Regional Infrastructure as a Catalyst for Job Creation

Creating Jobs in Infrastructure – The PIDA Job Creation Toolkit

Africa Talks Jobs – Open Lab
1st November 2017, Addis Ababa/Ethiopia
As an implementing agency of the AU has a mandate to:

- Facilitate and coordinate the implementation of continental and regional priority programmes and projects
- Mobilise resources and partners in support of the implementation of Africa’s priority programmes and projects
- Conduct and coordinate research and knowledge management
- Monitor and evaluate the implementation of programmes
- Advocate on the AU and NEPAD vision, mission and core principle/values

www.nepad.org
Four Investment Programmes to address new and emerging trends in Africa

- Human Capital Development (Skills, Youth, Employment and Women Empowerment)
- Natural Resources Governance and Food Security
- Regional Integration, Infrastructure (Energy, Water, ICT, Transport) and Trade
- Industrialisation, Science, Technology and Innovation

www.nepad.org
Programme for Infrastructure Development in Africa (PIDA)

- Endorsed by the AU Assembly in 2012
- 400+ cross-border projects
- Cost US$ 360 billion for the period 2012-2040.
- PIDA-PAP (2012-2020) - US$68 billion
LEVEL I: FORECASTING OF JOBS & SKILLS

- estimate direct, indirect, induced during project planning, construction, O&M phases
- estimate jobs created due to improved infra service ("secondary jobs")
- estimate in which sector of the economy these secondary jobs are created
LEVEL II: PROJECT STEERING & POLICY RECOMMENDATIONS

- Actionable guidelines to maximise jobs during project phases
- Policy recommendations to maximise jobs on national & regional level
- Alternative project designs to increase impact of African labour/materials
- Labour market information system to inform policy and decision makers on education and skills planning
PIDA Job Creation Toolkit

- Toolkit Overview
- Job Estimation
- Job Maximisation
- Project Case Studies
- PIDA Links
Job Estimation for a Hydro-Project

Ruzizi III Hydropower Dam

- Increased electricity supply for estimated 107 million people in Great Lakes Region
- Households can switch energy use from mainly charcoal to grid connection
- Advantage of low cost and renewable energy sources
- Support peace process in Great Lakes Region via regional economic integration
Job Estimation Methodology

Estimate infrastructure investment by input category (e.g., construction, equipment, etc.)

- Direct, indirect and induced jobs in project preparation, construction, and operations & maintenance

Estimate changes in electricity production

- Direct, indirect and induced jobs resulting from secondary effects (improved electricity access; trade/transport effects etc.)
**Job Estimation Results**

**Phase: Project Preparation**

- 25,255 job years over 6 years period

**Phase: Project Construction**

**Phase: Project Operation & Maintenance**

- 6,500 job years over 50 years useful life
Types of Jobs – Preparation & Construction

Total: 25,255 job years for Ruzizi III Dam
Types of Jobs – Operation & Maintenance

Total: 6,500 job years for Ruzizi III Dam
Types of Jobs – Spillover Effects

Total: 103,700 job years for Ruzizi III Dam
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Job Maximisation

Project Level

Policy Level
Job Maximisation - Project Level
Example: Preparation Phase Road Corridor

Sector/Sub-Sector:

Project Phase: Preparation

Feasibility

Recommendations:
- Scoping local content possibilities
- Database of cement suppliers in West Africa
- Labour Associations in Ghana etc.

REC/Countries:
Job Maximisation - Project Level
Example: Construction Phase of a Port

Sector/Sub-Sector:

Recommendations:

- Local Content Benchmarks/Guidelines
- Negotiate and structure a contract according to local content policy
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Job Maximisation

Project Level

Policy Level
Job Maximisation - Policy Level
Example: Local Content Policy

National Level Recommendations

- Foreign investors need to negotiate with local suppliers
- All infrastructure projects need to feature 30% local content *

Regional Level Recommendations

- Regional guidelines to promote local content
- Review trade agreements according to local content

* Varies case by case
Feedback & Reflection

• What is needed from public side to ensure that forecasted jobs are realized within Africa?
• How can toolkit results communicate with national/regional policy makers to enhance skills matching?
• What are possible partners that can enrich Toolkit content? (methodology, job maximization strategies)
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