CONCEPT NOTE

Leveraging Potentials of the Youth for Inclusive, Green and Sustainable Development in Africa

G-COP Policy Dialogue
Hosted by African Development Institute, African Development Bank Group under the auspices of the Global Community of Practice (G-CoP) Policy Dialogue Series

Proposed Dates
31 July 2023, Time 1300-16.00 hours GMT ( WESTERN HEMISPHERE)
1 August 2023, Time 0830-1130 hours GMT (EASTERN HEMISPHERE)
1. INTRODUCTION

The youth is Africa’s greatest asset. The continent’s population of 1.4 billion is projected to more than double by 2050 when Africa will be home to one-fourth of the world’s population\(^1\). The working-age population in Africa, currently around 56 percent of the total, is projected to increase to 63 percent by the same time, contributing to the rapid decline in its dependency ratio\(^2\). Africa will remain the world’s youngest region, with a median age of 25 years. If properly harnessed, this young, growing working-age population could drive Africa’s economic transformation and inclusive, green, and sustainable economic growth. However, this asset remains untapped, and the potential benefits are not realised, as most of the youth do not have secure jobs or better economic opportunities. Of the 420 million youth aged between 15 and 35 years in Africa today, the majority are unemployed, have vulnerable jobs or are in casual employment. There are not only benefits to harnessing the potential of the youth but there are also consequences if the challenges they confront are not addressed. The solutions to the African youth challenges have important implications for innovation and entrepreneurship in green growth transitions.

Of the youth between 15-35 years who are not students, one-third are unemployed and discouraged, another third are vulnerably employed, and only one in six is in wage employment. The large unemployment rates and lack of stable economic opportunities for the youth are raising concerns. On average African youth face unemployment rate that is more than double that of adults\(^3\). Africa is the only region where the number of young working poor living on $1 a day has increased within the past two decades. The African Development Bank\(^4\) estimated that, on average, there are between 10 – 12 million youths entering the job market in Africa, but only about three million new jobs are created on the continent every year, leaving many young people unemployed. Employment and better economic opportunities for the youth lead to increased incomes, higher standards of living, and better health and education access, which can catalyse structural transformation and inclusive and green growth in Africa.

On the other hand, the cost of unemployment, underemployment and limited economic opportunities is pervasive and severe. Long spells of youth unemployment or limited economic opportunities permanently lower current and future productive potential and earnings at the individual, national and regional levels. For example, the United Nations Population Fund estimated that SSA countries have the potential to benefit up to US$ 500 billion (over 30% of GDP) annually from demographic dividend for up to 30 years. It is also noteworthy that individuals with limited income have restricted access to health and education services. This also leads to social and economic exclusion and fuels growing disillusionment and frustration amongst the

\(^{1}\) United Nations Population Division
\(^{2}\) Based on the United Nations Population Division data, the dependence ratio is currently estimated at 77 percent, and is projected to decline to 60 percent.
youth, a recipe for conflict and instability. The lack of employment and better economic opportunities also fuels extensive migration from the continent, leading to the untimely deaths of thousands of youths who could have contributed to promoting inclusive growth and sustainable development on the continent.

One major area the energy, skills, intellect, knowledge innovations and solutions of the youth can be channelled to is on addressing the impact and threats of climate change, which has further increased and exacerbated existing youth challenges – employment, poverty, migrations, and conflicts. While young people may be the least responsible for climate change, they bear the greatest burden of its impact, now and in the future. This is especially the case in Africa, where, despite being the least polluting region of the world, it is the most impacted. With African youths constituting the largest share of the population, they are the most impacted. Indeed, climate change is hindering and backtracking progress towards an inclusive, sustainable, prosperous, and equitable society.

