

AFRICAN DEVELOPMENT BANK **HUMAN CAPITAL** **STRATEGY**

2014 – 2018

May 2014

ONE BILLION PEOPLE
ONE BILLION OPPORTUNITIES
Building Human Capital in Africa



AFRICAN DEVELOPMENT BANK GROUP
GROUPE DE LA BANQUE AFRICAINE
DE DEVELOPPEMENT



1964 2014

BANQUE AFRICAINE DE DEVELOPPEMENT
50 ANS AU SERVICE DE L'AFRIQUE
AFRICAN DEVELOPMENT BANK
50 YEARS SERVING AFRICA

Acknowledgments

The Human Capital Strategy 2014–2018 reflects the efforts of a diverse group of experts both inside and outside the African Development Bank. The report was prepared by the African Development Bank Group's Human Development Department (OSHD) with the support of the Strategy Department (STRG). It reflects inputs from staff across many departments, including Agriculture and Agro-Industries (OSAN), Development Research (EDRE), NEPAD and Regional Integration and Trade (ONRI), Private Sector Operations (OPSM), Operation Resources and Policy (ORPC), Water and Sanitation (OWAS), and Quality Assurance and Results (ORQR), as well as the Fragile States Unit (OSFU). The report benefited from inputs and comments from a wide array of consultations with government officials from regional member countries, development partners, the private sector, think tanks, regional economic communities, academia, youth, civil society, non-governmental organizations and the African diaspora. Consultations with several African Ministers of Finance and Health and Ministers of Education, Science and Technology greatly enriched this strategy.

The strategy was developed by a team chaired and guided by Agnes Soucat. Nawsheen Elaheebocus and Rosemond Offei-Awuku coordinated the Bank-wide task team and consultations team with the support of Ezzeddine Larbi and Adel Ben Youssef. The task team included Cecile Ambert, Aissatou Ba Bineta, May Babiker, Oussama Ben Abdelkarim, Raymond Besong, Felix Bongjoh, Borel Anicet Foko Tagne, Issahaku Budali, Ruth Charo, Mulle Chikoko, Nikhil Desai, Amadou Bassirou Diallo, Mouna Diawara, Maimouna Diop-Ly, Paul Dougna, Yohana Dukhan, Varatharajan Durairaj, Henrik Franklin, Michel Guedegbe, Mohammed Gueye, Cristina Hoyos, Caroline Jehu-Appiah, Dougou Keita, Nana Kgosidintsi, Benedict Kunene, Laurence Lannes, Xin Long, Mateus Magala, Wilberforce Mariki, Corinne Massardier, Alain Mingat, Maria José Moreno, Justin Murara, Joseph Muvawala, Maimuna Nalubega, Francis Ndem, Alex Mubiru, Anne Sophie Olsen, Judicail Etienne Porgo, Boukary Savadogo, Mona Sharan, Mame Soce Sene, Fabrice Sergent, Abebe Shimeles, Ravi Soopramanien, Philippe Trape, Alfred J. Watkins, Yemesrach Workie, Mohamed Youssouf, Feng Zhao and Issiaka Zoungrana.

The report was prepared under the oversight of Senior Management, in particular Vice President Aly Abou-Sabaa and a steering committee comprising Kapil Kapoor, Akissa Bahri, Abdirahman Beileh, Ebrima Faal, Sering Jallow, Steve Kayizzi-Mugerwa, Jacob Kolster, Janvier Litse, Simon Mizrahi, Ginette Muteta-Nzau, Gabriel Negatu, Serge M. N'Guessan, Yero Baldeh, Sunita Pitamber, Timothy Turner and Désiré Vencatachellum.

Special recognition goes to Julian Schweitzer (R4D) and the expert advisory group for their proficient and knowledgeable inputs to this strategy. The expert advisory group includes Honorable Mohamed Pate (Minister of State for Health in Nigeria), Frannie Leautier (African Capacity Building Foundation), Alcione Vasconcelos (Former Secretary of Education for State of Brazil and Programme Specialist at UIS) and Kampeta Sayinzoga (Permanent Secretary for Rwanda). Other members included Alfred J. Watkins, Jee-Peng Tan and Abdo Yazbeck (World Bank), Anda Adams (Brookings Institution), Eric de Roodenbeke (International Federal Hospital), Jeffrey Avina and Zaki Khoury (Microsoft), John Francis Biney and Joseph G.M. Massaquoi (UNESCO), Angela Baschieri and Jerry Ash (Department for International Development), Richard Scheffler (University of California, Berkeley), Tavengwa Nhongo (Africa Platform for Social Protection), Brehima Tounkara (West African Economic and Monetary Union), Denis Pain (ACTS consultancy), and Birger Fredericksen, Therrezinha Fernandes and Bakary Diallo (African Virtual University).

The report also acknowledges the support of Shirley Chinien (OSVP) and the production team, including Bruce Ross-Larson's editorial team (Communications Development Incorporated), Sondes Ben Chagra (ERCU), and Dieter Gijsbrechts (OSHD), who assisted with the website. Excellent administrative support was provided by Christine Magnusen and Souad Ben Yahya during consultations. Special thanks to the Burkina Faso, Morocco and Mozambique field offices and the South Africa Resource Center for helping plan and implement regional consultations. Thanks to the many country officials and other experts who participated in the consultation process.

Abbreviations

ADF	African Development Fund
AfDB	African Development Bank
AU	African Union
EDRE	Development Research Department
EU	European Union
GAP	Governance Strategic Framework and Action Plan
GDP	Gross Domestic Product
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
ILO	International Labour Organization
KPI	Key Performance Indicator
MDGs	Millennium Development Goals
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

Contents

Acknowledgments	ii
Abbreviations	iii
Executive Summary	1
1 Africa's Metamorphosis	5
2 A Billion People, 200 Million Youth: The Key to Unlocking Africa's Economic Potential	9
Cashing In on the Demographic Dividend	9
Productivity, Competitiveness and Building a Knowledge Economy	10
Youth and Female Unemployment and Underemployment, Job Creation and Retention of Skilled Workers	10
Quality of Services	11
More Investment, Greater Accountability and Better Value for Money in Service Delivery	12
Tackling Widening Disparities	12
3 Human Capital and the Bank's Strategy for 2013–2022	15
Focus: Skills and Technology	16
Enablers of Human Capital	17
4 Implementing the Human Capital Strategy 2014–2018	21
Bank Experience and Lessons Learned	21
Approach to Implementation	22
Financial Instruments	26
Knowledge Work	27
Strengthening and Engaging Productive Partnerships	27
Monitoring and Evaluation	27
5 Conclusion and Recommendation	29

Annexes

1	Human Capital Portfolio	31
2	Consultation Calendar, 2011–2013	32
3	Differentiated Approaches to RMCs	33
4	Action Plan, 2014–2018	34
5	Results-based Logical Framework	35
6	Human Capital Strategy: Potential and Example/Indicative Projects	38
7	Areas of Special Emphasis	40
8	List of HCS Technical Annexes	43
	Notes	44
	References	45

Boxes

1	Defining human capital	9
2	Developing skills in Africa—Education in selected countries	12
3	The New Education Model in Africa (NEMA)	17
4	Spotlight on gender: African women can double the demographic dividend	19
5	Guiding principles of the HCS	21
6	Rwanda’s Skills, Employability and Entrepreneurship Programme (SEEP)	23
7	Unemployment and workforce productivity: Spotlight on the Bank’s ongoing efforts	24
8	Souk At-Tanmia: An innovative solution to create jobs for youth in Tunisia	26

Figures

1	A strikingly large youth bulge in Africa	5
2	Africa will have the world’s largest workforce by 2040	6
3	World income equality Gini map	7
4	Africa’s drop in child mortality is the highest ever recorded, due not only to economic growth but also to inclusive health programs	8
5	Young Africans are more likely to be unemployed	11
A1.1	Human development portfolio	31

Table

1	Risks and mitigation measures	28
----------	-------------------------------	----

Executive Summary

The vision of the Bank's Human Capital Strategy 2014–2018 is to harness the potential of 1 billion Africans by building skills and promoting technologies to provide better jobs, ensure equal opportunities and increase workforce competitiveness. Several opportunities hold the promise of accelerating Africa's growth and economic prosperity. Africa's widely recognized economic momentum along with mounting global interest on the part of new powers from the South reflect Africa's fast-evolving landscape and suggest optimism for its future. Mineral wealth has been discovered. Capital flows are increasing. A middle-class consumer base is growing, supporting strong retail markets. Societies are increasingly open and democratic. New technologies open a leapfrogging potential to rethink development models and solutions suitable to Africa's context, and most promising, a demographic dividend endowment.

