

AFRICA'S DEVELOPMENT DYNAMICS 2024

SKILLS, JOBS AND PRODUCTIVITY

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A collaborative & inclusive approach to policy-making: Africa's Development Dynamics report

Africa's Development Dynamics 2024
SKILLS, JOBS AND PRODUCTIVITY

African Union, OECD dev, 2024

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Key messages of the report

1. Skills development can increase the **productivity of Africa's vast talent pool**
2. African nations can devise country-specific strategies to invest in a **virtuous cycle of better skills for better jobs**
3. Effective skills development policies balance **high productivity, employment potential and inclusiveness**



Africa's Development Dynamics reports deliver a joint narrative **on policies** for sustainable growth in Africa

2018: Growth, Jobs and Inequality

2019: Achieving Productive Transformation

2021: Digital Transformation for Quality Jobs

2022: Regional Value Chains for a Sustainable Recovery

2023: Investing in Sustainable Development

2024: Skills, Jobs and Productivity

2025: Productive Infrastructure (working title)





SKILLS DEVELOPMENT IS
INCREASING THE PRODUCTIVITY OF
AFRICA'S VAST TALENT POOL

-

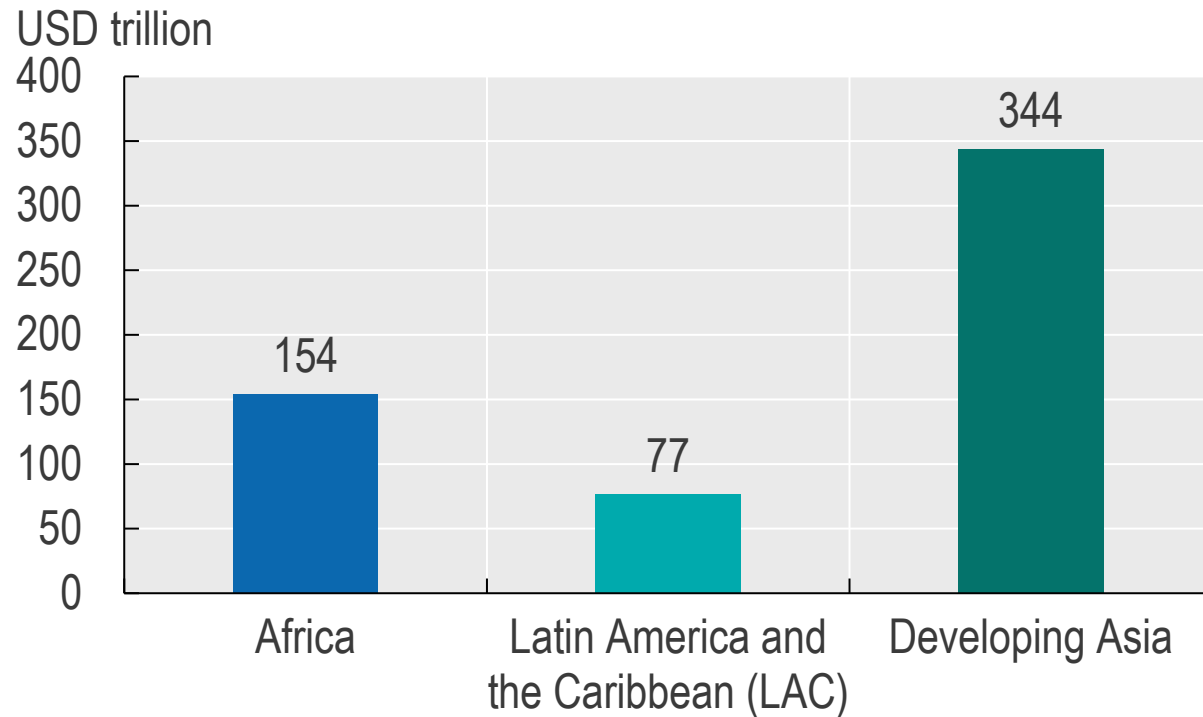
POTENTIAL BOOST TO THE
CONTINENT'S GDP BY
USD 154 TRILLION



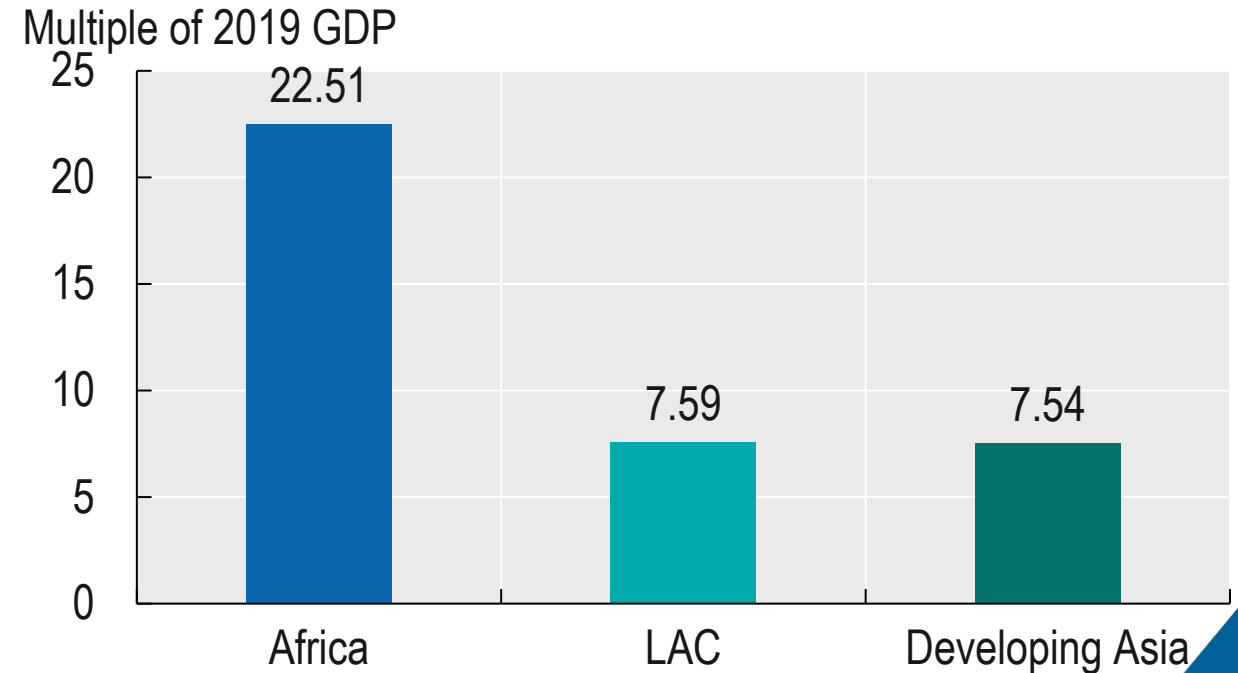
Achieving **universal basic skills** brings more **benefits to Africa** than other world regions

- **Returns to education:** Each additional year of education could **increase African learners' earnings between 8% and 11%**.
- Providing at least basic skills to all children could raise Africa's GDP by **USD 154 trillion**, **multiplying Africa's 2019 GDP by 22.5**

