Technology and Innovation
STEM	Science, Technology, Engineering and Mathematics
TVET	Technical and Vocational Education and Training
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
VfM	Value for Money
WEF	World Economic Forum

Executive Summary

The vision of the Bank’s Human Capital Strategy (HCS) 2014–2018, is to harness the potential of one billion Africans by building skills and promoting technologies for better jobs, equal opportunities and workforce competitiveness. Several opportunities hold the promise of accelerating Africa’s growth and economic prosperity. The widely recognized economic momentum along with mounting global interest dominated by new powers from the South portrays Africa’s fast-evolving landscape and optimism for its future. Mineral wealth has been discovered. Capital flows are increasing. Middle-class consumer base is growing with strong retail markets. Societies are increasingly open and democratic. New technologies open a leapfrogging potential, and most promising, a demographic dividend endowment.

These profound shifts come with significant repercussions for building human capital amidst downside risks of persistent poverty and increasing inequalities. Africa lives a paradox of rapid economic growth with poverty and inequalities having striking effects on youth and women. The labor market disarray marked by rising skills mismatch, low productivity in the informal sector, unemployment and underemployment against a rising youth population set to reach more than one billion by 2050, reflects a generation at risk. Africa records the world’s lowest school enrollment and quality, leaving over 90 million teenagers struggling for employment in low-paid, informal sector jobs. Unemployment and underemployment of youth and female endanger social cohesion and inclusive development. These coupled with the mixed effects of limited access to quality education, health, nutrition, technology and innovation are strong warning signals to sustaining Africa’s growth and entry into higher value-added areas of production and competitiveness. Failure to tackle such formidable backlogs will deprive a whole generation of opportunities to develop their potential, escape poverty and support the continent’s trajectory toward inclusive growth and economic transformation.

Sustaining growth and making it both inclusive and green—two objectives of the Bank’s Strategy 2013–2022—demands innovative solutions and efficient investments in human capital. Most African economies compete on the basis of factor endowments, with growth dependent primarily on low-skilled labor and natural resources. Moving up the value chain to more efficient and innovation-driven economies is essential to increasing and sustaining growth. This will require high-impact investments in education, science and technology. A vibrant private sector is key for creating jobs, producing and marketing sophisticated goods and services, and latching on to global value chains. Further, improving the quality and inclusiveness of growth will require more citizen participation and greater accountability from public service providers to offer value for money as well as safety nets to build resilience to economic and social shocks and move poor individuals and communities out of poverty.

This Human Capital Strategy, the first for the Bank, is the operational framework for Bank’s interventions in human capital in Africa. The implementation of the HCS will leverage other Bank strategies—including gender, private sector development, Governance Action Plan II (GAP II) and the upcoming Bank’s strategy on Addressing Fragility and Building Resilience in Africa—to build human capital in Africa. It underscores the human capital dimension in all core operational priority areas of strategy 2013–2022, emphasizing skills and technology as crucial for productive workforce and competitive economies within the inclusive and green growth agenda. Guided by selectivity, alignment, harmonization, partnerships, global networks, and results, the HCS will be implemented by ensuring cross-sector collaboration internally and with other partners to develop interventions that take into account the context of fragile states and low and middle income countries.

The HCS is underpinned by lessons learned from Bank’s experience in human capital interventions, country demand and global best practices. The selected areas of support consolidate and build on past and ongoing efforts. Specific lessons point to the need for the Bank to scale up its support to science, technology and innovation in Africa, while addressing exclusion, socio-economic and gender inequalities. The vibrant role of the private sector in education delivery, job creation, access to critical goods and leapfrogging inclusive social infrastructure is crucial for promoting inclusive service delivery and entrepreneurship and ensuring that the knowledge and skills produced contribute to national economic competitiveness. Increasingly, and with lessons of the Arab Spring in mind, voice and accountability and safety nets are on the Bank’s agenda as essential for breaking intergenerational poverty and empowering Africa’s poor, particularly women. The strategy thus emphasizes the need to tackle the human capital dimension of fragility in Africa through prevention and mitigation.

The HCS’s main area of focus is *Skills and Technology*. It underscores short-medium to long term adaptable and sustainable solutions to youth unemployment and economic productivity. The Bank will support investments in skills and technology development in all Regional Member Countries (RMCs) through knowledge work, policy dialogue and lending operations. Interventions will address the daunting challenge of youth and women unemployment and underemployment by tackling labour market skills mismatch and low productivity predominated by the informal sector, which employs many youth and women . The HCS also promotes social entrepreneurship and economic policy that foster job creation. The New Education Model in Africa (NEMA) will adjust to the diversity of RMCs, tapping new opportunities provided by the private sector and ICT to develop e-education and adaptive learning to equip African youth with flexible skills needed for tomorrow’s job market.

The Bank will step up its support to Science, Technology and Innovation. It will focus on building critical skills in several sectors of the economy including infrastructure and natural resource management to enhance competitiveness. It will scale up skills in Science, Technology, Engineering and Mathematics (STEM). It will also build regional knowledge and excellence networks to foster opportunities for development and knowledge sharing across borders. It will also promote innovation and connect with global networks. The Bank will also step up its support to foster transformation in TVET to promote innovative entrepreneurship and productivity and to latch onto value chains, particularly in agriculture. Bank support will involve facilitating regional regulatory frameworks for labor mobility among African countries in specific professions.

To further contribute to the inclusive growth agenda, the HCS selectively supports two enablers of human capital. The *efficient and inclusive service delivery enabler* will leverage relevant areas from existing strategies and those being developed to enhance equitable access to and quality of social basic services. The Bank will support the leapfrogging of social infrastructure, largely through private sector partnership and innovations to improve the access to the “last mile”. The *inclusive financial and social systems enabler* will strengthen linkages of safety nets with jobs and entrepreneurship. The Bank will engage with a limited number of countries in building financial and social systems—safety nets, and social entrepreneurship- as per demand of the countries and through targeted operations for innovation and catalytic effects. The Bank will continue to support social entrepreneurship for youth and women in selected countries building on the several Africa-wide initiatives to accelerate the response to youth unemployment- Souk At-Tanmia, Social Business, the Africa Youth Employment Initiative and the Global Facility for Employment in Fragile States.

Bank operations focusing on human capital will increasingly be underpinned by economic and sector work and also integrate impact evaluations. Through joint work with other development partners, the Bank will foster analytical work as it prepares operations. It will also adopt a systemic

approach to project evaluation, including impact evaluation. Specifically, the Bank's Impact Evaluation Reference Group will facilitate scaling up the Bank's efforts in RMCs, building on existing impact evaluations.

Based on its comparative advantage, the Bank will continue to build productive and innovative partnerships to foster practical responsiveness to enhance human capital in Africa. Efforts will be geared up to boost ongoing partnerships including the Bank's collaboration with the United Nations University and the Pan Africa University program to promote science and technology in education and the Africa Joint Youth Employment Initiative for employment creation. The Bank's Policy Based Operations in human capital will continue to be guided by close collaboration with other development partners in the spirit of Paris Declaration on Harmonization, Alignment and Coordination (HAC) and the Deauville Partnership.

The strategy will be implemented via a collaborative interdepartmental and decentralized approach. The Human Development Department will continue to provide the expertise for designing Bank operations that require human capital interventions. Operations will be prepared jointly with other sector teams as needed. Human capital will be addressed both through stand-alone operations and through components of operations in other areas. Incentives will be provided for cross-departmental collaboration. Knowledge management and multisectoral approaches will be coordinated through thematic groups for each core operational priority of the Bank's Strategy for 2013–2022. The strategy will be implemented within the current budget framework, through priority shifts and efficiency gains, particularly a change in staff skill mix.

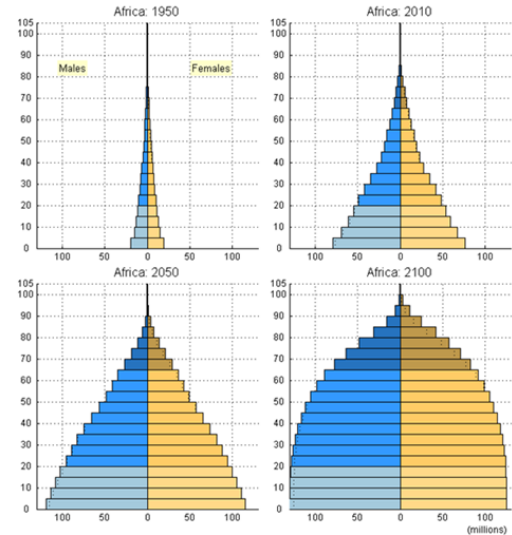
The HCS stipulates the strategic direction of the Bank's support to human capital building in RMCs over the period 2014-2018. It embraces the principles of "One Bank approach" and wide ranging external consultations with country and regional stakeholders.

The Boards are requested to approve the Bank Group Human Capital Strategy, covering the period 2014-2018.

I. AFRICA'S METAMORPHOSIS

1. **Africa is experiencing profound shifts, with repercussions for building human capital.** Demographically, the continent's young, rapidly growing population offers an opportunity for, dynamic growth so long as appropriate investments in human capital are made and skills are fully utilized (figure 1). Economically, African countries have grown an annual 5% on average over the past decade, despite weathering the spillovers of global crises, with the private sector larger than ever. Technologically, Africa has been benefiting from a shift of the technological curve, leapfrogging its access to new ICT. By 2025 mobile phone coverage will be nearly universal, implying scope for increasing the financial services reaching the poor, even in fragile states. Politically, Africa's democracies are gaining ground, and governance standards are improving thanks to greater demand for voice and accountability, which has fostered democratic reforms and reduced conflict and civil war.

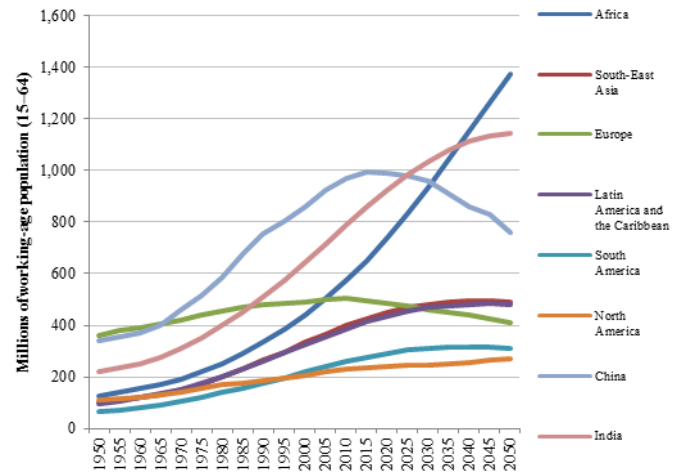
Figure 1. A strikingly large youth bulge in Africa



Source: UN DESA 2011.

2. **With 1 billion people in Africa today and 2.3 billion—mostly youth—projected for 2050, the continent's greatest asset (or risk) in the coming decade will be its capacity to harness this rapidly increasing reservoir of human capital.**¹ After Asia, Africa is the world's largest and most populous continent, with about 15% of the world's people. By 2040, Africa will have the world's largest workforce, surpassing China and India (figure 2). Africa is also the world's youngest region, and in mid-2011 the continent had the world's 10 youngest countries by population.² Within the continent, East and West Africa will be the youngest regions. A large “youth bulge” can be an opportunity for change, progress and social dynamism—or a risk.³ If the talents of this rising youth cohort are harnessed and channeled to the economy's productive sectors, the opportunities for economic and social development are unlimited.

Figure 2. Africa will have the world's largest workforce by 2040



Source: United Nations Department of Economic and Social Welfare.

3. **Africans newborn will be tomorrow's movers and shakers.** Population growth and its impacts on human development will be staggering. Over the next 15 years, roughly 600 million children born at the beginning of the 21st century will be the key workforce of the continent. To benefit from the demographic dividend and build a highly skilled labor force, Africa's cohort of high school and technical and vocational education and training (TVET) graduates needs to increase significantly.

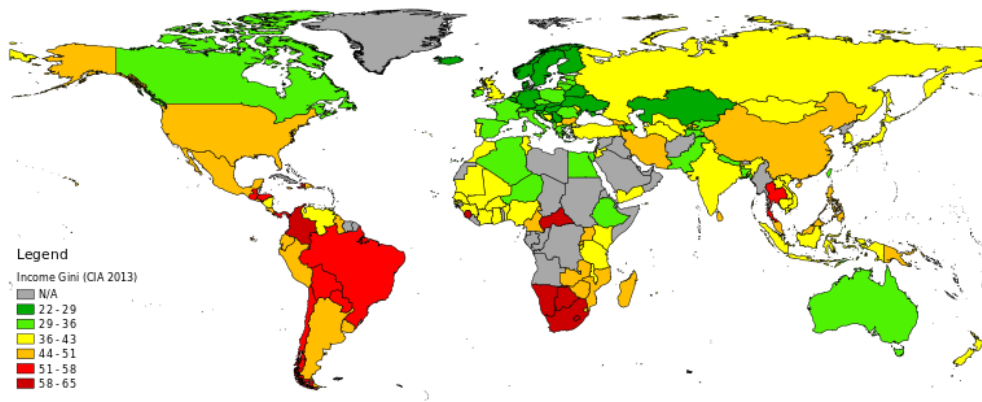
Data for 2010 show that roughly 5.3 million African youth (only 23% of the children enrolled in primary education) graduate from high school. According to the United Nations Population Division, 34.4 million children would enter primary school in 2013. If three-quarters of these children graduate from high school (25.8 million, half of them girls), this would be a fivefold increase over today.

4. Africa’s economic growth has been remarkably resilient despite an uncertain global economy. Out of 54 countries, 24 more than doubled their per capita income over 1990–2010, with the past decade of robust growth contributing to poverty reduction. Of the 10 fastest growing economies globally⁴, 7 are expected to be in Africa between 2011 and 2015. The continent’s growth reached 4.8% in 2013 from 4.2% in 2012—and is expected to accelerate to 5.1% in 2014.