The negative effects of climate change on African economies are huge and growing. For instance, in its recent African Economic Outlook 2022 report, the African Development Bank estimated that during 1986 – 2015, Africa lost between 5% and 15% of its GDP per capita growth due to climate change. This demonstrates the state of climate vulnerability in Africa, which further increased levels of uncertainty about the future of the youth. The burden of the failure of the older generation to tame the climate change challenges is now borne by the youth in their present and future lives. In the words of the United Nations Secretary-General, António Guterres, to the youth: “My generation has largely failed until now to preserve both justice in the world and to preserve the planet. It is your generation that must make us accountable to make sure that we don’t betray the future of humankind.” The window of opportunity to address the climate challenges and secure the future of the youth is rapidly diminishing. The growing youth population, therefore, presents a great opportunity to address some of the climate change challenges facing the continent through smart climate and low-carbon economic development. The potential for the youths as agents of change, entrepreneurs, innovators, and valuable contributors to climate action is an excellent opportunity to drive economic transformation and inclusive, green, and sustainable economic development in Africa. Indeed, the youths have a role to play in addressing climate change and its challenges by raising awareness, and providing innovative solutions, thus contributing to lasting solutions to the challenges they confront while creating the future they want to see across generations. There is need to engage and include the youth in designing and implementing policies for green, inclusive, and sustainable growth, as the impact of these policies will affect them most.

This calls for a rethink of policy actions that the continent can take to leverage the power of its growing youthful population for its inclusive green and sustainable development. Interestingly, there are efforts at global, regional, continental, national, and community levels that aim at

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5 The World Bank estimates that 40 percent of those who join rebel movements do so because of a lack of jobs, and most of them are young people.
harnessing the massive power of the youths to address the climate change challenges at various levels. For example, the UN Secretary-General has a Youth Advisory Group on Climate Change, which provides him with practical and outcome-focused advice, diverse youth perspectives and concrete recommendations on strategies for accelerating the implementation of his Climate Action agenda. There is also the European Climate Pact Ambassadors and the African Youth Climate Hub, a platform that brings together young African activists committed to fighting climate change. While these are just a few of these initiatives, more needs to be done to mobilize and organize the African youth and leverage their power and voice to address the climate crisis facing them.

What challenges, risks and opportunities does the climate change crisis present to the youth? What are the youths doing about the challenge to secure their future? What strategies can be put in place to maximize the demographic dividend from the African youth? What implications do policies for addressing youth challenges have for innovations and entrepreneurship in green growth transitions? To explore these policy issues and questions with a view to understanding the potential role of African youths in promoting inclusive green growth and sustainable development, the African Development Institute is hosting a policy dialogue event under the Global Community of Practice (G-CoP) policy seminar series themed “Leveraging the Potential of the Youth for Inclusive Green and Sustainable Development in Africa.” The policy dialogue is scheduled on 31 July 2023 from 13.00-16.00 hours (GMT) for delegates from the Western Hemisphere and 1 August 2023 from 08.30 – 11.30 hours (GMT) for delegates from the Eastern Hemisphere.

2. THE AFRICAN YOUTH: CHALLENGES AND OPPORTUNITIES FOR INCLUSIVE GREEN GROWTH

2.1. Rapid Population Growth

Africa’s population has risen more than fivefold since the 1950s and is projected to more than double to reach 2.5 billion by 2050. At that level, it will represent 25 percent of the world’s population, up from 18 percent currently, and 62 percent of the total will be of working age (15 to 64 years). The continent’s population is already the fastest growing in the world and will remain so until 2100 when it is expected to reach 4 billion6. By 2100, Africa’s youth will be equivalent to twice Europe’s entire population, and almost one-half of the world’s youth will be from Africa. With a median age of 19.7 in 2020, Africa’s population remains the youngest in the world and will remain so in the next decades, with a median age of 35 years by 21007. There is a significant age gap with other regions - Latin America and the Caribbean at 31, North America at 38.6, Asia at 32, Oceania at 33.4 and Europe at 42.5. The opportunity presented by this demographic dynamic for Africa is thus enormous.

