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PLAN OF ACTION ON EMPLOYMENT AND POVERTY ALLEVIATION

Draft

Background/Introduction:

1. In 2004, the Extraordinary summit of Heads of States and Governments of the African Union adopted a Declaration and a Plan of Action on Employment and Poverty Alleviation, with their Follow-Up Mechanism. After ten years of implementation, the challenges of high levels of unemployment and underemployment are still prevalent. The assessment of the Ouagadougou 2004 Extraordinary Summit highlights the following: The implementation was limited by the weak institutional capacity at national regional and continental levels, limited financial resources, lack of capacity building and the wide range of Key Priority Areas contained in the Plan of Action with a large number of recommendations. Other factors relate to the absence of targets and indicators which would facilitate the planning and follow up by Member States, and to the weak coordination with the undertakings by international development partners.
2. In the course of the implementation period, the AU political leaders stressed the importance of strategic topics such as social protection for the informal economy and rural workers, productivity improvement in particular in the SMES, micro enterprises of the informal economy and the public sector, labour migration and the need to strengthen technical cooperation between Member States.
3. Subsequently, in a new Decade of commitment to labour, employment and social protection, the following six Key Priority Areas have been deduced for special focus:
 - a. Political Leadership, Accountability and Good Governance
 - b. Youth and Women Employment
 - c. Social Protection and Productivity for Sustainable and Inclusive Growth
 - d. Well-function and inclusive Labour Market Institutions
 - e. Labour Migration and Regional Economic Integration
 - f. Partnership and Resource Mobilization
4. With the aim to facilitate the effective implementation of the new commitment enshrined in this Plan of Action, a limited number of strategies are articulated with the six Key Priority Areas, and roles are assigned at different levels of responsibility. The Plan of Action will be implemented through periodic programmes which will be shared with international development partners through appropriate fora at all levels. The implementation approach is built on the principle of subsidiarity which puts the RECs in the driving seat.

Key Priority Area 1: Political Leadership, Accountability and Good Governance

Expected Outcome: High Level Political Leadership developed for achieving inclusive broad based growth to eradicate working poverty, achieve full and productive employment and ensure social cohesion in the context of post-2015 Development Agenda, the AU Agenda 2063 and the attainment of the Sustainable Development Goals (SDGs).

Strategies:

By Member States:

- a. Establish High Level Policy Orientation and Review at Head of States or Prime Minister level to sustain and direct political engagement and support to comprehensive national employment policies and strategies;
- b. Develop policy coherence to build complementarities and synergy between macroeconomic and sectoral development policies with employment policies to promote broad based inclusive growth and poverty eradication through enhancing their employment and productivity-growth outcomes; and combat malpractices such as corruption that constraint the productive jobs creation potential of the private sector and investment;
- c. Integrate/translate employment policies into legal frameworks for an effective Rights-Based approach to employment policies;
- d. Build institutional coherence on labour market governance by enhancing the organic coherence between the core labour market functions of employment, Labour, TVET and Skills development;
- e. Increase appropriate budget allocation for employment policies and programmes, as part of the macro framework such as the Medium Term Expenditure Framework;
- f. Strengthen the business environment, political and economic governance to enable investment and technology transfer in high labour- intensive manufacturing and to boost a private sector – led growth that would increase employment opportunities.
- g. Create platforms that enable citizens and non-State actors (NGOs, civil society associations, community-based organizations) to raise their voices on issues relating to accountability and transparency in respect to employment and inclusive growth.

Strengthening human resource planning policies especially in key areas such as health, education where shortage of manpower can be detrimental to human development and inclusive development.

By AUC:

- a. Ensure regular accountability of the Assembly of Heads of States through biennial progress reviews on the implementation of the Key Priority areas by Member States and Regional Economic Communities, a Mid Term Evaluation in 2019 and a final evaluation in 2024;
- b. Use the existing AU accountability mechanisms such as the APRM;

- c. Develop and implement tools for measuring and reporting on social exclusion, with technical support of UN agencies and independent experts;

Key Priority Area 2: Youth and Women Employment

Expected Outcome: Youth and Women unemployment and underemployment reduced

5. The expected outcome will be achieved through accelerated implementation of the AU Youth and Women Employment Pact, in particular the interventions contained in the below strategies.

