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**THEME: “IMPACT OF THE GLOBAL CRISIS ON
EMPLOYMENT AND LABOUR MARKETS IN AFRICA”**

**The Guidelines on Social Dialogue and the Productivity
Agenda for Africa, 2010-2016**

FOREWORD

Africa has been regarded as the least productive region in the world, recording the largest productivity of 12 times less per worker compared to that of a worker in the industrialized world. Hence in 1997, the 20th Conference of Ministers of Labour c this huge challenge and adopted an important report on the theme **“Increasing Productivity, Key to the Improvement of the Quality of Life in Africa in the 20th Century”** (LSC/5(XX)). A few years later, echoing this concern, the **Extraordinary Summit of Heads of States and Government on Employment Promotion and Poverty Alleviation** (Ouagadougou, September 2004) called for increased productivity by improving occupational health, safety and hygiene, and partnership between the public and private sectors with a view to promoting productive employment in the modern sector.

The focus is on the SMEs, the informal Economy and the rural sector which together account for more than 60% of the GDP and 80% of the employment in African countries while being the least productive segments of their economy. Another area of concern is the African public sector where acknowledged poor productivity and governance performance is an important bottleneck to a well balanced economic and social development in the continent, required to meet the MDGs and the NEPAD objectives.

The productivity imperative is contained in the Africa Union Commission **2009-2012 Strategic Plan** through its strategy seeking to “...develop and implement programmes on productivity improvement”. Subsequently, the 7th Session of the Labour and Social Affairs Commission adopted a **“Productivity Agenda for Africa (PAFA) 2010-2016”**, in pursuit of the goal of improving the quality of life the African people through productivity improvement.

The PAFA is based on three objectives: (i) Increase value added, productivity and competitiveness of the African Economies; (ii) Facilitate the improvement of productivity culture of people in Africa; and (iii) Mobilize all relevant stakeholders at national, regional and continental levels for socio-economic development. To ensure the attainment of the intended objectives, strategies were devised such as (a) Promote Labour management relations within the enterprises/organizations; (b) Promote productivity in key sectors of the economy, in particular the informal economy, SMEs, public/parastatal sector, industry and communities; (c) Promote the use of productivity approaches, techniques, tools, and processes by all stakeholders; (d) Encourage and support the setting up of NPOs and strengthening of existing ones in member states; (e) Establish continental and regional infrastructures to drive and coordinate the productivity movement in Africa; and (f) Establish and maintain strategic partnership with international and regional institutions.

In order to facilitate the realization of the objectives, a continental governance mechanism may be useful and instrumental to spearhead the enhancement of the productivity movement in Africa, besides the Pan African Productivity Association which is currently granted with a status of Observer to the Labour and Social Affairs Commission.

On the other hand, Social Dialogue is recognized as an enabling mechanism to productivity improvement and integrated with the Productivity Agenda for Africa. It is therefore my appeal to the African Union Member States to engage and take the needed policies and measures for their respective contribution to significant improve of the productivity and competitiveness of the Continent. The African Union Commission also calls upon the development partners to support the efforts deployed at all levels with their usual cooperation.

Dr. Mustapha S. Kaloko
Commissioner for Social Affairs

This document is composed by two parts which read as follows: the Social Dialogue Guidelines and the Productivity Agenda for Africa
2010-2016

PART I: SOCIAL DIALOGUE GUIDELINES

Social dialogue includes all types of negotiation, consultation and exchange of information between or among representatives of governments, employers

and workers on issues of common interest. In particular, Social dialogue seeks to ensure the contribution of labour market governance to social and economic development.

The main objective of social dialogue is to promote consensus building and democratic involvement among the main stakeholders in the world of work. Effective and successful dialogue structures and processes have the potential to resolve important economic and social issues, encourage good governance, advance social and industrial peace and stability and boost economic progress. There should be strong political commitment to social dialogue at all levels, including at the highest political level.

Background

Africa faces challenges of increasing productivity and responding to the global financial and economic crisis. This is the immediate context for a renewed imperative to promote and strengthen social dialogue.

Some countries have social dialogue institutions while others do not. Furthermore, the existing institutions are at different stages of development and effectiveness. While some focus mainly on social and labour issues, others concentrate on economic policy issues. In some countries, there are deficits in the institution of social dialogue. The capacity and scope of such institutions vary, and there is need to strengthen those that are not yet strong. Where institutions of social dialogue do not exist, there is urgent need to establish them.

The need for social dialogue was reinforced by the **AU Declaration and Plan of Action in Ouagadougou in 2004**, which endorsed the Decent Work Agenda and recognized the role of social dialogue in employment policy issues. It was again underlined by the 2008 **ILO Declaration on Social Justice for a Fair Globalization** which states that “in a world of growing interdependence and complexity and the internationalization of production...social dialogue between governments and representative organizations of workers and employers are now more relevant to achieving

solutions and to building up social cohesion and the rule of law through, among other means, international standards”.

