

Creating opportunities for quality jobs

The Bank equips African youth with the skills needed to secure decent work. In Malawi, the Higher Education, Science and Technology Project is improving skills quality and relevance to increase graduates' employability and job creation.

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Chapter 5
Improve the quality of life for the people of Africa

The COVID-19 pandemic and subsequent economic crises have disrupted a long period of sustained progress in improving the quality of life in Africa, thus increasing the urgency of efforts to create jobs, improve skills, and scale-up access to health, water, and sanitation services, while also building climate change resilience.

Global crises threaten gains on quality of life

For more than two decades preceding the COVID-19 pandemic, Africa had made significant progress in improving the quality of life of its population. Extreme poverty had dropped from 50% in 1990 to 42% in 2015, and then to 33% in 2019. However, since 2020, the effects of successive global crises have pushed millions into poverty, and the prevailing uncertain economic climate has resulted in a slow recovery. As a result, extreme poverty remained at 30% in 2022. At this reduced rate of poverty reduction, it would take longer for Africa to achieve the SDG Goal 1 of eradicating extreme poverty.

> *Africa experienced disruptions in the global supply of and increases in prices for food, energy, and other vital commodities, due to Russia's invasion of Ukraine*

Although the immediate health and economic effects of the pandemic have receded, they have left an imprint on the economic and social conditions of Africa's population that will take some time to reverse. Furthermore, Africa has also been affected by disruptions in the global supply of and increases in prices for food, energy, and other vital commodities, caused by Russia's invasion of Ukraine.[2] It is estimated that these effects have led to an additional 15 million people falling into extreme poverty across Africa in 2022.

These global crises have also left African countries with drastically reduced public resources needed to return the continent to a path of accelerated growth. Fiscal deficits have narrowed from an average of 5.2% to 4.4% during 2022 yet remain above pre-pandemic levels. Youth unemployment also remains higher than the rate of general unemployment, even though it reduced from 16% in 2021 to 13.7% in 2022. This is still higher than before the pandemic at 12% in 2019.

In 2022, at least 3 in 10 Africans lacked access to basic drinking water services and 6 in 10 had no access to basic sanitation facilities. Approximately 30% of Africans live more than two hours from essential health services. To address these issues, access to affordable development finance is needed to augment efficiency of spending on public service delivery and job creation, and to better target it towards those most in need.

Bolstering Africa's healthcare infrastructure and pharmaceutical industry

The COVID-19 pandemic has exposed the vulnerabilities of Africa's healthcare system, emphasising the need to improve healthcare infrastructure and foster the development of an African pharmaceutical industry to safeguard against potential health crises in the future.

Poor health and lack of access to quality healthcare can have a devastating impact on human capital, economic productivity, and society as a whole. To reduce inequality and better prepare for future pandemics, improving access to healthcare is essential. The COVID-19 pandemic has demonstrated that countries with the most advanced universal healthcare were best equipped to respond to the crisis. In response, the Bank has adopted a Strategy for Quality Health Infrastructure in Africa 2022–2030, which aims to address the $21 billion in health infrastructure financing gap across the continent.

A key priority is ensuring that healthcare investments and expenditure benefit the poorest households. According to estimates by the World Health Organization (WHO), per capita health spending on COVID-19 in 2020, from government and compulsory health insurance averaged $212 in 16 high-income countries, compared to $14 in 20 low- and lower-middle-income countries. In low- and lower-middle-income countries, poorer households receive a smaller share of overall health spending than richer households, in part due to the limited availability of healthcare infrastructure in poorer and rural areas.