A. In trillion US dollars



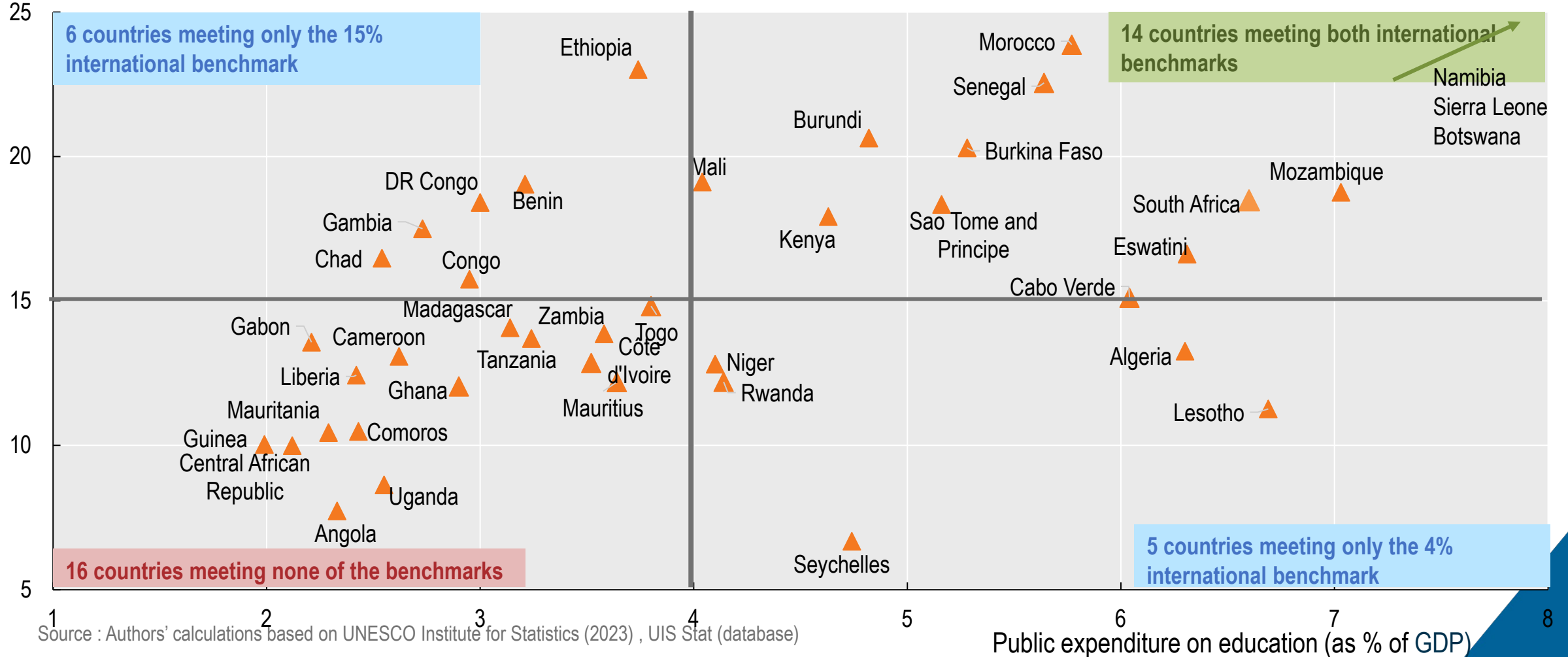
B. Multiple of 2019 GDP





The continent faces an annual average education financing gap of about USD 77 billion until 2030

Public expenditure on education (as % of total government expenditure)

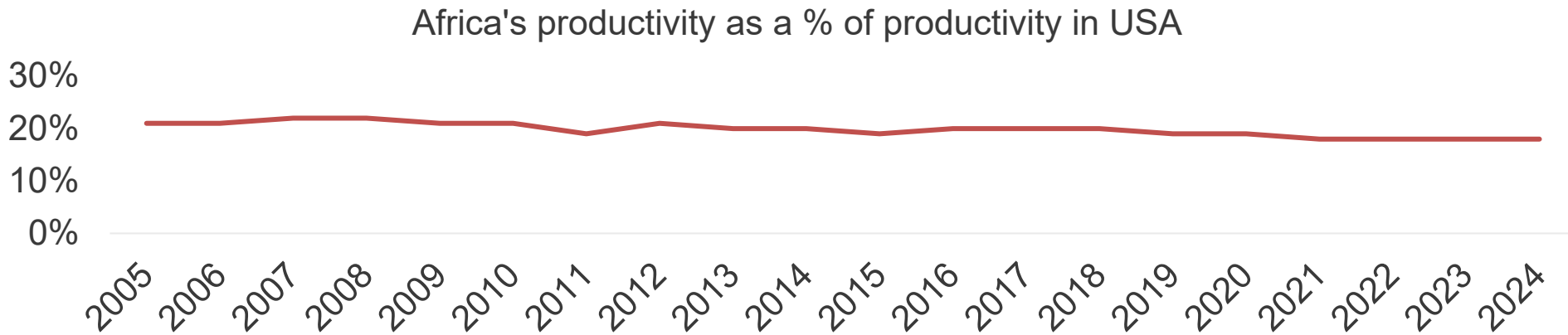
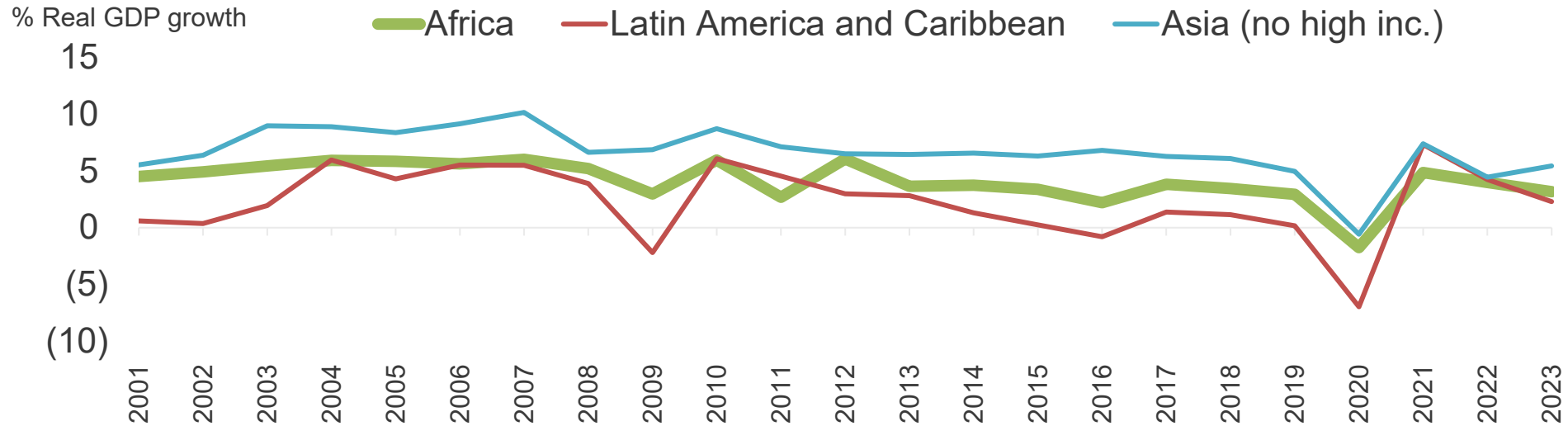


Source : Authors' calculations based on UNESCO Institute for Statistics (2023) , UIS Stat (database)

Public expenditure on education (as % of GDP)



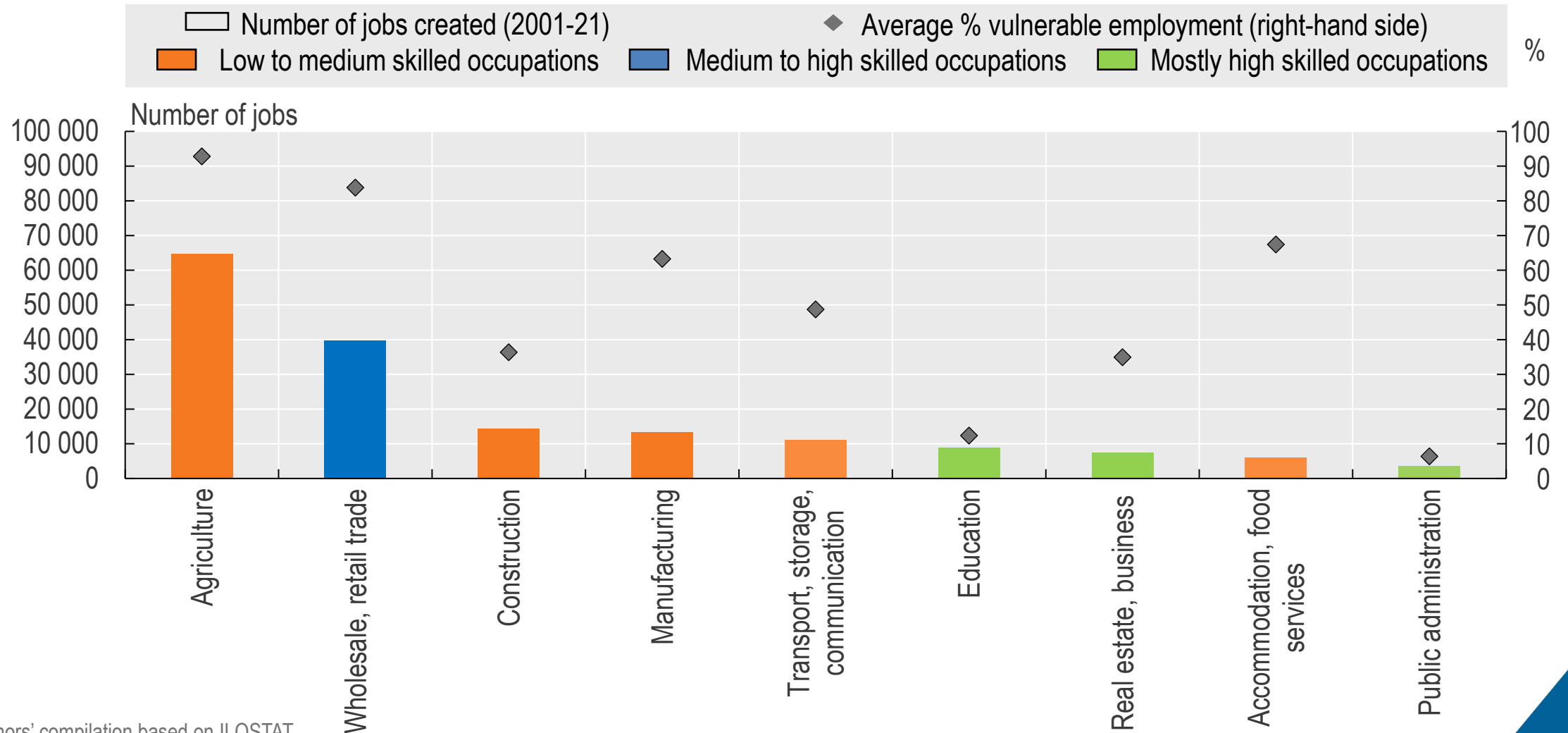
High GDP growth did not enable Africa to catch up with the global productivity frontier