The Legal Framework

The legal framework for social dialogue is pivotal. National legislation and key conventions that relate to social dialogue such as the ILO Conventions 87, 98 and 144 are the pillars of social dialogue in any society. The respect for fundamental principles and right of freedom of association and collective bargaining are basic preconditions of social dialogue. These rights are the basis for democratic representation and labour market governance and are crucial for promoting dynamic trade unions and employer organizations – which are the lifeblood of social dialogue and industrial relations.

The Institutional Framework

- ILO Conventions 87, 98 and 144 are cornerstones for setting up and strengthening social dialogue institutions. They should be ratified and domesticated.
- Social Dialogue thrives where employers’ and workers organizations are representative, effective and independent.
- The conditions for social dialogue are enhanced where Labour Administration is effective.
- Government has a fundamental role to play in the setting up of a viable social dialogue structure that is fully representative with decision-making powers.

- Government representation on the social dialogue institution should not be confined to the Ministry of Labour and Employment, but rather should also include key ministries.
- The regularity of meetings on Social Dialogue at national level (by the relevant national institution), regional level (by the respective Regional Economic Community) and at continental level (in the Labour and Social Affairs Commission) should be institutionalized.
- The inclusiveness of Social Dialogue institutions is an important matter. Institutions should consider the possibility of 'Tripartite plus' arrangements including representative organizations such as those from the Informal Economy, women, youth and other civil society and NGO sector organizations.
- Employers' and workers' organizations can play a critical role in (a) extending membership and services to employers and workers in the informal economy, and (b) supporting the creation of new membership-based, accessible, transparent and accountable and democratically managed representative organizations, including bringing them into the social dialogue processes.

Programme for Strengthening Social Dialogue Institutions and Processes

- It would be necessary, at the outset, to undertake an audit of existing social dialogue institutions to assess their strengths and limitations as well as needs.
- Most social dialogue institutions would require capacity building support, including technical and financial support, in order to strengthen them.
- There should be national campaigns to build up momentum for ratification and domestication of the relevant Conventions in those

Member States where they have not yet been ratified. The time frame to be aimed at is ratification by all Member States by 2012.

- There should be a listing of Priority Areas since the list of matters that require to be dealt with by Social Dialogue institutions is long.
- Social Dialogue institutions should be enabled and encouraged to address the Productivity deficit. Their role should be instrumental in productivity promotion.

Regional Responsibility

RECs are expected to play a pivotal role in the development of the Social Dialogue Guidelines and in its implementation at regional level. The experiences and initiatives such as in countries served by PRODIAF and similar technical cooperation support should be considered in this process. Support from international partner organizations, particularly the ILO, should be sought.

Continental Responsibility

The AUC should encourage RECs to organize meetings to provide input into the development of the Social Dialogue Guidelines. The Guidelines should be consolidated, considered and adopted by the LSAC, and then Heads of State and Government.

Monitoring and Evaluation

There should be a mechanism for follow up, monitoring and evaluation of the implementation of the Social Dialogue Guidelines at the various levels - such as national, regional and continental levels. A set of indicators and targets should be specified and used in the monitoring and evaluation. Reports presented at these levels would require prior validation by the respective social partners starting at the national level.

Immediate Action

The draft Outline Guidelines as developed at the AU-ILO Workshop should be transmitted to the LSAC for its information at its Conference to be held in September 2009.

In order to assure full inclusion and ownership in the development of social dialogue, Regional Tripartite Workshops on **Social Dialogue Guidelines** should be jointly organized with the RECs between October 2009 and February 2010. Each regional workshop would be expected to provide input into these guidelines. This approach can contribute to the social dialogue mechanism becoming embedded in the RECs.

Following the completion of RECs' input in the draft Guidelines, a Tripartite Validation Meeting at the Continental level should be convened within the last quarter of 2010 to review and validate a consolidated version of the Draft Guidelines to be submitted to the Ministerial Meeting (LSAC) for adoption, and for onward transmission to the AU Summit of Heads of State and Government.

***A Shared Value towards Middle Income Status Countries:
“Productive and Sharing Africa: Strive together for More Productivity, Increased
Growth, more and better
Employment in Africa”¹***

~ The second pillar of the African Union Strategic Plan, 2009-2012

PART II: DRAFT PRODUCTIVITY AGENDA FOR AFRICA 2010-2016

INTRODUCTION

1. The role of Productivity in enhancing national well being is universally recognized. In every country, the main source of economic growth is an increase in productivity. Inversely, economic downturn, declines and stagnation entail or are accompanied by decline in productivity. Countries with high productivity like Japan and regions as South East Asia and parts of Europe are often characterized by high capacity utilization (optimal use of resources). They also enjoy high standards of living, low rate of unemployment and social progress.

2. As per Africa, the Continent is endowed with abundant resources, but the relative inefficiency and ineffectiveness in the use of its resources is hampering its competitiveness and adversely affecting the capacity of the African Nations to deliver in social and human development in the framework of the **Ouagadougou 2004 Declaration and Plan of Action on Employment Promotion and Poverty Alleviation**, as well of the NEPAD objectives and the MDGs. Indeed productivity improvement is essential for Africa to create more and better jobs through growth from new investments and to sustain jobs in the face of increased competition.

