Chapter 5

Improve the quality of life for the people of Africa

Improving the quality of life for the people of Africa is at the core of the Bank’s work. As the continent’s population grows, we are working to ensure that Africans have the skills they need to obtain decent jobs and establish sustainable businesses in the global economy. We support countries in improving access to quality services like health, education, and water and sanitation, which is crucial to improving the lives of all Africans.

This chapter shows that while Africa’s economic growth continues to strengthen, 40% of Africans live below the poverty line, and inequality remains high. Meeting Africa’s rising demand for jobs will require strong and sustained economic growth and structural change. The Bank is working with governments, academic institutions and the private sector to increase skills in science and technology. In 2018, our projects provided 1.2 million people with jobs and 8.2 million people with improved access to water and sanitation.

Providing productive jobs for the continent’s growing population

Over the past two decades, Africa has sustained fast growth that is expected to continue into the future. However, this growth has occurred without job creation on the scale that would be required to make major inroads into poverty. Forty percent of the population lives below the poverty line. To address poverty, growth must become more inclusive, benefitting remote geographical areas and the poorest social groups. Reducing inequality is essential to tackling poverty. Yet income inequality remains high, with the Gini coefficient at 41 (on a scale of 0 to 100).

Policies to reduce poverty need to be accompanied by complementary measures to reduce income inequality. For instance, well-targeted social protection, efforts to increase productivity in the informal sector and progressive taxation have the potential to address income disparities. Disaggregated data on inequality can help inform policies in the future.

Policies to reduce poverty must be accompanied by measures to reduce income inequality

Africa’s working-age population is growing rapidly, intensifying pressure for decent jobs. In 2018, the youth unemployment rate was 14%, compared with a rate of 8.3% for the population as a whole. The unemployment rate for young women is 15%. Women face additional barriers to work and have a lower participation rate than men (see Figure 18). Even so, countries like Rwanda, Madagascar
and Mozambique have made great strides in increasing the levels of female participation in the labour force.

Young people, especially women, are more likely to be in informal work. Africa has the highest rate of informality in the world, estimated to be around 72% of non-agricultural work. Work in the informal sector is insecure, with low wages and productivity — a fact that makes eradicating poverty more challenging.

Future of work
Meeting Africa’s rising demand for jobs will require strong and sustained economic growth and structural change. Africa’s productivity lags well behind that of Asia and other developing regions.

Technologies associated with today’s “fourth industrial revolution” (4IR) — such as ICT, artificial intelligence, robotics and machine learning — bring both opportunities and challenges for Africa. The 4IR has the potential to accelerate development and unleash the entrepreneurial potential of the continent’s youth. 4IR technologies can increase productivity and support transformation in industries such as agriculture, services, manufacturing and infrastructure.

However, the 4IR will also fundamentally change the nature of work, making traditional manufacturing-led growth less viable. Taking advantage of the opportunities associated with the 4IR will depend on Africa’s level of preparedness and the availability of relevant skills in science and technology.

Policymakers will need to invest in transformative, job-creating sectors

The gig economy has become an important source of work. Digital platforms are providing new opportunities for artisanal producers, connecting them with regional and international markets.

Policymakers will need to respond flexibly to the shifting nature of work. They will need to invest in transformative, job-creating sectors and take measures to improve the conditions of workers in the gig economy.

Education systems need to keep pace with changing skill requirements. Lack of skills and skills mismatch is a major constraint...
on African business. Many graduates possess skills that are not relevant to the needs of the jobs market. Only 2% of African college graduates have science, technology, engineering and mathematics (STEM) degrees. Yet the STEM skills are crucial requirements in a 4IR world. And too few of Africa’s scientists work in sectors that drive economic transformation.

Africa’s education system will require adequate support through innovative financing mechanisms, including domestic resource mobilisation and public participation, to enhance its efficiency and effectiveness. Estimates show that Africa will require an additional $40 billion to achieve the SDGs for education by 2030.

Overall, 62% of children (of whom 60% girls) are currently enrolled in education. Only 11% of young people are enrolled in technical or vocational training, and only 9% of young women. Angola, Libya, Cameroon and Egypt lead the way, with the highest proportions of both young people and women enrolled in technical or vocational training.

Migration
Migration has a direct impact on skills availability in Africa. In addition to conflict-driven migration, young professionals emigrate to other African nations and beyond in search of better job prospects and quality of life. Poverty is a driver of both. However, with the right policies in place, intra-regional migration can contribute to poverty reduction (see Box 25).