This has implications for Africa’s development pathway, as the large populations would need decent jobs and economic opportunities. The transition to green growth is emerging as a possible

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7 https://mo.ibrahim.foundation/sites/default/files/2020-08/international-youth-day-research-brief.pdf
policy response to the youth employment challenge and a route to inclusive and sustainable development. Indeed, the sustainable future of the African youths could be realised through their contributions in green transitions. In the process of successful green transitions, new green economic opportunities are created as countries accelerate adaptation and mitigation to address climate change and adopt low-carbon development strategies. New jobs will be created, and some jobs will be substituted; some will be eliminated altogether, while others will be transformed. The transitions will therefore require reskilling and upskilling in high-level technical skills, as well as the development of transformative change mindsets towards a green economy - green entrepreneurship. The green transition will also require both large-scale investments and capital allocation, as well as labour. In addition to these green skills, a range of soft and other more general skills will also be increasingly important, not only for green jobs and jobs in the resilience space but for the future of work in general, including the digital skills necessary to take part in the Fourth Industrial Revolution, for example, skills related to design thinking, creativity, adaptability, and resilience.

2.2 The Demographic Dividend

Africa’s ‘youth bulge’ has significant development potential. Coupled with a decline in fertility and mortality rates, this provides countries with a chance to boost economic growth and reduce poverty, but only if there is strong growth in employment and economic opportunities. The growing population of young people could also contribute to increased urbanisation, coupled with a rise in middle-class consumers, growth in household incomes and higher demand. In 1980 only 28 percent of the African population lived in cities, compared with today’s 40 percent - a figure that will probably rise to 50 percent by 2030, when 52 African cities will have a population of over 1 million people, representing a significant increase in potential market for goods and services, higher labour force and enhanced savings. Increasing the working-age population relative to dependents (children and elders) can free up resources to generate economic growth, creating a demographic dividend. This demographic dividend materializes when a country has at least 1.7 working-age people per dependent, but only if the labour force has the health, education, and skills to form a productive labour market. Evidence of demographic dividend abounds. For instance, as much as one-third of East Asia's economic “miracle” was due to demographic change. However, reaping the benefits of the demographic dividend from the African youths would significantly depend on investments in human capital development and creating economic and job opportunities for the youth amid green growth transitions.

Rising urbanisation and middle-class populations in the demographic transition imply that cities will need to adapt by nurturing new economic ecosystems to create jobs and economic opportunities while managing the environmental, social, and political pressures that urbanization brings, especially in the context of green growth transitions. The Fourth Industrial Revolution (4IR) will bring opportunities for innovation, productivity and earnings improvement, and the development and introduction of new business lines, which the youth could unlock. The World
Economic Forum estimates that technological solutions could reduce greenhouse emissions by more than a third of the 50 percent figure required by 2030. Digitalization, with technologies such as 5G, cloud, Artificial Intelligence, big data, or the Internet of Things, would be key factor in achieving the sustainability development goals. Digitalization can also reduce substantially the greenhouse emissions from the most emitting sectors such as energy, transport, industry, buildings maintenance and agriculture. Propelled by the youth, digitalisation can also accelerate the ecological transition, promote innovation, and increase productivity, which would be vital for sustaining green and inclusive growth necessary for addressing youth challenges in Africa.

2.3 Youth and Poverty

Despite strong economic growth in recent years (pre-COVID-19 pandemic), poverty levels have remained high in Africa. The situation is very pervasive among the youth and women. For instance, more than 80 million youths in Sub-Saharan Africa live in extreme poverty- representing more than three-quarters of the global total of youth in extreme poverty (Figure 3). With nearly half of the youth population in Africa currently unemployed or inactive—and 72 percent living on less than $2 per day—it has become more urgent than ever for countries to find solutions for the creation of quality jobs and economic opportunities that make way for better standards of living for the youths. Young people in Africa and predominantly working in the informal sector have limited protection or access to decent income generating opportunities. The green growth transitions will play an important role in addressing the jobs challenge and poverty while helping to achieve the goals of the Paris Agreement in a sustainable manner. Also, in the context of high unemployment, youth entrepreneurship is expected to be increasingly relevant. Presently, youth entrepreneurs make up an important segment of the micro, small and medium enterprise sectors. Representing 95 percent of all firms and generating 80 percent of jobs across Africa, micro, small and medium enterprises will become powerful conduits for addressing the growing youth unemployment bulge. The transitions to green growth could imply increased opportunities for the youth to invest in transformative renewable energy practices that are sustainable, eco-friendly, just and equitable across supply chains. In addition, more investment opportunities could be opened in food security and farming practices, transport, access to clean water, and investment in conservation programs, which the African youth could tap.

