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Item 8 (c) of the provisional agenda*
Parallel meetings for an in-depth review of progress made, peer-to-peer learning and acceleration measures regarding the sub-themes of the Forum: decent work and economic growth

Background report on the sub-theme of decent work and economic growth

I. Introduction

1. Goal 8 of the 2030 Agenda for Sustainable Development (promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all) is closely aligned with goals 1 (a high standard of living, quality of life and well-being for all citizens) and 4 (transformed economies) of the first 10-year implementation plan (2013–2023) of Agenda 2063: The Africa We Want, of the African Union[1] and strategic objectives 1.1 (enhance inclusive, equitable and sustainable economic growth), 1.2 (increase economic resilience) and 1.4 (increase agricultural production and productivity) of the second 10-year implementation plan (2024–2033) of Agenda 2063. Success in the achievement of Goal 8 will foster inclusive growth and development while accelerating progress towards the attainment of other Sustainable Development Goals and the related goals of Agenda 2063.

2. Overall, there has been a reversal in the progress achieved by African countries on Goal 8 and considerable efforts will be needed by many African countries if they are to achieve that Goal by the 2030 deadline. That reversal is due, primarily, to challenges in the areas of economic growth, the number of young people in education, employment or training, and tourism direct gross domestic product (GDP).[2] Although there are variations across the continent, all Africa subregions with the exception of West Africa have witnessed a regression on the Goal 8 targets and must take urgent steps to reverse that negative trend. To resume and accelerate progress on Goal 8, African countries must bolster their resilience against climate-related and other economic shocks, mobilize additional international support for growth and trade, foster economic diversification, promote productive work across all sectors of the economy and leverage the opportunities stemming from digital transformation. In that light, the present report contains an overview of the key challenges facing African countries and the progress they have achieved in connection with Goal 8 and the associated goals of

* ECA/RFSD/2025/1.
[1] African Union, “Linking Agenda 2063 and the SDGs”.
[2] Economic Commission for Africa (ECA), Africa UN Data for Development Platform (accessed on 11 December 2024).

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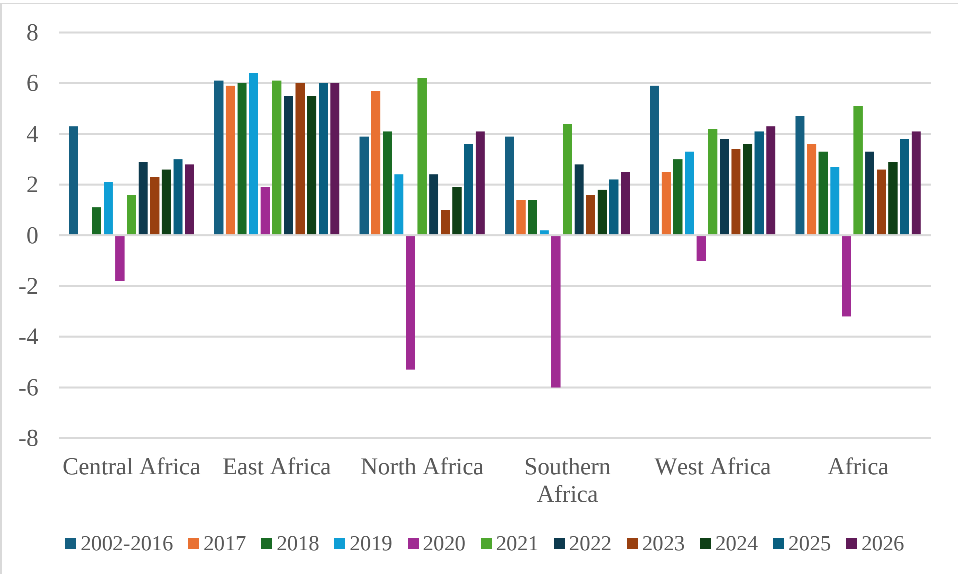
Agenda 2063. The report also sets out a number of recommendations for future action.

