

Overview of Job Creation Interventions

The Maximise Jobs Guide
The PIDA Job Creation Toolkit
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NOTE: This is the first of two documents comprising the Toolkit's Maximise Jobs Guide. For the second document 10 ACTIONS FOR JOB MAXIMISATION and interactive access, please go to the Toolkit page MAXIMISE JOBS <http://jobs.au-pida.org/index.html#/maximize>.

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1 OVERVIEW

The *Maximise Jobs Guide* in the PIDA Job Creation Toolkit (“Toolkit”) provides a “job lens” of possible interventions and action steps that can be used in the development, financing, and operation of African infrastructure projects. The twin priority goals are:

- (1) Delivering on African infrastructure; and
- (2) Increasing the impact of infrastructure on African job creation.

Both goals are of utmost political and economic importance: Increasing African jobs can work hand-in-hand with the accelerated development of investable African infrastructure assets that meet the investment criteria of private sector investment (including institutional investment).

This overview chapter is aimed at providing the background on the *Maximise Jobs Guide*, setting forth the rationales for focusing on job maximisation interventions that can be utilized in the design, implementation, and operation of infrastructure projects.

1.1 Why is infrastructure essential for job creation?

Historically job creation and infrastructure go hand-in-hand. Over decades worldwide, infrastructure projects and programmes have been developed with the explicit objective of large-scale catalytic job creation. In one single project, jobs are created at the project level (*direct jobs*), supplier level (*indirect jobs*), from the use of income earned from direct and indirect workers (*induced jobs*), and from the economic spill-over effects of infrastructure services such as energy, transport, internet and communication services (*secondary jobs*). In fact, over decades national and subnational governments of developed countries, including the United States, Europe, and Asia (notably China) have implemented industrial policies that boost job creation through the requirement for local contractors, materials, and local workers.

However, in Africa the need for infrastructure has been so demanding that the dominant focus of national and subnational governments has largely been on how to get projects developed and financed with less priority given to maximising African employment and content. The burning need for infrastructure has understandably outstripped the consideration of how to maximize African jobs. Without access to energy, transport, communication, water & sanitation, and other infrastructure services, local businesses cannot develop, supply chains cannot exist, trade is not possible, no investments will be made, and living standards will not improve. Meaningful levels of job creation cannot occur in the absence of suitable infrastructure. As a result, while some African countries have pioneered the use of local content and job maximisation policies, the dominant focus of African government policymakers and their development partners has been on accelerating infrastructure development and finance, rather than on African job creation.

Despite this dominant focus on accelerating the implementation of African infrastructure, results have been undisputedly poor. The World Bank PPI database covering middle and low-income countries globally states that in 2017 Sub-Saharan Africa only received \$US 2.1 billion in finance for 19 infrastructure projects over the entire year, the region’s second lowest level of investment in the past 10 years. Sub-Saharan infrastructure finance in 2017 represents a mere 2% of the total investment across all middle and low-income countries worldwide.¹

¹ “2017 Private Participation in Infrastructure (PPI) Annual Report,” World Bank, 2018, http://ppi.worldbank.org/~media/GIAWB/PPI/Documents/Global-Notes/PPI_2017_AnnualReport.pdf

The lack of investable African infrastructure projects is widely recognized as an urgent issue requiring immediate solutions. To address this shortfall of investable African infrastructure projects, African governments and their development partners have increased their efforts to provide project preparation facilities, risk mitigation instruments, and sources of funding.

In fact, the lack of investable African infrastructure projects is directly related to the lack of African infrastructure development and finance ecosystems required for the effective development and finance of Africa's infrastructure projects. In Africa, there are acute shortages of the required professionals for creating pipelines of investable infrastructure projects.

- *The skills requirement for the development of investable infrastructure projects is very high.* The design of investable infrastructure projects requires experienced proven financial advisors, credit analysts, project finance lawyers, specialized engineers, country and sector experts, environmental experts, development impact specialists, and other experts based on the specific project and country location(s). If a local ecosystem of skilled experienced infrastructure professionals is not available, international consultants are often used, potentially resulting in higher costs and delays. Moreover, using external consultants can create project risks given the lack of country knowledge and capacity to work effectively on the ground given uncertain and complex national legal and regulatory frameworks, political dynamics, etc.
- *The high costs of project development (usually ranging from 5-12% of total project cost) require access to significant funding.* However, in Africa governments often lack funding, local capital markets are not well developed, and local investors often do not have the specialized credit skills to assess infrastructure investments. To provide the needed funding, local banks, institutional investors, suppliers of equipment and services, and other investors need to understand infrastructure risks and be able to access proven project finance techniques (such as the securing of off-take contracts and ring-fencing of revenues).
- *The infrastructure project development period requires many years of committed expert support (up to five years or more) to reach financial close.* If local professionals and investors are not available, African infrastructure projects are likely to suffer from the lack of consistent long-term support. While one-off funding of feasibility and other technical studies can often be successfully implemented, many projects lack the consistent technical and funding support required to reach financial close. Therefore the absence of consistent on-going professional and funding support at the project level often results in significant project delays and/or outright failure.