Table 9 **Improve the Quality of Life (progress in Africa)**

INDICATOR	ALL AFRICAN COUNTRIES		ADF COUNTRIES		TRANSITION STATES	
	Baseline 2015	Latest 2022	Baseline 2015	Latest 2022	Baseline 2015	Latest 2022
Population living below the poverty line (%)	42	30	45	38	57	48
Unemployment rate (%)	8.9	7.4	6.3	5.4	12.1	6.6
of whom women	9.8	9.3	7.9	6.5	5.1	8.0
Enrolment in education (%)	62.0	62.3	58.8	58.7	57.5	56.8
of whom women	59.2	59.8	55.9	56.0	53.3	52.4
Access to at least basic sanitation facilities (% population)	39	42	25	26	23	25
Youth unemployment rate (%)	14.0	13.7	10.3	9.5	8.6	11.7
of whom girls	16.5	16.6	12.2	10.4	8.0	12.5
Enrolment in technical/vocational training (%)	11	10	8	7	9	10
of whom women	9	9	7	8	8	8
Access to at least basic drinking water services (% population)	72	69	64	59	51	56

Improvement over baseline Stability Deterioration

Another priority is strengthening the capacity of Africa's pharmaceutical sector. Africa is highly dependent on drug imports, with 70% to 90% of all drugs used across the continent imported. Additionally, only 1% of vaccines are manufactured on the continent. To address this issue, the Bank developed the 2030 Continental Pharmaceutical and Vaccine Manufacturing Vision and Action Plan and launched a new initiative with the AU, the African Pharmaceutical Technology Foundation, to boost Africa's capacity to produce drugs, vaccines, diagnostics, and therapeutics all along the value chain, to help build its pharmaceutical sector (see Box 9 in Chapter 3 – Industrialise Africa). Furthermore, the Bank and the Islamic Development Bank (IsDB) have partnered to promote the development of the pharmaceutical sector.

The Bank's impact on transforming Africans' quality of life

Under its High 5 *Improve the Quality of Life*, the Bank promotes human development in Africa in several areas: health, social protections, water, sanitation and hygiene, and education and skills. The Bank is devoted to equipping young Africans with the skills they need to secure meaningful employment by investing in the development of their skills, entrepreneurial abilities, and technical and vocational training. To ensure this work is effective, the Bank recently launched a Skills for Employability and Productivity in Africa (SEPA) Action Plan. This Plan is designed to help bridge the skills gap and mismatch seen across Africa's labour market, while equipping Africans with the skills they need to address climate change, support the green-economy agenda, and participate in the digital transformation of African economies.

Improving skills and creating jobs for Africans

During 2022, **Bank operations trained 340 000 people, of which 226 000 (70%) were women**. For example, our support for technical and vocational training included the Ghana Development for Industry Project, which aimed to develop the high-quality, mid-level technical and vocational skills needed in the Ghanaian economy. The project expanded access to Technical and Vocational Education and Training (TVET) services by 13%, creating 980 jobs in the process. Similarly, in Zambia, the Education for Sustainable Development in Africa project supported the Zambian government in building capacity, knowledge, and skills in the mining sector, contributing to youth employment and inclusive economic growth. See another example in Box 11.