3. Social and economic development means bringing prosperity and a better future to societies. The ultimate goal of productivity improvement as a driving force of economic development is to improve the quality of life of a people. Productivity is a key factor that enables societies to generate wealth through an optimal mix of available resources – human knowledge and skills, technology, raw materials, energy, capital, intermediary services etc. Its growth contributes towards the prosperity of nations, makes organizations, enterprises and individuals competitive in the global market which in turn translate in improving the quality of life with higher personal income of workers and lower rate of inflation in the long term. As there is a correlation between national productivity and level of employment, this will break the low productivity-low wage-poverty-and-unemployment trap in Africa.

4. Productivity can be defined as the efficiency and effectiveness with which labour, capital, materials, energy and other resources are combined and utilized in an environmentally and socially sustainable manner to produce quality goods and services for the satisfaction of human needs. It also embraces the necessity of environment friendly productivity approaches (Green Productivity). As regard with Africa, in 1995, at a workshop on “Strategies for increased Productivity in Africa”, the Pan-African Productivity Association (PAPA) adopted the following common definition of the concept of Productivity:

¹Ref AYC 2009-2012 Strategic Plan

- Productivity is the function of producing more and more goods and services to more and more people with less and less real resources.
- Productivity is a process whereby inputs were converted to goods and services to satisfy markets needs. In the conversion process, efficiency and utilization were of critical importance (doing things right) while effectiveness ensured that process resulted in the right production or service to satisfy market needs (doing the right things).

5. Hence productivity is linked to poverty alleviation, as it means more national income for social distribution to the young, old, unemployed and other vulnerable groups. There is consensus that productivity is pivotal to taking up opportunities presented by globalization and increased international competition. Therefore productivity brings benefits to Employers and managers, Employees, Consumers, Public and communities, Government, Nations, Societies and institutions.

6. In order to be part of the globalized economy, productivity is not only the best indicator of where to invest and create more jobs, but it is also the source of funds for new jobs creation and redeployment of people. Reversing the trend of slowing productivity growth is one of the major competitiveness challenges facing African Continent.

Background and Challenges

7. The Organization of African Union (OAU) now African Union (AU) has been committed to productivity promotion in the African continent for long through its various decisions and recommendations on Productivity. In 1988 the General Secretariat of the Organization of African Unity (OAU) organized the first Pan-African Tripartite Seminar on the Productivity of African Workers the results of which were condensed in Document LC/3 (XII), calling for the establishment of regional productivity organizations as clusters for the creation of a Pan-African Productivity Organization and of productivity centers in the respective countries with the assistance of the Commission in cooperation with the ILO and other development partners.

8. On the occasion of the 20th Conference of Ministers of Labour and Social Affairs held in Addis Ababa, in April 1997, the Secretary General of the OAU produced an important report on the theme ***“Increasing Productivity, Key to the Improvement of the Quality of Life in Africa in the 20th Century”*** (LSC/5(XX).

9. In September 2004, at an Extraordinary Session of the Assembly, the Heads of State and Government adopted in Ouagadougou a Declaration together with a Plan of Action for the Promotion of Employment and Poverty Alleviation, with a Follow-Up and Evaluation Mechanism for its implementation. They called for increased productivity by improving occupational health, safety and hygiene, and partnership between the public and private sectors with a view to promoting productive employment in the modern sector. They also stressed that priority should be given to the development of productivity in activities of the informal and rural sectors in order to make these sectors competitive and capable of creating the largest number of productive and decent jobs.

10. At its 6th LSAC, 2008 (LSC-EXP8 (VI), the African Union again reiterated its commitment, by recommending the implementation of the strategies contained in a Briefing Note on Productivity in Africa, i.e :

- the brainstorming to continue on this issue;
- need to implement the strategies of the Note, collaborating with social partners, MS, RECs, PAPA, international partners (ILO, etc);
- the Commission to help in the establishment and/or strengthening of national and regional structures involved in the promotion of productivity;
- the Commission's support to PAPA by sensitizing Member States to join the organization.

11. The current productivity reality in the continent will not improve significantly without a comprehensive Agenda, as the challenges are many and daunting. According to the ILO, the largest gap of productivity is encountered in Africa (ILO 2007) with a value added per worker 12 times less in Sub-Saharan Africa than that of a worker in the industrialized world and 4 times lower in North Africa. That is largely due to the fact that in Africa around 80% of workers are in the Informal Economy, the Rural Economy (R.E) and the SMEs while they contribute for about 60% of GDP and these sectors are still damped by very low productivity scores.

12. Additionally, the poor performance of the Public Sector, as well of the Parastatal Sector, the lack, amongst others, of a comprehensive productivity movement, raw material exports with a little value addition, lack of competitiveness among local enterprises, low skilled workforce, particularly in the informal SMMEs and agriculture and lack of resources (funding, technical) are contributing to the continent's low productivity. Africa is also faced with weak tripartism and a **relatively** weak political commitment to productivity.