Strategies:

By Member States:

- a. Support Youth and Women participation in the policy dialogue on employment and other related policies;
- b. Promoting an integrated approach linking employment, poverty reduction and inclusive development policies to reduce the high poverty level of youth and women;
- c. Take urgent steps to improve and increase responsiveness of the education and training systems to current and future labour market needs in order to address the pervasive and structural skills mismatch; and urgently conduct skills needs identification and forecast for effective matching of skills demand and supply in the formal and informal economy; and for addressing the lengthy unemployment duration of most young and women.
- d. Support youth and women self-employment and entrepreneurship, through better training in basic business skills and a business environment that is sensitive to the needs and expectations of youth and women;
- e. Support social entrepreneurship and businesses, in particular, cooperatives as sustainable and successful business enterprises contributing to employment generation, social protection and poverty eradication; the support should be extended to the social sector of the NGOs, CBOs and FBOs as means to promote inclusive growth through employment and social protection interventions;
- f. Optimize female labour force through promoting equal access to work and improving working conditions for women; and Support the implementation of Decision EX/CL/117(V) and Declaration on Gender Equality in Africa adopted by the Fifth Ordinary Session of the Executive Council and the Third Ordinary Session of the Assembly of Heads of State and Government
- g. Provide appropriate fiscal and social incentives to support job creation for youth and women in the Micro, Small and Medium Sized Enterprises, Agriculture, Informal Economy, Cultural Industries, and the Services, in particular ICT based services;

- h. Strengthening the linkages between youth and women employment and Information Communication Technology and other sectors-led employment growth such as green economy, agriculture, fishery, arts related careers,
- i. Promote financial inclusion to alleviate binding constraints as represented by lack of access to finance by firms, households and individuals, with a focus on exploring innovative financial services (such as savings, insurance, credit, money transfer) to enable access to employment for women and youth in rural areas.
- j. Support institutions which can assist young new entrants into the labour market, including school-based job and career bazaars;
- k. Recognize the non-formal and informal skills acquisition schemes;

By AUC and RECs:

- a. Mainstream youth and women employment in the **NEPAD, CAADP, PIDA, AIDA** and other relevant AU Programmes;
- b. Enhance the Policy Dialogue space within the AU policy organs to support the common vision and sustained engagement on youth and women employment promotion in a multi-stakeholders approach;
- c. Promote Youth and women decent employment for peace, reconstruction and development in post conflict countries;
- d. Promote a **“Safe Youth and Women Work Campaign”**, advocating for safer and secure working conditions for youth and women;
- e. Implement a continental Public-Private Partnership on promoting Youth and Women Employment;
- f. Identify economic factors at regional and continental levels which would provide ample industrial development opportunities and job creation potential through development of the required skilled labour force (diamond, gold, wood, leather, etc) and promote integrated development initiatives;
- g. Provide stewardship as national Governments and achieve policy coherence in National and Regional Certification Frameworks for Education and Vocational Training, as well as the development of integrated and cross-sectoral National and Regional Youth Employment Action Plans;
- h. Ensure experience sharing on youth and women employment, including through regular publication of the booklet of good practices on youth and women employment.