In short, the development of investable infrastructure projects requires the long-term availability of skilled infrastructure professionals and significant funding from local providers of finance (debt and equity).

Infrastructure and job creation are sister priorities that can be advanced hand in hand: African infrastructure projects would be developed at a faster rate if there were adequate sources of African professionals and funding. Likewise African job creation cannot be significantly increased absent the infrastructure required for business-enabling environments that increase competitiveness, supply chains, trade, and investment, and access to markets.

1.2 How to achieve quick wins delivering on both African Job creation and finance for African infrastructure projects?

The need for job creation has become central to the development agenda for the African Union and its member states, development partners, and many investors, including institutional investors. Illustrative examples include the following:

- The African Union (AU) recognized the political imperatives and economic opportunities associated with the continent's demographic growth by naming 2017 as the "Year of Harnessing the Demographic Dividend through Investments in Youth."
- In March 2017, African Ministers for Transport, Transcontinental and Interregional Infrastructure, Energy and Tourism in their Lomé Declaration, set forth regional infrastructure as a key instrument for African job creation. They requested the African Union Commission (AUC) and the NEPAD Agency to integrate job creation into their implementation of the Programme for Infrastructure Development in Africa (PIDA).
- The African Development Bank, the World Bank, and other development partners have launched new job creation initiatives that will be integrated into their African programmes and projects.
- Private investors including pension funds and Sovereign Wealth Funds are increasingly interested in infrastructure assets and are also including development impact analysis in their investment criteria.

The confluence of significant support overlapping both the finance of African infrastructure and African job creation presents concrete opportunities.

Quick wins can be achieved by harnessing current drivers of investment, political support, and best practices:

- Job creation as a powerful investment incentive: The political support of African governments and their development partners can provide the basis for *new funding, technical assistance, and risk mitigation* – all essential required for improving the viability of Africa's infrastructure projects in alignment with the investment requirements of investors in Africa and worldwide.
- Investors in Africa and worldwide require higher yield assets: From pension funds to equity and social impact investors, the interest in long-term sustainable and diversified assets with inflation-adjusted higher yields has escalated. African infrastructure can attract investment provided risks are adequately mitigated.
- Leveraging of the many African initiatives: The opportunities for African job creation can build on the many initiatives related to skills development (including gender and youth), supply chain development, and micro, small and medium-sized enterprises (MSMEs) managed by governments, development partners, the private sector, educational institutions, and other organizations.
- Application of best practices to African infrastructure projects: There are significant opportunities to increase the number and quality of African jobs building on lessons learned from other infrastructure projects, programmes, and initiatives across the public and private sectors worldwide.

By aligning job maximisation strategies and investment requirements, African infrastructure can crowd in the critical support of governments and development partners with the private sector to accelerate infrastructure project development and mobilize greater funding, spurring economic growth and delivering on African jobs.

1.3 Job Creation: How and by whom?

Successful job creation actions require public-private collaboration at the policy, programme, and project levels: The blockages and impediments to job creation are well documented, with ample lessons learned about the critical role of collaboration and partnerships across the public and private sectors. Key stakeholders that need to take proactive collaboration actions include national and local governments; regional institutions such as the Regional Economic Communities (RECs), the African Union (AU); development partners; the private sector (e.g., project participants, business associations, etc.); and a wide range of educational entities (e.g., public, and private from high schools, TVET, universities, job creation initiatives, etc.).

Job creation actions are applicable at policy, programme, and project levels. In fact, job creation results from strong local ecosystems of collaboration shaped by well-formulated policies, adequately funded training and apprenticeship programmes, and dynamic exchanges with employers on specific needs and training requirements.

1.4 What is the NEPAD Agency's Value Addition?

As the implementing agency of the African Union, NEPAD facilitates and coordinates the development of continent-wide programmes and projects, mobilises resources and engages the global community, RECs, and the AU and member states in the implementation of these programmes and projects.