Box 25 Maximising regional migration’s contribution to African development

Migration is increasingly seen in positive terms in Africa. It is largely intra-regional and can contribute to poverty reduction, for instance through remittances. A 2018 OECD-ILO report estimated that immigration contributes on average 7% to GDP — ranging from about 1% in Ghana to 19% in Côte d’Ivoire.

Several countries, such as Burkina Faso, Morocco and Zimbabwe, are implementing policies to link migration to development objectives: providing support for families, lowering remittance costs and creating mechanisms to channel remittances to productive investment. They also work with the diaspora and support returning migrants. Integrating immigrants and investing in better access to services, education and labour rights will also help maximise the benefits of migration.

There are increasing continent-wide efforts to support the positive contributions of migration. The Bank has joined forces with other multilateral development banks to coordinate support for economic migration and forced displacement, and our third annual African Resilience Forum focused on migration and fragility. The AfCFTA also supports the free movement of Africans, to strengthen regional links and economic growth.

With the right policies in place, intra-regional migration can contribute to poverty reduction

Access to basic services
Access to basic services is essential for quality of life. Yet access to safe drinking water and sanitation in Africa is characterised by wide disparities between and within countries. Only 72% of the population has access to safely managed drinking water, and only 40% has access to safely managed sanitation facilities. Overall, access is higher in North Africa than in the rest of the continent. Inter-country variations for access to safe drinking water range from 100% of the population in Mauritius to 19% of the population in Eritrea.

Africa needs natural resource governance reforms and infrastructure investments to ensure that everyone has access to services

There are still major gaps between access rates in urban and rural communities. Climate change is leading to increased incidence of drought and floods, creating further challenges to the provision of basic services. Africa needs natural resource governance reforms and infrastructure investments to ensure that everyone has access to services. An estimated $13 billion per year is needed to meet the SDG targets of universal access to water supply and sanitation.

The Bank’s impact in providing employment and access to services

The Bank’s portfolio of projects creates new employment opportunities and reduces poverty across Africa. In 2018, we exceeded our employment targets, creating 1.2 million direct jobs, of which half were for women. New jobs are also created indirectly or induced from our operations.

Over the past decade, our projects have helped provide access to affordable financial and business services for underserved and rural populations. This has helped create 45 900 jobs in Tunisia and almost 66 000 in Egypt. In Tanzania, our work to support entrepreneurs in gaining access to financial services created almost 210 000 jobs, and in Ghana our work to transform agriculture created 118 000 jobs.

A study of the impact of our investments in Senegal between 2014 and 2018 revealed that they had created 186 000 jobs in priority sectors. Bank’s support contributed to 15% of those jobs (see Figure 19). Continuous assessment of the impact of our investments on jobs will help respond to the demands of a growing population.

At the Africa Innovation Summit in Kigali, Rwanda, we launched the Jobs for Youth Africa Innovation Lab. Its aim is to promote skills and learning and create linkages among the organisations that support the creation of high-potential businesses in Africa. In collaboration

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with the Fund for Private Sector Assistance, an e-platform is being piloted as a one-stop continent-wide marketplace for incubators, accelerators and entrepreneurs.

The Bank’s education projects have invested over $1.64 billion in programs benefiting 6 million African youth and women.

Through our work on education and skills development, we are ensuring that countries across the continent are equipped to address the emerging needs of the 4IR and tap into the opportunities it affords. Over the last 15 years, the Bank’s education projects have invested over $1.64 billion in programmes benefiting 6 million African youth and women, equipping them with the right skills for the jobs of the future.

Our activities have focused on scaling up STEM skills through investments in regional centres of knowledge and excellence, policy dialogue and implementation of flagship programmes. This will help foster opportunities for knowledge sharing across borders, promoting innovation and linkages with global networks.

The Bank hosted the third Africa Forum on Science and Technology Innovation in Egypt, a policy dialogue that resulted in a ministerial declaration highlighting the need for an African Education Fund. We also provided support in West Africa to improve higher education and promote the harmonisation of systems for greater integration across the region.

In 2018, our projects resulted in 270 000 people benefiting from better access to education, of which 120 000 were women. We also provided technical and vocational training across Africa: 178 000 people were trained through Bank operations, of whom 89 000 were women. Sustained investment in both ‘hard’ and ‘soft’ infrastructure of technical and vocational education is needed to equip young people with skills that are relevant to the labour market. Our Jobs for Youth in Africa strategy aims to create...
Box 26  **Stories from beneficiaries**

The Bank is supporting education and job creation in Malawi, in line with the country’s Growth and Development Strategy. We provided a $14 million grant for the Higher Education, Science and Technology (HEST) programme.