Job creation has happened in sectors with low productivity, high vulnerability and low skills

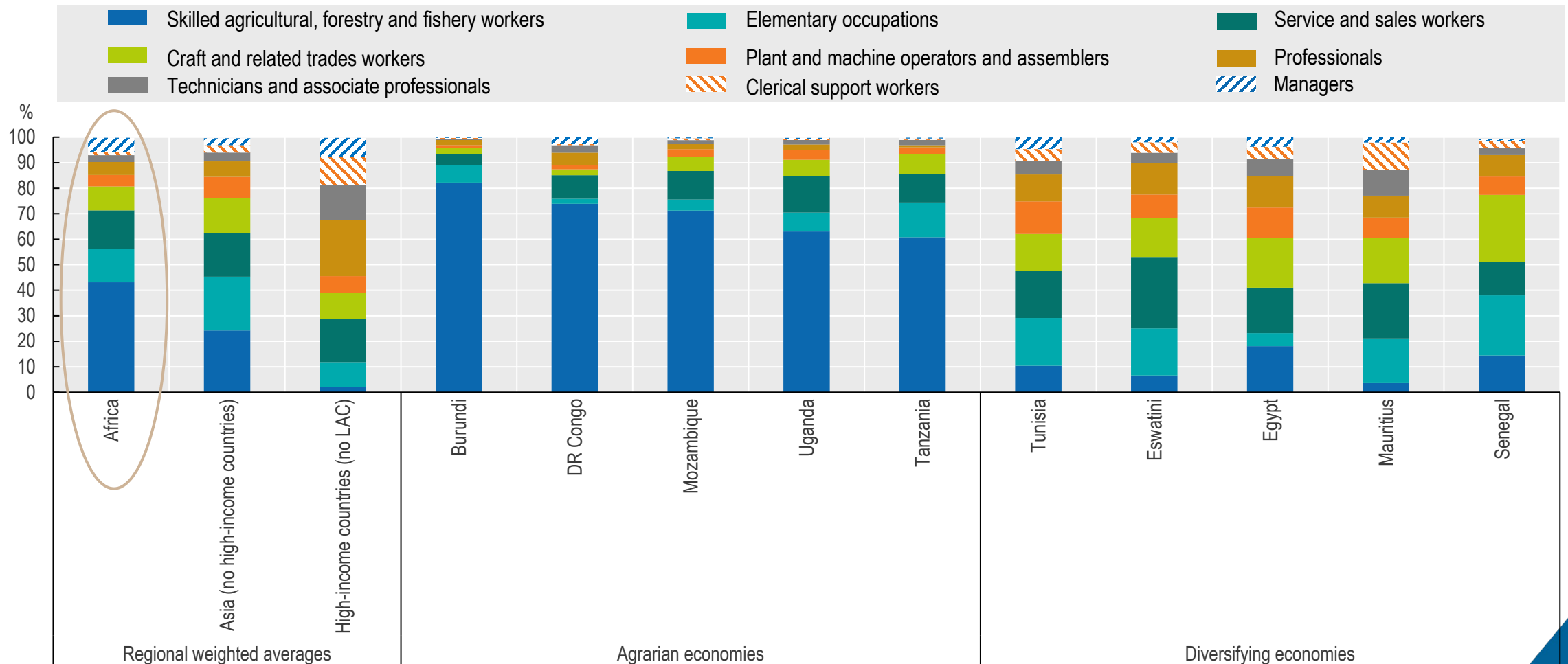
Over **80%** of African youth in school **aspire to work in high-skilled occupations**, but **only 8%** find such jobs.





Skill needs evolve as economies industrialise and diversify.

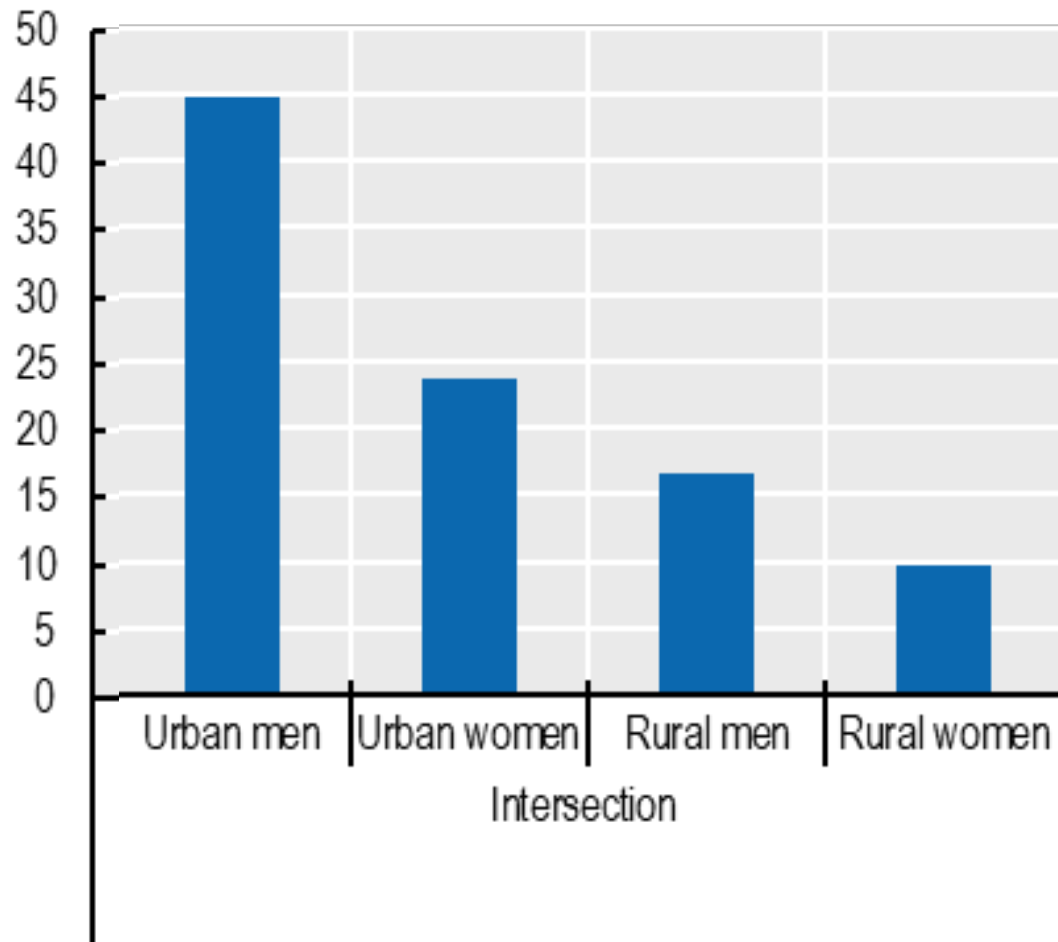
Labour force breakdown by occupation in selected African countries, 2021 or latest year available





Informal/formal, gender and rural-urban labour market divides compound skill gaps, contributing to inequalities