Africa's new landscape compels significant repercussions for building human capital amid downside risks of persistent poverty and increasing inequalities. Africa lives a paradox of rapid economic growth alongside poverty and inequalities that have striking effects on youth and women. The labor market disarray, marked by rising skills mismatch, low productivity in the informal sector, and unemployment and underemployment among a youth population set to reach more than 1 billion by 2050, reflects a generation at risk. Africa has the world's lowest school enrollment and educational achievement levels, leaving more than 90 million teenagers and young adults struggling for employment in low-paid, informal sector jobs. Unemployment and underemployment among youth and women endanger social cohesion and inclusive development. These problems,

coupled with limited access to quality education, health, nutrition, technology and innovation, are barriers to sustaining Africa's growth and entry into higher-value-added areas of production and increased competitiveness. Failure to tackle such formidable problems 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 for 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 build more efficient and innovation-driven economies is essential to increasing and sustaining growth. This transformation will require high-impact investments in education, science and technology. A vibrant private sector is key to creating jobs, producing and marketing sophisticated goods and services, and becoming part of 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 social safety nets to build resilience to economic and social shocks and move poor individuals and communities out of poverty.

This Human Capital Strategy (HCS), the first for the Bank, is the operational framework for the 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 Bank's upcoming 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 the Bank's Strategy for 2013–2022, emphasizing skills and technology as crucial for a productive workforce and competitive economies within an inclusive and green growth agenda. Guided by selectivity, alignment, harmonization, partnerships, global networks and a focus on 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 based on lessons learned from the 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 for science, technology and innovation in Africa while addressing exclusion and socioeconomic and gender inequalities. The vibrant role of the private sector in education delivery, job creation, access to critical goods and development of 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 taking into account lessons from the Arab Spring, voice, accountability and social safety nets are on the Bank's agenda as essential for breaking intergenerational poverty and empowering Africa's poor, particularly women.

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 skill and technology development in all Regional Member Countries (RMCs) through knowledge work, policy dialogue and lending operations. Interventions will address the daunting challenge of unemployment and

underemployment of youth and women by tackling the labor market skills mismatch and low productivity in the informal sector, where many youth and women are employed. The HCS also promotes social entrepreneurship and economic policies 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 information and communication technology to develop e-education and adaptive learning to equip African youth with the flexible skills needed for tomorrow's job market.

The Bank will step up its support for 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 step up its support to foster transformation in technical and vocational education and training 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 will selectively support two enablers of human capital building. The *efficient and inclusive service delivery enabler* will leverage existing and new Bank strategies to enhance equitable access to and the quality of social basic services. The Bank will support the leapfrogging of social infrastructure, largely by promoting public-private partnerships and innovations to improve the access to technology. The *inclusive financial and social systems enabler* will strengthen linkages of social safety nets with jobs and entrepreneurship. The Bank will engage with a limited number of countries in building financial and social systems 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, the Holistic Social Business Movement in Africa, 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 will 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 encourage practical strategies to enhance human capital in Africa. The Bank will boost ongoing partnerships, including the Bank's collaboration with

the United Nations University and the Pan African 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 leverage partnerships with other development partners in the spirit of the Paris Declaration on Harmonization, Alignment and Coordination and the Deauville Partnership.

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 standalone 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 the staff skill mix.

Africa's Metamorphosis

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

Figure 1 **A strikingly large youth bulge in Africa**



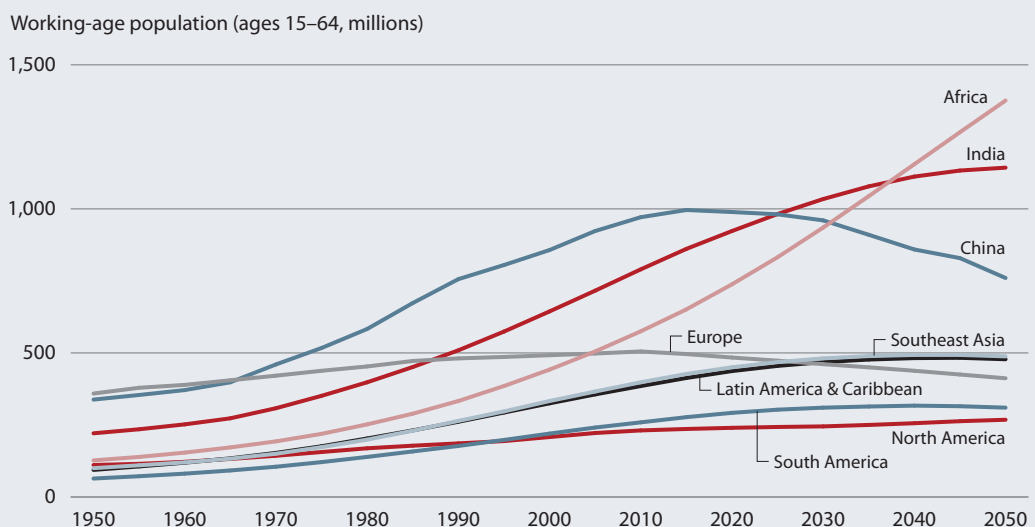
of the technological curve, allowing it access to new information and communication technology (ICT). By 2025 mobile phone coverage will be nearly universal, implying scope for increasing the financial services reaching the poor, even in fragile states. Politically, Africa's democracies are gaining ground, and governance standards are improving thanks to greater demand for voice and accountability, which has fostered democratic reforms and reduced conflict and civil war.

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.

Young Africans 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 needs to increase its cohort of high school and technical and vocational education and training (TVET) graduates significantly. Data for 2010 show that roughly 5.3 million African youth graduate from high school (only 23% of the children enrolled in primary education). 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.

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 globally between 2011 and 2015,⁴ 7 are expected to be in Africa. The continent's growth reached 4.8% in 2013 from 4.2% in 2012—and is expected to accelerate to 5.1% in 2014.

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



Source: United Nations Department of Economic and Social Welfare.

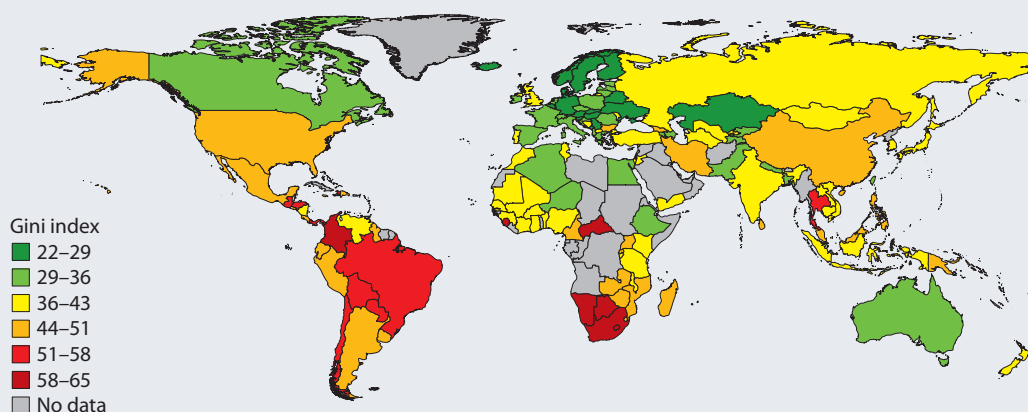
Africa's poverty rate remains high, and the elasticity of poverty to growth has been much lower than in other regions. Poverty declined 0.5% a year in Africa (excluding North Africa) between 1990 and 2008, compared with 2.3% in East Asia and 1.0% in South Asia. The burden of poverty is borne disproportionately 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 has spearheaded its industrial transformation, confirming the potential benefits of a demographic dividend.

Africa is the world's second-most inequitable region (figure 3). With Gini coefficients close to 0.45, high inequality in Sub-Saharan Africa casts significant doubts on the region's growth responsiveness to poverty reduction, since high inequality dampens the poverty-reducing effects of economic growth.⁶ Between 2008 and 2011 inequality for resource-rich countries was 42% compared with 44% in resource-poor countries in Africa.⁷ 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.