5. Africa’s poverty rate remains high, and the elasticity of poverty to growth has been much lower than in other regions. Poverty declined 0.5% annually in Africa (excluding North Africa) between 1990 and 2008, compared with 2.3% in East Asia and 1.0% in South Asia. The burden of poverty is borne disproportionately by women and rural dwellers. Rural poverty fell 5.1% between 1998 and 2008 in Sub-Saharan Africa, far less than the 68.8% in Latin America and the Caribbean, 51.4% in Southeast Asia and 45.5% in the Middle East and North Africa.⁵ Southeast Asia’s heavy investment in education at all levels has produced high payoffs in human capital and spearheaded its industrial transformation, attesting to the potential benefits of a demographic dividend.

6. Africa is the world’s second-most inequitable region (figure 3). With Gini coefficients close to 0.45, the prominence of high inequality in Sub-Saharan Africa cast significant doubts of the region’s growth responsiveness to poverty reduction, as high inequality dampens the poverty-reducing effects of economic growth (Ravalli on, 2007). Between 2008 and 2011 inequality for resource rich countries was

Figure 3: World Income Inequality Gini Map



Source: US Government, 2013

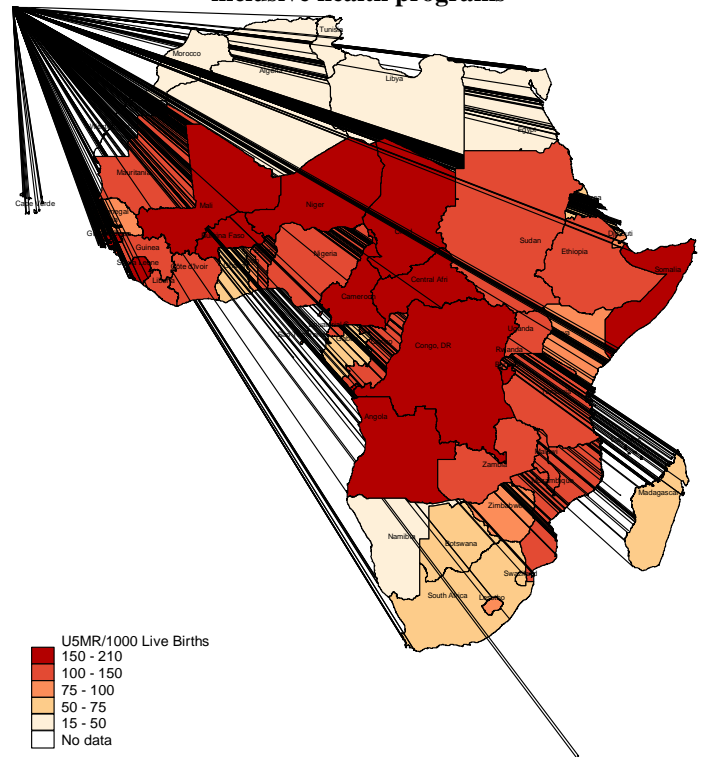
42% compared to 44% in resource poor countries in Africa⁶. Ignoring inequality in the pursuit of economic growth can be perilous. Inequality blocks the efficient use of human and physical resources, lowers the quality of institutions and policies, erodes social cohesion and derails the growth process, especially in fragile states.

7. **The ecological footprint across Africa has increased dramatically, and the continent is rapidly approaching its bio-capacity, with consequences that disproportionately affect the poor.** Promoting green growth in Africa means tackling current and future development challenges without depleting its natural capital. Africa’s ecological infrastructure—terrestrial, freshwater and marine ecosystems and biodiversity—is essential for inclusive human development and an improved quality of life.⁷ It is key to food security, water and energy supply, and supporting the livelihoods of the poorest, who are most affected by adverse environmental impacts. Droughts in the Horn of Africa and severe food crises in the Sahel illustrate the catastrophic impacts of climate change on food security and nutrition. Today one in four Africans is undernourished, and one in three children is stunted.⁸ Unless urgent action is taken, Africa’s grain yields will shrink substantially by 2050, leaving 10 million more children malnourished and Africans consuming 21% fewer calories on average.⁹

8. **Africa’s progress toward the human development Millennium Development Goals (MDGs) is encouraging; however there are great disparities between and within countries.**¹⁰ Net enrollment in primary education (MDG 2) grew across the continent from 58% to 76% over 1999–2009, the fastest annual improvement ever observed. Africa also doubled its average reduction in child mortality (MDG 4), from 1.2% a year over 1990–2000 to 2.4% over 2000–10 (figure 4).¹¹ HIV/AIDS incidence and mortality rates are falling in many Sub-Saharan countries. Economic growth has been a major driver of this decline in several countries (like Ethiopia, Kenya, Mali, Nigeria and Tanzania); yet Senegal, despite rather low growth, is one of the best performers. Liberia, however, has enjoyed steady growth but seen mortality increase. The improvements were due to sound public policies, greater gender equality in education, new technologies (such as, insecticide-treated bed nets in Kenya) and investments in health programs that provide value for money and reach the rural poor. In Rwanda child mortality fell two-thirds between 2005 and 2010, while assisted delivery at childbirth rose from 39% to 70%. Family planning quadrupled—a world first. But the 2011 Africa MDG report observes daunting disparities in progress on all indicators, with improvements skewed toward higher income groups and urban populations.¹² Inequalities in access to public services—such as education, health, water and sanitation—have led to the further marginalization of excluded groups. Progress is slower in Sub-Saharan Africa than in other regions, widening inequality in the MDGs.

9. **The Bank played a key role in shaping the Post-2015 Sustainable Development Agenda and in ensuring proper reflection of the African voice in the formulation of global development**

Figure 4. Africa’s drop in child mortality is the highest ever recorded: due not only to economic growth but also to inclusive health programs



Source: Sharan and Ahmed, 2011.

priorities. As Africa grows, urbanizes and democratizes, its agenda is becoming more aligned to the global agenda. As the continent taps more into its natural resource reserves, it will have to invest in infrastructure and human capital with a gender perspective and focus on governance and the private sector as enablers of development.

II. A BILLION PEOPLE, 200 MILLION YOUTH: THE KEY TO UNLOCKING AFRICA'S ECONOMIC POTENTIAL

10. Human capital is at the heart of the Bank's inclusive and green growth agenda—and its fight against poverty, gender inequality and social exclusion in Africa.¹³ The human capital agenda focuses on developing skills to boost productivity and competitiveness, tapping on technological innovations, and creating jobs; enhancing citizens' voice to improve the quality of public services and the efficiency of public spending; and providing safety nets to protect the poorest against economic and social shocks (box 1)¹⁴. The Bank should play a pivotal role in ensuring that Africa has the human capital to accelerate inclusive and green growth.

Cashing in on the demographic dividend

11. Many African countries are now positioned to reap the demographic dividend that benefited East Asian economies between 1965 and 1990. In

those economies fertility and dependency ratios fell dramatically, and the size and proportion of the working-age population grew, triggering rapid economic growth. Cashing in the demographic dividend and turning it into jobs and growth will depend on Africa's capability to develop appropriate skills, deliver critical services such as education and family planning and improve its policy and institutional environment for high-productivity job creation.

12. Most young Africans are underemployed in low-productivity household enterprises. Women also suffer disproportionately from unemployment or access to jobs which keep them under the poverty line. According to International Labour Organization (ILO), 60% of the unemployed in Sub-Saharan Africa are 15–24 years old—and on average 72% of the youth live on less than \$2 a day, 46% less than a \$1 a day. About 90% of Africa's jobs are in the informal economy, associated with low-productivity, low-quality and low-paid jobs. Lack of “decent” employment, along with high unemployment, socio-economic and gender inequalities has contributed to high poverty levels among Africa's youth and women. A lack of technical and employable skills, information on jobs and access to capital has limited young people's abilities to fully use their skills and contribute to the dynamism of the private sector. So increasing support for entrepreneurship and creating an enabling environment for good-quality job creation for Africa's youth remains crucial for promoting economic growth, productivity, innovation and employment.

13. Africa is urbanizing rapidly, opening opportunities to transform the continent economies. By 2025 more than half of Africa's population will be urban, and over the next quarter century the urban

Box 1. Defining Human Capital

Human capital is in economic terminology, an input (a necessary condition) to achieving inclusive and green growth. Human development is a development outcome and a measure of both inclusive growth and human rights.

This strategy outlines how the Bank will contribute to human capital formation as part of its overarching contribution to inclusive and green growth. The strategy uses the World Economic Forum definition of human capital: “the acquisition and deployment of skills, talent, knowledge and experiences of individuals and/populations and their value to organizations, economies and society”.

The four key aspects of human capital are education; workforce and employment; wellness including health services and enabling environment including safety nets; together resulting in returns on human capital and human development outcomes.

Source: World Economic Forum.

population will be growing almost twice as fast as the general population, rising by more than half a billion from that in 1990.¹⁵ The rapid expansion in urban populations is occurring without expansions in basic services and productive employment opportunities, so actions are needed to improve deteriorating infrastructure, increase service delivery capacity, reduce overcrowding, curtail environmental degradation and reverse acute shortages of housing and productive jobs.

Productivity, competitiveness and building a knowledge economy

14. Africa has been slow to develop its science and technology sectors and commercialize its innovations. At around 0.42%, the continent is far from international targets for research and development spending as a share of GDP. A leap to 1% is necessary to foster growth. Only Tunisia has reached this target. Although Africa accounts for 13.4% of the world's people, it produces only 1.1% of the scientific knowledge.¹⁶ Only three African universities are among the top 500 worldwide. Africa has only 35 scientists and engineers per million inhabitants, compared with 168 for Brazil, 2,457 for Europe and 4,103 for the United States.

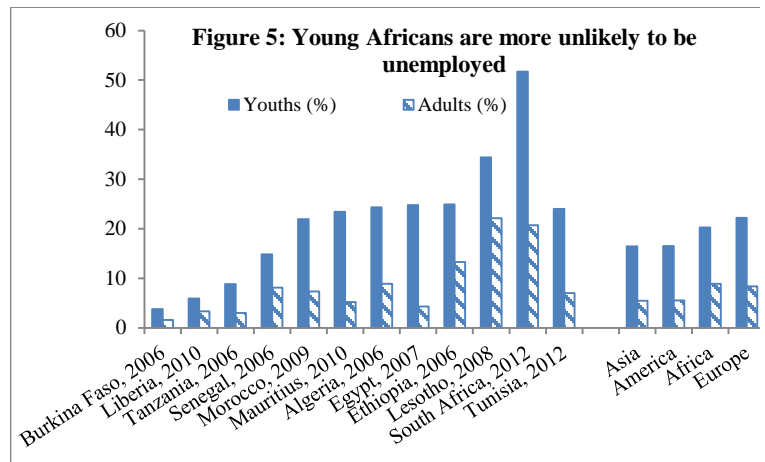
15. The shortage of skills has been a major constraint to Africa's progress in science, technology and innovation. The best countries in Africa for quoted documents are South Africa (35th, 107,976 documents), Tunisia (51st, 32,250 documents) and Nigeria (52nd, 35,223 documents), compared with the United States (1st, 6.1 million documents), Japan (4th, 1.6 million documents) and France (6th, 1.1 million documents). Neither was any African country among the top 20 in patent applications in 2011 (from Japan with 238,323 to New Zealand with 4,710). The weak development of science, technology and innovation has delayed the emergence of African countries as knowledge economies.

16. Due to low investment in research and development, Africa ranks low in global competitiveness and productivity. According to the World Bank's 2011 report on Africa's competitiveness, the continent can gain much by diversifying exports and deepening regional trade, as its share in world trade remains low and concentrated in natural resources. The poor education of workers is a major impediment to trade, production and competitiveness. In higher education student enrollments in science, engineering and technology lag seriously behind other fields such as economics, business, law and social sciences. The education system has not been adequately responsive to the skill needs of the labor market. Consequently, many university graduates remain unemployed, as African countries continue to face shortages of skilled labor.

Youth and women unemployment and underemployment, job creation and retaining skilled workers

17. Most African countries struggle with creating jobs and retaining skilled workers, while having to import skilled workers for specific industries. Employers in many countries note the inadequate educated workforce as a challenge for doing business and skills shortages as the most pressing labor market constraint. The private sector is not able to quickly acquire and retain skills. The brain drain of high-skilled workers is especially grave in education and health. Africans are among the world's most mobile people, and migration (substantially youth¹⁷) is part of most African families' household strategies. Most Africans migrate within the continent, and much of this migration is irregular and unregulated. Slow regional integration remains a constraint to labor mobility, affecting competitiveness and productivity.

18. Africa has one of the world’s highest unemployment rates—after Europe. Unemployment in Africa is 12%, against 9.1% worldwide. Young people ages 15–24 represent 60% of Africa’s unemployment. In Egypt, Mauritius, Morocco and South Africa young people are two to six times more likely to be unemployed than their adult counterparts, and the multipliers are far worse for young women (figure 5). The potentially dynamic and buoyant informal sector has been unable to absorb the large number of job seekers.



Source: AfDB staff calculations using ILO (2011) data.

19. There is a large disconnect between graduate skills learned in education institutions and the needs of the labor market. The number of university graduates tripled in Sub-Saharan Africa over 1999–2009, from 1.6 million to 4.9 million, but so did educated youth unemployment.¹⁸ While TVET programs could reduce skills mismatch, they are less attractive. Africa lacks an abundance of TVET centers that are well equipped and able to provide young workers with high-quality and in-demand skills. Innovation-driven skills can improve the productivity of the formal sector as well as the dynamism of the informal sector. To support its rapidly changing political and socioeconomic development, Africa needs to build skills in the traditional professions (teachers, nurses, doctors) and in STEM. Globally, the five most frequent job openings are in technology and green industries.¹⁹ Accordingly, new skill profiles will be needed—such as green consultants, ecofriendly freelance writers, and silverlight and smartphone developers, which were nonexistent 10 years ago—while future profiles remain unknown.