% of workers in skilled occupations

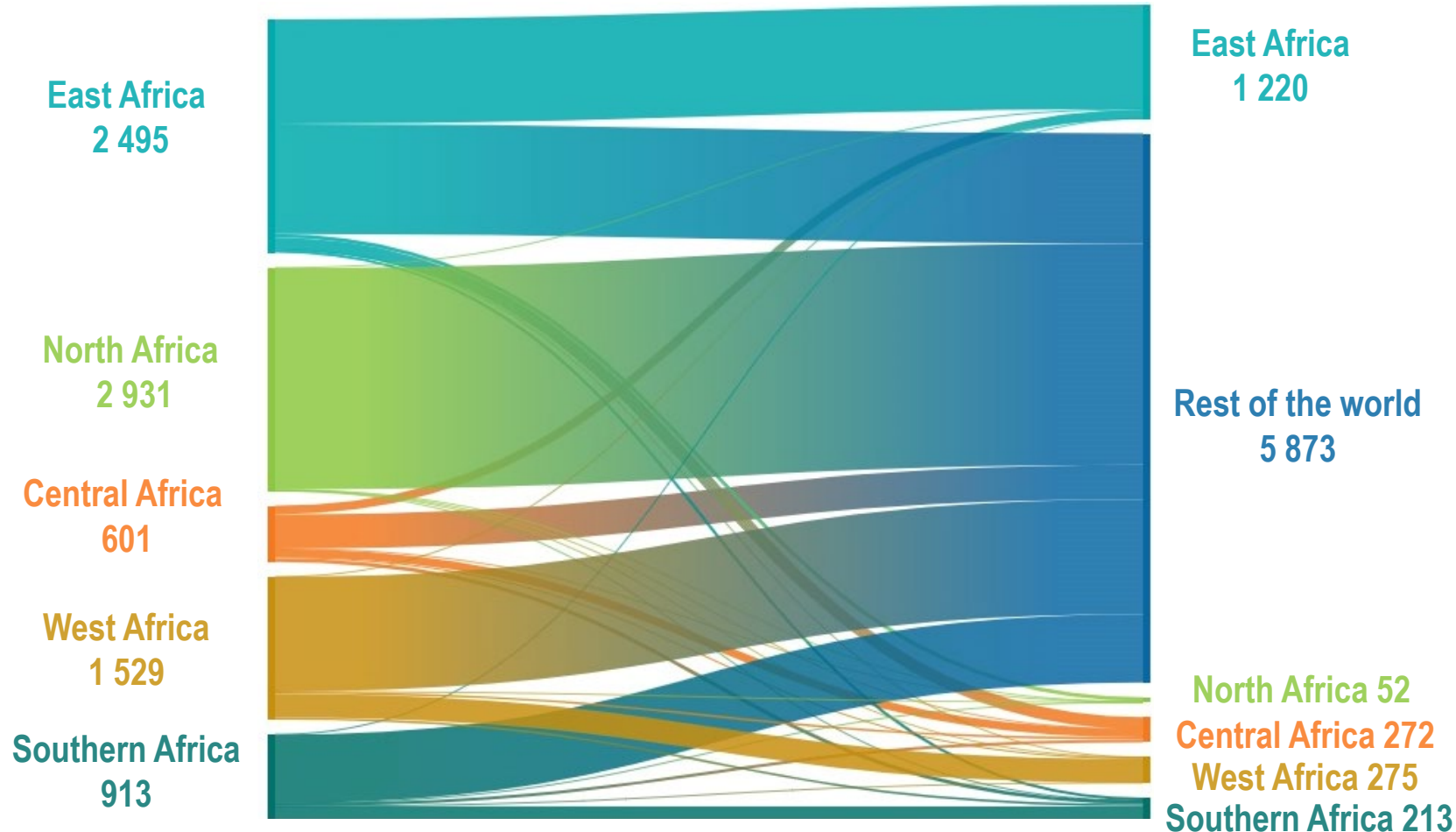


- **Informal employment:**
 - **92% in rural areas**
 - **72% in urban areas**
- **Agriculture and services dominated by informality:**
 - **57% of rural workers** are in informal agriculture
 - **46% of urban workers** are in informal services
- **Share of group in skilled occupations:**
 - **<10% of rural women**
 - **45% of urban men**
- **Gender gaps in education completion rates increase with education levels: the number of countries achieving gender parity is**
 - **8 at primary level**
 - **5 at lower secondary level**
 - **0 at upper secondary level**



Tertiary-educated Africans are more likely to migrate outside the continent

Africa's stocks of tertiary-educated migrants per region of origin and destination, in thousand, 2020



- **17% of all tertiary-educated adults** born in Africa were living abroad in 2020, of which **72% chose high-income countries.**
- **600 000 African students in tertiary education** pursued their studies outside of Africa in 2021.



Demand orientation, data and scalable formats are key for effective skills development policies

1. National strategies

- **Data** on skill mismatches
- **Priority sectors** with comparative advantages
- Emphasis on **digital and green skills**

Kenya's National Skills Development Plan

Sector Skills Councils



2. Expand quality education

- Most **cost-effective measures**
- **Progress** towards international benchmarks

Morocco's education reform roadmap



3. Training and skill recognition

- **Entrepreneurial and soft skills training**
- **Certified apprenticeships** with private sector
- **Recognition of prior learning**

Informal enterprises in Togo

Entrepreneurial training



\$ Profit +30%

4. Innovative TVET

- Involve **private sector** in programme delivery
- **Upgrade curricula**, governance and reputation
- Increase **female and rural participation**
- **TVET levies; coordinate partner finance**

Moanda School of Mining and Metallurgy



5. Regional integration

- Skill shortages and gaps in **regional value chains**
- **Cross-border skill recognition and portability**
- **Reduce talent outflow; circulation of skills**

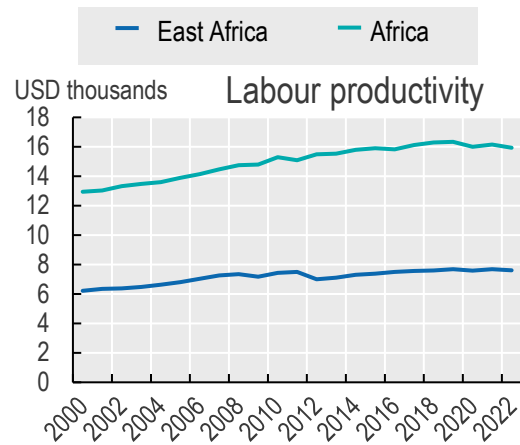
Centre of Excellence for Advanced Battery Research DR Congo & Zambia





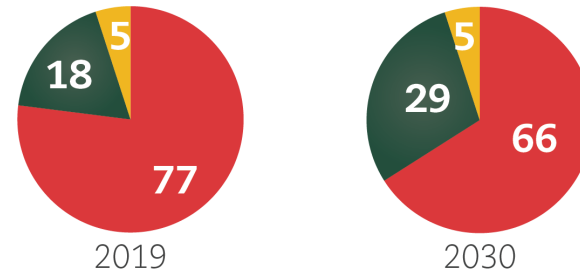
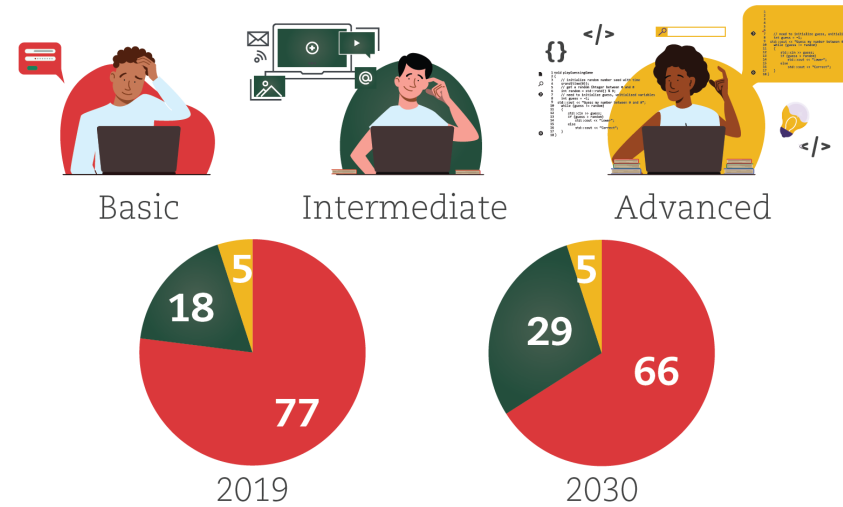
Consultations can inform national strategies of digital skills requirements in East Africa