13. Many factors contribute to the declining productivity in Africa, including:

- the quality of the education and training system;
- the ineffectiveness of the labour market information systems;
- the corporate human resource management systems;
- the quality of Social Dialogue;
- the state of infrastructure (electricity, transport, telecommunications etc) and services (health, central and local bureaucracies etc.);
- the low and slow Information and Communication technologies (ICT) diffusion in the economy, in particular in the SMMEs;
- the low labour productivity in the rural economy.

14. Special attention therefore needs to be devoted to productivity, particularly in Africa's public sector as productivity shortfalls are related to the poor performance of Public Sector governance. This sector manages critical factors of the external environment such as education, health, telecommunications, electricity supply and transport as well as the macroeconomic policy framework. More generally, the issue of public sector performance and productivity is reflected in the AU's forthcoming Public Service Charter. The Productivity Agenda for Africa will address this issue of prime importance for the Continent with appropriate measures based on the proven experience of African Productivity Centers.

15. The specific role that productivity plays in poverty reduction needs reiteration. This is particularly the case with the knock-on effects of productivity increases on agriculture and rural economic activities. With about two-thirds of its population living in the rural sector and working in the informal economy, Africa would witness transformational development if productivity increased significantly in that sector. The fact is that the PRSP and other development policies in African countries hardly mention or refer to productivity promotion as a means to achieve socio economic development goals. This has resulted in the inability to meet the MDGs and the NEPAD objectives.

16. The lack of productivity database and statistics in Africa is a critical clue at national, regional and continental stages. As per international standards and benchmarking, South Africa is the only member state participating in international productivity measurements through its National Productivity Institute in the World Competitiveness Index. This is a serious gap area that needs to be addressed.

17. It is therefore imperative to reverse these trends and uplift the productivity of the continent if Africa is to meet the MDGs, the NEPAD objectives and the strategies outlined in various continental policies on employment promotion and poverty alleviation. Within this broad perspective, and in view to save the necessary intergenerational solidarity, Africa will develop and strengthen its capacity to pursue sustainable development through “Green Productivity” philosophy, approaches and tools applied in all aspects of the life, including the private sector activities. That will facilitate ensuring and strengthening the necessary synergies between environmental protection and growth.

18. As a result, the African Union Commission **Strategic Plan 2009-2012**, has adopted the strategy to “develop and implement programmes on productivity improvement “sustainable economic development”. Furthermore, the Productivity Agenda for Africa will contribute to the effective implementation of the AUC Strategic Plan by substantively contributing to the achievement of its objectives for establishing a continental standards and quality insurance mechanisms, developing and implementing programmes on competitiveness, promoting effective environmental and Natural Resources Management (NRM), and increased Africa’s share in the global market.

19. The institutional African infrastructure to promote productivity movement is still at the nascent stage, both at the national level with not more than 15 National Productivity Organizations (NPOs) than at the continental level with the PAPA as continental body having a limited membership of six NPOs.

20. Member States of the AU have been engaged in various efforts at promoting productivity at the national levels with some members establishing National Productivity Organizations (NPOs) as apex bodies for spearheading and coordinating productivity activities in their respective countries. Thus at the continental level, the institutional African infrastructure to promote productivity movement is still at the nascent stage.

21. It is in recognition of the important role productivity can play in accelerating economic growth and social development in Africa that some existing NPOs in African countries came together to establish the Pan-African Productivity Association (PAPA) with the objective of providing the necessary technical support, building the capacity of NPOs and acting as a forum for disseminating and sharing information to strengthen the productivity movement regionally as well as continent wide. Since PAPA’s inception in 1992, the Association has identified its core focus as facilitating and advocating for the establishment of NPOs in the continent. To facilitate and support its crucial role in productivity promotion at national, regional and continental levels, the PAPA has been granted by the African Union Commission with the status of Observer at the Labour and Social Affairs Commission.

22. Despite its recognition by the AUC, the PAPA is still weak with only six active members to date. PAPA has however made strident efforts in promoting productivity in Africa by engaging in strategic partnership with international organizations such as the Asian Productivity Organization (APO), and the Commonwealth Secretariat among others.

23. In 2006, PAPA in collaboration with the APO organized a “Roundtable Conference for the Promotion of the Productivity Movement in Africa” in South Africa that was attended by 30 high-ranking government officials, labor union officers, and NPO staff from Botswana, Kenya, Mauritius, Nigeria, South Africa, Tanzania, and Zambia.

24. The PAPA and APO also organized two four-week Basic Training Course for Productivity Practitioners (BCPP) and one three-week Advanced Training Course for Productivity Practitioners (ACPP) since 2007, training more than 90 trainers of other productivity practitioners from the 6 member countries of PAPA. The third BCPP course is scheduled to hold in September 2009.

25. The president of PAPA was part of the APO contingent that participated at the Summit Meeting of the **Tokyo International Conference on African Development (TICAD-IV)** in Yokohama, Japan, in May 2008, which was hosted by the Government of Japan. The Summit recognized and reiterated the importance of the APO, PAPA and national productivity organizations in both Asia and Africa as veritable vehicles for transferring the Asian Productivity experience to Africa.