A key focus is job creation and infrastructure required for the development of the continent, setting forth frameworks for infrastructure project development, risk mitigation, access to institutional finance, and skills development. In the development of this Toolkit, NEPAD has engaged many partners across the public and private sectors, including development partners and job creation experts.

The Toolkit and the job maximisation approach is designed to interface with NEPAD's other instruments aimed at accelerating project development, providing access to risk mitigation, mobilizing institutional investment, and engaging the support of infrastructure project developers, suppliers of equipment and services, and other practitioners.²

The NEPAD Agency provides facilitation, frameworks, guidelines, partnerships, and resource mobilisation to help AU member states develop investable infrastructure projects while maximising job creation.

² For more information, please see the following three NEPAD initiatives: Infrastructure project development services (Service Delivery Mechanism) <http://www.au-pida.org/service-delivery-mechanism-sdm/>, the 5% Agenda (aimed at mobilizing 5% of African pension fund Assets Under Management (AUM) for African infrastructure) <http://www.au-pida.org/?s=5%25+Agenda>; and the Continental Business Network (aimed at mobilizing stakeholders in advancing Africa's infrastructure) <http://www.au-pida.org/continental-business-network-cbn/#more-103>

2 CRITICAL SUCCESS FACTORS

This section outlines critical success factors for African job creation: (1) the adoption of a new job creation mind-set that intertwines job creation with project viability; and (2) the integration of this job creation mind-set into the processes and decisions related to the development and operation of infrastructure.

It is important to note that transformative increases in African skilled and unskilled jobs can be accomplished immediately by Project Owners working with host governments, development partners, technical partners, and investors. However, mainstreaming African job creation will require an overall change in the mind-set and underlying processes related to the selection, design, implementation, and operation of Africa's infrastructure projects, as summarised below.

2.1 New Job Creation Mind-Set

The current mind-set applied to African project development does not systematically include the concept of job creation, unlike many other infrastructure programmes around the world. Given the import of delivering on infrastructure, the key factor today driving African infrastructure development is “value for money.” The “value of job creation” is not usually a material factor in decisions related to infrastructure project design, procurement, or operations.

Therefore the mind-set underlying the implementation of African infrastructure development and operation needs to be revisited and updated in the context of this urgent African priority of job maximisation. A new approach needs to be adopted that balances project viability with job maximisation.

In fact, using a job creation lens can enhance the contribution of infrastructure to the economy as well as improve the project's financial viability and lower its risk level. The overall approach needs to be balanced, with an integrated simultaneous analysis of project viability and job maximisation, as summarized below:

- 1) Ensuring Project Viability: An infrastructure project cannot be successful if its management and employees lack the required level of skills or if it acquires inferior inputs below project requirements. If a government forces unrealistic and unattainable employment or local content policies that undermine the development, finance, or operation of an infrastructure project, the project will fail and hence there will be no jobs. Therefore it is critical that all stakeholders understand that onerous local content requirements not aligned with the project's viability and a realistic assessment of local sourcing options will undermine the project's ability to operate successfully and its financial viability.
- 2) Enhancing Project Viability through Job Maximisation: However, a well-designed job maximisation strategy can in fact enhance project viability and improve its financial attractiveness.
 - a. Operations: No project can be staffed and managed without skilled local employees. There is therefore a natural alignment between Project Owners and the local community in creating jobs. Skill requirements need to be addressed through practical and effective training programmes.

- b. Finance: A key challenge facing African infrastructure projects is the need to attract finance to cover high development costs and accelerate the project development process to financial close. By designing a job maximisation policy, along with climate-smart sustainability policies, projects can become more attractive to both local and international investors.
- c. Cost/risk reduction: Infrastructure projects that harness local labour and leverage local content, if properly managed, can be more cost-effective lowering project costs and also have lower political risks given the benefits to the local communities.

The emerging widespread consensus on the priority of job creation is well evidenced in programmes set forth by Development Finance Institutions (DFIs), developed country governments and development agencies, and African governments. *This is an opportunity: Project Owners and government officials can leverage this new job creation focus in their negotiations and relationships with prospective partners, suppliers, and investors.*

The challenge is therefore to design a technical approach to job maximisation that balances project viability and job maximisation, ensuring there are foundational concepts operationalized with systematic processes that accelerate the development, finance and operation of the infrastructure project. Accordingly, this Maximise Jobs Guide highlights high- impact actions that can help to calibrate both trade-offs and complementariness between project viability and job maximisation.