II. Progress in implementation

A. Annual growth rate of real gross domestic product per capita (indicator 8.1.1)

3. African countries have continued to promote economic growth in a complex, challenging and increasingly uncertain global economy. Furthermore, many African Governments have been compelled to make difficult choices to ensure macroeconomic stability and make available adequate financial resources at a time of rapid increases in the cost of living for their citizens. The challenges faced by African countries have been exacerbated by the repercussions of multiple crises, including the coronavirus disease (COVID-19) pandemic, the armed conflict between the Russian Federation and Ukraine, domestic unrest, climate change and a constrained financial environment. Nonetheless, recent data reveal that Africa accounted for nine of the world's fastest growing economies in 2024.[3] Real GDP is projected to grow from 2.9 per cent in 2024 to 3.8 per cent in 2025 and 4.1 per cent in 2026, significantly higher than the projected global averages of 2.8 per cent, 2.8 per cent and 2.9 per cent in 2024, 2025 and 2026, respectively (figure I). Within the continent, East Africa continues to experience faster economic growth than all other subregions.

Figure I
Estimated annual change in real gross domestic product: African subregions and Africa as a whole, 2002–2026
(Percentage)



Source: *World Economic Situation and Prospects 2025* (United Nations publication, 2025).

Note: Data for 2025 and 2026 are projected.

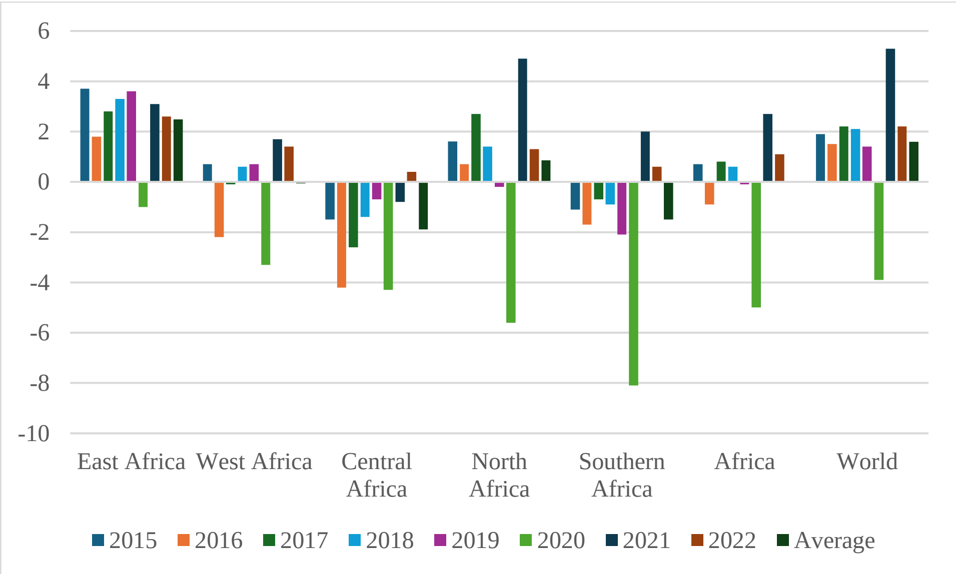
4. Nonetheless, the annual GDP growth rate per capita remains low in Africa, and even turned negative between 2015 and 2022, when it averaged -0.012 per cent.

[3] ECA, "African countries to dominate the world's top 10 growing economies, ECA report", 28 March 2024; Saad Quayyum and others, "Growth in sub-Saharan Africa is diverging", International Monetary Fund, 14 November 2024; African Development Bank, *Africa's Macroeconomic Performance and Outlook 2024* (January 2024).

By way of comparison, global GDP per capita grew by 1.588 per cent during the same period. Growth in real African GDP per capita did, however, recover in 2021, when it reached 2.7 per cent, before falling again to 1.1 per cent in 2022 (figure II).

5. There are significant variations in real GDP per capita growth rates across the subregions. Between 2015 and 2022, for example, real GDP per capita in East Africa and Southern Africa grew on average by 2.5 per cent and 0.85 per cent, respectively, while the other African subregions registered negative growth. Particular efforts are therefore needed to accelerate economic growth in certain subregions and spur development.