26. PAPA is currently negotiating with the APO on a Productivity Partnership Programme, which will match Asian NPOs with their African counterparts for the direct transfer of the Asian experience to African countries.

II. The Productivity Agenda for Africa (PAFA) 2010-2016

II.1. Goal

27. The goal of the PAFA is to improve the quality of life the African people through productivity improvement.

II.2. Objectives

- (i) Increase value added, productivity and competitiveness of the African Economies;
- (ii) Facilitate the improvement of productivity culture of people in Africa;
- (iii) Mobilize all relevant stakeholders at national, regional and continental levels for socio-economic development.

II.3. Strategies

28. The following strategies will ensure the attainment of the intended objectives.

- a) Promote Labour management relations within the enterprises/organizations;
- b) Promote productivity in key sectors of the economy, in particular the informal economy, SMEs, public/parastatal sector, industry and communities;
- c) Promote the use of productivity approaches, techniques, tools, and processes by all stakeholders;

- d) Encourage and support the setting up of NPOs and strengthening of existing ones in member states;
- e) Establish continental and regional infrastructures to drive and coordinate the productivity movement in Africa;
- f) Establish and maintain strategic partnership with international and regional institutions.

II. 4. Activity streams for implementing Strategies

OBJECTIVE 1: Increase value added, productivity and competitiveness of the African Economies;

Strategy1: Promote Labour management relations within the enterprises/organizations

Main Activities:

- (i) Organize joint fora with tripartite partners such as seminars, workshops and meetings;
- (ii) Instill and install Social Dialogue Practice and Mechanisms into the enterprises/organization for better corporate governance

Strategy 2: To promote productivity in key sectors of the economy, in particular the informal economy, SMMEs, public/parastatal sector, industry and communities;

Main Activities:

- (i) Promote at national and regional levels the establishment, implementation and evaluation of Growth, Productivity and Employment Pacts in the framework of Social Dialogue mechanisms in order to ensure the necessary long term socio economic stability needed for the alignment of the external environment factors with the productivity and competitiveness requirements (challenges);
- (ii) Strengthening cooperation between Training Institutions on productivity of European and Asian counterparts;
- (iii) Support implementation of productivity programmes at the level of administration, particularly those dealing with the private sector, using productivity improvement tools such as 5S, quality circles, suggestion schemes;
- (iv) Organize regional tripartite forums for the promotion of productivity in the Administration of Justice, Commerce, Taxation, Customs, Land, Labour and Higher education;
- (v) Promote Productivity move in favor of the SMEs and the Informal Economic Units, the Rural sector and the parastatal sector;
- (vi) Support the partnership between universities and enterprise for innovation, creativity and R&D;

- (vii) Organize training seminars on Productivity Management in National Public Administration/Service Schools;
- (viii) Launch 2 “5S” Pilot Projects at the level of the AUC;
- (ix) Establish and/or enhance the capacity of supporting organizations to the SSMEs in productivity counsel/consultation services providing.

OBJECTIVE 2: Facilitate the improvement of productivity culture of people in Africa;

Strategy 1: to promote the use of productivity philosophy, approaches, tools, techniques and processes by all stakeholders

Main Activities:

- (i) Develop, Implement and Monitor Capacity Enhancement Plan in Basic and Advanced Productivity Management through the development of productivity training manuals/tools and organize training workshops as well as study/visit tours for Productivity Practitioners;
- (ii) Promote Nation and Continent wide productivity awareness and commitment through organizing productivity campaigns, productivity education program at school, etc.
- (iii) Establish a knowledge, information and good practices sharing platform at continental, regional and national levels;
- (iv) Promote Green Productivity Capacity Management (**GPCM**) at all levels.

Strategy 2: to Encourage and support the setting up of NPO and strengthening of existing ones

Main Activities:

- (i) Promote the adoption of the PAPA by the AU competent organs;
- (ii) Strengthen and upgrade PAPA as the continental productivity organization with a tripartite governing body including Executive Board of PAPA;
- (iii) Organize high-level observational study mission(s) on Productivity Movement to APO and NPOs in Japan and other Asian economies, as well as to European counterparts;
- (iv) Support the institutional development of national organizations of productivity, quality and social dialogue promotion in Member States participating in the Programme;
- (v) Produce guidelines for setting up of NPO and Regional Productivity promotion institutions and mechanisms.

OBJECTIVE 3: Mobilize all relevant stakeholders at national, regional and continental levels for socio-economic development.