Quality jobs are scarce in most East African countries

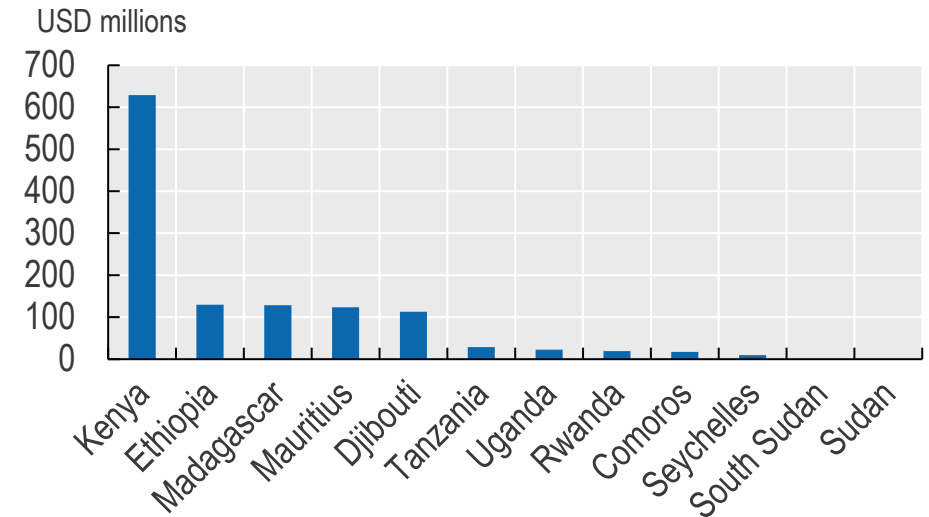


Supply and demand of digital skills is growing unevenly across countries

% of jobs with different digital skills needed in Kenya and Rwanda



Export of ICT services



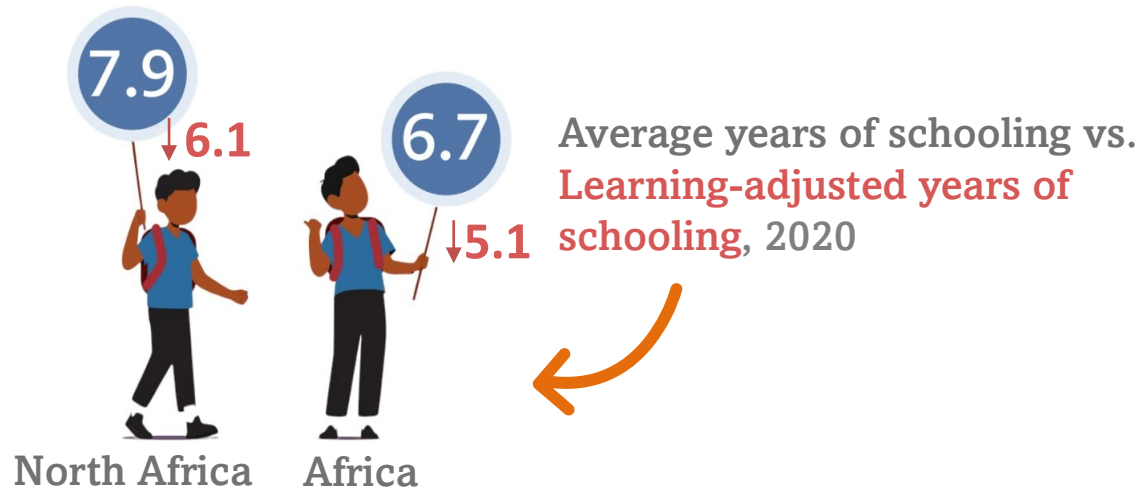
Renewable energies are creating new skill demands in African countries, increasing quality job opportunities

- A randomised controlled trial of 640 Kenyan MSME showed that using chatbot GPT-4, an AI increases their productivity
- Adoption of climate-smart agricultural practices in East Africa could increase agricultural productivity 3-fold



Comparable learning assessments can help monitor education quality to develop renewable energy in North Africa

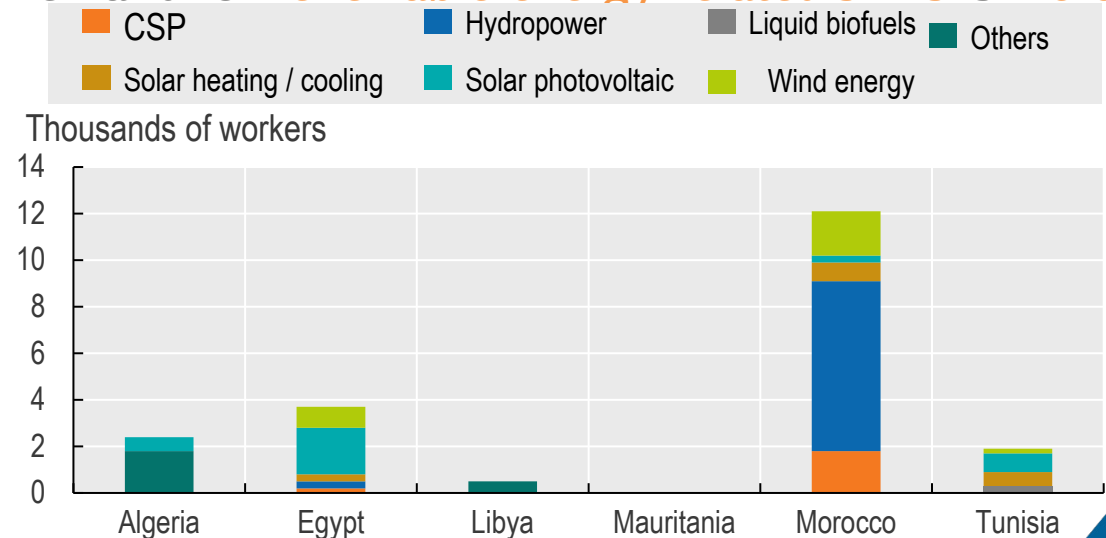
Education quality in North Africa is above the African average, but inequalities persist



Strengthening skills can support increasing renewable power generation



Demand for renewable-energy-related skills is increasing



Renewable energies are creating new skill demands in African countries, increasing quality job opportunities

+2.7 million in North Africa,

comparing the 1.5°C global temperature increase scenario with the business-as-usual scenario

&

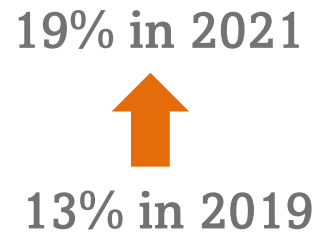
+12 million in Africa by 2050, since 2019



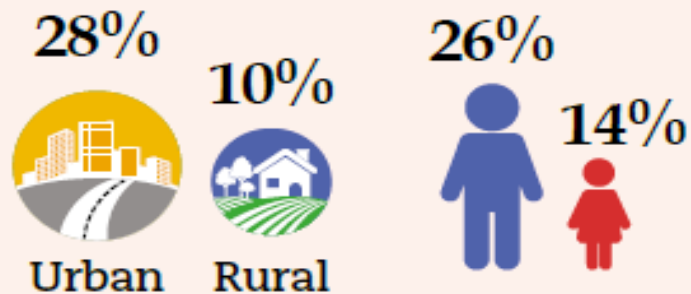
West Africa expands skill acquisition in agri-food through training and recognition of prior learning (RPL)

Despite **advances in STEM education**, skilled employment is divided across **rural-urban** areas and **gender**

The percentage of **STEM teachers** in West Africa is approaching the **30% target** set by **Agenda 2063**



% of workers in **skilled jobs**, 2010-19



Training is a crucial tool in skill acquisition. While **RPL that validates non-formal, informal and formal learning** covers key sectors, it is yet to extend to the agriculture sector



Benin is expected to multiply by 3 the number of technical agricultural colleges, by 2025

In Nigeria 37 technical colleges offer courses in agriculture and related disciplines (22% of total)

RPL status  **In West Africa**

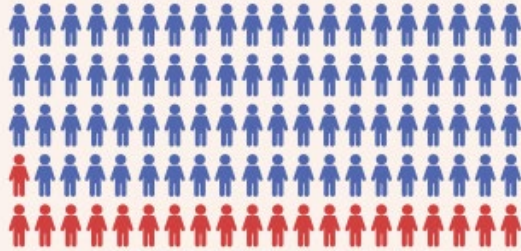
- **Operational in Cabo Verde**
- **Early thinking /consultation (10 countries)**
- **Not started (4 countries)**



Central Africa can strengthen skills in the mining sector through public-private partnerships and TVET

Access to education and skilled jobs is still limited

21% complete secondary education



2020

% of workers in skilled jobs, 2010-2019

25%



Urban

9%



Rural

26%

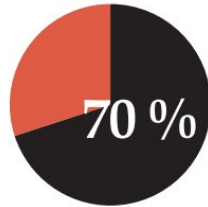


10%



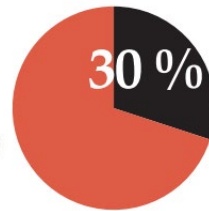
Regional production of critical minerals offers opportunities