2.4 Youth and Migration

Africa has the world's largest share of young migrants: 25 percent of Africa’s migrant population is under 18 years, and 16 percent are aged 15-24 years. Hope for better economic and social

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8 https://www.weforum.org/agenda/2019/01/why-digitalization-is-the-key-to-exponential-climate-action/
10 Child and young migrants data (migrationdataportal.org)
prospects is a major driver for African outward migration (both legal and illegal, and skilled and unskilled). Climate change, conflicts, and social unrest are other drivers of migration and displacement. While emigration depletes skilled labour and human capital and undermines the potential of youth to drive growth for the continent, it can play an important role in boosting capital flows, particularly in remittances, promoting trade and investment, and enhancing knowledge, skills, and technology transfers. Well-managed youth migration can also help Africa to adapt to climate change and meet its development goals. Nonetheless, improving the quality of life for the people of Africa and achieving inclusive growth will be critical in slowing outward migration. This means addressing the youth employment and economic opportunity challenge.

2.5 Youth and Climate

Realizing the effects of climate change on their lives in the present and future, as well as the power they must address the challenge, youths are increasingly standing on the frontlines of the fight against climate change. They are powerful actors and partners in influencing green, inclusive growth, and sustainable development. In addition to bringing their innovations to bear, they are also helping to shape green growth policy decisions at all levels, ranging from global to community levels. They are active participants as innovators, entrepreneurs, investors, activists, policymakers, and implementers. Many of them are serving as climate change ambassadors at global, continental, regional, national and community levels. Others attend the annual Conference of the Parties of the UNFCCC as representatives of the youth to get their voices heard. Some are addressing climate challenges impeding growth in their countries through entrepreneurial activities with a focus on green outcomes. Leveraging the power and voices of these youth at all levels of decision-making is critical to harnessing their roles for inclusive green growth and sustainable development.

2.6 Youth, innovation, entrepreneurship, and green jobs

One consequence of climate change in Africa is a bullish trend of unemployment exacerbated by job losses in the sectors like agriculture, construction, transport, manufacturing, and even services. In fact, climate change impacts lead to the movement of the population fleeing localities where heat, floods, and weather disruptions have compromised the development of economic activities. Youth bear the brunt of those movements because they are more exposed by the nature of their work—mostly in informality.

To reduce the impacts of climate change on youth and women and prepare them for future shocks, green jobs are appropriate to preserve or restore the conditions for economic activities. However, green jobs creation for young people and women also does not automatically mean that these will be decent jobs. Many could be based on poor work conditions that mirror that of the current economy. Adaptation and mitigation actions offer job creation opportunities, ranging from

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building back better programs after climate shocks to enhancing the adaptation and resilience of communities and societies.

The potential of green jobs is not sufficiently realised in Africa. For instance, it is estimated that the continent generates less than 5% of construction sector employment derived from investment in climate-proofing existing infrastructure. Moreover, the employment returns and labour input of Nature-based Solutions (NbS), primarily in developing countries like in Africa is set between only 1667 and 3203 direct and full-time jobs\textsuperscript{12}. Yet, evidence suggests that in Europe, around 500,000 additional jobs (approximately 0.2 per cent of the working population) will be directly and indirectly created by 2050 because of the increase in adaptation-related activities\textsuperscript{13}. Translating this percentage into the African Working Population, it comes out that more than 2.5 million jobs could be expected from adaptation-related activities, including green jobs. Even when this figure is controlled with the African context, the job creation potential will remain very high.

Transition to net-zero will also lead to the creation of many jobs in Africa, especially through the transformation of key minerals for clean energy and adaptation measures like recycling or reusing production resources. The just transition will offer growing opportunities to promote job creation for youth and women in the green transition era and adaptation space.

The State and Trends in Adaptation Report, 2021 estimates that the implementation of adaptation strategies can be a wellspring of future development, generating hundreds of thousands of green jobs. The report suggests that the Great Green Wall for the Sahel and Sahara Initiative has the potential to create 10 million jobs.