Quality of services

20. While service access has increased in most African countries, quality remains low. Absenteeism among teachers ranges from 8% in Kenya to 35% in Namibia, and among health workers from 3% in Uganda to 19% in Mozambique. Studies²⁰ show that most pupils are not meeting learning achievements in literacy and numeracy in Africa. Nigeria, Zambia and Ethiopia recorded staggering figures of up to 50 percent in 2012. North Africa has the same problem.²¹ Over 2001–07 selected essential medicines were consistently more available in the private sector than in public health facilities. Improved learning and health outcomes can be achieved only when providers (teachers, doctors) are actually serving users.

21. Africa needs about 4 million more teachers and 1–2 million more health workers. Addressing shortages at all levels is a key development priority for many African countries. Insufficient secondary enrolments, particularly in science and technology, constrain efforts to increase access to higher education and TVET—and to deliver the teachers needed for quality primary education. Health workers—including nurses, midwives, medical technicians, biomedical engineers and experts in e-health and m-health—are also in short supply, a result of poor incentives and migration.

The average Gross Tertiary Enrolment for Africa was about 9% in 2011.

Source: AfDB; Computation based on available data from 33 countries.

More Investments, More Accountability and More Value for Money in Service Delivery

22. Public money does not always produce effective outcomes due to poor governance and weak accountability in service delivery (Box 2). Large amounts of funding have been dedicated to infrastructure for schooling (school buildings, textbooks) and less to key inputs affecting learning outcomes (nutrition, early childhood education, teaching effectiveness) and to more cost-efficient modes of service delivery. The main sources of inefficiency include inadequate and inefficient resource allocation and financing options; inadequate domestic production of and access to commodities; inappropriate procurement and management of equipment and commodities; an inappropriate staff mix; a lack of performance incentives; and weak participatory and accountability mechanisms. Too often public funds do not reach the frontline. In Chad 95% of funds allocated never reached health centers; in Cameroon 60% of funds allocated never reached schools and the wealthiest capture the benefits of publicly subsidized health services. In Guinea 48% of public spending on health goes to the richest quintile, less than 8% to the poorest. In Morocco the poorest 20% received only 15% of the education budget.

Box 2: Developing skills in Africa- an example of education situation in selected Countries.

Niger and Morocco: only 7% of head teachers know what budget was approved for their school. (Source: Transparency International)

Tanzania: A survey in Tanzania showed that, among seventh-grade students, 20 percent could not read a sentence in Kiswahili, 30 percent could not perform a two-digit multiplication problem, and 50 percent could not read English, which is the language of instruction in secondary school. One reason for these disappointing results is that teachers in public primary schools in Tanzania are absent 23 percent of the time. (Source: World Bank 2012)

Nigeria: One recent survey in North Western Nigeria found that 80 percent of Sokoto's Grade 3 pupils cannot read a single word. They have gone through three years of zero value-added schooling. Yet, the kids in the classrooms are the lucky ones, especially if they are girls. Over half of the state's primary school-age children are out of school – and Sokoto has some of the world's biggest gender gaps in education. Just a handful of the kids have any chance of making it through to secondary education (source: Africa Learning Barometer September 2012)

Liberia: All 25,000 applicants who took an admission entrance exams to enter the university of Liberia in 2013 (one of two state-run universities) failed. According to university officials, the applicants lacked enthusiasm and did not have a basic grasp of English. (Source BBC, 2013)

Tackling Widening Disparities

23. Widening income inequality has been a major setback for reducing poverty. Inequality in the distribution of assets (such as land) and public services (such as education and health) hinders poverty reduction. The gaps between the rich and the poor, urban and rural in education and health remain striking in most African countries. Women in the poorest 20% of African families are three times less likely to receive the professional assistance of a skilled attendant at birth as mothers in the richest 20%. The incidence of poverty among young people in Burundi, Ethiopia, Nigeria, Uganda and Zambia is more than 80%,²² with the highest rates among young women and rural youth.²³ Poor children are more likely to be malnourished, and less likely to use health care or complete five years of primary school. Children under age 5 in the poorest quintile are 2.1 times more likely to be underweight and 1.6 times less likely to be immunized against measles than are those in the richest quintile. The number of underweight African children rose from 24 million in 1990 to 30 million in 2010. Stunting causes poor brain development, so stunted children, in many countries disproportionately girls, are more likely to have learning difficulties and do poorly in school.

24. Gender disparities also remain severe, especially for poor women. The poorest—especially girls—are less likely to be educated, even less so in countries recovering from conflict and fragility. Only 20% of parliamentarians in Africa are women. Almost 75% of school-age girls are expected never to enroll compared with 66% of boys.²⁴ In Egypt, for every Euro a man earns, a woman earns 78 cents for equal work. Women in Africa represent 52% of the population but earn just 10% of the continent’s income.

25. Africa can learn from Latin America about policy measures to narrow the poverty gap. In 2010 Mexico and Brazil spent 2.2% and 4.2% of their GDP on cash transfer programs. An estimated 110 million people benefited from these programs in Latin America, with a large impact (both direct and indirect) on poverty reduction. The development of social protection and health protection is still in its infancy in Africa.

III. HUMAN CAPITAL AND THE BANK’S STRATEGY FOR 2013–2022

26. The vision of the Bank’s Human Capital Strategy 2014–2018 is to harness the potential of one billion Africans by building skills and promoting technologies for equal opportunities and a productive and competitive workforce. This vision is in line with that of the New Partnership for Africa’s Development (NEPAD)²⁵ and the African Union (AU).²⁶ Realizing this vision requires measures to significantly boost youth employment, gender equality, promote competitiveness, scale up private sector engagement and capitalize on new and productive technologies.

27. This Human Capital Strategy, the first for the Bank, is the operational framework for Bank’s intervention in human capital in the context of its 2013–2022 Strategy. The implementation of the HCS will leverage other Bank strategies—including gender, private sector development, Governance Action Plan II and the upcoming Bank’s strategy on Addressing Fragility and Building Resilience in Africa—to build human capital in Africa. This strategy emphasizes the human capital dimension in all five core operational priorities and three areas of special emphasis of the 2013–2022 strategy²⁷. Following broad multistakeholder consultations in and outside the Bank (annex 2), this strategy identifies critical areas of Bank strengths for better interventions in human capital as part of the inclusive and green growth agenda. It focuses on where the Bank can exploit its comparative advantage, while maintaining flexibility and selectivity to respond quickly to new and emerging challenges.

28. The HCS focuses on “Skills and Technology” for competitiveness and jobs. To further contribute to the inclusive growth agenda, the HCS selectively supports two enablers of human capital i.e. *Efficient and Inclusive Service Delivery*; and *Inclusive financial and Social Systems*. Bank’s strategy 2013-2022 compels efforts to support “productive safety nets and to increase the participation of women, young people and disadvantaged or marginalized groups” so as to foster an inclusive growth trajectory. The enablers will therefore promote inclusive, equitable and efficient service delivery and social and financial systems to enhance economic and social inclusion in RMCs, building on country demand and partnerships. The Bank will contribute to human capital through its lending, knowledge work and high-level policy dialogue in areas of comparative advantage.

29. The strategy takes a multisectoral, synergistic approach to inclusive and green growth. It sees human capital within the broader development framework of the Bank’s Strategy for 2013–2022. For instance, an infrastructure project may embody critical elements of education and training—or require major social protection measures, such as mechanisms for income redistribution or schemes of social

insurance. Similarly, the training of senior technicians and engineers for building roads or developing energy solutions requires refocusing the priorities of education and training systems. The positive impacts of water and sanitation programs on health, early childhood development and girls' education are well documented. Education and training can also be leveraged to enhance accountability and alleviate poverty, much of which can be attributed to a lack of voice and transparency. A highly skilled labor force is also essential to enhance competitiveness and growth and attract private investment—and to build social and financial protection systems that foster labor mobility and provide safety nets for the poorest.

30. Building social protection systems has emerged as a foundation of the inclusive agenda and key to poverty reduction in the most vulnerable and disadvantaged groups. Social protection is a key to intergenerational human capital formation and accumulation. It is defined as financial risk protection, social capital development and equitable access to essential services through, safety nets, social assistance, social (nonprofit) insurance, efficient supply and pricing of essential commodities, and other mainly labor-oriented interventions. It promotes pro-poor growth and reduces poverty, particularly through activities that open productive opportunities and enhance the employability of the poor. Consistent with the AU's Social Policy Framework for Africa, many RMCs are introducing social insurance (crop, weather-based and health insurance) to protect the poor against catastrophic shocks.²⁸ The social protection portfolio, essentially safety nets now makes up about 26% of the Bank's human development portfolio.²⁹

31. Building human capital is also necessary to transition to green growth in Africa. Strengthening resilience of livelihoods in RMCs will be needed to support the development of early warning systems and disaster risk reduction systems. Building capacity and strengthening institutional arrangements at all levels is necessary to address risk reduction as an on-going activity, through disaster-reduction-related legislation, land-use regulation, building codes and links to environmental protection.

Focus: Skills and Technology

Investments in skills and technology development in all RMCs will foster innovation, competitiveness and create job opportunities, providing solutions to Africa's youth unemployment and equipping its future workforce cohort with the flexible skills needed for tomorrow's job market, to support the Bank's dual objectives of inclusive and green growth.

32. Investing in skills and technology in all sectors of the economy is key to fostering improvements in productivity and support the creation of jobs. The Bank will increasingly tackle specific sector issues related to workforce competitiveness by addressing skills mismatch and promoting private sector initiatives to develop value chains and encourage labor-intensive manufacturing, especially in areas such as agri-business and agro-processing. The Bank is helping to bridge the skills gaps in countries by improving quality and access to TVET. By addressing sectoral skill gaps of the economy, private and public, formal and informal (infrastructure, energy, water and sanitation, agriculture and ICT, etc.), Bank investments can contribute to raise the employability of youth and women and graduates by private enterprises and stimulate growth. Such investments would also help address the dramatic shortages in some areas inter alia of quality teachers and health workers, thus improving employment opportunities. Knowledge and policy work on labor markets including the growing informal sector, need to be ramped up to ensure that RMCs have a full range of skill training and labor market responses.

33. The Bank particularly invests in Science, Technology and Innovation (STI) support programs. The Bank promotes investments to improve the quality of mathematics, science and

technology education at secondary and tertiary levels and increase advanced qualifications in science, technology, math and engineering. An area of concentration is biotechnology, because of its potential to positively impact on the agricultural and health sectors and to alleviate poverty. Other areas include engineering, particularly manufacturing, to help add value to African natural resources and raw materials and contribute to economic growth and ICT to improve productivity, foster better teaching and learning processes and facilitate Africa's communication with the rest of the world. The Bank particularly focuses on women studying science and engineering.

34. The Bank through country adapted and tailored approach promotes the New Education Model in Africa (NEMA) — which helps create a new framework for education focusing on innovation and entrepreneurship. To improve the quality and efficiency of its education systems, African countries need to rethink the foundation of their education systems taking into account the new opportunities arising with technology and such challenges as rapid urbanization and existing inequality gaps (gender and socio-economic). Together with RMCs, the Bank and many of its partners promote NEMA in order to address these challenges and to capitalize on the best practices in RMCs (box 3).

Box 3. The New Education Model in Africa (NEMA)

The NEMA proposes to drive skills development through six key components:

- **Link with the labor market.** Link the education systems of tomorrow to the labor market and to each country's strategic plan for economic and social development.
- **Public-private partnerships.** Help RMCs tap into the experience, knowledge and financial leverage of the private sector to develop cutting-edge learning environments.
- **Developing creativity and critical thinking.** Move away from a purely classroom-based education model to foster interaction and debate among professors, students, young entrepreneurs and businesses in Africa and globally with a view to create a culture of entrepreneurship and job-rich growth.
- **Participation.** Engage key stakeholders in developing strong education models (parents, faculties, universities, science academies, nongovernmental organizations, civil society and communities).
- **Evidence-based.** Ensure that all programs have a built-in impact evaluation component to ensure that they are results-based, focusing on quality and learning outcomes.
- **ICT-based.** Provide high-quality education and tap into new learning technologies.

Training programs will tap ICTs and new opportunities in the private sector to develop e-education and adaptive learning, thus improving the quality of services.

35. Regional centers and networks of excellence are essential to promote regional integration. The Bank places a high priority on regional integration to help countries overcome barriers of trade and labor mobility. It already supports creating dynamic regional centers and networks of excellence to foster the leveraging of regional human resources. These need to evolve into innovation networks with global linkages and mentorship programs using particularly, the diaspora to help prepare the next generation of entrepreneurs. They can be physically located in one country or may be regional networks of science and technology institutions linked by ICTs—attractive as ICT costs come down. The Bank also supports student regional mobility through scholarships and internship programs.

Enablers of HCS

In a limited number of RMCs, the two enablers will promote skills, technologies and other physical/soft factors that enhance the effectiveness and availability of services and opportunities for furthering social and economic inclusion, and therefore reducing socio-economic and gender inequalities. The enablers

support service delivery performance to improve quality and access to the last mile; whilst financial and social inclusion promotes linkages of social protection systems with entrepreneurship and jobs.

36. The Bank supports the demand side of accountability by strengthening voice of the voiceless, particularly youth, women and marginalized groups in the delivery of social basic services. The Bank is increasingly supporting programs and projects focusing directly on building grassroots capacity to demand improvements in state provision of public goods, especially for women, youth marginalized groups. The Bank supports reforms to increase value for money in social service delivery. With careful design and appropriate institutional capacity, the Bank helps with creating performance incentives that can improve access to service delivery for poor people.

37. The Bank is well placed to support RMCs to increase equitable and efficient service delivery. This include political and administrative decentralization of social services particularly education and health for strengthening the capacity of local communities and governments to deliver services and results. Supporting mechanisms foster information flows, feedback between service providers and users, the quantity and quality of delivered services and the attendance of teachers and health workers. This can be done by testing and scaling up monitoring mechanisms, such as citizen report cards, community scorecards, grievance redress systems and client satisfaction surveys. The Bank also supports improving service delivery in public sector by enriching capacity of public institutions to deliver more efficient and equitable services.