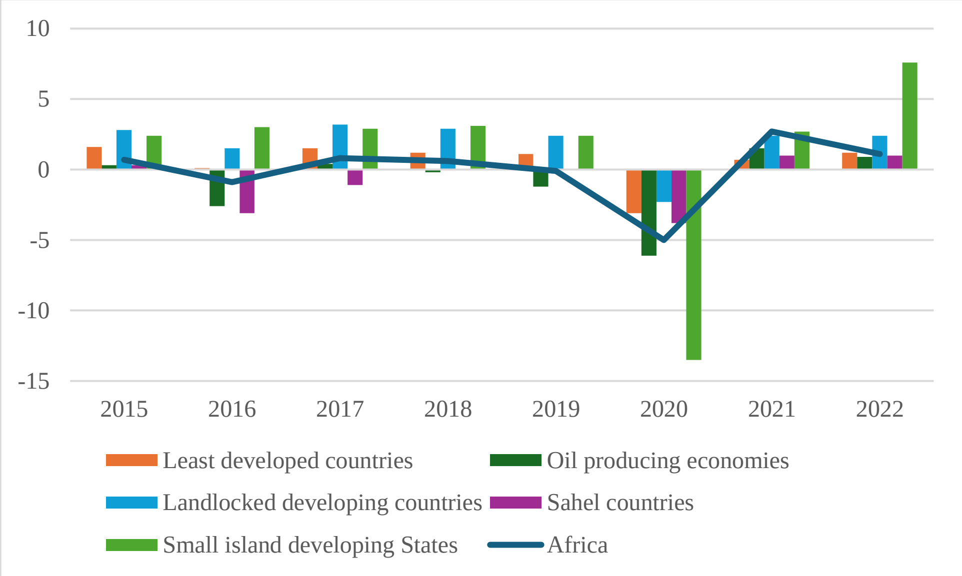
Figure II
Estimated annual change in real gross domestic product per capita: African subregions, Africa as a whole and the world, 2015–2022
(Percentage)



Source: ECA Sustainable Development Goal indicators database. Available at ecastats.uneca.org/data/data-products/sdgs/24 (accessed on 13 December 2024).

6. Between 2015 and 2022, real GDP per capita in African landlocked developing countries, small island developing States and least developed countries grew on average by 1.9 per cent, 1.3 per cent and 0.5 per cent, respectively, markedly better than Africa as a whole, which experienced negative growth of -0.01 per cent on average over same period (figure III).

Figure III
Estimated annual change in real gross domestic product per capita: African country groups and Africa as a whole, 2015–2022
(Percentage)

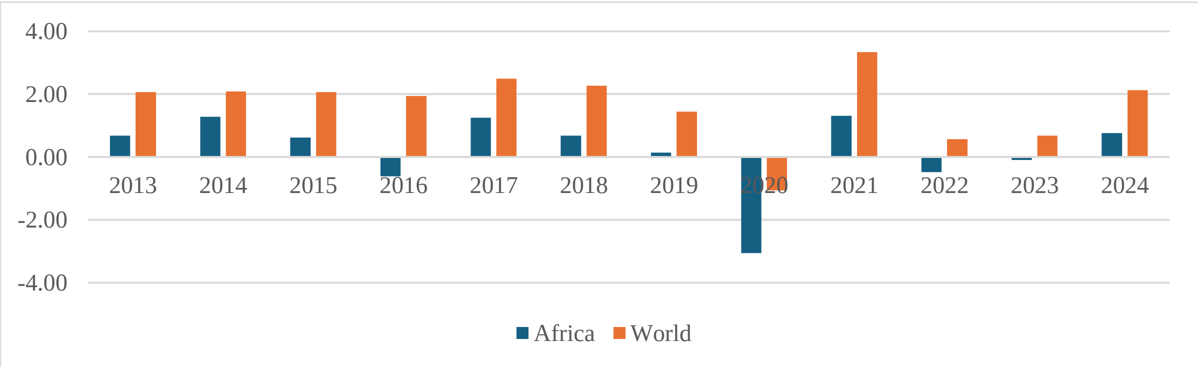


Source: ECA Sustainable Development Goal indicators database. Available at ecastats.uneca.org/data/data-products/sdgs/24 (accessed on 13 December 2024).