2.2 New Job Creation Processes & Front-loading Diagnostics

Changing mind-sets is not enough. The new way of thinking needs to be applied to the actual processes used in selecting, designing, and implementing infrastructure projects. Therefore, to maximise African job creation resulting from infrastructure projects, this *Maximise Jobs Guide* sets forth key decision-making and implementation processes underlying infrastructure related to job creation.

Below are key aspects related to the selection, development and operation of African infrastructure that require the application of this essential “*job lens mind-set*”:

- 1) Explicit integration of job creation into infrastructure development process: The large societal, economic, and political payoffs of job creation justify the prioritization of job creation in thinking through how infrastructure in Africa can be developed and operated towards this end. As set forth in recent World Bank discussion papers authored by jobs experts, the current process of infrastructure development does not take into account the value of job creation to developing country economies, political stability, social cohesiveness, overall quality of life, and reducing migration, terrorism and crime. ***Therefore, there needs to be a new openness in the African project development process with focused teamwork that is “jobs-centric.”***
- 2) Reorientation of infrastructure professionals to understand the transformative catalytic impact of infrastructure on job creation: Many of the experts engaged in Africa’s infrastructure projects have technical backgrounds such as engineering and finance and related experiences so they may not have a mind-set that includes job creation, nor do they have backgrounds that include skills development. ***Therefore, infrastructure technical experts need to have a better understanding of how infrastructure can be a powerful tool for job creation and engage in the objective of exploring how their technical approaches can best be***

refined and supported to deliver on this priority objective.

- 3) Integration of job creation objectives into project design process: Today the usual way of developing infrastructure projects in Africa do not systemically integrate job creation. **Therefore, the “business as usual” technical and procurement processes of infrastructure development and operations need to be adjusted to include this “job centric” principle, adjusting terms of reference and evaluation criteria in contracts.**
- 4) Leadership in championing African job creation: Many of the public and private sector organizations participating in the development and operations of African infrastructure projects do not have vested interests in African job creation. On the contrary, they have natural incentives to use the staff and consultants they already have. **Therefore, senior leadership of organizations engaged in African infrastructure need to champion African job creation, request the realignment of their staffing functions, and launch expanded skills development programmes and processes.**
- 5) Redesign of supplier relationships to include job creation: Often job creation is defined very narrowly – as only the jobs at the project itself. However, job creation means maximizing jobs not just at the project level (direct jobs), but also at the supplier level (indirect jobs). **Therefore, Project Owners, suppliers of services and equipment, national governments, and development partners will need to rethink supplier procurement terms and related programmes, such as recruitment, training, and support programmes for local suppliers.**
- 6) Expansion of procurement evaluation factors from current focus on “Value for Money” to include job creation: As noted, the evaluation factors in current procurement contracts are often weighted towards value for money with little weight on African job creation. **Therefore, the senior leadership in national governments and development partners need to review the contractual evaluation terms to provide a new focus on the value of African job creation, developing new ways to incentivize job creation.**
- 7) Alignment of existing programmes and development of new support programmes for job creation: As noted, there are many skills development programmes that could be aligned with African infrastructure programmes. However, a new focus on job creation will require significant support from governments and development partners, as well as the private sector and business organizations. Key focus areas need to ensure project viability, cost-effectiveness, sustainability, and risk reduction. **Therefore, there will need to be new “job creation partnerships” that are shaped by practical project needs, matching demand and supply with effective public sector support.**
- 8) Creation of hybrid approach combining leading sustainability, gender, and youth approaches with job creation: The new era of sustainability and digitized infrastructure services requires a leading-edge approach in step with the latest climate smart and technology-empowered infrastructure approaches. In conjunction, labour-intensive approaches can also be used for discreet project functions that add to job creation impact. **Therefore a new hybrid approach needs to be implemented that builds on Africa’s demographic dividend but also leverages new technologies.**
- 9) Creation of Public-Private Collaboration venues for “Job-Enabling Environments”: Understanding and creating an environment that enables job creation requires a robust

working relationship cutting across the diagnostic of job needs, the supply of local labour, and the development of training modalities, internships, apprentices, etc. However, often there are limited exchanges between the public and private sectors with educational stakeholders on the issues and solutions. **Therefore, a new public-private collaboration space is needed to focus on developing these new approaches, testing them in actual projects, and setting forth jointly agreed upon modalities.**

In essence, a jobs-lens needs to be applied thoughtfully and comprehensively to the entire process of project selection, development, design, implementation, and operation needs.