38. The Bank supports partnerships with the private sector in delivering better and more equitable social services. In line with the Private Sector Strategy 2013–2017, it supports the development of an enabling environment for private investment in education, science and technology and productive safety nets. It also supports capacity building to contract, monitor, evaluate and regulate the private sector, encouraging innovation. The Bank also fosters public-private partnerships, enhancing the collaboration between the private and public sector groups in the Bank.

39. The Bank focuses on building inclusive systems to ensure the social progression and graduation of the poor and vulnerable out of the poverty trap. Using a wide range of instruments (social dialogue, microfinance, inclusive social insurance, safety nets), the Bank engages in building and grooming financial systems to provide the right environment for inclusive growth.

40. The Bank has already started extensive work on social risk mitigation mechanisms in the form of micro-insurance programs, including weather-based insurance and health insurance. It has also supported policy-based operations addressing the issues of social transfers and subsidies. By further developing comprehensive safety nets, it can help generate incomes and improve food security, while enhancing resilience to such shocks as rising food and medicines prices. The Bank focuses on financial inclusion, pooling and risk protection.

41. To foster community livelihoods, the Bank invests in private sector development, including support to micro-enterprises and social businesses.

It will accelerate support for community livelihoods, protect productive assets, develop local economies and promote community social capital including through support of food security and nutrition programs. It will continue to strengthen access to reasonable finance for the poor and marginalized through microfinance, which has helped poor people build assets, reconstruct livelihoods, enhance incomes and contribute to growth in most parts of Africa. Emphasis will be placed on business and entrepreneurship skills. The Bank will also assist in developing systems to capture opportunities (such as corporate social responsibility and public-private partnerships) and finance (such as philanthropic resources). Similarly, support can be provided to developing innovative methods to extend finance for health and education to the poor. The Bank supports the expansion of financing opportunities for all, using a wide variety of flexible and tailored policy, financial and social instruments—to enhance the employability, productivity and accessibility of skill development, jobs and essential services.

42. The Bank supports regional approaches to youth employment and labor mobility. This includes deepening financial outreach to women (box 4), small entrepreneurs across national borders and economically active rural poor. It will also include supporting social business and innovative financing mechanisms to increase the demand for services and the productivity of poor household enterprises. The mechanisms cover inter alia the portability of social security, equal rights for national and foreign workers, the recognition of foreign qualifications and occupational classifications and pre-departure orientation and student mobility through scholarships and internships. Knowledge and policy work on labor markets, including the growing informal sector, will be ramped up to ensure that RMCs have a full range of skill training and labor market responses. The Bank will facilitate legal labor mobility among participating African countries and in specific professions. It will also support structures that enable matching the demand and supply of intra-African talent, mainly through market mechanisms. Employers and providers of training and vocational education providers will be encouraged to collaborate to produce workers with skills better adapted to employer and labor market requirements.

43. The Bank also supports strengthening the inclusiveness of infrastructure projects, enhancing their contribution to building human capital. It strives to optimize the contributions of investments in infrastructure to human capital outcomes. The Bank has developed strategies to improve

Box 4. Spotlight on gender: African women can double the demographic dividend

Investing in women’s education, health and economic participation is the secret to break the intergenerational cycle of poverty creating a double dividend benefitting two to three generations. In line with its Strategic Gender Framework, the Bank will support comprehensive programs to empower women such as conditional cash transfers to encourage better nutrition in pregnancy, early childhood development programs, finance for female farmers and income generation for women. Operationally this will require:

- *STEM education for women* to support female scientists who can mentor future female leaders of Africa.
- *Rural infrastructure investments for women* to ensure that they have access to resources, technologies and financial credit to improve agricultural productivity.
- *Voice of women in policy making and service delivery* to increase demand for and improve public services.

health, education, gender and youth employment outcomes through infrastructure investments. It includes ensuring the pro-poor orientation of specific infrastructure projects, through labor-intensive projects and rural roads; supporting specific project or policy components to improve health, education and employment outcomes (a hygiene component in a water supply and sanitation project, household clean energy projects); and enabling specific human development investments (meeting the intensified demand for education, health and safety nets as a result of rapid urbanization) consistent with country demand to ensure sustainability. In all these efforts, the Bank will emphasize monitoring and evaluating the human capital outcomes of infrastructure investments.

IV. IMPLEMENTING THE HUMAN CAPITAL STRATEGY 2014–2018

44. The Bank’s interventions will be informed by lessons learned and country context with careful understanding of the nature of poverty and vulnerability and political economy. Implementing and mainstreaming the Human Capital Strategy in Bank operations will be guided by four main principles as stipulated in box 5:

Box 5: Guiding Principles of HCS

Knowledge and Results. All operations will increasingly be evidence-based, with a strong results focus on building a knowledge Bank within the agenda for inclusive and green growth.

Selectivity. Human capital interventions will be consistent with the Bank’s resources, capacities and comparative advantages. The focus will be on actions that meet critical needs of RMCs in the promotion of inclusive and green growth, while reducing socio-economic and gender inequalities.. The Bank will fill key gaps in the aid architecture while retaining flexibility to respond to unforeseen events.

Alignment and flexibility. Interventions will be aligned with national policy frameworks, country strategy papers and regional integration strategy papers. Operational approaches should be supported by national ownership and, where appropriate, by regional ownership and strong partnerships with key national, regional and global institutions in the human development sectors.

Harmonization, productive partnerships and global networks. The Bank will support the harmonization of donor support nationally, regionally and globally. It will adopt a bottom-up approach, engaging with all stakeholders, including the diaspora, to foster South-South learning.

Bank Experience and Lessons Learned

45. The Bank’s long history of support to social infrastructure in education and health sectors dates to 1975. The Education Sector Policy Paper (1999) supported all subsectors and levels, with a special focus on basic education. In line with the 2008–2012 Medium-Term Strategy, there was a shift in focus to Higher Education, Science and Technology (HEST). The focus supported strengthening national and regional centers of excellence in science and technology, building and rehabilitating science and technology infrastructure and linking HEST to the productive sectors.

46. The 2011 AfDB’s Governors dialogue on “The Bank and the inclusive growth agenda” reiterated effective social protection systems as necessary for reducing inequalities and promoting inclusive growth in Africa. This has featured strongly on the Bank’s agenda in recent years, evident in the stipulation of safety nets in the Strategy for 2013–2022. Starting in 2011 the Bank steadily strengthened its portfolio by building coherent social safety net interventions with increasing demand from RMCs (such as Morocco, Burundi, Egypt, Malawi and Liberia). As of September 2013, the Bank’s human capital portfolio was UA 1.1 billion; comprising 68 projects in education, health, poverty reduction and social protection (annex 1).

47. The review of the Bank’s Medium Term Strategy 2008–2012 and the 2011 medium-term review of HEST both stressed the need for the Bank to maintain science and technology as a strategic focus area. Lessons drawn pointed to the need for the Bank to scale up Science, Technology

and Innovation (STI), to link higher education, technical and vocational education to productive sectors, and to ensure cross-sector collaboration internally and with other partners when developing interventions. A 2010 Bank paper on education and training for STI showed that strengthening the private sector's linkages with training and research institutions promotes entrepreneurship and ensures that the knowledge and skills produced contribute to national economic competitiveness.

48. The Bank's inclusive growth index for Africa emphasizes productive knowledge, innovation and technology—and skills for competitiveness and jobs. The experience of the Asian tigers show that strategic investments in science, technology and innovation are pivotal in building human capital to make the economic value chain efficient and innovation-driven and to move economies away from depending on unprocessed natural resources. Other lessons learned from the Bank's support to service delivery in RMCs indicate the need to enhance reforms and strengthen capacities for efficient and better quality of service delivery.

49. Learning from Bank interventions also indicate that social protection is essential for breaking the intergenerational poverty cycle and empowering the poor, particularly women. Going forward, the Bank will continue to support selected RMCs to progressively build effective and efficient safety nets that apply international best practices such as Bolsa Familia in Brazil. The selected RMCS will be poles of best practices for social protection in Africa that other RMCs can learn from.

50. The strategy will be implemented through a collaborative inter complex, intra complex and decentralized approach. OSHD will continue to provide the expertise for designing Bank's operations, which will require human capital investments³⁰. Operations will be prepared by the Human Development Department or jointly with other sectors as needed (annex 5). Knowledge management and multisectoral approaches will be coordinated through thematic groups responding to priorities of the Bank's Strategy for 2013–2022. The Human Development Department now has focal points working closely with key sectoral teams in governance, agriculture, infrastructure, fragile states and private sector development. To implement the new strategy, greater field deployment and decentralization of operational management will be fostered with the appointment of human development regional coordinators for each Regional Resource Center.

51. The strategy will also require resource reallocations and some shifts in the skills mix to maximize efficiency gains. Streamlining the existing human development portfolio, including closing old projects, yields some savings, which can be applied to new operations. The proposed strategy will be implemented largely through a shift of resources as well as efficiency gains strengthening cross-departmental and cross-complex cooperation for project development and implementation. The skills mix evolved over 2008–12—almost tripling the number of economists, substantially increasing sector specialists, increasing the number of young professionals fivefold and reducing the number of architects. OSHD redeployed and reconverted current staff positions to hire economists, technical experts and specialists in such topics as science, technology and innovation, labor markets, migration, microfinance and social insurance. Reinforcing OSHD's work organization and staff skill mix is still necessary to facilitate adequate internal capacity to respond to emerging demands of countries within this strategic focus of the Bank. The Bank will continue to add value to its human capital operations by drawing on seasoned expertise through the strategic use of consultants.

Approach to Implementation

52. Going forward, the Bank will scale up the development of skills and technology for competitiveness and jobs in all RMCs through knowledge work, policy dialogue and lending operations. The Bank's interventions will respond to specific country demand and circumstances. To increase the supply of skilled workers, the Bank will step up its support for TVET (box 6). It will support developing skills in critical sectors of the economy, such as agriculture, nutrition, food security, biomedical technologies and green energy. It will support innovative public-private partnership, as in East Africa, Zambia and Senegal. It will bring transformational change in the quality of TVET, as in Ghana and Tanzania. Particular interest will be directed at the Public Private Partnerships as a model for TVET delivery. Interventions will also strengthen tertiary education and research with a special focus on gender and also facilitate more apprenticeship opportunities at the tertiary level essentially in the private sector.

Box 6. Rwanda's Skills, employability and Entrepreneurship Programme

The SEEP, approved and implemented in 2013, seeks to help the government of Rwanda consolidate and sustain its commitment and momentum to reform with focus on (i) skills, employability; and (ii) entrepreneurship development to contribute to accelerated growth and poverty reduction. Specifically, the SEEP supports and reinforces the implementation of policy measures of reforms addressing critical skill gaps, the relevance of education to the job market and the creation of an environment for innovative entrepreneurship to flourish. The SEEP beneficiaries include youth, women and small and medium enterprises. The expected outputs include the increased private sector participation in education reform, incentive mechanisms to increase the acquisition of skills in demand, monitoring mechanisms to assess the relevance of training for the labour market, innovative funding and information mechanisms to support entrepreneurship and improved coordination of entrepreneurship development programmes.

53. The Bank will develop operations addressing skills mismatch and gaps demanded by critical sectors of the economy. Bank's operations will continue to support an enabling environment for private sector development to leapfrog technology for value addition and productivity particularly in the informal sector. The Bank will continue to strengthen its dialogue with RMCs on the environment within which skills are delivered to promote policy and regulatory reforms that will enhance education and training systems responsiveness to changing labor market requirements including private sector skill needs to ensure skill relevance and entrepreneurship development. The Bank's support will also strengthen the mainstreaming of unemployment as core objectives on countries development agenda's.

54. The Bank will continue to provide appropriate support in response to RMC needs in education to help build a competitive workforce. To this end, interventions will be implemented to improve student learning outcomes through specific country tailored operations thereby contribute to reducing the risk of repetition and school dropout. The Bank will continue to promote infrastructure particularly energy and ICT connectivity in schools. The training of teachers will also be pursued along with dialogue to strengthen performance based incentives. The Bank will also support gender, youth and social inclusion and specific actions for vulnerable children in fragile states and cases of fragility context.

55. The Bank will increase its support for skills for infrastructure, mostly by building skills components in infrastructure project. Following the Bank's experience in IT infrastructure projects, capacity building in ICT will be stepped up in infrastructure projects. Bank interventions will also include upgrading equipment in institutions for the training of engineers and technicians, while leveraging partnerships with the private sector to improve internships and apprenticeships. The Bank will leapfrog such support in other sectors such as agriculture, water energy etc. The Bank will implement flexible and

adaptable programs that respond to fragility in Africa through prevention and mitigation approaches, such as rehabilitation and reconstruction of education systems and capacity building within local governments.

56. The Bank will step up its support to STI. It will continue to support the development and implementation of projects focusing on (i) enhanced skills in Science, Technology and Mathematics; (ii) research innovation and connection to global knowledge systems and outreach to communities and the private sector; (iii) innovative teaching methods based on ICT (e-learning, virtual universities, regional research and exchange platforms); and (iv) also support curriculum reforms and professional community. The Bank will partner with academies of sciences to support programs for women scientists, giving graduate and postgraduate fellowships to women scientists who can serve as mentors to future female leaders of Africa (Annex 3).

57. The Bank will flexibly implement the NEMA approach, adapted to each country context. The NEMA approach will adjust to the diversity of RMCs and the variability in skill needs. Training programs will tap new opportunities provided by the private sector and ICT to develop e-education and adaptive learning, thus improving the quality of services. NEMA will focus on increasing the quality of education, enhancing the productivity of the informal sector and better matching the supply and demand for skilled workers to address youth unemployment (box 6). The Bank will promote NEMA while continuing to support national policies that aim to provide universal access to affordable ICT devices and content.