Those opportunities are driven by the increase in demand for green technology and innovation, changing markets for green industries and consumer behaviour. At the current trend in labour force growth, unemployment, levels of skills and education, the looming technological change will create enough employment opportunities for the youth. With the advent of the Fourth Industrial Revolution (4IR), technology is also changing at a rapid pace. Using technology to boost youth entrepreneurship skills will double the effect on job creation as small and medium size enterprises are considered drivers of job creation in developing countries.

Through the Africa Adaptation Acceleration Program (AAAP),\textsuperscript{14} the YOUTH ADAPT Solutions Challenge intends to provide gender-sensitive assistance to 10,000 youth-led MSMEs in climate change adaptation and mitigation by 2025. Out of that number, 50% shall be women-led MSMEs. The flagship programme rolled out the Challenge in 2021 and 2022 to establish the program, where 35 MSME were granted up to US$ 100,000 for business development. To address the skills challenges, winners are called to undergo a 12-month incubation period.

### 3. OBJECTIVES

\textsuperscript{12} State and Trends in Adaptation Report 2021, Global Center on Adaptation
\textsuperscript{13} The Employment Impact of Climate Change Adaptation, ILO, 2018.
\textsuperscript{14} The AAAP is a joint initiative of the African Development Bank and the Global Center on Adaptation (GCA).
The G-CoP policy dialogue aims to bring together thought leaders from African Diaspora, global experts, global institutions, and African experts to discuss implementable policies, strategies, and instruments for leveraging the potential of the African youth for inclusive green growth and sustainable development. The occasion will also provide an opportunity for the Bank to open a channel of direct dialogue with the African youth on how to better collaborate to bring lasting solutions to developmental challenges facing the youth and the continent. Specifically, the dialogue will focus on addressing the following questions:

1. What challenges, risks and opportunities does the climate change crisis present to the youth?
2. How can digital innovation help to address those challenges?
3. What role can the youth play in driving Africa’s inclusive green growth and transformation?
4. What could be done by African governments to harness the continent’s demographic dividend and unlock the opportunities and potential of the African youth for sustainable and inclusive green growth and development?
5. What policies could be considered by African governments to maximise green/resilient jobs in green growth transitions?
6. How can the skills and energy of youth be harnessed for effective responses to addressing climate crisis at different levels ranging from global to community level?
7. What financial instruments, institutional and capacity development interventions by diverse stakeholders (IFIs, private sector, governments, academia, civil society, etc.) are required to foster youth-led, inclusive, and sustainable green growth and development solutions in Africa?

4. IMPLEMENTATION

The policy dialogue will be hosted under the Global Community of Practice (G-CoP) on policy responses to building back better in post-COVID-19 Africa. The Institute will organize the G-COP in collaboration with the United Nations Framework Convention for Climate Change (UNFCCC), the Global Green Growth Institute (GGGI), and the African Youth Initiative on Climate Change (AYICC). The dialogue will feature panellists, including the youth. The critical questions outlined in the concept note will guide the dialogue to identify tangible implementable actions on how to leverage the youth for inclusive, green, and sustainable development in Africa. The outcome of the policy dialogue will be policy briefs synthesizing key strategic actions and instruments critical for the Bank’s engagement with the African Youths, and policy responses of the Bank’s Regional Member Countries to the African Youths to accelerate inclusive, green, and sustainable development.
5. PARTICIPATION

Participation in the G-CoP policy dialogue shall be open to all registered delegates from Africa and globally. The policy dialogue will be hosted in virtual form. All participants from the public and private sectors, the academia, civil society, and especially the youths, and women are encouraged to register for the event.

To participate in the G-CoP policy dialogue on “Leveraging potentials of the youth for inclusive, green and sustainable development in Africa”, please click here to register. You can also register from your smartphone or tablet by scanning the QR Code

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Annexes

Figure 1: World Population by regions

![World Population by Regions](image1)

Source: UN Population Division

Figure 2: Distribution of Africa’s population

![Distribution of Africa’s population](image2)

Source: UN Population Division
Figure 3: Poverty among the youths by regions, 2019 and 2030.

Source: Brookings Institution