Co
Cobalt



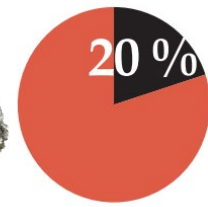
Global demand x3 by 2040

Ta
Tantale



Global demand x7 by 2040

Mn
Manganèse



Global demand x8 by 2040



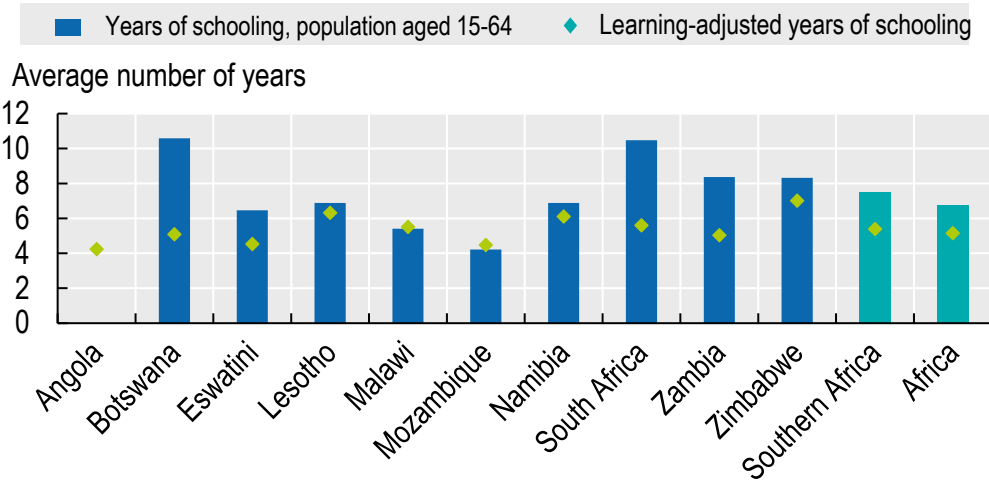
The Moanda Metallurgical Complex

In Gabon, the Moanda School of Mining and Metallurgy, a public-private partnership, provides training to boost local Manganese processing.



Southern Africa can develop skills in mining value chains through regional cooperation

Skill levels in Southern Africa are on par with the rest of Africa but **vary greatly** within the region



Skills development for **cobalt refining and minerals for renewable energy** could strengthen **mining value chains**

Cobalt refining in Zambia

Growing demand for electric vehicles will **double the need for cobalt** by 2030

Renewable energy in South Africa

Direct employment in renewable energy **surged by 10%** between 2022 and 2023



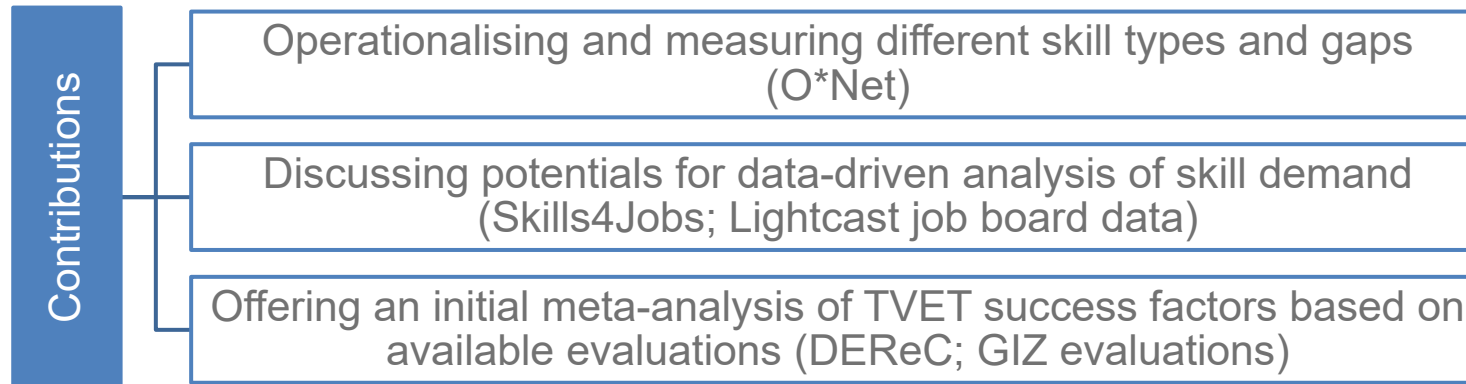
Southern African countries seek to align the sector's policies through the **SADC Protocol on Mining and the Framework for the Harmonization of Mining Policies, Standards and Regulatory Regimes**. They are pivotal to skill formation and skill transfer.





Beyond AfDD 24: Using **big data** to identify **skill gaps**

Goal: Using evidence and resources generated by AfDD 2024 to initiate a **more sustained activity** that **addresses policy recommendations** made in the report (“walk the talk”)



Approach: Country-based analysis of current and future unmet skill demands (skill gaps)

- 1 • Identifying priority countries
- 2 • Big data analysis to project specific skill gaps (digital, green, sector-specific technical skills)
- 3 • Evaluating TVET institutions (their grant applications or project implementations) in terms of their demand orientation and adherence to best practices
- 4 • Evaluating national skill strategies and education policies for demand orientation
- 5 • Policy and stakeholder dialogue with TVET institutions and national policymakers



THANK YOU!
MERCÍ!
MUITO OBRIGADO!

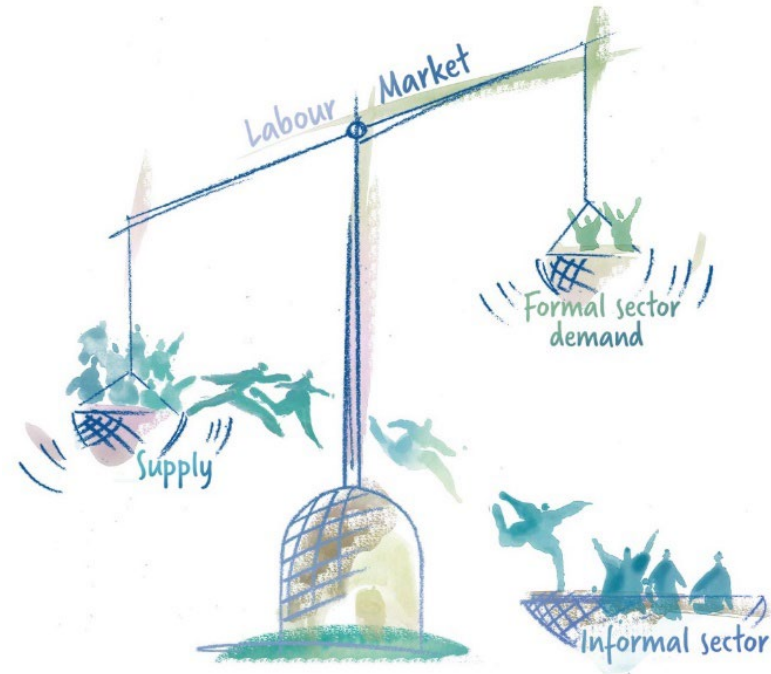
Opportunity-driven VET as an enabler



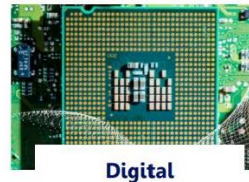
Why Opportunity-driven skills and VET ?