Strategy 1: To establish the continental and regional infrastructures to drive and coordinate the productivity movement in Africa;

Main Activities:

- (i) Establish and enhance AUC capacity in Social Dialogue and Productivity Policy, Advocacy, Coordination, M&E;
- (ii) Identify a focal NPO in each of the Regional Economic Communities as facilitator to regional productivity movement;
- (iii) Enhance the capacity of RECs in productivity promotion through establishment of regional productivity organizations (RECs Secretariat and Regional NPO Reference/Regional Productivity Committee for regional leadership, maybe merge regional productivity and social dialogue issues and institutions);
- (iv) Establish a Continental Biennial Forum on Productivity and Competitiveness;
- (v) Establish productivity statistics and database management capacity at national, regional and continental levels, and develop, disseminate productivity and competitiveness indexes and publications;
- (vi) Establish continental Prizes for the stimulation and expansion of the productivity movement in Africa by targeting SMEs, Large Enterprises, the Micro Enterprises, and the public-parapublic sectors;
- (vii) Support the infrastructure development of PAPA and of Regional Productivity Institutions/Mechanisms;
- (viii) Conduct a financial and technical feasibility study on the proposed governance structure for the implementation of the PAFPA.

Strategy 2: to establish and maintain strategic partnership with international and regional institutions.

Main Activities:

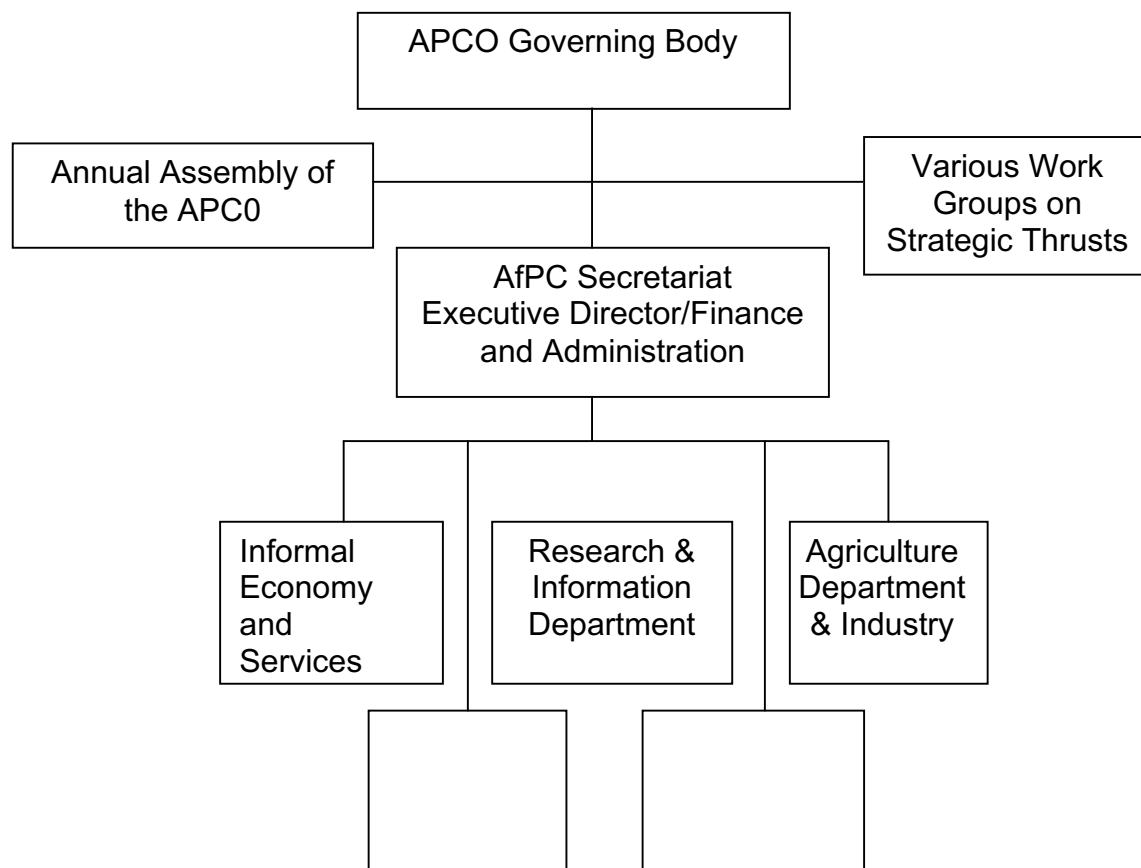
- (i) Develop and foster the cooperation with international development partners involved in productivity promotion, such as the APO, WCPS, ILO, UNIDO, World Bank, FAO, IUT, etc ;
- (ii) Initiate and develop the partnership with African financial and technical organisms, such as the African Development Bank, the BOAD, etc.;
- (iii) Organize workshops, twinning projects and other experience exchange activities between Africa, Europe and Asia on public-private partnerships for productivity, growth and the creation of decent jobs;

- (iv) Put in place enabling environment through legislations, institutions and initiatives to mobilize and attract highly skilled African migrants and African Diaspora for the development of productivity;
- (v) Implement AU policies on migration and development in such a way that it enhances productivity in Africa through circular migration, use of remittances for productivity, return of highly skilled African migrants etc.