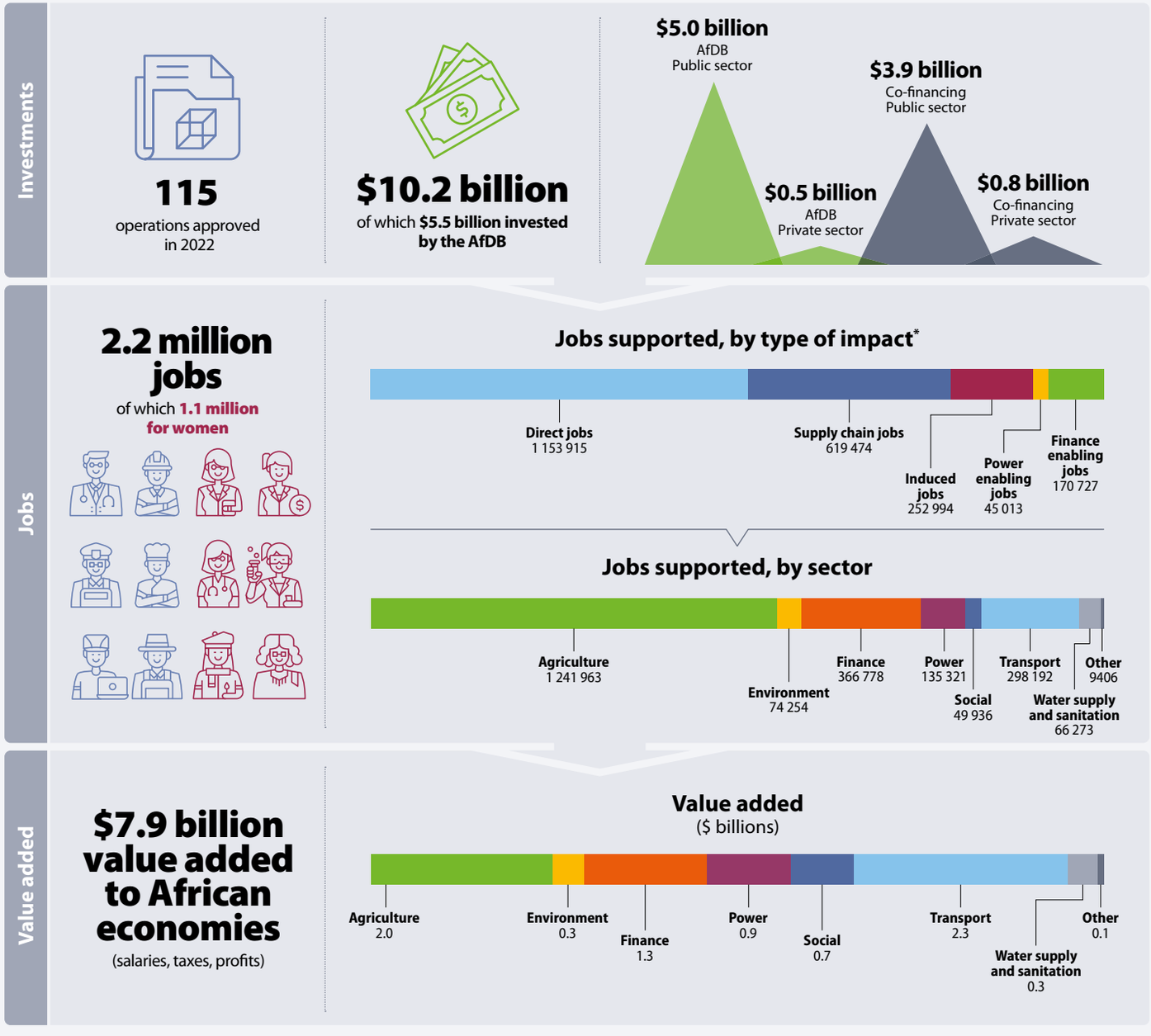
Box 11 **Breaking gender barriers to unlock Ghana's mining sector potential**



Amina B. is a Ghanian geoscientist who graduated with a Bachelor's degree in Earth Science and a Master's degree in Mineral Exploitation from the Pan African University Institute of Life and Earth Sciences, supported by the African Development Fund. Amina B. faced a range of gender-related barriers, but she never allowed herself to be discouraged. She was steadfast in her conviction that there was a place for women in Ghana's mining sector. '*I loved my studies and that encouraged me to go even further to achieve a Master's degree*', she said. After completing her Master's programme in Nigeria, Amina B. returned to Ghana, where she is conducting research on the potential of rare minerals to contribute to the country's development. Looking to the future, she plans to further develop her expertise by enrolling in a Ph.D. programme in mineral geology.

Figure 4 **Joint Impact Model: 2022 Bank investments are expected to create 2.2 million jobs**

Based on Bank projections using the JIM model, 115 Bank-approved operations in 2022 are expected to foster the creation of 2.2 million jobs, representing a substantial increase from the 1.7 million jobs supported by Bank operations approved in 2021. The number of direct jobs expected from the operations approved in 2022 is 1.15 million, the highest recorded since 2016. Most of these jobs will come from agricultural operations supporting smallholder productivity and competitiveness, and investments in agro-industrial value chains. Moreover, the indirect jobs expected from 2022 operations are estimated at 1.1 million, which is significantly higher than in 2020 and 2021, when the Bank approved fewer operations due to the COVID-19 pandemic.