Employment as the leading perspective

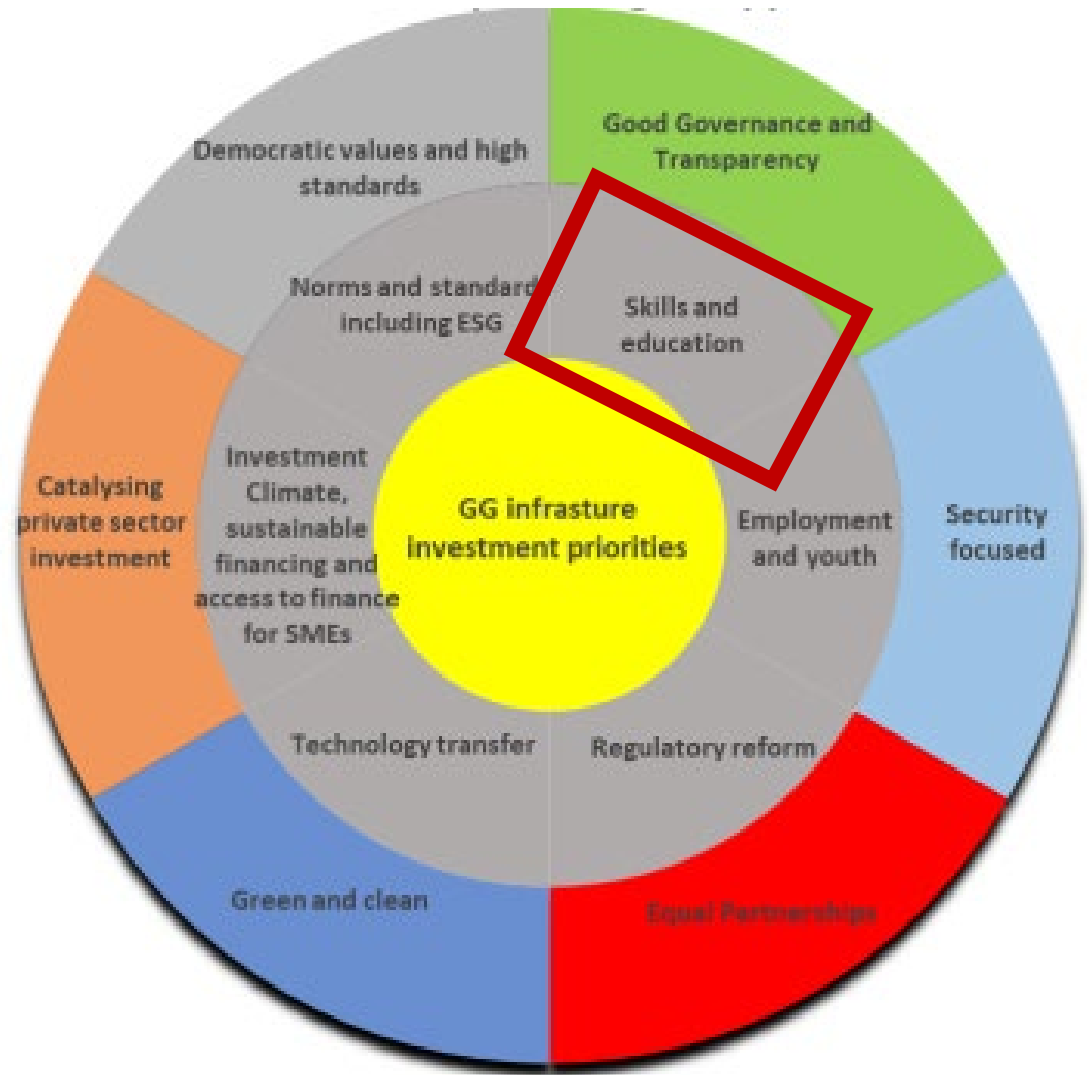
Engaging the private sector and create win-win for learners & business



Reverse engineer VET starting from concrete employment opportunities



360° support to Global Gateway



360° support to Global Gateway

Objective: Link skills with investments



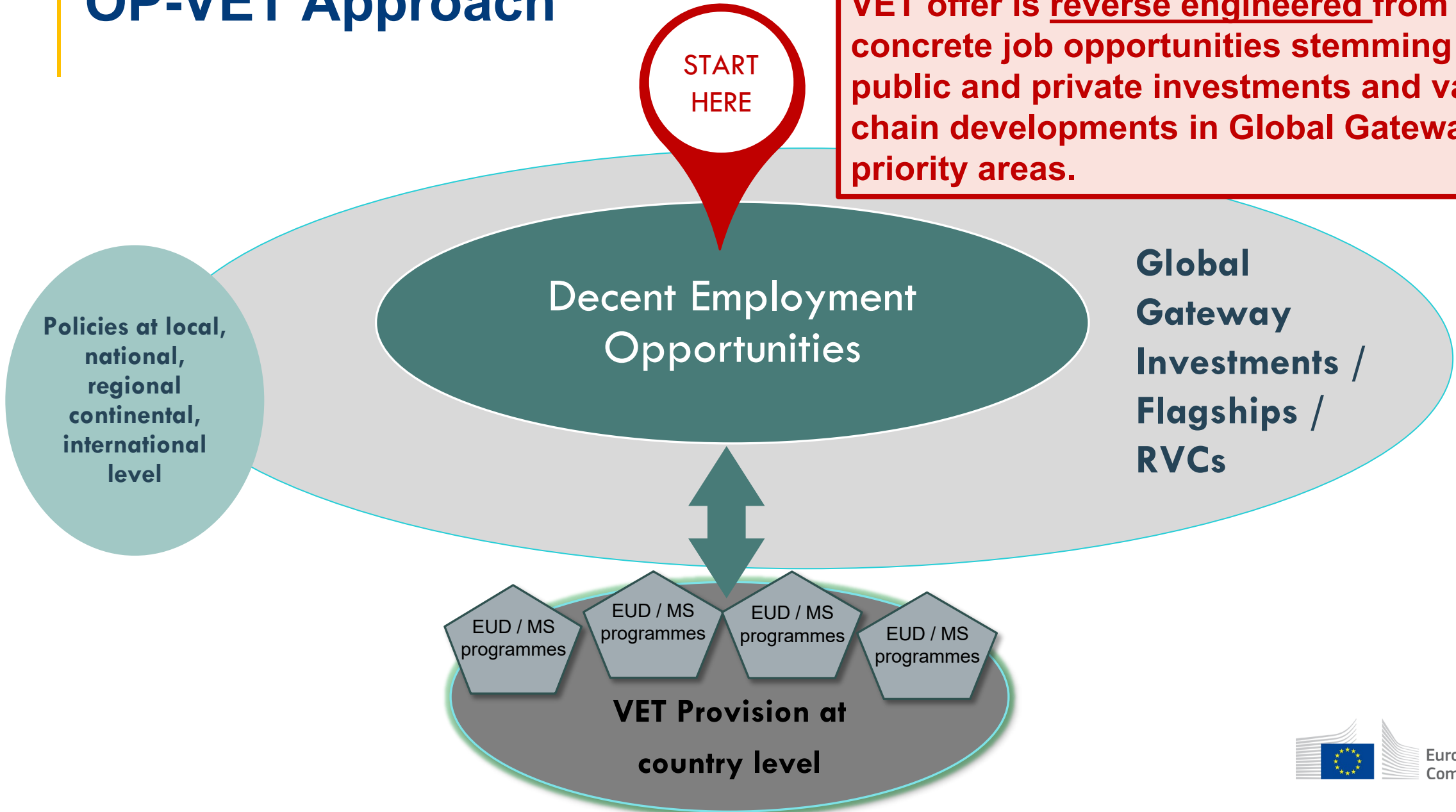
- Identification of **sectors and value chains** with **employment potential** and **skills needs**.
- **Analysis of skills gaps** and recommendations for VET provisions responsive to employment opportunities.



OP-VET Approach

Paradigm shift:

VET offer is reverse engineered from concrete job opportunities stemming from public and private investments and value chain developments in Global Gateway priority areas.



Team Europe Initiative 'Opportunity-driven Skills and VET in Africa' (TEI OP-VET)





TEI OP-VET: Paradigm shift in approach to VET

- Employment as the leading perspective
- Reverse-engineered VET starting from concrete employment opportunities
- Engaging the private sector and create win-win for learners & business

Help EU and MS VET programmes **orient towards concrete job opportunities** generated by the **Global Gateway** and other market dynamics.



TEI OP-VET: 3 pillars

1) On-demand Technical Assistance facility for projects financed by EU or EU MS:

- Identification of employment opportunities & related skills profiles in targeted value chains and sectors
 - Recommendations for VET provision responsive to identified employment opportunities
-

2) Regional exchange/exposure on Public-Private Partnerships to stimulate partnerships for opportunity-driven skills and VET at country & regional level

3) Competitive Funding Mechanism (Call for Proposals) to finance the implementation of regional and multi-country opportunity-driven Skills and VET initiatives in selective VCs

#TeamEurope Initiative

Opportunity-driven Skills and Vocational Education and
Training in Africa (OP-VET)

Call for proposals

Private sector & VET
partnerships for
skills development in the
**Digital, Climate & Energy,
Transport & Health**
sectors in Africa



6 Sept. - 3 Nov. 2024

Objective:

Support VET and skills
development in
collaboration with the
private sector to respond to
job opportunities arising
from EU Global Gateway
investments in Africa.



Selected countries and GG priorities



- Lobito Corridor and supported value chains
- Port of Cotonou (Benin) and Bujumbura (Burundi) infrastructure & related value chains
- Transport infrastructure
- Access to renewable energy
- Digitalisation
- Health / Pharma
- Green Hydrogen & Access to energy
- Critical raw material value chains
- Urban Mobility
- Agribusiness (incl. Agro logistics for Nigeria)

Main facts

Proposals should...