Twambilire Mwambembe is a quantity surveying student at the University of Malawi: “What made me get into quantity surveying is that I saw that there were not many females in this field and that motivated me.” The Bank’s support for HEST includes scholarships, and 40% of the beneficiaries are women. “Without the HEST sponsorship, I don’t know how I’d source that money to cater for my education,” said Mwambembe.

opportunities through education and training and promoting enabling environment for entrepreneurship.

To further promote education across the continent and close the financing gap, we spearheaded the development of the African Education Fund (AEF). In 2018, we worked with the Association for the Development of Education in Africa to produce a feasibility study for the fund. The study found that the AEF is feasible and there is strong interest from African governments and other education stakeholders. Revitalising and transforming education systems to support inclusive growth and sustainable development is a key commitment of African ministers and development partners.

Our projects provided infrastructure and institutional support to improve access to safe drinking water and hygienic sanitation

Through our work in 22 countries across the continent, we supported the use of ICT to provide education and training. For instance, our African Virtual University project enrolled 23,095 students in Open Distance e-learning centres across the countries.

In 2018, about 500 young people in five countries benefited from training through our Coding for Employment programme. In Malawi, our projects are helping to improve the quality and relevance of science, technology and industrial skills for job creation and employability of graduates (see Box 26). In Equatorial Guinea, we supported innovative technical and vocational training for middle and senior managers.

We also have a portfolio of projects designed to improve access to essential basic services. We finance water and sanitation schemes in both rural and urban areas. In 2018 we exceeded our target, providing 8.2 million people with new or improved access to water and sanitation, of whom half were women.

Across the continent our projects provided infrastructure and institutional support to improve access to safe drinking water and hygienic sanitation. In Gambia, through the construction of new water supply systems and sanitation infrastructure, 65,000 people and 19,750 people in rural areas had improved access to water and sanitation facilities, respectively. The project also included a broad public health education campaign and institutional capacity building.

Working with the Agence française de développement (AFD) in the Dosso and Tillaberi regions of Niger, we provided 265,000 people with improved water and sanitation. This included the construction of 266 new boreholes and more than 4000 latrines. The project also established new drinking water network systems and trained construction workers, female outreach workers and teachers.

Our support has also helped respond to emergencies. In Côte d’Ivoire, we responded to flooding by funding the construction and rehabilitation of priority flood-regulation infrastructure, including reservoirs and public toilet blocks, and management and treatment of solid waste. In Sudan, we improved access to water for more than 750,000 in support of recovery and peace. Many of our projects also include capacity building, investment planning and public health awareness training.

The Bank’s support for the health and sanitation sectors has been catalytic. In West Africa our support for training health workers and the construction of health facilities helped stop the transmission of Ebola and strengthen public health systems. In Uganda, improvements to public sanitation facilities in the Kawempe division of Kampala reduced the incidence of typhoid, cholera and diarrhea, benefiting more than 165,000 people. In Ghana, 89,200 people benefited from projects to improve sanitation and waste management in urban slum communities.

**Milestones in implementing innovations to improve people’s lives**

**Initiatives and projects to support jobs for youth**

Under the Bank’s Jobs for Youth in Africa Strategy (2016–2025), we are scaling up support for employment and entrepreneurialism. Over the next 10 years we aim to create 25 million jobs and benefit 50 million youth by equipping them with the right skills. We are funding programmes to support this strategy and creating partnerships to enhance opportunities for young people across the continent.

Our Coding for Employment programme will create 130 centres for excellence and train 234,000 young people by 2020. Our
collaborations with Rockefeller, Microsoft, Facebook and Safaricom will deliver demand-driven ICT training to women and young people. The Bank is also working with the African Institute of Mathematics and Sciences to build an industry-led research institution in Africa. Our partnership with the Ford Foundation will deliver training to 100 SMEs to improve business linkages for women and youth in the oil and gas sector in Uganda and Kenya.

**Forging effective partnerships and co-operation in regional programmes**
Regional health programmes require effective collaboration mechanisms combined with flexible and adaptive implementation arrangements. The use of the World Health Organisation to coordinate all stakeholders ensured an effective response to the Ebola virus outbreak. The Bank should encourage such approaches, especially in countries facing capacity challenges.