Front-loading Diagnostics to Achieve Job Maximisation and Project Viability: The above new mind- set and processes need to be anchored by a first step: a new systematic diagnostic process to achieve concurrent project viability and job maximisation. The resulting assessment would be factored into project decisions and subsequently monitored.

The overall process would be as follows:

- 1) Diagnostics & Job Maximisation Plan: Each infrastructure project will need to include a comprehensive analysis of supply and demand of both local employment and African suppliers, assessing the project's requirements against African content and the type of required interventions.
- 2) Integration Into Project Design, Business Plan, Contracts, and Operations: The diagnostic and maximisation plan (item one output) will need to be systematically integrated into the project's core decision-making, encompassing: (a) project design; (b) the formulation of the project's business plan with regards to management, sourcing strategies, and partner engagement; (c) the terms of references in all contracts related to services, equipment, partnership, and investment; (d) the on-going operations, including the proactive use of recruitment, training, and placement programmes; and (e) selection of performance metrics and regular tracking activities.
- 3) On-going Monitoring & Reporting: To ensure the operationalization of job maximisation, the project's performance metrics, tracking and reporting systems will need to systematically elevate the importance of African sourcing in terms of services, equipment, and labour (skilled and unskilled). It is important to leverage the project's successes to enhance its ability to attract partners, finance, and widespread stakeholder and community support.

This diagnostic can be done at any time during a project's development or operation. A schematic is provided overleaf.

Overview of Job Maximisation Process – Diagnostics, Execution, and Monitoring



The concurrent consideration of both project viability and job maximisation will challenge current approaches and therefore require coordinated commitment from senior policymakers as well as proactive input from experts and the private sector. The *PIDA Job Creation Toolkit* is intended to serve as an instrument to help Project Owners and policymakers evaluate job creation potential and trade-offs in a systematic and comprehensive manner as an integral part of project development, design, and operation.

Adopting a new mind-set, policymakers and project owners can integrate job creation-enabling processes into African infrastructure project development, design, and operation. New approaches and processes can be implemented as guiding principles to ensure both project viability and increased African employment.

For a diagnostic approach that can be used to systematically integrate job maximisation into project design and operations, see Toolkit Action 2 *Implement a Project Social Impact Management Plan (SIMP)* (<http://jobs.au-pida.org/index.html#/maximize>). The *Toolkit Job Maximise Guide* builds upon these foundational building blocks in setting forth specific Toolkit Job Maximisation Actions. For the 10 specific ACTIONS, please go the Toolkit Jobs Maximise Guide at <http://jobs.au-pida.org/index.html#/maximize>.

The next chapter provides an overview of quick win job creation strategies that can be adopted by regional and national policymakers to accelerate the timing and increase the impact of their infrastructure projects on African job creation.

3 OVERVIEW OF JOB CREATION QUICK WINS

African policymakers in national governments and RECs can assume leadership roles for maximizing jobs resulting from their national and transboundary infrastructure projects. To be effective, African policymakers need to have an overview of a concise roadmap of high-impact quick win strategies they can champion to deliver high-impact African job creation.

This section provides an overview of two quick win approaches to high-impact job creation strategies for policymakers based on the stage of the project:

- 1) Projects in the development phase or the construction phases; and
- 2) Projects already in operation.

These two quick win strategies utilise the Toolkit's Job Maximisation Actions set forth in the *Toolkit Guide on Job Maximisation*. References to the NEPAD Agency and other support services are also included.

3.1 Projects in development or undergoing construction

Policymakers and project owners have the greatest latitude to create African jobs in the early stages of an infrastructure project's development and during the construction phase:

- *The earlier the interventions, the greater the potential job impact:* The greatest impact in job creation can be obtained when infrastructure projects are being designed by increasing the use of African labour and content in the project development and construction phases.
- *Even short-term jobs can jump-start long-term job creation:* While many infrastructure project jobs are short-term, history shows that these short-term jobs can serve as building blocks for long-term job creation.

The project's preparation phase provides the greatest latitude for African job creation as the very design of the project itself can systemically factor in the utilisation of African labour (professionals and construction workers) as well as the sourcing of African basic materials, equipment, and contracted services. For example, the project's feasibility and social impact studies can be used to assess opportunities for job creation and required support such as training and recruitment.