58. The Bank will focus on regional networks of knowledge and excellence and labor mobility. It will build on past and ongoing efforts to establishing regional centers of excellence and African knowledge networks, including the African Virtual University, Pan African University, Regional Technology Poles of Excellence in Central and East Africa and the Kigali ICT center of excellence. It will facilitate the strengthening of science and technology, including pooled arrangements for scientific research and innovation by African networks of excellence to strengthen and promote exchange of best practices and development of skills in short supply such as in science, biotechnology etc. It will support creating dynamic innovation networks with global linkages, and developing mentorship programs, using the diaspora. Bank support will also facilitate legal and regulatory frameworks for greater labor mobility (such as in the East African Community) among participating African countries, especially for specific professions. Areas of concentration will include biotechnology, engineering and ICT.

59. The Bank will support skill development programs to broaden the capabilities and economic opportunities of women and girls to enhance their productivity and participation (box 7). These interventions will enhance opportunities for girls to attend school and for women to participate

in more productive economic activities. There are already ongoing support remediation programs and scholarships to promote female studies in science and technology (as in Rwanda). The Bank will scale up such programs for women studying in technical and scientific areas. It will also assist countries to promote skill development and the use of technology for women entrepreneurs through TVET and by building and supporting micro, small and medium enterprises (as in The Gambia, Mozambique and Tanzania). In implementing the HCS, the Bank will follow a differentiated approach to regions, countries and level of development. Annex 3 provides an illustration of interventions in skills and technology in the different development context of Africa.

Box 7 : Unemployment and workforce productivity :Snap shot on Bank's- ongoing efforts

New initiatives that targets youth and women employability such as the skills and employability and safety net programs being developed by the Bank and inclusive business models such as the Social Business and Souk-Atanmia, largely through private sector participation are providing quick wins and short term solutions to tackling unemployment. In responding to the needs of the evolving labour market needs, over the medium to long term, the Bank will continue to scale up its support to education and TVET quality and transformation and policies focusing on job creation with special

60. As part of the implementation of the Human Capital Strategy, and to contribute to the overarching objectives of inclusive growth of the TYS, the Bank will leverage as, enablers, relevant areas from existing strategies as well as those under development. For instance, the upcoming GAP II emphasizes the Bank's role in supporting RMCs, by ensuring that resources allocated to the social sector are used efficiently and empower citizens to demand greater accountability from service providers in the delivery of and access to social services. The same approach will also apply to the Private Sector Development Strategy and Gender Strategy focusing on the legal rights of women to access these services as well as the high panel report on fragile states and the upcoming Financial Sector Strategy. In this regard, the Bank will engage in policy dialogue with selected countries to improve the efficiency and inclusiveness of service delivery, building on on-going operations. It will assist RMCs with more equitable and accountable service delivery to ensure greater efficiency and inclusion. The Bank will drill down on three key areas emphasized as part of the inclusive growth agenda: value for money, voice of women and youth and private sector participation in service delivery.

61. The Bank will strengthen accountability focus on human capital by implementing the Value for Money (VfM) Program. This program, launched in 2013, aims to build capacity of Regional Economic Communities and RMCs. Implementation has started, thanks to funding from a multi-donor Trust Fund. The program builds on the success of some innovative and successful lending operations that focused on equitable and accountable service delivery to reach the MDGs (such as Ethiopia PBSII and III). The program supports building the capacity of RMCs to ensure that i) public expenditures programs and budgets are based on evidence and resources produce high returns in human capital outcomes; and ii) that money is linked to results in services reaching the most marginalized. VfM in social sectors will also continue to be addressed through lending and non-lending operations as per the demand of countries such as Ethiopia, Morocco and Tunisia. Demand is strong for financial and policy support for scaling up these programs, and this is an area of potential pipeline expansion in ADB countries.

62. The Bank will support the voice of youth and women in service delivery based on its experience in Ethiopia and Tunisia. In selected countries, the Bank will support government's initiatives on e-governance³¹ in service delivery and develop programs that foster the voice of youth and women in policy making and service delivery. This includes women's participation in decision-making processes that influence their reproductive health and their children's education (such as parent-teacher

associations). Special emphasis will be placed on establishing a functional platform for the fight against gender-based violence as one stop shop including economic reintegration of youth and women in fragile states, following the Côte d'Ivoire experience.³²

63. The Bank will also support the leapfrogging of social infrastructure, focusing on access to “the last mile,” largely through private sector. ICT has the potential to deliver more services at a lower cost and to deliver them to people that had little or no access. With a median growth of 27% (2013) in mobile usage per household since 2008 and median annual growth of 5% in 23 countries in sub-Saharan Africa, mobile technology hold prospects for improving particularly businesses and wellbeing of the poor³³. Mobile technology, such as Kenya’s M-Pesa, has enabled poor people to transcend barriers that would have once excluded them from financial transactions. Technology can also reduce fiduciary risks and promote multiplier effects by involving the private sector. The Bank will thus support energy and ICT investments for social service delivery such as in education (including primary) and medical care programs, water supply infrastructure, farmer programs, mobile banking to enhance access to the “last mile”. The Bank will foster partnerships in this area including with the private sector. Rwanda’s effort in “e-health” through a computerized national health-care and community information systems is an example of how ICT can be leveraged to improve service delivery. Knowledge work in this area will be undertaken by the Bank on successful experiments in relevant emerging economies outside Africa (table 2).

64. Similarly, the Bank will engage selectively with RMCs to support inclusive financing systems, including safety nets, microfinance and social entrepreneurship. Building on its previous, ongoing and pipeline operations—including countries in political transition such as Tunisia and Egypt, but also Morocco and South Africa—the Bank will engage with RMCs on demand in building safety net and financial inclusions programs to reduce vulnerability and increase the integration of disadvantaged and marginalized groups.

65. The Bank through targeted operations for innovation and catalytic effects will support the strengthening of safety nets programs in limited RMCs, particularly focusing on youth and women, and linking safety nets with jobs and entrepreneurship.

It will assist countries in revisiting policies of social transfers and subsidies to strengthen national social safety nets strategies and capacities for delivery. It will also assist limited countries with knowledge, financial lending and capacity to build social systems. This will include reinforcing institutional frameworks and operating environment geared toward promoting synergy between the various financing sources (public, corporate and households) and financial instruments (social insurance, safety nets and microfinance). This builds on interventions in such countries as Burundi, Malawi and Tunisia. The Bank will also promote sustainable livelihoods building on the Horn of Africa’s experience of ensuring food security and alleviating malnutrition.

Box 8. Souk At-Tanmia: An Innovative Solution to Create Jobs for Youths in Tunisia

As a creative way of promoting youth employment in Africa, the Bank intends to scale up “Souk At-Tanmia,” an innovative job-creating initiative successfully implemented by 19 public and private partners in Tunisia. Through value chain support to social entrepreneurship, the initiative brings together resources and expertise for innovative grassroots projects that promise to generate sustainable employment, distribute revenues and ensure a tailor-made mentorship program to funded projects for at least a year.

66. The Bank will continue to support social entrepreneurship for youth and women in selected countries to promote private sector-led job creation and entrepreneurship development. Several

Africa-wide initiatives have been launched to accelerate the response to youth unemployment and support innovative ideas to increase productivity and competitiveness. The Tunisian Souk At-Tanmia, illustrates this new approach (box 8). The Youth Employment Initiative launched in 2011 and the Holistic Social Business Movement (HSBM) launched in March 2013 support actions to integrate youth employment into Bank operations, scale up assistance to RMCs, increase analytical work and build Bank capacity to address youth employment. The HSBM is being piloted with an action plan in Togo, Tunisia and Uganda and supports coaching for business incubation, start-up and growth, networking with business resources, legal and accounting services and capacity building. These initiatives hold potential short to medium term solution to tackling youth unemployment. It is envisioned to have greater scale and impact providing economic opportunities for the poor. To generate employment in fragile states, a Global Facility for Employment has been created by Bank to maximize synergies and the impacts of interventions, share knowledge and build the capacity of labor market institutions. The Bank will expand these initiatives to other RMCs to promote youth employment and social inclusion (Annex 3).

Financial instruments

67. The choice of instruments will depend on the issue at stake. Specific investment operations will be used to strengthen institutions and pilot innovative approaches. Investments in education institutions or innovative approaches to target specific vulnerable groups in fragile states would most likely be addressed through investment operations and budget support. Typically, programs focusing on governance in service delivery, including voice and accountability, are best addressed through policy-based lending. But innovation will be needed in how investment operations are designed, with more emphasis on linking finance to results and outcomes rather than on inputs and processes.

68. Policy-based operations will increasingly promote systemic policy reforms and strengthen country systems that support the inclusive growth agenda. These operations will respond to RMC demands for policy reforms for youth employment and skills, for voice and accountability and for reducing geographic and social inequalities. An example is the \$500 million Tunisia Social Inclusion and Transitional Support Program, approved in May 2011.

69. The thread for all these instruments will be partnerships. The Bank will give priority to building partnerships using catalytic funding to mobilize private capital and to partner with entrepreneurs, foreign investors, RMCs and the international community in order to promote public and private investment in human development.

Knowledge Work

70. Increasingly, Bank operations focusing on human capital will be underpinned by sound economic and sector work and will systematically integrate impact evaluations. To support operationalization of the Human Capital Strategy (annex 5), knowledge work will be essential for results-oriented operations. The Bank will encourage the necessary analytical work as part of the preparation of operations, preferably joint work with other partners. It will also include a systemic approach to project evaluation, including impact evaluation. To help develop research, evaluation and institutional capacity in RMCs, the Bank will mobilize grants and trust funds from development partners.

71. The selection of knowledge will be guided by a set of principles. These include (i) Consulting regularly with RMCs, development partners and relevant African institutions on their goals and priorities; (ii) Building knowledge on political, social and economic factors affecting innovation and reform; (iii)

Supporting impact evaluations of key human development sector investments; (iv) Collaborating with African institutions to generate and disseminate knowledge ;(v) Fostering South-South dialogue and innovation in human development; (vi) Building feedback loops into new project design; (vii) Having a communication component in all human development operations; and (viii) Exchanging lessons from fragile states regularly.

Strengthening and Engaging Productive Partnerships

72. The Bank will strengthen and scale up partnerships to foster the building of human capital in Africa. Efforts will be geared up to boost ongoing partnerships, including the Bank’s collaboration with the United Nations University through the ESDA program, geared toward building skills for sustainable development in Africa, and the Pan Africa University program,³⁴ which consolidates the AU and NEPAD's Action Plan for science and technology in higher education. In collaboration with the ILO UNECA and the AU under the Youth Employment Initiative for Africa, economic and sector work is being developed, including mapping and diagnosing labor market issues, as in Burkina Faso, Senegal and Tunisia. The Bank is a founding member and a key partner of the Harmonization for Health in Africa, bringing together 14 development agencies and pioneering the value for money agenda. The Bank will continue to engage with other Development Partners such as the World Bank, Islamic Development Bank and the OECD in joint ESW and lending operations. The Bank’s Policy based Operations in Human capital will continue to be guided by close collaboration, coordination and harmonization with other development partners, in the spirit of Paris Declaration on Harmonization, Alignment and Coordination and the Deauville Partnership.

Monitoring and Evaluation

73. **A robust monitoring and evaluation mechanism will capture both internal and external results focusing on key performance indicators (KPIs).** It will clearly reflect the expected impacts of the strategy—the outcomes, the specific activities with responsibilities and the critical milestones over the five-year period (annex 3). It will cover institutional, regional and national and project key performance indicators. It will also identify the foreseeable risks and propose respective mitigation measures.³⁵ KPIs for Bank performance include loan processing times and costs, portfolio quality and other Bank-wide metrics of performance in the Bank’s Core Sector Indicators and Results Measurement Framework (annex 4). External key performance indicators are integrated with those of other development partners and countries to avoid duplicating and overloading country measurement systems.³⁶

74. **Impact evaluation will be conducted for human capital interventions.** The Impact Evaluation efforts in the Bank are coordinated by the Impact Evaluation Reference Group (RG) which draws members from EDRE, OPEV, OSHD and OWAS. The Group initiated by OSHD is coordinated by EDRE. One of the main benefits of impact evaluation of projects is to increase accountability in project design and implementation. This is aligned with the Bank’s Strategy for 2013–2022, which seeks to promote development results and effectiveness of Bank’s operations. OSHD is currently implementing three impact evaluations in the education sector in Kenya, Malawi and Uganda. OSHD is also building a strong collaboration with OWAS to develop joint impact evaluations of water operations that have an impact on human capital (job creation, education, health, etc.). These efforts will be scaled up for future operations.

Risks and Mitigation Measures

Risk	Level of Occurrence	Mitigation
Capacity Risk: strengthening and reskilling the staff skill mix is still necessary to facilitate adequate internal capacity to respond to emerging demands of countries within the strategic focus of the HCS.	low	OSHD's skills mix has evolved since 2008 until now. The department has redeployed and reconverted current staff positions to hire economists, technical experts and specialists in such fields as science, technology and innovation, Education, labor markets, migration, microfinance, social insurance and gender. Going forward there will be the need to continue to build the Bank's internal capacities for human capital mainstreaming in operations to help build an innovative pipeline of inter-sectorial projects.
Financial Risk: Successfully operationalizing the HCS will require additional/judicious use of resources to develop adequate and focused operations.	Medium	In the reality of zero budget growth, there is need to engage strategically and selectively in RMCs, strengthen strategic partnership and synergy to leverage resources from other DPs, Governments, private sector, and philanthropist etc. It will also require strategic resource allocation of current resources.
Institutional risk: difficulty in ensuring and sustaining a one' Bank approach to develop cross sectoral operation as this concept is not currently included in the current Bank KPI Incentives to foster complex and departmental performances.	Medium	OSHD will continue to strengthen its dialogue with senior Bank management both at intra complex and inter-complex level. OSHD has focal points working closely with key sectoral teams in headquarter, RRCS and field offices with appointment of regional human development coordinators. Annex 2 defines the lead roles by each Department to ensure healthy collaboration and limit competition in developing cross sectoral operations
Government commitment: While human capital building is pre-requisite for inclusive growth RMCS may not put priority on investing in human capital. while	Medium	Strengthen high level policy dialogue; increasing knowledge through ESW to inform evidence based dialogue; developing innovative and catalytic operations that demonstrates quick wins in line with the countries priorities.