Key Priority Area 3: Social Protection, Productivity and Competitiveness for Sustainable and Inclusive Development

Expected Outcome: Extended social protection coverage to the excluded categories of workers (or for Informal Economy and Rural workers) and members of their families, and improved productivity and competitiveness in Africa

Strategies:

By Member States:

- a. Undertake multisectoral studies to assess the situation of social protection for the informal economy and rural workers, and members of their families and utilise findings in developing national plans to implement the Social Protection Plan For the Informal Economy and Rural Workers (**SPIREWORK**) as priority for the government with the support of international partners;
- b. The Country Social Protection Plan For the Informal Economy and Rural Workers (**SPIREWORK**) should encompass (i) a Minimum Social Protection Package, (ii) a friendly legal and regulatory framework, (iii) advocacy, statistics and knowledge management, (iv) organisation and networking for empowerment and effective participation of the informal workers, and (v) policy dialogue and social dialogue;
- c. Develop flexible feasibility, costing and sustainable funding strategies, combining contributory and non-contributory schemes for the nationally defined **SPIREWORK** programmes, to curb public spending and to alleviate pressures on limited public resources for social protection;
- d. Ensure progressive formalization of the informal economy through enabling a legal and regulatory environment for sustainable enterprises, skills development, progressive extension of labour and social protection, building on synergies and complementarities between **SPIREWORK** and the UN Social Protection Floor Recommendation (no 202), productivity promotion and encouragement for organizing of informal workers and enterprises;
- e. Take specific measure to extend labour and social protection to domestic workers; and overall, developing more gender sensitive social protection policies and programs in the informal economy.
- f. Promoting an integrated approach linking poverty reduction, maternity and health protection and access to social protection for working mothers in the informal economy to enable a better conciliation of work, family and care responsibilities.
- g. Take appropriate steps to advocate against and reduce the incidence of unacceptable forms of work in all their forms;
- h. Enhance the productivity of African economies , with focus on the SMEs, Micro Enterprises and Public Sector, in line with the Productivity Agenda for Africa;
- i. Strengthen capacity of national level centres for productivity management.

By AUC:

- a. Mainstream **SPIREWORK** into the Comprehensive African Agriculture Development Programme (**CAADP**), leveraging the cooperative enterprises and micro finance institutions to promote social protection for rural workers and members of their families;
- b. Implement a continental special initiative on social security targeting the SMEs, in collaboration with the RECs;
- c. Accelerate the implementation of the Productivity Agenda for Africa to support the implementation of the AU policies on agriculture development and industrialization;
- d. Develop a Productivity and Competitiveness Index for Africa;
- e. Increase value added productivity and competitiveness of the African Economies, with focus on the SMEs, Micro Enterprises and Public Sector;
- f. Promote the inculcation of a productivity culture among people in Africa; and a social protection culture among rural and informal economy workers.
- g. Develop planning capacity through the establishment of an African Center of Informal Economy (**ACIE**) and an African Productivity Council (**APCO**).

By International Development Partners:

- a. Engage in better and regular coordination of their interventions at national, regional and continental levels;

Key Priority Area 4: Well-Functioning and inclusive Labour Market Institutions

Expected Outcome: Enhanced and modernized the labour market institutions

Strategies:

By Member States:

- a. Develop and strengthen synergies and complementarities among the key labour market stakeholders through enabling the Public Employment Services to act as a hub for the improvement of services provision on self-employment and intermediation interventions;
- b. Establish Employment and Human Resource planning, monitoring and evaluation units to create and enhance the strategic planning capacity in the ministries in charge of labour, employment, social protection and TVET;
- c. Foster the social dialogue mechanisms and institutions, while extending their realm to the informal economy and rural sector in support of balanced economic growth and social inclusion

- d. Accelerate the professionalization of the labour market institutions to support development policies and investment plans, focusing on open delivery of quality professional services to the SMEs and Micro Enterprises in the Informal Economy;
- e. Implement the Labour Market Information Systems Harmonization and Coordination Framework to strengthen Labour Market Information Systems and Human Resource Planning capacities to enhance understanding, participation, and partnership in the formulation, implementation, and evaluation and monitoring of inclusive development policies;
- f. Undertake institutional, legal and other labour market reforms, to enhance employment and growth, ensure the inclusion of vulnerable groups,
- g. Adopt and deepen reforms to ensure adequate labour market flexibility and to remove distortions that encourage capital-intensive production techniques at the expense of labour-intensive ones;
- h. Pursue fiscal policies that promote labour-intensive investment in infrastructure and other sectors. Meanwhile, monetary policies should pay attention to growth and employment while pursuing price stability;
- i. Enhance the capacity of decentralized administrations and local authorities in participating in implementation of employment policies for effective local development for local employment, within the framework of the African charter on the values, principles of decentralization, local governance and local development
- j. Promote internal policy coordination among ministries and other State agencies in policy development to enhance coherence, efficiency and effectiveness in mainstreaming employment in development plans and programmes;