The project's construction phase also offers great opportunities for African job creation given the required peak employment in building the infrastructure physical assets and the potential after leaving the project to leverage the project work experiences for long-term employment. For example, during the project's construction phase there are high levels of temporary employment. Job placement programmes can be implemented for both construction workers and highly skilled employees (such as engineers and supervisors). By leveraging the new skills and experiences of project employees, these job placement programmes can help employees transition to new jobs and create new businesses that offer sustainable long-term employment.

Examples of four interventions to jump-start job creation during project preparation and construction phases building on the Toolkit's Job Maximisation Actions

- 1) ***INTERVENTION ONE: Design infrastructure projects to maximize local employment and content.*** This Toolkit can be used to explore how alternative project designs can potentially increase the level of African job creation. However, the potential for an infrastructure project to create jobs can only

be realized through education, skills development, labour market and industrial policies, contractual terms, and effective recruitment programmes. Potential jobs cannot be realized without the commensurate actions to prepare workers and ensure their recruitment.

- **Estimate job creation potential.** To view the Toolkit's Estimate Jobs Guide, go to <http://jobs.au-pida.org/index.html#/survey>.³⁴
- **Create a Project Social Impact Management Plan (SIMP).** Even if the project is already designed or in construction, a SIMP can be developed and implemented to maximize African job creation during construction and operations. Specific actions steps in developing a SIMP include the following:
 - **ACTION STEP 1: Include a diagnostic in the SIMP, identifying the needs of the infrastructure project and African resources.** Each project has different requirements for materials, equipment, services, and skills, and each project location has different constraints and opportunities. The first step therefore is to access the specific needs of the project against available African providers of materials, equipment, services, and finance. A trade-off analysis will be required, assessing the costs and benefits of each potential source. After documenting the trade-offs, a strategic analysis can be made on possible ways to increase African inputs in consultation with government officials and the private sector.
 - **ACTION STEP 2: Include a capacity-building strategy in the SIMP, identifying gaps in sourcing African materials, equipment, services, and skills and possible ways to build the required capacity.** The diagnostic also needs to openly identify African capacity issues, conduct a detailed trade off analysis, and define the full menu of solutions for building long-term capacity.
 - **ACTION STEP 3: Include a strategic assessment in the SIMP, identifying project risks, risk-mitigation strategies, and opportunities.** A critical part of the social impact analysis is the assessment of the wide spectrum of risks and opportunities resulting from the project's role in the local and national environment, and how to strategically mitigate risks and capitalize on opportunities. For example, the provision of national and community benefits, such as employment and benefits, is important to ensure the support of local and national stakeholders, thereby creating a stable environment for the project, reducing the risks such as political interference, sabotage, and strikes.
 - **ACTION STEP 4: Include a systematic monitoring and reporting process in the SIMP against specific objectives.** All projects require a process of monitoring and reporting, enabling the safeguarding of the business. For the SIMP to be effective, it needs to have a rigorous and meaningful monitoring process. This reporting process can be used to help manage relationship with local and national stakeholders.

For more information, please see Toolkit ACTION 2 **Create a Project Social Impact Management Plan** (<http://jobs.au-pida.org/index.html#/maximize>).

- 2) **INTERVENTION TWO: Accelerate the project preparation process to more quickly reach the construction phase (peak direct employment) and the project operational phase (large-scale secondary jobs throughout the economy).** Often infrastructure projects are delayed in their development. The opportunity cost is unacceptable given the urgent imperative to provide African citizens services to improve the quality of their lives and create an enabling environment for economic development, regional integration, investment, and trade. NEPAD's Service Delivery

³ To use the Toolkit job estimation functionality, you need to be a Project Owner and register with the NEPAD Agency.

Mechanism (SDM) can shorten the project development timeframe by facilitating access to both political decision-makers and technical experts, thereby speeding up the project preparation process.

- NEPAD SDM provides guidelines on how to accelerate project development (e.g., early-stage stakeholder mapping, issue identification and risk mitigation, etc.). For information on SDM, go to <http://www.au-pida.org/service-delivery-mechanism-sdm/>.

3) **INTERVENTION THREE: Scale training programmes and create demand through procurement policies for African skilled professionals and unskilled workers, including youth and gender.** The project preparation and construction phases provide important opportunities to scale employment opportunities for African professionals and unskilled workers. Many programmes already provide their African students with relevant skills for infrastructure development and construction. However, there needs to be stronger linkages between employers and training programmes as well as a policy-induced focus on employment creation, especially for youth and gender.