V. CONCLUSION AND RECOMMENDATION

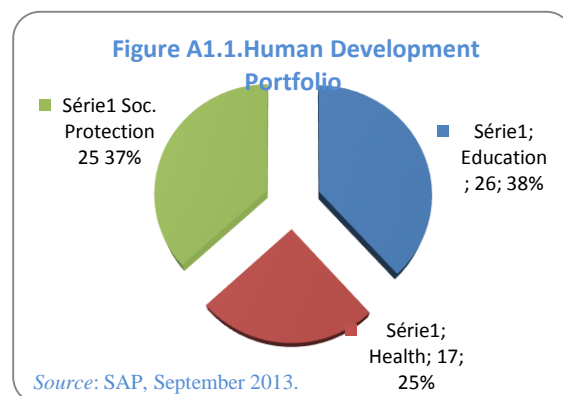
75. The HCS lays out the strategic direction of the Bank's support to Human Capital building in RMCs during 2014-2018. A "One Bank" approach was embraced during its preparation. This will also inform its implementation as human capital is being mainstreamed across all sectors. The preparation of the Strategy engaged wide-ranging consultations with various external stakeholders. The document was posted on the Bank's external web-site in conformity with the Bank Group's Policy on Disclosure and Access to Information (DAI). Participants generally endorsed the orientation of the Strategy and their feedback further enriched its focus.

76. The Boards are requested to approve the Bank's Human Capital Strategy, covering the period 2014-2018.

Annex 1 Human Capital Portfolio

The Bank is firmly engaged in human capital development.

The current portfolio comprises 68 education, health and poverty reduction and social protection projects as of September 2013 and a funding level of more than UA 1.1 billion (figure A1.1). Education operations with 26 projects, supports the Bank's commitment to higher, education, science and technology (HEST). The groundbreaking Rwanda Regional ICT Center for Excellence, a tripartite partnership between the Bank, the Government of Rwanda and Carnegie Mellon University, is one of the department's most notable HEST initiatives and a classic example of NEMA in action. The HD portfolio has 17 projects focused on improving the quality and accessibility of health service delivery, with new operations aimed at promoting value for money, sustainability and accountability in the health sector under development. The poverty reduction and social protection sector, with 25 active projects, is making great strides in responding to the growing demand from RMCs for social against economic shocks. OSHD has also taken over the management of a number of trust funds including the Microfinance Capacity Building Fund, Migration & Development Trust Fund and Market Development Trust Fund.



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The performance of the human capital portfolio has improved by leaps and bounds since 2008, cogently evidenced by over 50% increase in performing projects and reduction in projects at risk.

As of September 2013, the department had one problematic project instead of 13 in 2008, and 10 potentially problematic projects instead of 45. These notable improvements are attributable to concerted efforts by the department to promote results-focused project management through staff capacity building and the creation of an internal operations committee to identify, monitor and improve the performance of the portfolio. Further ameliorations in the quality of the HD portfolio are expected with the advent of the Human Capital Strategy. The strategy is already the polestar for identifying and preparing innovative human capital development projects underpinned by sound economic analysis.

Special emphasis will be placed on the quality at entry, ageing projects and the improvement of disbursement rate.

As at 30 September 2013 the number of slow disbursing projects was 13 as opposed to 70 in 2008. Special emphasis was placed on addressing the root causes of slow disbursing operations and implementing measures such as cancellation and restructuring as deemed necessary. In addition, resources will not be spared for the effective monitoring and supervision of all operations. In this vein, projects in countries where the Bank has field offices are now being supervised at least once every quarter.

Annex 2

Consultation calendar, 2011–2013

Date	Meeting	Audience	Stakeholders	City	Country
December 5, 2011	Consultation with panel of experts	External	International human development experts	Tunis	Tunisia
February 7, 2012	E-consultation launched	External	www.afdb.org/hcdfs	Online	Online
February 14, 2012	Submission to the Committee on Development Effectiveness	Internal	AfDB senior management	Tunis	Tunisia
March 2012	Presentation to South Africa country office	Internal	AfDB staff	Johannesburg	South Africa
March 15, 2012	Consultation with youth during Youth Talents Day	External	Youth	Tunis	Tunisia
April 19, 2012	AfDB board workshop	Internal	Board	Tunis	Tunisia
April 19–21, 2012	OECD Africa Conference on Well-Being	External	Regional policymakers, statisticians, academics	Rabat	Morocco
April 23–25, 2012	Consultation with World Bank Africa Region, HD anchor, DEC, PREM	External	Development partner	Washington, DC	United States
May 10, 2012	Consultation with African Union during World Economic Forum on Africa	External	Private sector, technology firms, ministers of education, African Union Commission	Addis Ababa	Ethiopia
May 16, 2012	Multistakeholder consultation	External	World Bank, United States Agency for International Development, Results for Development Institute, Inter-American Development Bank	Washington, DC	United States
June 11, 2012	Consultation with migration experts	External	Global Forum on Migration and Development	Port Louis	Mauritius
July 4–5, 2012	High-level ministerial dialogue on value for money, accountability and sustainability in the health sector	External	Ministers of Health and Finance	Tunis	Tunisia
July 16–17, 2012	Global Innovation Summit	External	Technology companies, venture capital, private sector	Silicon Valley	United States
August 30–31, 2012	Regional consultation with West African countries	External	Multistakeholder: Burkina Faso, Senegal, Niger, Togo, Cape Verde, Benin, Mali, Liberia, Nigeria, Côte d'Ivoire, Ghana, The Gambia, Sierra Leone Youth, civil society, nongovernmental organizations, academia, private sector	Ouagadougou	Burkina Faso
September 9–10, 2012	Regional consultation with the Horn of Africa	External	Multistakeholder: Intergovernmental Authority on Development member states—Ethiopia, Eritrea, Kenya, Uganda, Sudan, South Sudan, Somalia (including representatives from Puntland and Somaliland)—nongovernmental organizations, academia, private sector	Djibouti	Djibouti
October 17, 2012	Consultation with development partners	External	Development partners	Ouagadougou	Burkina Faso

Date	Meeting	Audience	Stakeholders	City	Country
October 19, 2012	Consultation with African youth in France	External	Youth	Nice	France
October 22–23, 2012	Regional consultation with Southern Africa	External	Multistakeholder: South Africa, Nigeria, Tanzania, Rwanda, Mauritius, Namibia, Lesotho, Swaziland, Botswana, Malawi, Mozambique, Zambia	Pretoria	South Africa
October 30–31, 2012	Regional consultation with North African countries	External	Multistakeholder	Casablanca	Morocco
October 31, 2012	Consultation with youth, students and diaspora	External	Youth	Casablanca	Morocco
November 22, 2012	Consultation with youth and students	External	Youth	Tunis	Tunisia
November 29–30, 2012	Civil society organization consultation for Lusophone Africa, Brazil and Portugal	External	Civil society	Maputo	Mozambique
July 1, 2013	Draft strategy presentation to the Bank's Senior Management Coordinating Committee	Internal	Presentation to the Bank's Senior Management Coordination Committee	Tunis	Tunisia
July 2013	Draft strategy presentation to the Bank's Committee on Development Effectiveness	Internal	Presentation to the Bank's Committee on Development Effectiveness	Tunis	Tunisia
September 2013	Final strategy presentation	Internal	Presentation to the Bank's Board of Executive Directors	Tunis	Tunisia

Annex 3: Example for differentiated approaches to RMCs

Jobs

Fragility context	ADF	ADB
Skills and Technology for Competiveness and Jobs		
Rehabilitating and reconstructing education systems	Developing further schooling and training models that address the needs out of school and better prepare youth for work.	Assessing comparative advantages in higher education in anticipation of the promotion of regional networks of excellence
Teacher training and provision of education materials (including upgrading skills of teachers and health workers)	Equipping youth with the skills needed (for self-employment) and providing technical assistance, coaching and counseling to start up social businesses and other SME opportunities	Harmonizing the certification framework and professionalization of higher education institutions
Reviewing and formulating national education strategies and reforms in selected post-conflict countries	Information and communication technology (ICT) for distance education and e-learning	Encouraging reforms of the labor market regulatory framework in favor of youth employment. Policy reforms to address supply and demand mismatches in the labor market
Peace building education program and access to livelihood opportunities	Policy dialogue on enabling environment to attract and promote upgrading of skills and technology to develop value chains in labor-intensive sectors	Policy dialogue in the areas of higher education, youth employment and social inclusion
Policy dialogue on enabling environment to attract and promote upgrading of skills and technology to develop value chains in labor-intensive sectors	Partnering with a world-class university on massive open online courses in STEM	Promoting social dialogue with youth, women and other marginalized groups; and promoting North-South and South-South cooperation especially in transferring technology
	Building knowledge networks and centers of excellence	Establishing a network of quality assurance agencies in Africa
Efficient and Inclusive Service delivery and Inclusive financial and Social System		
Citizen voice and accountability mechanisms (focus on women and youth)	Citizen voice and accountability mechanisms (focus on women and youth)	Citizen voice and accountability mechanisms (focus on women and youth)
Restoring core social services	Innovative service delivery models	Innovative service delivery models
Policy dialogue and capacity building on value for money	Policy dialogue and capacity building on value for money	Policy dialogue and capacity building on value for money
Socio-economic reintegration of youth at risk.	Expanding coverage of safety nets	Enhancing private sector role in service provision
Recovery program to build resilience of vulnerable groups	Institutional capacity to design, implement and evaluation safety nets programs	Improving targeting and coverage of beneficiaries of safety net programs
In the context of fragility in ADF and ADB countries, the Bank will support capacity building programs and policy reforms to improve governance and accountability in social services.	Inclusion of poor and marginalized groups in access to basic services through social transfers and affirmative actions.	Innovation and entrepreneurship programs for youth and women
	Innovation and entrepreneurship programs for youth and women	

**Annex 4
Action Plan 2014–2018**

Purpose	Action	Sequencing (start date)		Responsible (lead and support)	Results	Indicators
		From	To			
All RMCs						
Support African countries in capturing the demographic and technological dividends and build a path toward inclusive and green growth	Skills for infrastructure	2014	2018	OSHD & OIVP & ORVP	Enhanced skills for managing existing infrastructure	At least two demonstration operations developed in RMCs
	Entrepreneurship Skills for youth and out-of-schools children (create social businesses and SMEs)	2014	2018	OSHD, ORVP and OPSM	Employment opportunities facilitated	-Number of jobs created under Bank operations in the private sector
	Skills for employability (emotional, social, creativity, innovation, ICT)	2014	2018	OSHD & ORVP	NEMA-oriented policies and strategies adopted	At least 10 RMCs supported in NEMA implementation
	Develop green skills	2014	2018	ONEC, OSHD & ORVP	Green skills developed	At least two operations developed
	Policy dialogue (develop value chains in labor-intensive sectors)	2014	2018	OSHD and OSAN & ORVP	Value addition schemes developed	At least 6 countries supported
	Increase access to massive open online courses (MOOCs) for African students	2014	2018	OSHD and OPSM & ORVP	New virtual knowledge centres developed	5 centres supported
	Building regional knowledge networks and centers of excellence	2014	2018	OSHD and ONRI & ORVP	Skills more harmonized and portable	At least five centres of excellence supported Establishment of qualification frameworks in at least 2 countries
	Increase skills in science, technology, engineering and mathematics	2014	2018	OSHD & ORVP	Capacity in STEM, research and innovation improved	At least 5 RMCs supported
Selected Countries						
	Test citizen voice and accountability mechanisms (focus on women and youth)	2014	2018	OSHD and OSGE, Gender Envoy & ORVP	Citizen voice and accountability in service provision increased	AT least 5 RMCs supported in participatory budgeting and monitoring AT least 5 countries supported in establishing a public redress

						mechanism in essential service delivery
	Develop innovative service delivery models	2014	2018	OSHD and OPSM & ORVP	Private participation in public service delivery enhanced	5 operations delivered
	Conduct policy dialogue and capacity building on value for money	2014	2018	OSHD and all Bank's sector departments and ORVP	Efficiency and quality of services delivered improved	Relevant ministries and CSOs of at least 25 RMCs trained in value for money
	Develop quality assurance mechanisms	2014	2018	OSHD& ORVP	Service quality improved	AT least 2 RMCs supported
	Leapfrog social infrastructure (partnerships with private sector and focus on energy and ICT)	2014	2018	OSHD and OIVP & ORVP	-Increased private sector participation in social service delivery -Enhanced access to service delivery	At least 5 countries supported in the use of ICT in social service delivery
	Expand coverage of safety nets	2014	2018	OSHD/OSAN/O SGE/ORVP	Safety net coverage expanded	% of population covered
	Support institutional capacity to design, implement and evaluate safety nets programs	2014	2018	OSHD/OSGE/O RVP	Safety net systems enhanced	3 ESW on Social Protection systems
	Promote inclusion of poor and marginalised groups living in pockets of poverty to access basic services through social transfers and affirmative actions.	2014	2018	OSHD/OSGE/O RVP	Vulnerability reduced	3 Safety nets programs implemented (ZM, DJ, Egypt)
	Support innovation and entrepreneurship programs for youth and women	2014	2018	OSHD/OSGE/OI TC/OSAN/ORVP	Job created and enhanced	4 joint operations with labor intensive programs (Togo, DJ, CI)