The ecological footprint across Africa has increased dramatically, and the continent is rapidly approaching its biocapacity, 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.⁸ It is key to food security and water and energy supply, and to 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.⁹ 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.¹⁰

Africa's progress toward the human development Millennium Development Goals (MDGs) is encouraging, but there are great disparities between and within countries.¹¹ 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

Figure 3 World income equality Gini map



Source: <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2172rank.html>.

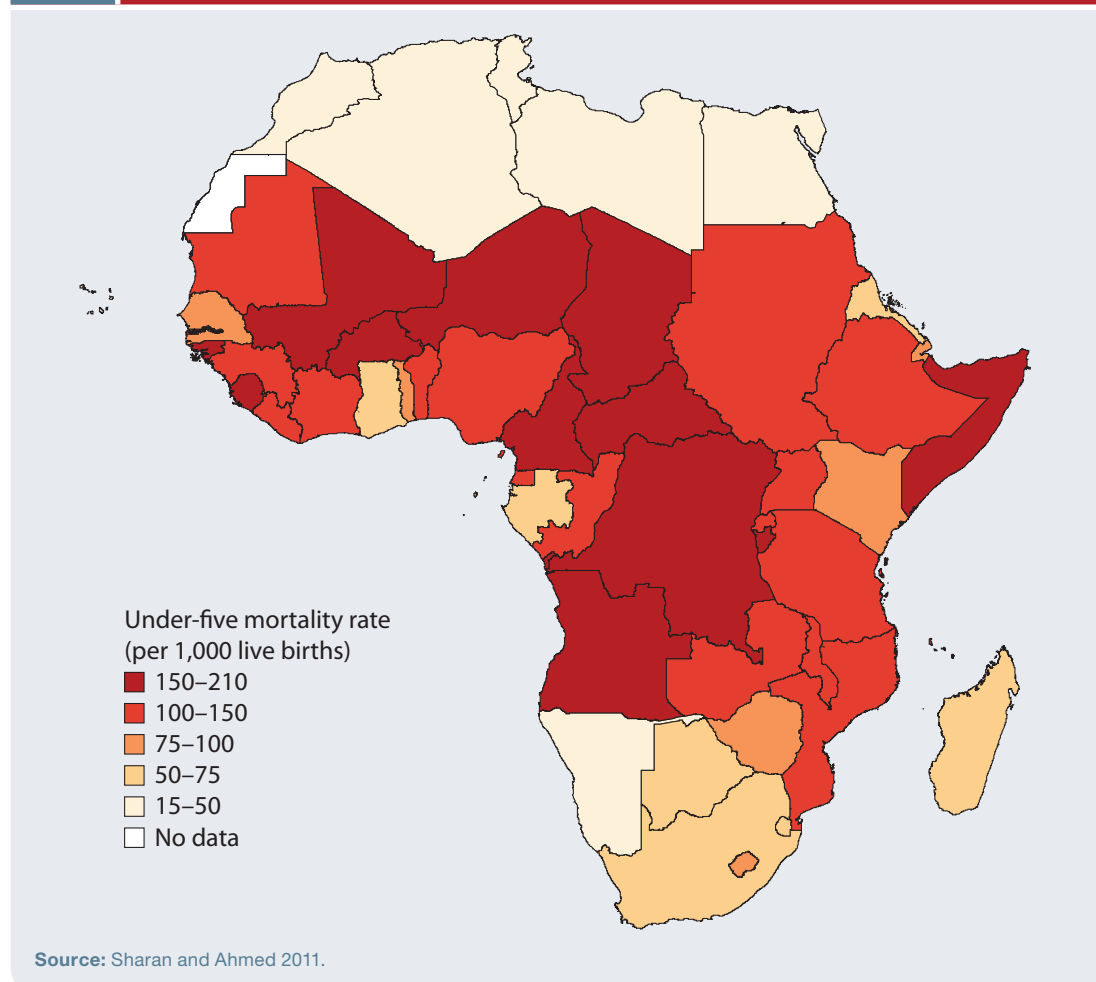
2000–2010 (figure 4),¹² HIV/AIDS incidence and mortality rates are falling in many Sub-Saharan countries. Economic growth has been a major driver of this decline in several countries (such as Ethiopia, Kenya, Mali, Nigeria and Tanzania), yet Senegal, despite rather low growth, has been one of the best performers. Liberia has enjoyed steady growth but has seen a 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 notes daunting disparities in progress on all indicators, with improvements

skewed toward higher income groups and urban populations.¹³ Inequalities in access to public services—such as education, health care, 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.

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 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 resources, it will have to invest in infrastructure and human capital with a gender-equality perspective and focus on improved governance and the private sector as enablers of 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



A Billion People, 200 Million Youth: The Key to Unlocking Africa's Economic Potential



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.¹⁴ The human capital agenda focuses on developing skills to boost productivity and competitiveness, tapping technological innovations and creating jobs; enhancing citizens' voices 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).¹⁵ 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

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 on 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.

Most young Africans are underemployed in low-productivity household enterprises. According to the International Labour Organization (ILO), 60% of the unemployed in Sub-Saharan Africa are 15–24 years old—and on average 72% of youth live on less than \$2 a day, and 46% on less than \$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 and socioeconomic and gender inequalities, has contributed to high poverty levels among Africa's youth and women. Women suffer disproportionately from unemployment or limited access to jobs, which keeps them under the poverty line. A lack of technical and employable skills, information on jobs and access to capital limit young people's abilities to fully use their skills and contribute to the dynamism of the private sector. Increasing support for entrepreneurship and creating an enabling environment for quality jobs for Africa's youth is thus crucial for promoting overall economic growth, productivity, innovation and employment.

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

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 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.

will grow almost twice as fast as the general population, increasing by more than half a billion from that in 1990.¹⁶ The rapid expansion in urban populations is occurring without increases in basic services and productive employment opportunities, so action is 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

Africa has been slow to develop its science and technology sectors and commercialize its innovations. At around 0.42% of GDP, the continent is far from international targets for research and development spending. 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.¹⁷ 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.

A shortage of skills has been a major constraint on Africa's progress in science, technology and innovation (STI). 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). Nor was any African country among the top 20 in patent applications in 2011 (ranging from Japan with 238,323 to New Zealand with 4,710). The weak development of STI has delayed the emergence of African countries as knowledge economies.

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, since its share in world trade remains low and is concentrated in natural resources. The poor education of workers is a major impediment to trade, production and competitiveness. In higher education, student enrollments in STEM 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. So, many university graduates remain unemployed, while African countries continue to face shortages of skilled labor.

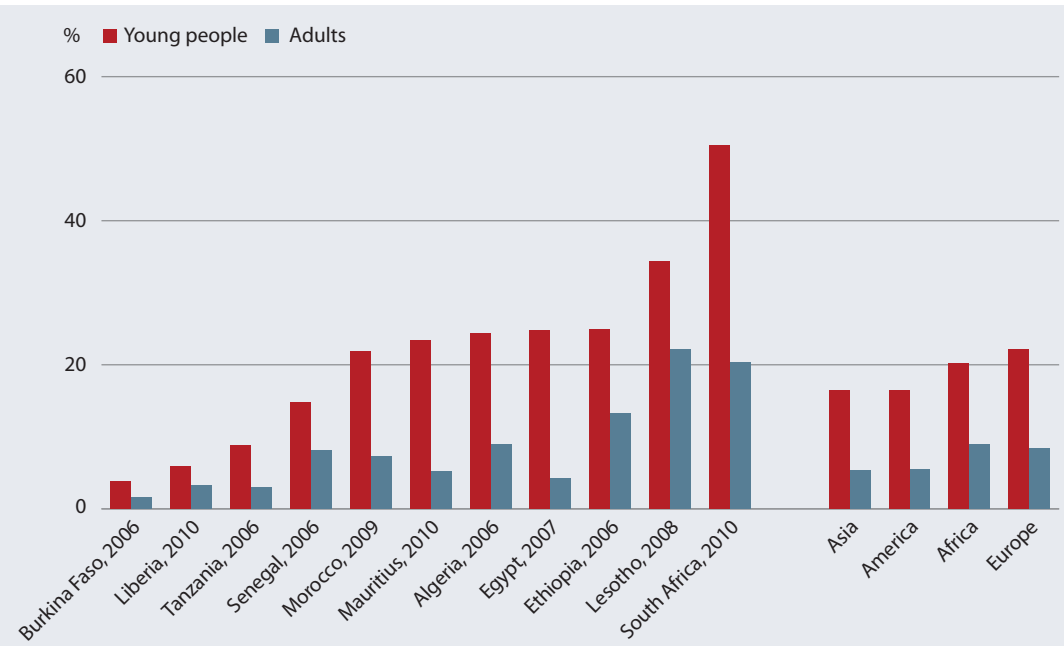
Youth and Female Unemployment and Underemployment, Job Creation and Retention of Skilled Workers

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 of doing business and skill shortages as the most pressing labor market constraint. The private sector is not able to quickly acquire and retain skilled workers. 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 of youth¹⁸) 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.