III. Governance Structure and Institutional Arrangement for Enhancing Productivity Movement in Africa

29. The proposed institutional framework to implement the Productivity Agenda of Africa includes the setting up of an African Productivity Council (APCO) as the Continental Productivity Organization to spearhead the enhancement of the productivity movement in Africa. Below is a structure proposal on the proposed ACPO. The PAPA can stand as the APCO Permanent Secretariat.

APCO Governing Body



30. The Governing Body is a tripartite committee with responsibility to check on the performance of the Organization and interest of all stakeholders in productivity been addressed. Members are elected by the LSAC and will comprise of:

- Chairperson from AU (Minister of Labour/ or alternatively from Ministers in charge of Labour/Employment and Ministers in charge of Finance and Economy);
- 5 Members from AU (Minister of Labour and Minister of Finance/Economy) and representing the 5 regional Economic Communities;
- 1 Representatives of the continental labour unions;
- 1 Representatives from continental employer's federation;
- Observers from International Partners like ILO, COMSEC, APO, etc.

31. It is supported by the APCO Secretariat. The PAPA will stand as the Secretariat.

ACPO Council and Work Groups

- Council members including President, Vice President, etc will be selected for each term of service.
- Work Groups led by council members could be established from time to time with representatives from various members to address areas of specific interest like measurement of productivity in Africa, Agriculture, Community Health, etc. They will be supported or work with the ACPO Secretariat.

32. The AU or ACPO can only play a facilitation role and providing the necessary resources to promote productivity and institutional building of NPOs of member economies. The other important success factor lies with the effort of individual NPOs or member economies to drive the productivity movement in their respective economies. As such, the role of the ACPO in support and coordinating improvements efforts among NPOs of member economies is crucial for the success of the productivity movement in Africa.

33. PAPA that have been established since 1992 and currently having 6 member NPOs had already started activities in enhancing the productivity movement of its member countries. PAPA have already established a good track record of productivity development activities like training of 90 African Productivity Practitioners and had organized various seminars and study trips to Asia through the assistance and support of the Asian Productivity Organization with special funding from the Japanese.

34. In addition, the current network of APO, PAPA and NPOs of both Asia and Africa had been recognized by the Japanese Government as the avenue for transfer of the Asian Productivity Experience to Africa and documented in the TICAD IV summit in 2008. As such, selection of PAPA to stand as the ACPO Permanent Secretariat could help accelerate the enhancement process of the productivity movement in Africa. Once decided PAPA may have to undergo an institutional streamline of its current organization and also strengthening of the permanent secretariat function.

35. Once adopted as institutional framework in guiding the implementation of the Productivity Agenda in Africa, the policy and governance rules of the ACPO will be defined and proposed to the AU organs for approval.

Budget

36. The total budget of the Agenda is estimated at US\$ 4, 610, 000.

Financial arrangements

37. The effective implementation of the project should be pursued through the following financial arrangements.

38. The international donors should consider integrating a support to the African Agenda on Productivity, as per an effective means for the success of their interventions. This approach can be applied both for donors' projects intervention in support to private sector development and to public sector performance management systems.

39. The African Union Commission should examine appropriate and effective funding mechanisms for the APA and submit to the competent African Union Organs for their adoption.

Follow-up, Monitoring and Evaluation (at continental, regional and national levels)

40. The ACPO will establish an annual activities report and submit it to the AUC competent organs for consideration.

41. Evaluation and monitoring mechanisms will be prepared and presented to the LSAC and other AUC relevant organs for consideration. Productivity indicators should be defined and integrated in the African Peer Mechanism Review (APMR).

42. Regional Economic communities and MS will integrate productivity progress data into their biennial follow up reports in the Ouagadougou Plan of Action.

Strategic Objectives	Strategies	Activities streams	Timeframe	Actors
1. Increase value added, productivity and competitiveness of the African Economies	1. Promote Labour management relations within the enterprises/organizations 2. Promote productivity in key sectors of the economy, in particular the informal economy, SMEs, public/parastatal sector, industry and communities	i. Organize joint fora with tripartite partners such as seminars, workshops and meetings;	2011-2012	MS/RECS/PAPA
		ii. Instill and install Social Dialogue Practice and Mechanisms into the enterprises/organization for better corporate governance	2010-2016	MS/RECS/papa
		i. Promote at national and regional levels the establishment, implementation and evaluation of Growth, Productivity and Employment Pacts in the framework of Social Dialogue mechanisms in order to ensure the necessary long term socio economic stability needed for the alignment of the external environment factors with the productivity and competitiveness requirements (challenges);	2010-2016	AUC/MS/RECS/PAPA
		ii. Strengthening cooperation between Training Institutions on productivity of European and Asian counterparts;	2010-2016	AUC/MS/PAPA
		iii. Support implementation of productivity programmes the level of administration, particularly those dealing with the private sector, using productivity improvement tools such as 5S, quality circles, suggestion schemes;	2010-2016	AUC/PAPA/MS/RECS
		iv. Organize regional tripartite forums for the promotion of productivity in the Administration of Justice, Commerce, Taxation, Customs, Land, Labour and Higher education;	2010-2016	AUC/MS/RECS/PAPA
		v. Promote Productivity move in favor of the SMEs and the Informal Economic Units, the Rural sector and the parastatal sector;	2010-2016	PAPA/MS/RECS
		vi. Support the partnership between universities and enterprise for innovation, creativity and R&D;	2012-2016	MS/AUC/RECS
		vii. Organize training seminars on Productivity Management in National Public Administration/Service Schools;	2011-2016	PAPA/RECS/MS/AUC
		viii. Launch 2 “5S” Pilot Projects at the level of the AUC;		
		ix. Establish and/or enhance the capacity of supporting organizations to the SSMES in productivity counsel/consultation services providing.	2010-2013	
			2011-2016	PAPA/MS/RECS
TOTAL				