Annex 5

Results-based logical framework

Strategy goal: Support African countries in capturing the demographic and technological dividends and build a path toward inclusive and green growth						
Results chain		Performance indicators			Means of verification	Risks, assumptions and mitigating measures
		Indicators	Baseline	Target		
Impact	Sustainable and inclusive growth achieved in most African countries	Average GDP growth in African countries	3.7% (2012)	5.0% (2022)	African Economic Outlook AfDB CPIA indicators Africa Development Statistical Data WHO Statistical Report ILO Databases WB	Risks: -Difficulty implementing cross-sectoral projects in the Bank could preclude mainstreaming human capital in Bank projects. -Lack of buy-in from regional member countries (RMCs) during implementation Mitigation measures: Intensive and high-level policy dialogue with Bank senior management and RMCs
		Unemployment rate (including rates among youth and women)	14% (2012)	10% (2022)		
		Average life expectancy at birth	55 years (2011)	57 years (2022)		
		- for men:	57 years (2011)	59 years (2022)		
		- for women:	83.9% (2011)	88% (2022)		
		Ratio of female to male labor force participation rate	37% (2012)	30% (2022)		
		People living below the poverty line Women under US\$ 1.25/day	48.5 (2010)	30% (2022)		
Business start-up cost	77 (2011) (percentage of GNI per capita)	50 (2022)				
	CPIA score for property rights and rule-based governance	3.11 (2011)	4.5 (2022)			
Focus: Skills for competitiveness and jobs						
Outcome	1. Quality and sustainable skill mix developed	Unemployment rate among higher education graduates	26% (2011)	23% (2017)	ILO and AfDB data ILO and AfDB data UNESCO Institute for Statistics/WB Africa Development Data UNESCO Institute for Statistics	Risk: Low economic growth resulting from structural challenges and natural disasters Mitigation: Coordination with other departments to support countries address the challenging barriers Risk: Weak monitoring and evaluation system Mitigation: Capacity building and resources allocation to monitor implementation of strategy
		Unemployment rate among technical and vocational education and training (TVET) graduates	17% (2011)	13% (2017)		
		Completion rate in primary education	72.6% (2011) 65.8% (2011)	75% (2017) 75% (2017)		
		Boys	30% (2010)	33% (2017)		
		Girls	26% (2010)	29% (2017)		
		Share of higher education students enrolled in science, technology, engineering and mathematics (STEM) education Including girls	35% (2010) 34% (2010)	43% (2017) 42% (2017)		
Gross Enrollment rate in Upper Secondary education Including girls						
Outcome	Access to sustainable jobs enhanced	Share of formal jobs in total jobs	10% (2013)	12% (2017)	ILO reports	Risk: Weak capacity of financial institutions and low coverage
	Inclusive Service Delivery					
	2. Citizen participation enhanced	Participation and human rights index	45 (2011)	48 (2017)		

Outcomes	3. Transparent financial management is enhanced in social services	Number of RMCs adopting online publishing of education, health and social protection budget execution statements	-	10		Mitigation: Incentives and capacity building	
	4. Efficiency and quality of services delivery improved	Number of years of schooling per 1 percentage of GDP investment in education Variation of percentage of skilled deliveries at comparable level of total health spending Health worker to population ratio Pupil to Teacher ratio in primary education	2.1 (2011) 1 to 4 (2010) 2.3 (2012) 40:1 (2010)	2.3 (2017) 1 to 3 (2017) 2.5 (2017) 38:1 (2017)			
	5. Inclusion policies adopted	CPIA policies for social inclusion/equity cluster average*	3.192 (2012)	3.5 (2017)	Worldwide Governance Indicators (WB)		
	Inclusive financial and social systems						
	6. Access to financial services increased and equitable	People with an account at a formal financial institution - Women (15+) - Men (15+) Credit to MSMEs as share of total balance sheet of FIs operations***37	21.5% (2011) 26.7% (2011) TBD	35% (2011) 35% (2017) TBD	WB Africa Development Indicators AfDB Data	Risk: Weak capacity of financial institutions and low coverage Mitigation: Incentives and capacity building	
	7. Increase coverage of social protection schemes	Percentage of population covered by national social protection schemes Out-of-pocket household expenditures for education as percentage of total education spending Out-of-pocket household expenditures for health as percentage of total health spending	TBD (OSHD study financed by the Brazilian Trust Fund) 30% (2013) 50% (2013)	Baseline + 10 percentage points 28% (2017) 45% (2017)	Bank studies UNESCO National Health Accounts (WHO)		
	Outputs	HCS and Skills and technology					
Labor market information systems structured and strengthened		Number of labor force surveys supported (with sex disaggregated data)	-	5 (2017)	Operation reporting MTR and independent evaluation		
Centers of excellence and knowledge networks strengthened		Number of national centers of excellence and knowledge networks strengthened (comprising gender equality programmes)	05	10 (2017)			
New Education Model for Africa (NEMA)-oriented policies and strategies adopted		Number of additional RMCs supported in the adoption or implementation of NEMA-oriented reforms (with explicit gender equality objectives) Number of RMCs supported in the establishment of a higher education quality assurance mechanism	- -	10 (2017) 05 (2017)			
HCS and Infrastructure							
Building skills for managing existing infrastructure		Additional students enrolled in engineering institutions (infrastructure, ICT, water and energy) Additional students enrolled in TVET institutions (infrastructure, ICT, water and energy)	- -	10 000 (2017) 15 000 (2017)	Projects implementation reports		

Strengthen the inclusiveness and human development orientation of infrastructure projects	Number of people trained in infrastructure, ICT, water and energy projects Incl. Women	-	3000 (2017)	Operation reporting MTR and independent evaluation	
	Number of temporary jobs created in infrastructure, ICT, water and energy projects Incl. Women	-	1000 (2017)		
	Number of permanent jobs created in infrastructure, ICT, water and energy projects Incl. Women	-	100 000 (2017)		
Support the leapfrogging of social infrastructure	Number of health facilities supported in the use of ICT	-	200 (2017)		
	Number of schools supported in the use of ICT	-	25 000 (2017)		
	Number of social facilities connected to power grid (schools, health facilities...)	-	1000 (2017)		
HCS and Regional integration					
Skills more harmonized and portable	The number of countries establishing a comprehensive qualification framework	0	02 (2017)	Operation reporting MTR and independent evaluation	
	Number of regional centers and networks strengthened/supported	02	05 (2017)		
Regional youth employment initiative enhanced	Number of RMCs supported in the framework of the Joint Youth Employment Initiative (including gender approach)	2	At least 8 (2017)		
Social sectors policies harmonized at regional level	Number of new initiatives adopted by RECs in education, health, social protection (with focus on gender equality)	-	At least 3 (2017)		
HCS and Governance and accountability					
Governance systems strengthened at all levels in social sectors	The number of RMCs supported in institutionalizing a public expenditures tracking system	-	5 (2017)	Operation reporting MTR and independent evaluation	
	Number of RMC supported in institutionalizing performance-based financing or revenue-based financing	-	5 (2017)		
Citizen voice and accountability in service provision increased	The number RMCs supported in participatory budgeting and monitoring (with a gender perspective)	-	5 (2017)		
	Proportion of RMCs establishing a public redress mechanism in essential service delivery	-	5 (2017)		

Risk mitigation and social support system strengthened	Number of RMCs supporting in establishing/strengthening a social assistance systems (with gender perspective)	-	10 (2017)		
	Number of RMCs preparing a national action plans for public health adaptation to climate change (including gender perspective)	-	05 (2017)		
HCS and Private sector					
Social business enhanced	The number of RMCs adopting social business initiatives (with gender perspective)	-	05 (2017)	Operation reporting MTR and independent evaluation	
Employment opportunities facilitated	Number of jobs created under Bank operations in private sector Incl. Women	-	20 000 (2017) 7000 (2017)		
	Number of RMCs developing at least two value-addition schemes focused on agroindustry and natural resources	-	06 (2017)		
Pro-poor and gender-sensitive private sector initiatives developed	Number of schemes established to promote financial inclusion (with gender perspective)	-	10 (2017)		
Private participation in public service provision enhanced	Number of RMCs establishing a public-private partnership framework for social service delivery	-	10 (2017)		

* The policies for social inclusion and equity cluster include gender equality, equity of public resource use, building human resources, social protection and labor, and policies and institutions for environmental sustainability.

Annex 6

Human Capital Strategy: Potential and Example/Indicative projects

	Fragility context	ADF	ADB countries
Core operational priorities			
Skills and technology	<p>Support for review or formulation of national education strategies in selected post-conflict countries(Sierra Leone)</p> <p>Support to peace building education program and access to livelihood opportunities</p> <p>Policy dialogue on enabling environment to attract and promote upgrading of skills and technology to develop value chains in labor-intensive sectors</p> <p>Build a new TVET model based on time sharing of facilities for institutions within a certain radius of a city. Develop complementary services that would generate resources for the TVET center(vehicle maintenance, construction services, household goods maintenance and services)</p> <p>Skills Development for job creation (Eritrea)</p> <p>Pan-African University project</p> <p>Youth and tourism enhancement project (Zimbabwe)</p>	<p>Education Quality Enhancement Project (Educ III; Lesotho)</p> <p>Information and communication technology (ICT) for distance education and e-learning</p> <p>Human capacity development in transport</p> <p>Financial inclusion through innovative ICT.</p> <p>Policy dialogue on enabling environment to attract and promote upgrading of skills and technology to develop value chains in labor-intensive sectors</p> <p>Skills, Employability and Entrepreneurship Programme II (Rwanda)</p> <p>Partnership with a world-class university on massive open online courses in STEM, involving capacity building for pilot African universities, broadband connectivity and eventual outsourcing of projects to the African universities or spin-off technology hubs</p> <p>Nigeria Teacher Development Programme for in-service (current) and pre-service (upcoming) teachers of basic education schools (also including Nomadic, Almajiri and nonformal schools) using the technology platform, by providing science labs in schools (and mobile science labs). Focus subjects will be science, English, mathematics and ICT. Possible partnerships with the Department for International Development and the World Bank to enhance coverage in the country.</p> <p>Nigerians in the diaspora brought in to contribute to vocational skills and training and provide expertise and mentorship in TVET schools</p> <p>Pan-African University project</p> <p>Project to support higher education in WAEMU countries</p> <p>Support to technical vocational education and training (Tanzania)</p>	<p>Municipal Service Delivery Support Programme (South Africa)</p> <p>Skills Development and Entrepreneurship (Zambia)</p> <p>Training-Employment Matching Support Programme (Morocco)</p> <p>MIC Grant for the implementation of a virtual university within the International University of Rabat (Morocco)</p> <p>MIC grant- Namibia Priority Sectors Needs Assessment Grant</p> <p>Secondary education support project. Equipment for computer rooms and development of digital content component (Tunisia)</p> <p>MIC grant Carbon Sinks, with the Department of Environmental Affairs (South Africa)</p> <p>MIC Grant Support to Department of Higher Education (South Africa)</p> <p>MIC grant Feasibility Study On The Revitalization Of Industrial Parks (Department of Trade and Industry) (South Africa)</p> <p>Support to the establishment of observatories for monitoring the insertion of graduates from Moroccan universities (Morocco)</p> <p>Policy reforms to address supply and demand mismatch in the labor market</p> <p>Studies of the skills needs in the sectors of construction and public work (lead by OSHD) and logistics (lead by OITC, Morocco)</p> <p>MIC Grant- Technical Support for Establishment of PPP Unit and to PEEPA (Botswana).</p> <p>Establishment of an evaluation system of the quality of vocational education and training (Morocco)</p> <p>NEMA— Mechanism to address school failure in priority education areas using ICT (Mauritius)</p> <p>Improving training and employment in health, in connection with the export of health services (Tunisia)</p> <p>Partnership with a world-class university on massive open online courses in STEM, involving capacity building for pilot African universities, broadband connectivity and eventual outsourcing of projects to the African Universities or spin-off technology hubs</p> <p>Nigeria Teacher Development Program for in-service (current) and pre-service (upcoming) teachers of basic education schools (also including Nomadic; Almajiri and nonformal schools) using the technology platform, by providing science labs in schools (and mobile science labs). Focus subjects will be science, English, mathematics and ICT. Possible partnerships with the</p>

	Fragility context	ADF	ADB countries
			<p>Department for International Development and the World Bank to enhance coverage of the country.</p> <p>Pan-African University project</p> <p>Establishment of a network of quality assurance agencies in Africa</p> <p>Technical assistance on the development of skills (Libya)</p> <p>Technical education and skills development for industrial clusters (Egypt)</p>
Infrastructure	<p>South-west region agricultural infrastructure rehabilitation Project (Madagascar)</p> <p>Developing social infrastructure (Liberia)</p>	<p>Loan facilities for developing infrastructure relevant to the operation of education institutions (electricity, telecommunication, water and sanitation).</p> <p>Scaling up ICT solutions in social service delivery</p> <p>ICT-enabled hospitals</p>	<p>Scaling up ICT solutions in social service delivery (information technology, electricity, water and transport in health and education)</p>
Regional integration	<p>Placement of technical assistants in ministries of social welfare/social development and health in selected fragile states to advise on social protection issues (harmonization of social policies)</p>	<p>Regional ICT center of excellence (Rwanda)</p> <p>Support to higher Education in WAEMU countries</p> <p>Support to Africa's pharmaceutical sector</p>	<p>Support to Africa pharmaceutical sector</p> <p>East Africa excellence in medical higher education</p> <p>Export of health services (Tunisia)</p>
Governance and accountability	<p>Pilot health insurance in selected post-crisis countries (example: Democratic Republic of the Congo).</p> <p>Citizen voice and accountability in health</p> <p>Develop and pilot a new holistic health model that would review existing facilities and identify medical services that could be time shared and privatized. Consulting and hospitalization could be partially commercialized and supported by a comprehensive health insurance scheme.</p>	<p>Citizen voice and accountability in education</p> <p>Citizen voice and accountability in health</p> <p>Developing health insurance</p> <p>Develop and pilot a new holistic health model that would review existing facilities and identify medical services that could be time shared and privatized. Consulting and hospitalization could be partially commercialized and supported by a comprehensive health insurance scheme.</p> <p>Integrate e-health at this level.</p> <p>Support to decentralization: strengthening the capacity of municipalities in the development of municipal development plan and supporting the local economy</p>	<p>Strengthening clinical governance systems</p> <p>Citizen voice and accountability in health (Morocco)</p> <p>Health financing strategy (Morocco)</p> <p>Develop and pilot a new holistic health model that would review existing facilities and identify medical services that could be time shared and privatized. Consulting and hospitalization could be partially commercialized and supported by a comprehensive health insurance scheme.</p> <p>Integrate e-health at this level.</p> <p>Assessing and improving the performance of social transfers (Tunisia)</p> <p>Improved cash transfer program (Egypt)</p>