By AUC:

- a. Implement the Intra African Technical Cooperation Platform to take advantage of valuable technical expertise accumulated by Member States over decades in the areas of employment, labour, labour migration and social protection policies management;
- b. Undertake assessment of the African Regional Labour Administration Centres and upgrade them as specialized African structures to support the implementation of AU Policies on labour, employment, social protection and migration;
- c. Promote social entrepreneurship, including establishment and strengthening of economically viable cooperative enterprises for jobs creation and extension of social protection to informal economy and rural workers;

- d. Strengthen the capacity of African labour market institutions to identify future skills and vocational training needs for inclusive growth and regional economic integration.

Key Priority Area 5: Labour Migration and Regional Economic Integration

Expected Outcome: Improved Labour Migration Governance within Africa for Regional Economic Integration and with the other Regions

Strategies:

By Member States:

- a. Harmonize and coordinate labour and social security legal and regulatory frameworks and investment codes, as well as skills accreditation frameworks in order to attract investors and support implementation of development policies; adopt national employment policies that allow free movement of people and workers at regional and intra-regional level as essential component of regional economic cooperation and integration;
- b. Develop capacity of Labour Inspectorates, Public Employment Services and Social Security agencies to govern labour migration through labour migration policies and legislation consistent with employment policies and effective administrative and technical structures, including workers' associations and employers' organizations;
- c. Develop regulatory frameworks to ensure that the private placement agencies engaged in international recruitments are operating according to national and international standards, in consideration of international ethical recruitment in order to guarantee availability of skills pool required for the development of African countries;
- d. Develop labour migration data collection, analysis and dissemination through enhancement of the labour market information systems;
- e. Create institutional mechanisms for regular dialogue on migration, between countries of origin and countries of destination; and create structured recruitment management systems in both the countries of origin and destination;
- f. Provide equal treatment and non –discrimination between labour migrants and nationals in the areas of employment, occupation, working conditions, remuneration, social security, education and geographical mobility; migrant workers should be assisted to return and resettle in their State of origin through, inter alia, tax incentives for starting new business activities and other incentives, such as guaranteeing portability of social security rights for migrant workers;
- g. Facilitate provision of specific social protection schemes to migrant workers in the informal economy and rural sector, and to members of their families;

- h. Promote respect for, and protection of the rights of labour migrants through awareness raising, information, communication supporting positive public perceptions of migrants to combat discrimination and xenophobia and better integrate the migrant workers in the host communities;
- i. Strengthen youth and women employment to reduce the increasing migratory pressures and the risks for irregular migration and human trafficking.
- j. Develop awareness raising programs and activities on national and international laws relating to labour migrants to address discrimination and xenophobia and for a better integration of migrant workers in the host communities.

By RECs:

- a. Establish regional labour exchanges, including with utilization of ICT, aimed at facilitating the employment of available human resources of one Member State in other Member States experiencing shortages of skilled labour; and support good practices exchange;
- b. Strengthen intra-regional and inter-regional cooperation on labour migration and facilitate regional labour migration dialogue through regional policy bodies and technical administrations competent on labour, employment, social protection and skills development;
- c. Mainstream gender perspective in labour migration programmes, accounting for the specific needs of women in the informal cross-border trade;
- d. Facilitating the recognition of qualifications and credentials, elaborating annual review of skill gaps and ensuring public / private sector partnership across REC.
- e. Ensure ratification and enforcement of regional protocols and international conventions relating to freedom of movement and right to establishment.
- f. Address the challenges relating to migrants of domestic workers within and outside Africa, especially in respect of abuses, violation of fundamental rights and social and economic vulnerability.