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 (figure 5), and the multipliers are far worse for young women. The potentially dynamic and buoyant informal sector has been unable to absorb the large number of job seekers.

There is a large disconnect between graduate skills learned in education institutions

Figure 5 **Young Africans are more likely to be unemployed**



Source: Authors' calculations using ILO (2011) data.

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 unemployment rates for educated youth.¹⁹ While TVET programs could reduce the skills mismatch, Africa lacks an abundance of well-equipped TVET centers that can 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.²⁰ Accordingly, new skill profiles will be needed—such as green consultants, ecofriendly freelance writers, and software and smartphone developers, which were practically nonexistent 10 years ago—while future profiles remain unknown.

Quality of Services

While service access has increased in most African countries, service 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. Studies show that most pupils are not meeting educational achievement levels in literacy and numeracy in Africa. Nigeria, Zambia and Ethiopia recorded staggering figures of up to 50% in 2012.²¹ North Africa has the same problem.²² Over 2001–2007 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.

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 enrollments, 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

Box 2

Developing skills in Africa—Education in selected countries

Niger and Morocco. Only 7% of head teachers know what budget was approved for their school (Transparency International 2010).

Tanzania. A survey in Tanzania showed that among grade 7 students, 20% could not read a sentence in Kiswahili, 30% could not perform a two-digit multiplication problem and 50% 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% of the time (World Bank 2012).

Nigeria. One recent survey in northwestern Nigeria found that 80% 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. More than 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 (Africa Learning Barometer, September 2012).

Liberia. All 25,000 applicants who took 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 (BBC News 2013).

average gross tertiary enrollment for Africa was about 9% in 2011.²³

More Investment, Greater Accountability and Better Value for Money in Service Delivery

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 supplies; inappropriate procurement and management of equipment and supplies; an inappropriate staff mix; a lack of performance incentives; and weak participatory and accountability mechanisms. Too often public funds do not reach the front line. In Chad 95% of funds allocated never reached health centers; in Cameroon 60% of funds allocated never reached schools. The wealthiest typically capture the benefits of publicly subsidized health services. In Guinea 48% of public spending on health goes to the richest quintile, and less than 8% to the poorest. In Morocco the poorest quintile received only 15% of the education budget.

Tackling Widening Disparities

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 care) hinders poverty reduction. The gaps between the rich and the poor, urban and rural, in education and health care remain striking in most African countries. The incidence of poverty among young people in Burundi, Ethiopia, Nigeria, Uganda and Zambia is more than 80%,²⁴ with the highest rates among young women and rural youth.²⁵ 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.

Gender disparities also remain severe, especially for poor women. Women in the poorest quintile of African families are three times less likely to receive the professional assistance of a skilled attendant at birth as mothers in the richest quintile. The

poorest—especially girls—are less likely to be educated, even less so in countries recovering from conflict. Only 20% of parliamentarians in Africa are women. Almost 75% of school-age girls are expected never to enroll, compared with 66% of boys. 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.

Africa can learn from Latin America about policy measures that can narrow the poverty gap. In 2010 Mexico and Brazil spent 2.2% and 4.2% of their GDPs, respectively, 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.

Human Capital and the Bank's Strategy for 2013–2022



The vision of the Bank's Human Capital Strategy for 2014–2018 is to harness the potential of 1 billion Africans by building skills and investing in technologies for equal opportunities and a competitive workforce. This vision is in line with that of the New Partnership for Africa's Development (NEPAD)²⁶ and the African Union (AU).²⁷ Realizing this vision requires measures to significantly boost youth employment, increase gender equality, promote competitiveness, scale up private sector engagement and capitalize on new and productive technologies.

This Human Capital Strategy (HCS), the first for the Bank, is the operational framework for the Bank's Strategy for 2013–2022. 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. The HCS emphasizes the human capital dimension in all five core operational priorities and three areas of special emphasis of the Bank's Strategy for 2013–2022.²⁸ Following broad multistakeholder consultations both within and outside the Bank (annex 2), the HCS identifies critical areas of the Bank's 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 challenges.

The HCS focuses on skills and technology to create jobs and increase competitiveness. To further contribute to the inclusive growth agenda, the HCS selectively supports two enablers of human capital: efficient and inclusive service delivery, and inclusive financial

and social systems. The Bank's Strategy for 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.

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.

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.²⁹ The social protection portfolio, essentially safety nets, now makes up about 26% of the Bank's human development portfolio.³⁰

Building human capital is also necessary to transition to green growth in Africa. Strengthening the 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 ongoing activity, through disaster-reduction-related legislation, land-use regulation, building codes and links to environmental protection.

Focus: Skills and Technology

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

Investing in skills and technology in all sectors of the economy is key to fostering

improvements in productivity and supporting the creation of jobs. The Bank will increasingly tackle specific sector issues related to workforce competitiveness by addressing the skills mismatch and promoting private sector initiatives to develop value chains and encourage labor-intensive manufacturing, especially in areas such as agribusiness and agro-processing. The Bank is helping bridge the skill gaps in countries by improving quality and access to TVET. By addressing sectoral skill gaps in the economy, private and public, formal and informal (infrastructure, energy, water and sanitation, agriculture and ICT), Bank investments can help increase the employability of youth, women and graduates by private enterprises and thus stimulate growth. Such investments would also help address the dramatic shortages in some areas 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 skills training and labor market responses.

The Bank particularly invests in STI programs. The Bank promotes investments to improve the STEM teaching and learning at secondary and tertiary levels and to increase advanced qualifications in these fields. An area of concentration is biotechnology, because of its potential to improve 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 programs for women to study science and engineering.

The Bank, through country adapted approaches, promotes a New Education Model in Africa (NEMA)—creating a new framework for education focusing on innovation and entrepreneurship (box 3). African countries need to rethink the foundation of

Box 3

The New Education Model in Africa (NEMA)

NEMA proposes to drive skill development through six key components:

- *Links with the labor market.* Link the education systems 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.
- *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 creating a culture of entrepreneurship and job-rich growth.
- *Participation.* Engage key stakeholders in developing strong education models (parents, faculties, universities, science academies, non-governmental 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.

their education systems, taking into account the new opportunities arising from technology and such challenges as rapid urbanization and existing inequality gaps (gender and socioeconomic). Training programs will tap into ICTs and new opportunities in the private sector to develop e-education and adaptive learning, thus improving the quality of services.

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

Enablers of Human Capital

In a limited number of RMCs, the two enablers will promote skills, technologies and other factors that enhance the effectiveness and availability of services and opportunities for furthering social and economic inclusion

and reducing socioeconomic and gender inequalities. The enablers support service delivery performance to improve quality and access to technology, while financial and social inclusion promotes the linkage of social protection systems with entrepreneurship and jobs.

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

The Bank is well placed to support the efforts of RMCs to increase equitable and efficient service delivery. This includes political and administrative decentralization of social services, particularly education and health care, to strengthen the capacity of local communities and governments to deliver services and results. The Bank will also support mechanisms to foster information flows, promote feedback between service providers and users, increase the quantity and quality

of delivered services and improve 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 the public sector by improving the ability of public institutions to deliver more efficient and equitable services.

The Bank supports partnerships with the private sector in delivering better and more equitable social services. In line with the Private Sector Development Strategy 2013–2017, it supports the development of an enabling environment for private investment in education, science and technology, and productive safety nets. It 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 private sector and public sector groups in the Bank.

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.

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 medicine prices. The Bank focuses on financial inclusion, pooling and risk protection.

To foster community livelihoods, the Bank invests in private sector development, including support to microenterprises and social businesses. It will accelerate support

for community livelihoods, protect productive assets, develop local economies and increase 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 develop innovative methods to extend finance for health care 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.