**Choosing appropriate technology in project design**
The choice of appropriate technology in project design can ensure project success. In Gambia, the use of solar-powered pumping systems for water supply, rather than electricity-powered systems, was cost-effective, reliable, user-friendly and appropriate for rural areas.

**Ensuring local stakeholders are engaged**
Forging partnerships with local governments and stakeholders at the community level is crucial for project implementation and the sustainability of results. In our Darfur water access project, focusing our engagement on national-level authorities without input from local authorities led to project delays. The Bank should ensure that projects actively incorporate participation from local-level stakeholders to achieve results.

**Maximising impact through better coordination of project activities**
Water and sanitation provision must be well coordinated to fully reap the potential health benefits. In Mozambique, lack of coordination between different parts of the government impeded the Bank’s ability to boost access to safe drinking water and sanitation. During project implementation the Bank should support better coordination among various water, sanitation and hygiene institutions and stakeholders to achieve common goals.

**We are working to make agriculture more attractive to young people, reversing skills flight across the continent**
We are working to make agriculture more attractive to young people, reversing skills flight across the continent. Since 2016, we have invested over $800 million to support young entrepreneurs in agriculture in more than 15 countries. Over the next 10 years we expect to galvanise over $1.5 billion annually in support of agripreneurs.

**Social sector initiatives and projects**
The Bank will continue to support initiatives and projects to achieve better health and improve the quality of social services. We will use our position as a trusted partner and our convening power to strengthen collaboration across sectors and will use smart technologies to address the challenges of low water and sanitation access.

With the African Water Facility, we signed a financing agreement worth $14.5 million with the Bill & Melinda Gates Foundation to help address the challenge of sanitation, especially for the urban poor. In addition to preparing projects for follow-on investments along the sanitation value chain, we will assess the feasibility of establishing an Africa Urban Sanitation Investment Fund to enhance investments in sanitation.

We have called for increased investment in the health sector to achieve universal coverage. The Bank’s Multi-Sectoral Nutrition Action Plan (2018–2025) aims to contribute to a 40% reduction in the number of stunted children on the continent by 2025. We will make “nutrition-smart” investments in such sectors as water, sanitation and hygiene.

**Newly approved projects**
In 2018, we approved $96 million in Morocco to improve access to the labour market for young people and women. This includes support to improve the quality of jobs and to establish training centres for vocational skills. In Senegal we are providing support for agricultural supply chains as well as investing in energy, water and transport infrastructure, benefiting an expected 3 million people. In Malawi, we are providing a $15 million grant to provide jobs and boost the livelihoods of nearly 300 000 people.

In DRC, our $84 million support will contribute to responsible cobalt ore supply chains and help 6250 people back into the agriculture sector. This project will also help children who are excluded from the school system and at risk of social exclusion, vulnerable to exploitation and exposed to armed conflict.

In the water and sanitation sector, we will provide $62 million to finance Uganda’s Strategic Towns Water Supply and Sanitation project, covering 10 towns over five years. It will help the government achieve sustainable safe water and sanitation for 390 000 people, improving their health and productivity. In Gabon, our support of $86 million will help reduce the drinking water deficit in Grand Libreville, benefiting 920 000 people. In Eswatini, we approved a $52 million loan for water and sanitation services that will improve the lives of more than 67 000 people.

Working with the EIB and the OPEC Fund for International Development, we will provide $130 million in additional financing...
for the Sustainable Water Supply and Sanitation Program to help 1.5 million people in Rwanda access improved water supply services. In Tunisia, we will provide $88 million to support cities with under 10,000 inhabitants in improving their sanitation systems and providing jobs for young people. And in Morocco we approved a $132 million loan to finance investments in water treatment that will improve the drinking water supply for 2.5 million people.

In Kenya, our loans worth $267 million will support the completion of construction work on Thwake dam, enabling the storage of 681 million m³ of water, which will be used for electricity production, irrigation and human use. We are also co-investing $71 million in sewage improvements in the Nairobi River basin that will benefit 500,000 people.

In Ethiopia, the Bank approved a $123 million grant to strengthen transparency and accountability in the delivery of basic services and improve citizen engagement in service delivery.

Under our Jobs for Youth in Africa strategy, we will continue to help young Africans gain the skills they need to succeed in jobs and enterprise. We will also scale up our work to support universal access to water and sanitation. Together, our strategies and investments will enable millions to find jobs, improve their livelihoods and reduce poverty.