By AUC:

- a. Establish with other regions of destination, mechanisms for dialogue on Labour Mobility and Circular Migration to improve understanding of the key trends and challenges, facilitate the identification of common policy concerns, and support regular labour migration and its impact on development, agreement on mutual recognition of skills and accreditation with commitment to invest in human resources through upgrading the TVET systems in sending countries to mitigate the challenge of brain drain;
- b. Ensure coherence and coordination between trade and labour market policies to achieve a higher overall rate of employment creation and attenuate some of the pressures of a global competition for jobs, in collaboration with the RECs;

- c. Support the Labour and Social Affairs Commission in follow-up, monitoring and evaluation of policies and programmes on labour migration including the role of African labour migrants on social and economic development.
- d. Develop sound human resource planning policies to address the African brain drain and brain waste and to promote knowledge and skill transfer and the contribution of highly skilled migrants and scientific diasporas toward education, scientific and technological research and social and economic develop.
- e. Create an African Labour Migration Advisory Committee to assess labour shortage, demographic and other workforce related data, to advise for a better monitoring of migrants inflows and outflows across and outside the continent, in coordination with member States and the RECs

Key Priority Area 6: Partnership and Resource Mobilization

Expected Outcome: Enhanced Partnership and Resource Mobilization to effectively implement the Declaration and Plan of Action at all levels.

By Member States:

- a. Engage Ministry of Finance and Development Planning to increase national budget allocation to employment and social protection policies and programmes, including through Medium Term Expenditure Frameworks developed by Member States;
- b. Engage Ministry of Finance and Development Planning to set employment and social protection as priority areas within the framework of international cooperation agenda of the Member States;
- c. Strengthen medium term programmes based partnerships with international development partners;

By AUC:

- a. To facilitate the implementation, monitoring and progress evaluation of the Plan of Action, a detailed and budgeted four year programme with targets and indicators will be developed by the AUC within the framework of its planning process. A Mid Term and Final Evaluation reports will be produced in 2019 and 2025;
- b. Through the implementation of the Strategic Document on Resource Mobilization, enhance the planning, monitoring and evaluation capacity of the ministries in charge of labour, employment and TVET to mobilize resource required for the implementation of employment policies;
- c. The AUC and the AfDB to consider establishing an Employment and Social Cohesion Fund to provide support to the implementation, follow-up, monitoring and evaluation of the Declaration and Plan of Action with appropriate mechanisms at each level;

- d. Ensure effective participation of the continent in global forum where employment, social protection, migration, labour, productivity and poverty eradication are discussed for position, standard setting, guidelines and policy development formulation;
- e. Establish implementation, follow-up, monitoring and evaluation mechanisms to be used at all levels by stakeholders in their endeavor to achieve the objectives of the Declaration and the objectives of the Plan of Action.

By all Parties:

- a. Establish/strengthen Public-Private Partnerships at all level, including Corporate Social Responsibility schemes;
- b. Identify and develop at all level plans, programmes and projects, with costing formulating the level of required resource for their funding by national budgets and in consultation with other international funding partners;
- c. Organize a roundtable with international development partners to support the implementation of policies, programmes and action plans developed on employment, labour and social protection; Organize periodic (biennial) donor conferences with international development partners.

Conclusion:

- 6. The successful and sustained implementation of this Plan of Action and its Declaration requires strong partnerships and broad sustainable funding mechanism at national, regional, continental and international level. To this effect, each Member State commits to increase its budget to employment policies and to forge and sustain partnerships with Non-Governmental Organizations, Trade Unions and Employers' Organizations, Civil Society Organizations, Faith Based Organizations, Community Based Organizations and the private sector.
- 7. Member States are therefore called upon to identify their priorities according to their national conditions and specificities, their development status, as well as their human, financial and national resources and institutional capacities.
- 8. The African Union should strengthen technical cooperation activities on capacity building with member States and RECs for a better governance of employment and for strengthening its fundamental role on inclusive growth and regional economic integration.