2. Facilitate the improvement of productivity culture of people in Africa;	1. Promote the use of productivity approaches, techniques, tools, and processes by all stakeholders	i. Develop, Implement and Monitor Capacity Enhancement Plan in Basic and Advanced Productivity Management through the development of productivity training manuals/tools and organize training workshops as well as study/visit tours for Productivity Practitioners;	2010	PAPA/MS/RECS
		ii. Promote Nation and Continent wide productivity awareness and commitment through organizing productivity campaigns, productivity education program at school, etc.	2011-2016	AUC/RECS/MS/PAPA
		iii. Establish a knowledge, information and good practices sharing platform at continental, regional and national levels;	2011-2016	PAPA/AUC/MSRECS
		iv. Promote Green Productivity Capacity Management (GPCM) at all levels	2011-2016	PAPA/MS/RECS
	2.Encourage and support the setting up of NPOs and strengthening of existing ones in member states	i. Promote the adoption of the PAPA by the AU competent organs;	2010-2012	AUC/PAPA
		ii. Strengthen and upgrade PAPA as the continental productivity organization with a tripartite governing body including Executive Board of PAPA	2011-2016	AUC/PAPA
		iii. Organise high-level observational study mission(s) on Productivity Movement to APO and NPOs in Japan and other Asian economies, as well to European counterparts;	2011-2016	AUC/MS/RECS/PAPA
		iv. Support the institutional development of national organizations of productivity, quality and social dialogue promotion in Member States participating in the Programme;	2011-2016	PAPA/RECS/MS/AUC
		v. Produce guidelines for setting up of NPO and Regional Productivity promotion institutions and mechanisms.	2010	PAPA/MS/AUC/RECs
		TOTAL		
3. Mobilize all relevant stakeholders at national, regionally and continental levels for socio economic development	1.Establish the continental and regional infrastructures to drive and coordinate the productivity movement in Africa	i. Establish and enhance AUC capacity in Social Dialogue and Productivity Policy, Advocacy, Coordination, M&E	2010-2016	AUC/PAPA/RECS
		ii. Identify and support focal NPO in each of the Regional Economic Communities as facilitator to regional productivity movement;	2010-2011	AUC/PAPA/RECS
		iii. Enhance the capacity of RECs in productivity promotion through establishment of regional productivity organizations (RECs Secretariat and Regional NPO Reference/Regional Productivity Committee for regional leadership, maybe merge regional productivity and social dialogue issues and institutions)	2010-2014	AUC/PAPA/RECS

		iv. Establish a Continental Biennial Forum on Productivity and Competitiveness	2012	AUC/PAPA/RECS
		v. Establish productivity statistics and database management capacity at national, regional and continental levels, and develop, disseminate productivity and competitiveness indexes and publications;	2010-2016	AUC/PAPA/MS
		vi. Establish continental Prizes for the stimulation and expansion of the productivity movement in Africa by targeting SMEs, Large Enterprises, the Micro Enterprises, and the public-parapublic sectors;	2011-2016	AUC/MS/RECS/PAPA
		vii. Support the infrastructure development of PAPA and of Regional Productivity Institutions/Mechanisms;	2011-2016	AUC/PAPA/RECS/MS
		viii. Conduct a financial and technical feasibility study on the proposed governance structure for the implementation of the PAFPA	2010-2011	AUC/PAPA/RECS
	2.Establish and maintain strategic partnership with international and regional institutions	i. Develop and foster the cooperation with international development partners in productivity promotion, such as the ILO, UNIDO, World Bank, FAO, IUT, etc ;	2010-2016	AUC/PAP/RECS/MS
		ii. Initiate and develop the partnership with African financial and technical organisms, such as the African Development Bank, the BOAD, etc	2011	AUC/PAPA
		iii. Organize workshops, twinning projects and other experience exchange between Africa, Europe and Asia on public-private partnerships for productivity, growth and the creation of decent jobs;	2011	AUC/PAPA/RECS/MS
		iv. Put in place enabling environment through legislations, institutions and initiatives to mobilize and attract highly skilled African migrants and African diaspora for the development of productivity;	2011	AUC/MS/PAPA
		v. Implement AU policies on migration and development in such a way that it enhances productivity in Africa through circular migration, use of remittances for productivity, return of highly skilled African migrants etc.		AUC/MS/PAPA
TOAL				
GRAND TOTAL				