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 the 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 include the portability of social security, establishing equal rights for national and foreign workers, recognition of foreign qualifications and occupational classifications, and predeparture orientation and student mobility through scholarships and internships. Knowledge and policy work on labor markets, including the growing informal sector, will help 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

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 benefiting 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.
- *The voice of women in policymaking and service delivery* to increase demand for and improve public services.

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.

The Bank also supports strengthening the inclusiveness of infrastructure projects to enhance 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 health, education, gender and youth employment outcomes through infrastructure investments. They include ensuring the pro-poor orientation of specific infrastructure projects, through labor-intensive projects and construction of rural roads; supporting specific project or policy components to improve health, education and employment outcomes (such as a hygiene component in a water supply and sanitation project and household clean energy projects); and enabling specific human development investments (meeting the intensified demand for education, health care and social 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.

Implementing the Human Capital Strategy 2014–2018



The Bank's interventions will be informed by lessons learned and the country context with careful understanding of the nature of poverty, vulnerability and political economy. Implementing and mainstreaming the HCS in Bank operations will be guided by four principles (box 5).

Bank Experience and Lessons Learned

The Bank's long history of support to social infrastructure in the 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 Medium-Term Strategy 2008–2012, there was a shift in focus to higher education, science and technology (HEST). This new 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.

The 2011 AfDB's Governors dialogue on "The Bank and the Inclusive Growth Agenda"

reiterated effective social protection systems as necessary to reduce inequalities and promote inclusive growth in Africa. This strategy has featured strongly in the Bank's agenda in recent years, as evidenced by 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).

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 STI to link higher education and technical and vocational education to productive sectors, and to ensure cross-sector collaboration internally and with other partners when

Box 5

Guiding principles of the 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 the critical needs of RMCs in the promotion of inclusive and green growth while reducing socioeconomic and gender inequalities. The Bank will fill key gaps in the aid architecture while retaining the 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 partnership, 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.

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.

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 shows that strategic investments in STI are pivotal in building human capital to make the economic value chain efficient and innovation-driven and to move economies away from dependence on unprocessed natural resources. Other lessons from the Bank's support to service delivery in RMCs indicate the need to enhance reforms and strengthen capacities for efficient and better quality service delivery.

Learning from Bank interventions also indicates 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.

The strategy will be implemented through a collaborative inter-complex, intra-complex and decentralized approach. The Human Development Department (OSHD) will continue to provide the expertise for designing the Bank's operations, which will require human capital investments.³¹ Operations will be prepared by OSHD 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. OSHD 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.

The strategy will also require resource reallocations and some shifts in the skill mix to maximize efficiency gains. Streamlining the existing human development portfolio, including closing old projects, will yield 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 from strengthening cross-departmental and cross-complex cooperation for project development and implementation. The skill mix evolved over 2008–2012, almost tripling the number of economists, substantially increasing the number of 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 STI, labor markets, migration, microfinance and social insurance. Reinforcing OSHD's work organization and staff skill mix is still necessary to provide internal capacity adequate 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

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 partnerships, as in East Africa, as well as in Senegal and

Box 6

Rwanda's Skills, Employability and Entrepreneurship Programme (SEEP)

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 skills and employability and on entrepreneurship development to help accelerate growth and reduce poverty. Specifically, the SEEP supports and reinforces the implementation of policy reforms addressing critical skills 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 labor market, innovative funding and information mechanisms to support entrepreneurship, and improved coordination of entrepreneurship development programs.

Zambia. It will bring transformational change in the quality of TVET, as in Ghana and Tanzania. Particular interest will be directed at public-private partnerships as a model for TVET delivery. Interventions will also strengthen tertiary education and research with a special focus on gender and facilitate more apprenticeship opportunities at the tertiary level, especially in the private sector.

The Bank will develop operations addressing skills mismatches and gaps demanded by critical sectors of the economy. The Bank's operations will continue to support an enabling environment for private sector development to use advanced technology for value addition and increased 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 focus on unemployment as

a core objective on countries' development agendas.

The Bank will continue to provide appropriate support in response to RMCs' needs in education to help build a competitive workforce. To this end, interventions will help improve student learning outcomes through country-tailored operations, reducing the risk of grade 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 contexts of fragility.

The Bank will increase its support for skills for infrastructure, mostly by building skill components within infrastructure projects. Based on the Bank's experience in information technology 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 increase such support in other sectors, such as agriculture, water, energy and so on. 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.

The Bank will step up its support to STI. It will continue to support the development and implementation of projects focusing on enhanced skills in STEM; research innovation and connection to global knowledge systems and outreach to communities and the private sector; innovative teaching methods based on ICT (e-learning, virtual universities, regional research and exchange platforms); and curriculum reforms and professional community. The Bank will partner with academies of sciences to support programs for female scientists, giving graduate and postgraduate fellowships to female scientists who can serve

as mentors to future female leaders of Africa (annex 7).

The Bank will flexibly implement the NEMA approach, adapted to each country context. The NEMA approach will adjust to the diversity of RMCs and their 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 7). The Bank will promote NEMA while continuing to support national policies that aim to provide universal access to affordable ICT devices and content.

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 promote the exchange of best practices and development of skills in short supply such as in science,

biotechnology and other areas. It will support creating dynamic innovation networks with global linkages and developing mentorship programs, using the African 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.

The Bank will support skill development programs to broaden the capabilities and economic opportunities of women and girls to enhance their productivity and participation (annex 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 students 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 help countries promote skill development and the use of technology for female 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 examples of interventions in skills and technology in different development contexts across Africa.

As part of the implementation of the HCS, and to contribute to the objectives of inclusive growth of the Bank's Strategy for 2013–2022, the Bank will leverage relevant areas from existing strategies as well as those under development. For instance, the 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 for social service delivery and access. 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

Box 7

Unemployment and workforce productivity: Spotlight on the Bank's ongoing efforts

New initiatives that focus on youth and female employability, such as the Bank's skills and employability and safety net programs 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 unemployment. In responding to evolving labor market needs, the Bank will, over the medium to long term, continue to increase its support for education and TVET quality and transformation and policies focusing on job creation with special focus on critical economic sectors.

Panel report on fragile states and the upcoming Financial Sector Strategy. The Bank will engage in policy dialogue with selected countries to improve the efficiency and inclusiveness of service delivery, building on ongoing operations. It will assist RMCs with more equitable and accountable service delivery to ensure greater efficiency and inclusion. The Bank will focus on three key areas emphasized as part of the inclusive growth agenda: value for money, the voice of women and youth, and private sector participation in service delivery.

The Bank will strengthen its focus on accountability in human capital development by implementing the Value for Money (VfM) Program. This program, launched in 2013, aims to build the capacity of Regional Economic Communities and RMCs. 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 public programs and budgets are based on evidence and resources and produce high returns in human capital outcomes—and 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 nonlending operations in response to demand in 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 middle-income countries.

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 initiatives on e-governance in service delivery and develop programs that foster the voice of youth and women in policymaking and service delivery.³² These initiatives include women’s participation in decisionmaking 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, as in Côte d’Ivoire.³³

The Bank will also support advanced social infrastructure development, focusing on “last-mile” connectivity, largely through the private sector. ICT has the potential to deliver more services at a lower cost and to deliver them to people who have had little or no access. With a median growth of 27% (2013) in mobile use per household since 2008 and median annual growth of 5% in 23 countries in Sub-Saharan Africa, mobile technology holds prospects for aiding businesses and enhancing the well-being of the poor.³⁴ Mobile technology, such as Kenya’s M-Pesa, has enabled poor people to transcend barriers that would have once excluded them from formal 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 education) and medical care programs, water supply infrastructure, farmer assistance programs and mobile banking. The Bank will foster partnerships in this area, including with the private sector. Rwanda’s effort in e-health through computerized national health care and community information systems is an example of how ICT can improve service delivery. Knowledge work in this area will be undertaken by the Bank on successful experiments in relevant emerging economies outside Africa (annex 3).

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 Egypt and Tunisia, but also Morocco and South Africa—the Bank will engage with RMCs on demand in building safety net and financial inclusion programs to reduce vulnerability and increase the integration of disadvantaged and marginalized groups.

The Bank through targeted operations for innovation and catalytic effects will support the strengthening of safety net programs in limited RMCs, particularly focusing on youth and women, and linking safety nets with jobs and entrepreneurship. It will help countries revisit policies of social transfers and subsidies to strengthen national social safety net strategies and capacities for delivery. It will also help limited countries with knowledge, financial lending, and social systems. This will include reinforcing institutional frameworks and operating environments geared toward promoting synergy between the various financing sources (public, corporate and households) and financial instruments (social insurance, safety nets and microfinance). This program 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.