- See ACTION 1 **Develop African Infrastructure Skills and Suppliers, building African ecosystems of education, placement services, and recruitment.** The action is aimed at the creation of an African eco-system of suppliers and infrastructure professionals such as project developers, financial advisors, engineers, lawyers, and other experts required for the development of investable pipelines of infrastructure projects.
- See ACTION 9 **Adapt & Scale Educational Programmes.** The action is aimed at the development of effective training linkages required to enable maximum jobs (direct, indirect, induced, and secondary).
- See ACTION 6 **Focus National Procurement Policies on Youth and Gender.** The action is aimed at the adoption of procurement policies that can scale youth and gender employment in projects and their suppliers.

4) **INTERVENTION FOUR: Implement job transfer programmes that support the transition of construction workers to other jobs, leveraging their newly acquired skills and experience.** Africans employed in infrastructure projects have gained important skills and experience. However, if they do not find subsequent jobs or lack adequate support to start their own businesses, opportunities are lost. A systematic focus on building job placement programmes is needed.

- See ACTION 1 **Develop African Infrastructure Skills, building African ecosystems of education, placement services, and recruitment.**

This overview of quick win job creation strategies for projects in development and construction are intended to provide policymakers and project owners with shorthand examples of how they can be proactive and effective in significantly increasing the number and quality of African jobs over the long-term. For details on the Toolkit's Guide with specific actions, complete with examples and resources, please see the second section listing the Toolkit's *Guide of 10 ACTIONS FOR JOB MAXIMISATION* (<http://jobs.au-pida.org/index.html#/maximize>)

3.2 Completed operational projects

Operational infrastructure projects provide huge job creation opportunities:

- First, a project's operations phase takes place over decades in which consistent training can be provided at both the project level as well as at African suppliers of materials, services, and equipment (both actual and potential). Each project can therefore proactively increase the level and scope of African inputs over decades of operations.
- Second, African infrastructure projects have large economic spill over effects delivering essential services in economies with pent-up demand at both consumer and business levels. The potential for secondary jobs is tremendous, the level depending on the effectiveness of building capacity, supply chains, and MSME development.

As a result, job maximisation strategies during a project's operational phase can focus on: (1) using local labour, materials, equipment, and services in the project's operations phase increasing both direct and indirect African project jobs as deemed appropriate; and (2) implementing programmes and policies that realize the secondary job creation effects of the project for those economic sectors with potential spill-over employment opportunities.

Examples of four interventions to jump-start job creation during the project operations phase building on the Toolkit's Job Maximisation Actions:

