Employment for sustainable development in Africa (E4D)

**Background**

The abundance of Sub-Saharan Africa’s natural resources, coupled with its young and growing population, creates significant potential for sustainable economic development. Poverty can however only be reduced if high economic growth provides people with jobs and decent incomes.

The labour markets of most countries in Sub-Saharan Africa are characterised by low productivity, under-employment and precarious working conditions. In rural areas, many people live at basic level of subsistence outside the formal economy. Official unemployment rates tend to be low. In the absence of social security provisions, poor people simply cannot afford to be unemployed. According to official figures, unemployment in Ghana, Cameroon and Kenya ranges from 4.5 to 11.0 percent for instance; yet up to 70 per cent of the population of working age is under-employed. This includes day labourers without fixed contracts who might only secure a few hours of paid work per week. As a result, despite having some form of employment, many suffer from extreme poverty.

As the driver of economic development, the private sector is a key actor for the generation of jobs and income. However, this potential is currently underutilized in Africa. Therefore E4D aims to bring people into employment in cooperation with the private sector.

**Our Objective**

Through cooperation with business and public sector partners, the objective of E4D is to promote employment while raising incomes and improving working conditions. The programme’s target group are economically disadvantaged population groups, including women and youth.

Through partnerships with the private sector the programme aims to achieve three goals:

- To boost the number of people employed in the seven target countries by 40,000;
- To raise the income of 100,000 workers by an average of ten percent;
- To improve the working conditions of 40,000 people, primarily in terms of social security, health care, occupational safety and labour rights.

The results of the partnerships will not materialise in full until the measures have been completed. By January 2018, close to 8,200 people found employment, the income of almost 34,600 employees was raised and working conditions improved for 10,300 people.

**Our Approach**

The programme is commissioned by the German Federal Ministry for Economic Cooperation and Development (BMZ) and co-financed by the European Union (EU), Korea International Cooperation Agency (KOICA) and Quoniam to develop and implement public-private cooperation projects that contribute to more productive and decent employment in seven target countries. A particular focus is the promotion of employment in the context of international investments in natural resources. The E4D/SOGA – Employment and Skills for Eastern Africa initiative, is a component of E4D and focuses on Kenya, Mozambique, Tanzania and Uganda. It is co-financed by the Department for International Development (DFID), the Norwegian Agency for Development Cooperation (Norad) and Royal Dutch Shell. Principal project partners are local enterprises and regionally based international companies.

Depending on the partnership, measures also involve other stakeholders such as government agencies, non-governmental organisations, vocational schools, universities, labour unions and business associations. Partnerships in the natural resource-based industries and in the green economy (e.g. renewable energy or waste management) are areas of special focus.

E4D works with the private sector in two fields. Firstly, E4D, in partnership with business, develops projects to increase demand for skilled labour, for example through enterprise development, inclusive business models and cooperation models and supply chain development. Poor population groups are thereby integrated into value chains as employees, suppliers, sales partners or customers.

On the other hand, E4D uses private sector partnerships to enhance the employability and thereby increasing the availability of qualified workers in the formal and informal labour market, in particular through training and work place programmes. E4D/SOGA – Employment and Skills for Eastern Africa – for example focuses on employment promotion in and around natural resource-based industries,
particularly in construction, maintenance, logistics, manufacturing and food supplies. In Kenya, Mozambique, Tanzania and Uganda, E4D/SOGA trains local workers and businesses for opportunities in up- and midstream industries. Particularly successful project concepts and business models are replicated and scaled up through the involvement of additional private and public partners.

**Examples of partnerships with employment impacts**

**Kenya – Improving access of youth to jobs and economic opportunities**

Many young Kenyans lack the basic skills required by industry, and local suppliers of goods and service do not sufficiently comply with the quality standards of international companies. To reduce the mismatch between the current skills of the young people and the needs of the labour market, E4D has entered into a partnership with CAP-Youth Empowerment Institute. Through the partnership, 2,430 young people will be provided with basic employment skills, including soft skills and practical training. It is expected that at least 60% of youth trained will find employment, while about 15% will set up their own business. The project primarily targets marginalized youth aged 18 to 30, including school dropouts, young women and unemployed.

**South Africa – Creating market linkages for smallholder farmers using innovative ICT solutions**

Agribusinesses are interested in buying smallholder farmers’ products and providing them with support services, but transaction costs are high and the lack of data and hence visibility of farmers and their supply chains is a barrier to informed decision-making. In cooperation with Vodacom, an African mobile communications company, the project aims to assist smallholder farmers to engage in commercial agriculture using sustainable farming methods and innovative ICT solutions. The farmers are linked to agribusinesses, information such as weather data, agricultural services and markets with the help of a platform, a cloud-based web and mobile software solution. It is expected that 1,000 farmers will find new employment and 3,300 will increase their income by an average of 10 percent.

**Uganda – Uplifting Ugandan enterprises in the oil and gas supply chain to comply with international HSE standards**

In cooperation with the Association of Uganda Oil and Gas Providers (AUGOS) and E360, a Ugandan firm that specializes in compliance to Health, Safety, and Environmental (HSE) standards, 30 companies raised their HSE standards to meet the requirements of the demanding natural resource-based industry and adjacent sectors. 24 companies declared that they are now in a better position to win tenders. If contracted by international companies, the firms can increase their income and create jobs, thus contributing significantly to economic development in the region.

As part of the impact of the project, more than 5,400 employees from the different companies have benefited from increased work safety and well-being at the work place.