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. Tunisia's 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 initiating a pilot action plan in Togo, Tunisia and Uganda that supports coaching for business incubation, startup and growth, networking with business resources, legal and accounting services. These initiatives offer potential short-to medium-term solutions to youth unemployment. They are envisioned to have greater scale and impact providing economic opportunities for the poor. To generate employment in fragile states, the Bank has created a Global Facility for Employment to maximize synergies and the impacts of interventions, share knowledge and build labor market institutions. The Bank will expand these initiatives to other RMCs to promote youth employment and social inclusion (annex 3).

Financial Instruments

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 will 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 in the design of investment operations, with more emphasis on linking finance to results and outcomes rather than on inputs and processes, is needed.

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.

Box 8

Souk At-Tanmia: An innovative solution to create jobs for youth 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.

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 to promote public and private investment in human development.

Knowledge Work

Increasingly, Bank operations focusing on human capital will be underpinned by sound economic and sector work and will systematically integrate impact evaluations. To support implementation of the HCS (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 the research, evaluation and institutional capacity in RMCs, the Bank will mobilize grants and trust funds from development partners.

The selection of knowledge will be guided by a set of principles. These include consulting regularly with RMCs, development partners and relevant African institutions on their goals and priorities; building knowledge on political, social and economic factors affecting innovation and reform; supporting impact evaluations of key human development sector investments; collaborating with African institutions to generate and disseminate knowledge; fostering South-South dialogue and innovation in human development; building feedback loops into new project design; having a communication component in all human development operations; and exchanging lessons from fragile states regularly.

Strengthening and Engaging Productive Partnerships

The Bank will strengthen and scale up partnerships to build 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 Education for Sustainable Development in Africa program, aimed at building skills for sustainable development in Africa, and the Pan African University program,³⁵ which consolidates the AU and NEPAD's Action Plan for science and technology in higher education. In collaboration with the AU, ILO and United Nations Economic Commission for Africa under the Youth Employment Initiative for Africa, economic and sector work is being developed, including mapping and diagnosing labor market issues, for example, 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 VfM agenda. The Bank will continue to engage with other development partners such as the Islamic Development Bank, Organisation for Economic Co-operation and Development, and World Bank in joint economic sector work 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 the Paris Declaration on Harmonization, Alignment and Coordination and the Deauville Partnership.

Monitoring and Evaluation

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—outcomes, specific activities with attendant responsibilities, and critical milestones over the five-year period. It will cover institutional, regional and national and project KPIs. It will also identify foreseeable risks and propose mitigation measures (table 1).³⁶ 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. External KPIs are integrated with those of other development partners and countries to avoid duplicating and overloading country measurement systems.

Impact evaluation will be conducted for human capital interventions. The impact evaluation efforts in the Bank are coordinated by the Impact Evaluation Reference Group, which draws members from EDRE, OPEV, OSHD and OWAS. The Group was initiated by OSHD and is coordinated by EDRE. One of the main benefits of impact evaluation of projects is increased accountability in project design and implementation. This is aligned with the Bank’s Strategy for

2013–2022, which seeks to promote development results and the effectiveness of the 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 care). These efforts will be scaled up for future operations.

Table 1 Risks and mitigation measures

Risk	Level of occurrence	Mitigation
Capacity risk: Strengthening and reskilling the staff skill mix is necessary to facilitate adequate internal capacity to respond to emerging demands of countries within the strategic focus of the HCS.	Low	OSHD’s skill mix has evolved since 2008. The department has redeployed and reconverted current staff positions to hire economists, technical experts and specialists in such fields as STI, education, labor markets, migration, microfinance, social insurance and gender. Going forward, the Bank will need to increase internal capacities for human capital mainstreaming in operations to help build an innovative pipeline of intersectoral projects.
Financial risk: Successfully operationalizing the HCS will require additional and 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, strengthening strategic partnerships to leverage resources from other development partners, governments, the private sector, philanthropists and others. 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 the intra-complex and inter-complex level. OSHD has focal points working closely with key sectoral teams in headquarters, regional resource centers and field offices with appointment of regional human development coordinators. Annex 2 defines the lead roles of each department to ensure healthy collaboration and limit competition in developing cross-sectoral operations.
Government commitment: While human capital building is a prerequisite for inclusive growth, RMCs may not put priority in investing in human capital.	Medium	Strengthen high-level policy dialogue; increase knowledge through economic and sector work to inform evidence-based dialogue; develop innovative and catalytic operations that demonstrate quick wins in line with the countries’ priorities.

Conclusion and Recommendation



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 a focus on human capital is being mainstreamed across all sectors. The preparation of the HCS engaged

wide-ranging consultations with various external stakeholders. The document was posted on the Bank's external website in conformity with the Bank Group's Policy on Disclosure and Access to Information. Participants generally endorsed the orientation of the strategy and their feedback further enriched its focus.

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 support the Bank's commitment to HEST. The groundbreaking Rwanda Regional ICT Center for Excellence, a tripartite partnership among 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 human development portfolio has 17 projects focused on improving the quality and accessibility of health service delivery, with new operations under development aimed at promoting value for money, sustainability and accountability in the health sector. 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 safety nets against economic shocks. OSHD

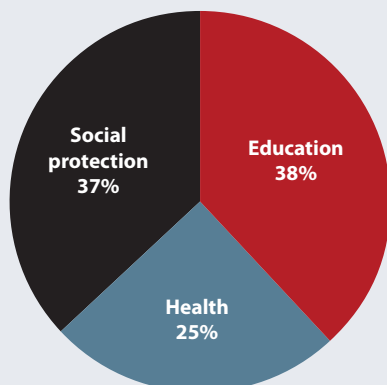
has also taken over the management of a number of trust funds, including the Micro-finance Capacity Building Fund, Migration & Development Trust Fund and Market Development Trust Fund.

The performance of the human capital portfolio has improved by leaps and bounds since 2008, as evidenced by an increase of more than 50% in performing projects and a reduction in projects at risk. As of September 2013 the department had one problematic project, compared with 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 creation of an internal operations committee to identify, monitor and improve the performance of the portfolio. Further improvements in the quality of the human development portfolio are expected with the advent of the HCS. The strategy is already an effective guide for identifying and preparing innovative human capital development projects underpinned by sound economic analysis.

Special emphasis will be placed on the quality at entry, aging projects and the improvement of disbursement rate. As of September 30, 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.

Figure A1.1 **Human development portfolio**

Share of projects



Source: SAP, September 2013.

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/hcnds	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 partners	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 capitalists, 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
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

Differentiated Approaches to RMCs

Jobs

Fragility context	ADF	AfDB
<i>Skills and technology for competitiveness and jobs</i>		
Rehabilitating and reconstructing education systems	Developing schooling and training models that address the needs out-of-school youth 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 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 postconflict countries	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 programs and access to livelihood opportunities	Policy dialogue on creating the 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
<i>Efficient and inclusive service delivery and inclusive financial and social system</i>		
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
Socioeconomic reintegration of youth at risk	Expanding coverage of social safety nets	Enhancing the private sector role in service provision
Recovery program to build resilience of vulnerable groups	Institutional capacity to design, implement and evaluate social safety net programs	Improving targeting and coverage of beneficiaries of social safety net programs
In the context of fragility in ADF and AfDB 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	