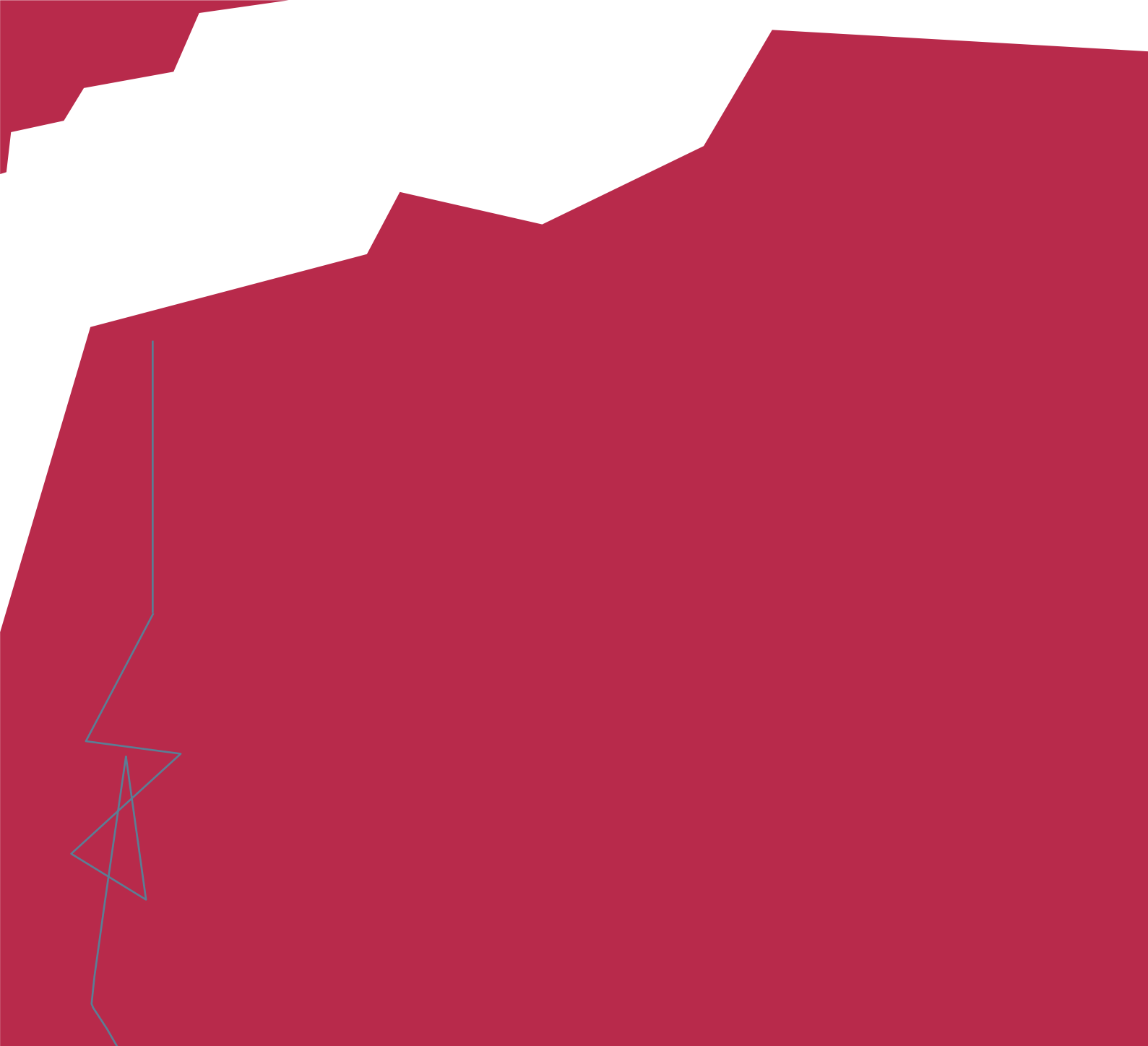
- 1) ***INTERVENTION ONE: Conduct a diagnostic of how to increase local content for all materials, services, and equipment used by the project during its operational phase and implement a Project Local Content Policy.*** The host government(s), technical and financial partners, and local stakeholders can develop an overall Project Local Content Policy and implement it. With support from the government (national and local) and development partners, these actions can deepen long term sustainable business relationships in the host economy, ensuring that local suppliers, contractors, and communities increasingly participate in and benefit from the project's activities over time.
 - See ACTION 3 **Create a Project Local Content Policy.**
- 2) ***INTERVENTION TWO: Implement TVET, skills, recruitment, and on-the-job training programmes for project operations and African suppliers (actual and potential).*** The potential for job creation cannot be realized without significant investment in skills development, recruitment, and on-the-job training. The focus needs to be on both African skilled professionals and unskilled workers working at the project itself as well as at actual and potential suppliers of the project providing basic materials, equipment, and services.
 - See ACTION 1 **Develop African Infrastructure Skills and Suppliers, building African ecosystems of education, placement services, and recruitment.**
 - See ACTION 9 **Adapt & Scale Educational Programmes.**
- 3) ***INTERVENTION THREE: Adopt effective job creation strategies for those sectors impacted by economic impact of direct and indirect worker spending and the provision of the project's infrastructure services.*** Economic spill over effects from infrastructure projects are widespread, cutting through agriculture, communications, trade, and many other economic sectors. However, the potential for induced and secondary jobs cannot be realized without an effective combination of enabling actions that create capacity, incentives, and drivers. For example, realizing induced and secondary jobs will require effective skills development for both African skilled professionals and

unskilled workers complemented by support for MSMEs through access to finance and training. In addition, government procurement, sector, and tax policies at the local, state, and national levels can create demand for African workers and local content. Investors, notably pension funds and social impact investors, can also help drive African job creation.

- See ACTION 9 **Adapt & Scale Educational Programmes.**
- See ACTION 6 **Focus National Procurement Policies on Youth and Gender.**
- See ACTION 7 **Launch a Sector Investment Programme with Local Content Requirements or Incentives.**
- See ACTION 8 **Implement Tax Incentives that Increase Local Content.**
- SEE ACTION 10 **Crowd in Investors that Prioritize African Job Creation.**

For details on the above and other ACTIONS with examples and resources, please see the Toolkit's **GUIDE ON 10 ACTIONS FOR JOB MAXIMISATION** (<http://jobs.au-pida.org/index.html#/maximize>).

For more information, please contact the Toolkit Manager at pidajobs@nepad.org.



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