* For more details on JIM and definition of different types of jobs supported, see the methodological annex under the section: New approaches to measuring development impact

Africa's growing youth population requires increased access to jobs to realise its demographic dividend. Each year, more than 12 million young people enter the labour market, but only 3 million jobs are created, meaning that African economies are not generating enough jobs. The Bank's Jobs for Youth in Africa Strategy aims to drive inclusive growth across the continent through integration, innovation, and investments. To this end, a number of Bank-funded operations focused on skills for jobs. For instance, the Senegal Virtual University Support Project is providing training in digital, multimedia, and graphic art. This project has established six courses, which now enrols approximately 10 000 students, with more than half of them being female.

Table 10 **Improving the Quality of Life (the Bank's contribution to development)**

INDICATOR	ALL AFRICAN COUNTRIES			ADF COUNTRIES		TRANSITION STATES	
	Baseline 2015	Actual 2022	Target 2022	Baseline 2015	Actual 2022	Baseline 2015	Actual 2022
People with new or improved access to water and sanitation (millions)	2.0	12.3	3.6	1.2	8.5	0.3	2.8
of whom women	1.0	6.0	1.8	0.6	4.1	0.1	1.4
People trained through Bank operations (thousands)	290	340	900	290	320	34	64
of whom women	119	226	450	80	213	15	39
People benefiting from better access to education (millions)	0.38	0.06	0.38	0.38	0.06	0.27	0.010
of whom women	0.24	0.03	0.19	0.24	0.03	0.17	0.004

Achieved 95% of 2022 target Achieved less than 95% of 2022 target Achieved less than the baseline

Another prominent example is the Jobs for Youth project in Malawi, which has successfully created jobs for 14 933 young people, 43.3% of whom were women. It has achieved this by providing training programmes in the manufacturing, information, communication technology, agriculture, and small-scale mining sectors, as well as a business incubation programme which enrolled 3043 young people and a youth internship programme which reached 1723 youth. The Bank is also implementing other flagship programmes to support job creation for young Africans: ENABLE Youth program promoting business and job creation in agricultural value chains, Coding for Employment empowering young people with fit-for-purpose skills in the digital economy, and is planning to establish Youth Entrepreneurship Investment Banks to provide financial services to youth-led/owned businesses.

> *The Bank equips young Africans with the skills to secure meaningful employment by investing in their skills development, entrepreneurial abilities and technical and vocational training*

In 2022, the Bank continued to make progress on the Joint Impact Model (JIM), an econometric tool that estimates the number of jobs generated by an institution's investments. Currently, 15 International Financial Institutions (IFIs) use this model. Apart from the direct jobs created by Bank-financed projects, the model also evaluates the number of indirect jobs made possible by these investments. This includes supply chain jobs, induced jobs, and jobs created by the enabling effects of better access to finance or energy (see Figure 4).

Expanding access to water and sanitation

The Bank had made significant investments to support African countries in developing resilient and sustainable water and sanitation systems, with the aim of expanding access to water and sanitation across the continent. In 2022, the Bank's operations provided 12.3 million **people with new or improved access to water and sanitation services**.

An example of this support is the Kigali Bulk Water Supply Project in Rwanda, which involves a Public-Private Partnership (PPP) that helped to establish the country's first independent water producer – Kigali Water Limited. The 40 000 cubic metres of water produced by the water treatment plant each day, has helped reduce the water deficit in Kigali and the surrounding urban areas by just over a quarter, thereby providing much-needed relief to industrial, commercial, and residential areas.

Another example is Somalia's Water Infrastructure Development for Resilience in Somaliland Project, which aims to strengthen the resilience of the water and sanitation sector in managing challenges related to fragility and climate change, and to expand access to water and sanitation services. The project has provided an additional 10 000 people in rural communities with access to basic water services, and an additional 8000 people with access to basic sanitation. Similarly, Sierra Leone's rural water supply and sanitation project has benefited 720 000 people with rural water supply interventions, while 25 371 households were provided access to basic sanitation. The project also supported the development of the National Rural Water Supply and Sanitation Programme, a framework for investment in rural water, sanitation, and hygiene.

Finally, the Bank continued to generate knowledge to support its work in improving the quality of life for Africans. To this end, the Bank produced the 'Technical and Vocational Education and Training and its Linkage to Productive Sectors in Africa' report, which profiles the status of TVET and aims to generate new investment pipelines of TVET projects on the continent. ■