Action Plan, 2014–2018



Purpose	Action	Sequencing (start date)		Responsible (lead and support)	Results	Indicators
		From	To			
Support African countries in capturing demographic and technological dividends and build a path toward inclusive and green growth	<i>All RMCs</i>					
	Skills for infrastructure	2014	2018	OSHD, OIVP and ORVP	Enhanced skills for managing existing infrastructure	At least two demonstration operations developed in RMCs
	Entrepreneurship skills for youth and out-of-school 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 and ORVP	NEMA-oriented policies and strategies adopted	At least 10 RMCs supported in NEMA implementation
	Develop green skills	2014	2018	ONEC, OSHD and ORVP	Green skills developed	At least two operations developed
	Policy dialogue (develop value chains in labor-intensive sectors)	2014	2018	OSHD, OSAN and ORVP	Value addition schemes developed	At least 6 countries supported
	Increase access to massive open online courses (MOOCs) for African students	2014	2018	OSHD, OPSM and ORVP	New virtual knowledge centers developed	5 centers supported
	Building regional knowledge networks and centers of excellence	2014	2018	OSHD, ONRI and ORVP	Skills more harmonized and portable	At least 5 centers of excellence supported Establishment of qualification frameworks in at least 2 countries
	Increase skills in science, technology, engineering and mathematics	2014	2018	OSHD and ORVP	Capacity in STEM, research and innovation improved	At least 5 RMCs supported
	<i>Selected countries</i>					
	Test citizen voice and accountability mechanisms (focus on women and youth)	2014	2018	OSHD, OSGE, Gender Envoy and 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, OPSM and 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, plus 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 and 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, OIVP and 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 social safety nets	2014	2018	OSHD, OSAN, OSGE and ORVP	Safety net coverage expanded	Percentage of population covered
	Support institutional capacity to design, implement, and evaluate social safety net programs	2014	2018	OSHD, OSGE and ORVP	Safety net systems enhanced	3 ESW on social protection systems
	Promote inclusion of poor and marginalized groups living in pockets of poverty to access basic services through social transfers and affirmative actions	2014	2018	OSHD, OSGE and ORVP	Vulnerability reduced	3 safety net programs implemented (Zambia, Djibouti, Egypt)
	Support innovation and entrepreneurship programs for youth and women	2014	2018	OSHD, OSGE, OITC, OSAN and ORVP	Jobs created and enhanced	4 joint operations with labor-intensive programs (Togo, Djibouti, Côte d'Ivoire)

Results-based Logical Framework

Strategy goal: Support African countries in capturing 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: <ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> • 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 for men	55 years (2011)	57 years (2022)		
		for women	57 years (2011)	59 years (2022)		
		Ratio of female to male labor force participation rate	83.9% (2011)	88% (2022)		
		People living below the poverty line	37% (2012)	30% (2022)		
		Women living on less than \$1.25/day	48.5% (2010)	30% (2022)		
		Business startup cost (% of GNI per capita)	77% (2011)	50 (2022)		
CPIA score for property rights and rule-based governance	3.11 (2011)	4.5 (2022)				
<i>Focus: Skills for competitiveness and jobs</i>						
Outomes	1. Quality and sustainable skill mix developed	Unemployment rate among higher education graduates	26% (2011)	23% (2017)	ILO and AfDB data	Risk: Low economic growth resulting from structural challenges and natural disasters Mitigation: Coordination with other departments to support countries in addressing the challenging barriers Risk: Weak monitoring and evaluation systems Mitigation: Capacity building and resource allocation to monitor implementation of strategy
		Unemployment rate among technical and vocational education and training (TVET) graduates	17% (2011)	13% (2017)	ILO and AfDB data UNESCO Institute for Statistics/WB Africa Development Data	
		Completion rate in primary education			UNESCO Institute for Statistics	
		Boys	72.6% (2011)	75% (2017)		
		Girls	65.8% (2011)	75% (2017)		
		Share of higher education students enrolled in STEM education	30% (2010)	33% (2017)		
		Including girls	26% (2010)	29% (2017)		
		Gross enrollment rate in upper secondary education	35% (2010)	43% (2017)		
		Including girls	34% (2010)	42% (2017)	SACMEQ reports	
Literacy levels among pupils (measured per country)	TBD	TBD	PASEC reports			
Student pass rates (primary/secondary level)	TBD	TBD	UNESCO			

Strategy goal: Support African countries in capturing 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				
Outcomes (continued)	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 Mitigation: Incentives and capacity building	
	<i>Inclusive service delivery</i>						
	2. Citizen participation enhanced	Participation and human rights index	45 (2011)	48 (2017)	Mo Ibrahim Index		
	3. Transparent financial management enhanced in social services	Number of RMCs adopting online publishing of education, health, and social protection budget execution statements	—	10			
	4. Efficiency and quality of services delivery improved	Number of years of schooling per 1 percentage of GDP investment in education	2.1 (2011)	2.3 (2017)			
		Variation of percentage of skilled deliveries at comparable level of total health spending	1 to 4 (2010)	1 to 3 (2017)			
		Health worker-to-population ratio	2.3 (2012)	2.5 (2017)			
		Pupil-to-teacher ratio in primary education	40:1 (2010)	38:1 (2017)			
		Out-of-school children	22% (2011)	15% (2017)	UNESCO		
		School absence rate	TBD	TBD	SDI reports		
	Outpatient health service utilization rate						
	5. Inclusion policies adopted	CPIA policies for social inclusion/equity cluster average ^a	3.2 (2012)	3.5 (2017)	Worldwide Governance Indicators (WB)		
	<i>Inclusive financial and social systems</i>						
	6. Access to financial services increased and equitable	People with an account at a formal financial institution				WB Africa Development Indicators	
		Women (15+)	21.5% (2011)	35% (2011)			
		Men (15+)	26.7% (2011)	35% (2017)			
	Credit to MSMEs as share of total balance sheet of FI operations ^b	TBD	TBD	AfDB Data			
7. Increased coverage of social protection schemes	Percentage of population covered by national social protection schemes		TBD (OSHD study financed by the Brazilian Trust Fund)	Baseline + 10 percentage points	Bank studies		
	Out-of-pocket household expenditures for education as percentage of total education spending		30% (2013)	28% (2017)	UNESCO		
	Out-of-pocket household expenditures for health as percentage of total health spending		50% (2013)	45% (2017)	National health accounts (WHO)		
Outputs	<i>HCS and skills and technology</i>						
	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 programs)	5	10 (2017)			
	New Education Model in 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)		—	10 (2017)		
		Number of RMCs supported in the establishment of a higher education quality assurance mechanism		—	5 (2017)		
	<i>HCS and infrastructure</i>						
	Building skills for managing existing infrastructure	Additional students enrolled in engineering institutions (infrastructure, ICT, water and energy)		—	10,000 (2017)	Projects implementation reports	
Additional students enrolled in TVET institutions (infrastructure, ICT, water and energy)		—	15,000 (2017)				

Strategy goal: Support African countries in capturing 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			
Outputs (continued)	Strengthen the inclusiveness and human development orientation of infrastructure projects	Number of people trained in infrastructure, ICT, water and energy projects	—	3,000 (2017)	Operation reporting MTR and independent evaluation		
		Including women	—	1,000 (2017)			
		Number of temporary jobs created in infrastructure, ICT, water and energy projects	—	100,000 (2017)			
		Including women	—	20,000 (2017)			
		Number of permanent jobs created in infrastructure, ICT, water and energy projects	—	10,000 (2017)			
		Including women		5,000 (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)	—	1,000 (2017)			
	<i>HCS and regional integration</i>						
	Skills more harmonized and portable	Number of countries establishing a comprehensive qualification framework	0	2 (2017)	Operation reporting MTR and independent evaluation		
		Number of regional centers and networks strengthened/supported	2	5 (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)			
	<i>HCS and governance and accountability</i>						
Governance systems strengthened at all levels in social sectors	Number of RMCs supported in institutionalizing a public expenditures tracking system	—	5 (2017)	Operation reporting MTR and independent evaluation			
	Number of RMCs supported in institutionalizing performance-based financing or revenue-based financing	—	5 (2017)				
Citizen voice and accountability in service provision increased	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 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)	—	5 (2017)				
<i>HCS and private sector</i>							
Social business enhanced	Number of RMCs adopting social business initiatives (with gender perspective)	—	5 (2017)	Operation reporting MTR and independent evaluation			
Employment opportunities facilitated	Number of jobs created under Bank operations in private sector		20,000 (2017)				
	Including women	—	7,000 (2017)				
	Number of RMCs developing at least two value-addition schemes focused on agro-industry and natural resources	—	6 (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)				

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

b. Data are unavailable but currently being developed by OPSM for future monitoring.