	Fragility context	ADF	ADB countries
The private sector	Social business (Togo) Loan facilities to the private sector engaged in the development of higher education and TVET	Social enterprise project and support to local integrated development through the development of Moringaoleifera "oil plant, medicinal and nutritional" nutrition project (Burkina Faso) Policy reforms to address supply and demand mismatch in the labor market Line of credit from banks given to universities to establish a microcredit facility that helps graduates access loans to for start-ups. University enhances entrepreneurial training of students and sets up small-scale enterprises within the institution to enhance skills and capacity (Nigeria)	Souk At-Tanmiaphase II (Tunisia) Skills development and entrepreneurship promotion (Kenya) Skills development for industry (higher education, science and technology; Ghana) Export of health services (Tunisia) Study on the development of private higher education (Tunisia) Developing public-private universities to promote centers of excellence Social business/Souk At-Tanmiaand entrepreneurship development (Egypt)
Areas of special emphasis			
Gender	Capturing the demographic dividend through gender equality (Tanzania) Gender mainstreaming in service delivery	Gender mainstreaming in service delivery	Women in science, technology and innovation (Pan-African University scholarships; Kenya, Cameroon and Nigeria)
Agriculture, food security and nutrition	Somalia Nutrition Enhancement Project Drought resilience program in the Horn of Africa and the Sahel	Training for farmers' institutions—for example, producer organizations (Senegal)	Scholarships to strengthen agricultural skills for rural youths (South Africa)
Green growth and climate change	Multinational pipeline project—The African Integrated Surveillance System on Environmental and Social Services Project for social protection (conditional cash transfers) to build resilience to climate change	Economic and sector work on green growth implications on human capital development in Sub-Saharan Africa Project for supporting small and medium-size enterprises for jobs and green development	Skills development and social inclusion in a green economy project

Annex 7

Areas of special emphasis

Box 8.1. African women hold up half the sky

The Bank will support programs for women in science, technology, engineering and mathematics (STEM) education. Ensuring gender equality in STEM education is integral to Africa's economic growth and transformation. Women's contributions to these high-productivity professions have remained untapped so far. Although women have high rates of labor force participation in Africa, they have remained trapped in low-productivity and low-income jobs. The Bank will partner with academies of sciences to support programs for female scientists—for example, giving graduate and post-graduate fellowships to female scientists who can mentor future female leaders of Africa.

The Bank will support investments in rural infrastructure to improve women's livelihoods. Investments in roads, energy, science and technology, water and sanitation, and transport benefit agriculture. The large majority of women in the African workforce are engaged in agricultural production. Although women play a major role in growing and processing agricultural products, they do not receive equitable gains or have access to resources, technologies or financial credit to improve agricultural productivity. Improving women's participation in agro-processing initiatives, value chains, markets and funding instruments to encourage women's land ownership and production facilities can catalyze their contributions to agro-based economies. Women's participation in agriculture also affects food security and results in household nutrition gains. The Bank's support will link programs (such as conditional cash transfers) to encourage better nutrition in pregnancy and early childhood development with agricultural initiatives to improve developmental outcomes in the household.

The Bank will help address the gender dimension of all stages of migration. Migration can empower traditionally disadvantaged groups (such as women) both socially and financially, providing them opportunities for demographic transition. However, women are especially vulnerable during the migration process. They are more exposed to risks during migration and in the destination country, and they face risks to their safety (such as human trafficking). The Bank will provide targeted support to increasing the representation of women in the workforce, among other support, through regional integration efforts.

The Bank will develop governance programs that foster the voice of women in policymaking and service delivery. Improving women's participation in decision-making processes is key to better service delivery. Enhancing women's voice in policymaking through governance programs can help generate demand and improve public services. The Bank will support reforms for involving women in policymaking and public affairs, such as increasing women's representation in parliaments, fostering women's organizations and increasing women's participation in parent-teacher associations.

The Bank will encourage women's greater participation in the formal and informal economy, especially in agriculture. Women's higher labor force participation is to be matched by improvements in job quality. Women entrepreneurs face large barriers to accessing finance and other business services. Special emphasis will be given to supporting greater involvement and improved productivity among female entrepreneurs. The Bank will support better access to financial services for women, with microfinance programs for improving women's access to information and services in addition to greater financial autonomy, decision-making ability and empowerment.

Box 8.2. Addressing Human Capital needs in context of Fragility

The Bank will help fragile states build better quality education and vocational education and training. A serious lack of training providers is a major bottleneck, and employers often cite a shortage of financial resources for training as a major obstacle to recovery and job creation. In natural-resource rich fragile states the Bank will support skill-building, such as training technicians in the oil and gas industry to support private sector extractive activities. The Bank will focus on funding training programs and foster the use of new information technology solutions to narrow the skills gap.

The Bank will help fragile states leapfrog social services through information technology solutions. The Bank is encouraging investment in information and communication technology through its initiatives in areas like e- and m-health and e- and m-education. By using these technologies fragile states can leapfrog the infrastructure gap and access massive education and health benefits with fewer resources.

The Bank will step up regional dialogues to ensure better links for fragile states in the regional economy. Fragile states are confronted with considerable migration and labor mobility to other countries, especially non-fragile neighbors. The Bank will foster high-level policy dialogues to improve the regional responses to resilience and disaster management, as well as to facilitate return and reintegration. In post-conflict contexts the Bank will foster dialogue on measures to attract skilled immigrants back home to support the state-building process.

The Bank will help fragile states implement demobilization and productive safety net programs. The current support for safety nets is concentrated in states falling into the “gradual improvement” and “post-conflict/crisis or political transition situations” categories, while support is very scarce for fragile states in more difficult environments of “prolonged crisis or impasse” and “deteriorating governance”. The Bank will focus on increasing the opportunities for people to get back to work; and ex-combatants (in the case of armed conflict) could acquire skills for reintegration. The Bank will help fragile states design and implement safety nets mechanisms through technical assistance and by catalyzing funding from other international donors.

The Bank will help fragile states support the emergence of private sector jobs. Private sector censuses and surveys, as well as labor force databases, are lacking in fragile states, making it hard to analyze overall patterns of sector employment and labor force skills. The picture is further clouded by considerable migration and labor mobility from fragile states to other countries, particularly non-fragile neighbors. The Bank will help fragile states analyze their labor markets, identify the skills needed and establish any gaps or mismatches.

In the context of fragility in ADF and ADB countries, the Bank will support capacity building programs and policy reforms to improve governance and accountability in social services.

Box 8.3. Emphasizing agriculture, food security and nutrition

The agriculture sector can create more than 10 million additional jobs in Africa by 2020. This potential, combined with the 600 million hectares of uncultivated arable land, constitutes a great asset for job creation in the continent’s rural areas. Bank investment in this field is aimed at shifting production toward more intensive labor in favor of youth and women.

The Bank will fund technical assistance to assess skill gaps in biotechnologies, green technology development and agro processing industries—such as food, beverages, textiles and wood manufacturing—and accordingly will support the design and implementation of skills development programs.

In partnership with the private sector the Bank will encourage enterprise creation in agribusiness, especially by attracting youth through an innovative finance model focused on social business, social impact bonds and venture philanthropy.

Food insecurity and poor nutrition status correlate with poverty and social inequity. There is thus much overlap among initiatives to fight poverty, alleviate malnutrition, ensure food security and promote sustainable livelihoods.

The Bank will support agriculture by reinforcing training in biotechnology for food production, food fortification and agribusiness purposes.

The Bank will sustain research to better leverage links among agriculture, food and nutrition-related chronic diseases through regional and national initiatives. It will encourage cross-disciplinary research among agricultural, nutritional and medical scientists and expand bio fortification and micronutrient solutions.

The Bank will conduct regular policy dialogue with regional member countries to support agribusiness entrepreneurship and the development of national and international norms and standards, policies and guidelines in agriculture and food interventions that are designed to improve nutrition and the health sector.

Annex 8

List of HCS Technical Annexes

1. Human Capital Portfolio
2. Demographic Dividend for Africa: source, magnitude and realization
3. Education
4. The New Education Model in Africa
5. Youth Employment in Africa
6. Empowering Africans for Better Governance and Accountability in Social Service Delivery
7. Building Capacity in Science, Technology and Innovation in Africa
8. Water is Life: Human Development aspects of the Water Sector
9. Climate Change and Human Development: Enhancing Capacity for Resilience
10. Social Protection Action for Building Social Financial Systems
11. Building Systems for Creating Financing Opportunities for Inclusive Health Coverage
12. Nutrition and Early Childhood Development: Repositioning the Nutrition Agenda in the AfDB
13. Migration Management
14. Human Development and Transport
15. Human Development and Fragile States
16. Human Development and Gender
17. Role of the Private Sector in Education and Health
18. Agriculture
19. Getting more value for money in health: A New Role for the AfDB
20. Expanding Regional Markets
21. Energy Sector and Human Development
22. Creating Sustainable Jobs for the Poorest and Most Vulnerable, and Addressing the most Pressing Social and Environmental Needs in Africa Through Social Business
23. Techno Parks and Science Parks in Africa: Fostering Africa Capacity in Science Technology and Innovation
24. Investing in Hospitals in Africa

Notes

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- ¹ Population Reference Bureau 2011.
- ² Angola, Burkina Faso, Burundi, Chad, Congo, Mali, Mozambique, Niger, Uganda and Zambia.
- ³ A “youth bulge” is usually defined as a high proportion of people ages 15–29 relative to the adult population.
- ⁴ China, India, Ethiopia, Mozambique, Tanzania, vietna, Congo, Ghana, Zambia
- ⁵ AfDB and others 2011.
- ⁶ World Bank Africa Pulse, 2013
- ⁷ Africa ecological footprint report: Green Infrastructure for Africa’s Ecological Security. Published in May 2012 jointly by the African Development Bank and World Wide Fund for Nature
- ⁸ UNDP 2012.
- ⁹ IFPRI 2009. Those undernourished in the first 36 months of life can suffer irreparable damage to their physical and mental development, debilitating them throughout life with lower cognitive learning, educational performance and life status.
- ¹⁰ MDG 1a: Reduce by half the proportion of people living on less than a dollar a day. MDG 1c: Reduce by half the proportion of people who suffer from hunger. MDG 2: Ensure that all boys and girls complete a full course of primary schooling. MDG 4: Reduce by two-thirds the mortality rate among children under 5. MDG 5: Reduce by three-quarters the maternal mortality ratio. Achieve, by 2015, universal access to reproductive health. MDG 6: Halt and begin to reverse the spread of HIV/AIDS. Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it. Halt and begin to reverse the incidence of malaria and other major diseases.
- ¹¹ The exceptions are six low- and middle-income countries where conflict and HIV/AIDS were the primary causes of an increase.
- ¹² AfDB and others 2011.
- ¹³ African Development Bank 2013.
- ¹⁴ This definition aligns with Amartya Sen’s philosophy that building human capital is about creating “capabilities”: freedoms of opportunity and not just of theoretical rights.
- ¹⁵ World Bank 2001.
- ¹⁶ NEPAD 2010.
- ¹⁷ Migrants in developing countries are mainly young people ages 18–29 searching for jobs. In 2010 people ages 15–34 accounted for 43% of international migrants in least developed countries.
- ¹⁸ World Bank 2009.
- ¹⁹ Beyond.com Career Trend Analysis Report.
- ²⁰ Brookings Center for Universal Education, 2012
- ²¹ According to the 2009 OECD Programme for International Student Assessment report, Tunisia consistently ranked among the bottom 10 countries for reading, mathematics and science skills among 15-year-old students.
- ²² World Bank 2009.
- ²³ UN n.d.
- ²⁴ UIS 2010.
- ²⁵ [www.nepad.org/system/files/NEPAD%20Framework%2020\(English\).pdf](http://www.nepad.org/system/files/NEPAD%20Framework%2020(English).pdf).
- ²⁶ www.au.int/en/about/vision.
- ²⁷ The five core operational priorities are Infrastructure, Skills and Technology, Private Sector, Regional Integration. The three areas of special emphasis are Gender, Fragile States and Agriculture and Food security
- ²⁸ AU 2008.
- ²⁹ The Bank’s social protection paper is aligned with the proposed human capital strategy. It proposes a two-pronged approach: implementing safety nets to cushion the impact of shocks on household income, and breaking the intergenerational transmission of poverty by supporting measures that improve human capital and facilitate access to productive opportunities.
- ³⁰ Technical annexes focusing on specific areas of intervention accompany this strategy provide greater details on human capital interventions in various sectors of development (annex 6).
- ³¹ Through e-administration, e-services and e-participation as a potential tool to achieving governance goals.
- ³² Côte d’Ivoire emerging from conflict multi-sector project, which received a US Department of Treasury award for its impact on poverty reduction
- ³³ Nearly two-thirds (65%) of households in 23 countries in sub-Saharan Africa had at least one mobile phone in 2013. Countries such as Zimbabwe, growth has far outpaced the average, rising from 26% of households in 2008 to 80% in 2013, and 9% annually. Source: Bob Tortora; 2014; Africa Continues Going Mobile.; Gallup Analytics.
- ³⁴ Partners include EU, CIDA, GTZ, India and Japan.
- ³⁵ WHO 2011.
- ³⁶ WHO 2011.

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