- be designed in close cooperation with the private sector (EU and/or local);
- address skills shortages impeding investment and value chain development and demonstrate tangible employment potential;
- improve the capacity of local VET providers to offer employment-relevant training.

Eligible to apply are...

- private sector networks, private sector companies;
- Foundations;
- governmental organisations;
- public & private VET providers;
- regional and international organisations;
- civil society organisations.

Funding window: € 1-2 million

Project duration: 24 months

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InfoPoint

Opportunity-driven VET in Mozambique

September 2024



Skills for Transport – VET Tool Box II



Transport and Logistic sector – Mozambique

Opportunity: growing foreign and domestic investment flows in Mozambique's economic corridors Maputo and Beira increase relevance of T&L sector and offer new opportunities for economic development and decent job creation (demand for competent and skilled workforce).

Problem: VET system is not yet able to cater for the growing and specialized demand of the sector.



Skills for Transport in Mozambique

Contribute to the economic development and the investment climate in Mozambique through the promotion of demand-oriented skills development in the Transport & Logistics sector.

Jan. 2022 to Sept. 2023

Agency: GIZ

Skills for Transport in Mozambique

**1.
Improvement
of labour
market**

**On-the-job trainings,
internships, life skills,
English, digital, labour market
insertion, training of trainers**

**2.
Establishment
of training
solutions**

**Upskilling initiative for
existing workers in T&L,
technical assistance and
support to SMEs**

**3.
Promotion of
public and
private sector
linkages**

**Public-private dialogue
mechanisms on skills
development in T&L, employment
fairs, gender diagnosis**



Cooperation Private sector – VET providers

- ➔ **Mozambican business associations**
- ➔ **European companies in the sector**
- ➔ **Appload**
- ➔ **Essor**
- ➔ **National Authority for Professional Education (ANEP)**
- ➔ **4 VET Centres in Beira and Maputo**



Main Results: Triple win for private sector, VET providers and beneficiaries (people employed)

Strengthened the dialogue on skills and employment in the sector through a public-private dialogue platform

Developed an Employability training course for the sector

More business opportunities for Mozambican SMEs in the T&L (training / linkages)

Capacitating VET centres



- 463 people trained
- 208 people employed
- Employment rate of 45%



Recommendations

Provide more business development support for MSMEs so that they can reach industry standards and attract work. This will foster new job creation at the local level.

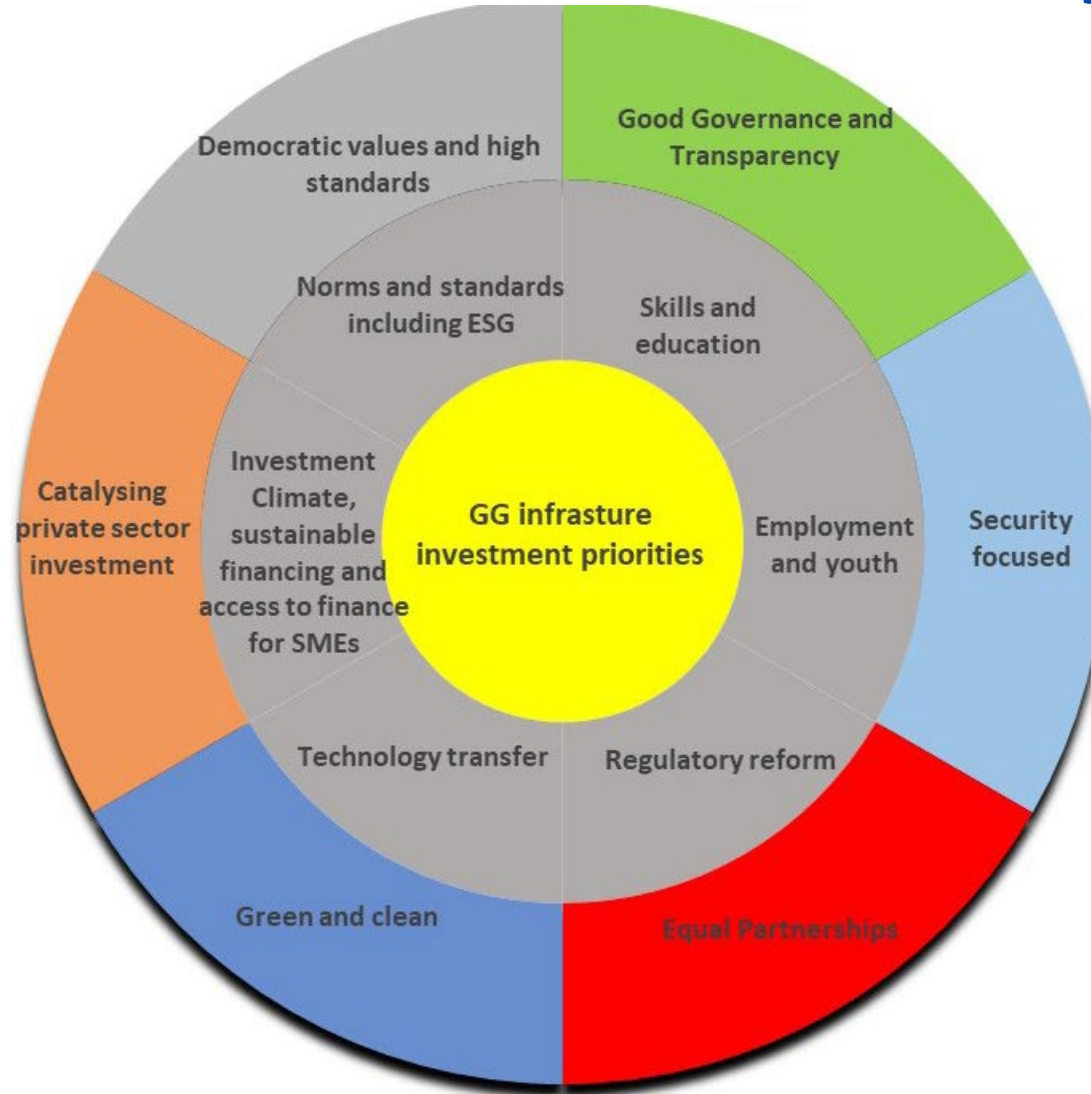
Improve conditions at VET Centres including equipment and infrastructure and strengthening their ability to secure internships or positions for their students and to create and maintain partnerships with the private sector.

Expand the dialogue platform model through collaboration between public and private institutions to improve dialogue, coordination and develop efficient training and employment measures.

Improve women's participation in the sector by raising awareness of the importance of increasing women's participation in the sector and the benefits of increasing diversity and inclusion.

Skills for Employment – Renewable Energies

360° approach in Global Gateway Investments





Working in Renewable Energy

Opportunities

- **Market potential:**
 - ✓ Abundance of available renewable energy sources (hydropower, solar, wind, biomass)
 - ✓ Hydropower as main source for electricity production (80%)
 - ✓ Strong growth rates in the solar sector (2023:14%)
 - ✓ More than 50% of Mozambique's population has no access to energy
- **Job potential:** for every 10.000 off-grid houses connected, 30 jobs are created in renewable energy (UNEP estimation)

Challenges

- Fewer companies in the renewable energy sector than in more “traditional sectors – T&L”
- Difficult access to finance for companies
- Lack of qualified technical staff in the renewable energy sector
- Few linkages of TVET centers with the private sector

Integrated approach to Employment promotion

Public Private Dialogue & Employment Policies for Green Transformation

Demand

Private sector development

- Increased competitiveness of start-ups and MSME (esp. women-led and supporting the green transformation) and a better ecosystem for entrepreneurs
- Partnerships with lead companies to improve gender-responsive and green business models



Matching

- Improved preconditions for a transition from training into the world of work, e.g. matching of graduates / jobseekers, career guidance, internships in companies that support the green transition

Supply

Skills development

- Improved gender-sensitive qualification offers for women and towards jobs that promote green transformation
- TVET staff (teachers, school management) trained in delivery of labour-market-oriented TVET



Employment opportunities in companies that promote the green transition

Skills for Employment (04/2024 -12/2026)

Objective: Enhance opportunities for **Mozambican youth**, particularly for women and young people with disability, to obtain **decent employment** in sectors supporting **green transformation**.

1. Improved labour market orientation of training offers
2. Increased competitiveness of start-ups, entrepreneurs and micro, small, and medium enterprises (MSMEs)
3. Improved transition from education and training to the world of work
4. Increased labour market-orientation of technical and vocational education and training (TVET) and employment policy

Sectors: Renewable Energy, Transport & Logistics and Sustainable Agriculture

Locations: Strategic corridors of Maputo, Beira, Nacala & Nampula



Thank you!