Human Capital Strategy: Potential and Example/Indicative Projects

Fragility context	ADF	AfDB countries
<i>Core operational priorities</i>		
<p>Skills and technology</p> <p>Support for review or formulation of national education strategies in selected post-conflict countries (Sierra Leone)</p> <p>Support for 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</p> <p>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 transportation</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 Program 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 Program for in-service (current) and preservice (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 Program (South Africa)</p> <p>Skills Development and Entrepreneurship (Zambia)</p> <p>Training-Employment Matching Support Program (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 for carbon sinks, with the Department of Environmental Affairs (South Africa)</p> <p>MIC grant for support to Department of Higher Education (South Africa)</p> <p>MIC grant for feasibility study on the revitalization of industrial parks (Department of Trade and Industry, South Africa)</p> <p>Support for 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 (led by OSHD) and logistics (led by OITC, Morocco)</p> <p>MIC grant for 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 preservice (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 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>
<p>Infrastructure</p> <p>Southwest 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>

	Fragility context	ADF	AfDB countries
Regional integration	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)	Regional ICT center of excellence (Rwanda) Support to higher education in WAEMU countries Support to Africa's pharmaceutical sector	Support to Africa's pharmaceutical sector East Africa excellence in medical higher education Export of health services (Tunisia)
Governance and accountability	Pilot health insurance in selected post-crisis countries (example: Democratic Republic of the Congo) Citizen voice and accountability in health 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	Citizen voice and accountability in education Citizen voice and accountability in health care Developing health insurance 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 Integrate e-health at this level Support to decentralization: strengthening the capacity of municipalities in formulation of a municipal development plan and supporting the local economy	Strengthening clinical governance systems Citizen voice and accountability in health (Morocco) Health financing strategy (Morocco) 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 Integrate e-health at this level Assessing and improving the performance of social transfers (Tunisia) Improved cash transfer program (Egypt)
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 for local integrated development through the development of Moringa oleifera "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 to universities to establish a microcredit facility that helps graduates access loans for startups. University enhances entrepreneurial training of students and sets up small-scale enterprises within the institution to enhance skills and capacity (Nigeria)	Souk At-Tanmia Phase 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-Tanmia and entrepreneurship development (Egypt)
<i>Areas of special emphasis</i>			
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

Areas of Special Emphasis



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 postgraduate 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 returns 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 decisionmaking 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 must be matched by improvements in job quality. Female 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 micro-finance programs for improving women's access to information and services in addition to greater financial autonomy, decision-making ability and empowerment.

Addressing human capital needs in the 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 fostering the use of new information technology solutions to narrow the skill gap.

The Bank will help fragile states transform social services through information technology solutions. The Bank is encouraging investment in information and communication technology through its initiatives in areas like e-health and m-health and e-education and m-education. By using these technologies fragile states can span 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 postconflict 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 social safety nets is concentrated in states falling into the “gradual improvement” and “postconflict/

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 cases of armed conflict) could acquire skills for reintegration. The Bank will help fragile states design and implement safety net 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 nonfragile 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 AfDB countries, the Bank will support capacity-building programs and policy reforms to improve governance and accountability in social services.

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 some 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 skill 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 aid the health care sector.

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
13. AfDB
14. Migration Management
15. Human Development and Transport
16. Human Development and Fragile States
17. Human Development and Gender
18. Role of the Private Sector in Education and Health
19. Agriculture
20. Getting More Value for Money in Health: A New Role for the AfDB
21. Expanding Regional Markets
22. Energy Sector and Human Development
23. Creating Sustainable Jobs for the Poorest and Most Vulnerable, and Addressing the Most Pressing Social and Environmental Needs in Africa through Social Business
24. Techno Parks and Science Parks in Africa: Fostering Africa's Capacity in Science Technology and Innovation
25. Investing in Hospitals in Africa

Notes

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, Vietnam, Congo, Ghana and Zambia.
5. AfDB and others 2011.
6. Ravallion 2007.
7. World Bank Africa Pulse 2013.
8. AfDB and WWF 2012.
9. UNDP 2012.
10. 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.
11. 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.
12. The exceptions are six low- and middle-income countries where conflict and HIV/AIDS were the primary causes of an increase.
13. AfDB and others 2011.
14. AfDB 2013.
15. 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.
16. World Bank 2001.
17. NEPAD 2010.
18. 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 the least developed countries.
19. World Bank 2009.
20. Beyond.com Career Trend Analysis Report.
21. Brookings Center for Universal Education.
22. 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.
23. AfDB computation based on available data from 33 countries.
24. World Bank 2009.
25. UN n.d.
26. [www.nepad.org/system/files/NEPAD%20Framework%2020\(English\).pdf](http://www.nepad.org/system/files/NEPAD%20Framework%2020(English).pdf).
27. www.au.int/en/about/vision.
28. The five core operational priorities are infrastructure, skills and technology, the private sector, regional integration and governance. The three areas of special emphasis are gender, fragile states, and agriculture and food security.
29. AU 2008.
30. The Bank’s social protection paper is aligned with the proposed HCS. It proposes a two-pronged approach: implementing social safety nets to cushion the impact of shocks on household income, and breaking the intergenerational transmission of poverty by supporting measures that increase human capital and facilitate access to productive opportunities.
31. Technical annexes focusing on specific areas of intervention accompany this strategy and provide greater details on human capital interventions in various sectors of development (annex 6).
32. Through e-administration, e-services and e-participation as a potential tool to achieving governance goals.
33. Such as Côte d’Ivoire’s emerging-from-conflict multisector project, which received a U.S. Department of Treasury award for its impact on poverty reduction.
34. Nearly two-thirds (65%) of households in 23 countries in Sub-Saharan Africa had at least one mobile phone in 2013. In countries such as Zimbabwe, growth has far outpaced the average, rising from 26% of households in 2008 to 80% in 2013, and 9% annually (Tortora 2014).
35. Partners include the EU, CIDA, GTZ, India and Japan.
36. WHO 2011.

References

- AfDB. 2013. *Strategy for 2013–2022*. Addis Ababa.
- AfDB, UNECA (United Nations Economic Commission for Africa), AU (African Union), and UNDP (United Nations Development Programme). 2011. *Assessing Progress in Africa toward the Millennium Development Goals: MDG Report 2011*. Addis Ababa: AfDB.
- AfDB (African Development Bank) and WWF (World Wildlife Fund for Nature). 2012. *Africa Ecological Footprint Report*. Addis Ababa.
- AU (African Union). 2008. “Social Policy Framework for Africa.” First Session of the AU Conference of Ministers in Charge of Social Development, Windhoek, Namibia, October 27–31.
- BBC News. 2013. “Liberia Students All Fail University Admission Exam.” August 26.
- IFPRI (International Food Policy Research Institute). 2009. *Climate Change: Impact on Agriculture and Costs of Adaptation*. Washington, DC.
- ILO (International Labour Organization). 2011. *Key Indicators of the Labor Market*, 7th ed. Geneva.
- NEPAD (New Partnership for Africa’s Development). 2010. *African Innovation Outlook 2010*. Pretoria.
- OECD (Organisation for Economic Co-operation and Development). 2009. *PISA 2009 at a Glance*. Paris: OECD Publishing.
- Population Reference Bureau. 2011. *2011 World Population Data Sheet: The World at 7 Billion*. Washington, DC.
- Ravallion, Martin. 2007. “Economic Growth and Poverty Reduction: Do Poor Countries Need to Worry about Inequality?” International Food Policy Research Institute, Washington, DC.
- Sharan, Mona, and Saifuddin Ahmed. “Child Survival Trends in Sub-Saharan Africa.” AfDB Health Strategy Background Working Paper. AfDB, Addis Ababa.
- Tortora, Bob. 2014. “Africa Continues Going Mobile.” Gallup Poll News Service, May 1.
- Transparency International. 2010. *Africa Education Watch: Good Governance Lessons for Primary Education*. Berlin.
- UN (United Nations). n.d. “Hunger and Poverty.” *Youth and the United Nations*. www.un.org/esa/socdev/nyin/wpayhunger.htm#WYR2005.
- UN DESA (United Nations, Department of Economic and Social Affairs). 2011. *World Population Prospects: The 2010 Revision*. New York: UN DESA, Populations Division.
- UNDP (United Nations Development Programme). 2012. *African Development Report 2012: Toward a Food Secure Future*. New York.
- World Bank. 2001. Regional Reports—Africa Region.
- . 2009. *Africa Development Indicators 2008/2009—Youth and Employment in Africa: The Potential, the Problem, the Promise*. Washington, DC.
- . 2011. *Africa’s Future—and the World Bank’s Support to It*. Washington, DC.
- . 2012. *World Development Indicators 2012*. Washington, DC.
- WHO (World Health Organization). 2011. “Accountability Commission for Health of Women and Children.” Geneva. www.who.int/topics/millennium_development_goals/accountability_commission/en/.