B. Annual growth rate of real gross domestic product per employed person (indicator 8.2.1)

7. Labour force productivity on the continent remains consistently lower than the global average (figure IV). The global response to the COVID-19 pandemic resulted in negative GDP growth rates in Africa, which averaged -3.06 per cent per worker in 2020, compared to -1.06 per cent globally. A slow recovery to 1.31 per cent per worker in 2021 was followed by negative growth of -0.45 per cent and -0.10 per cent in 2022 and 2023, respectively. Growth of 0.76 per cent per worker was expected in 2024, which was significantly lower than the global average of 2.13 per cent.

Figure IV
Annual increase in gross domestic product per worker (in constant 2017 United States dollars), Africa as a whole and the world, 2013–2024
(Percentage)

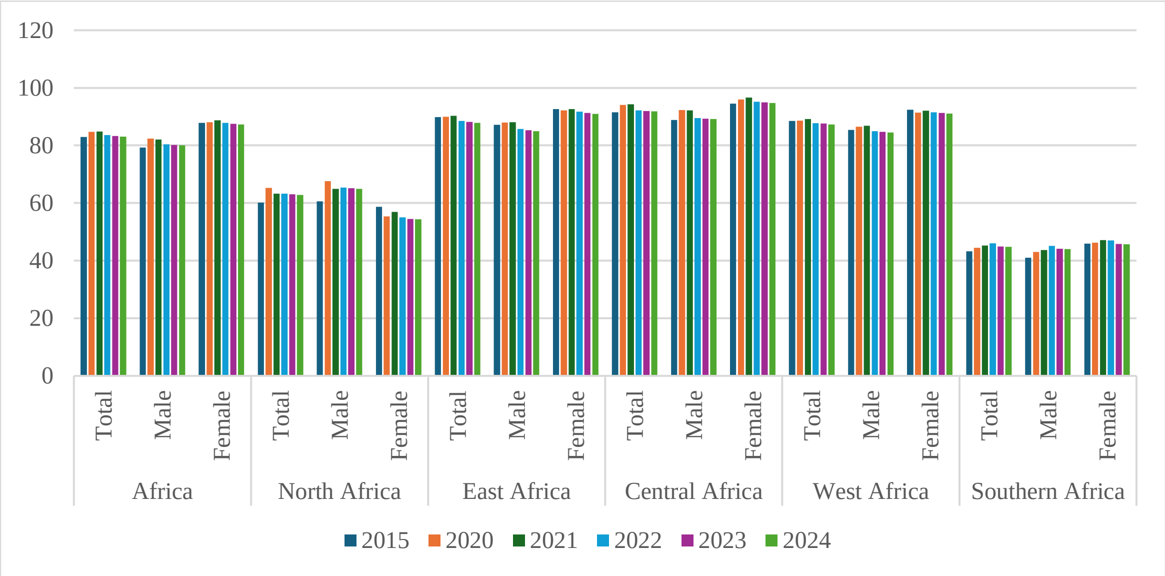


Source: International Labour Organization (ILO), "Statistics on labour productivity", modelled estimates, ILOSTAT database. Available at ilostat.ilo.org/topics/labour-productivity/ (accessed on 16 December 2024).

C. Proportion of informal employment in non-agriculture employment, by sex (indicator 8.3.1)

8. Informal employment remains the predominant form of employment in Africa. On average, some 83 per cent of African workers were in informal employment in 2024, a figure that is only slightly lower than the 84.3 per cent of African workers that were in informal employment in 2005 (figure V). The East, Central and West Africa subregions have the highest rates of informality, which have consistently exceeded 87 per cent since 2015. Women, young people and those living in rural areas are those most likely to find employment in the informal sector, reflecting deeper structural inequality in African labour markets. Workers in informal employment, particularly women, are often overrepresented in sectors such as domestic work, transborder trade and agriculture, where they tend to receive low wages, are offered only limited social protection and find it difficult to access essential services.

Figure V
Informal employment as a percentage of total employment, African subregions and Africa as a whole, 2015–2024
(Percentage)



Source: ILO, "statistics on informality", modelled estimates, ILOSTAT database. Available at https://ilostat.ilo.org/topics/informality/ (accessed on 21 November 2024).

9. In addition, many Africans with jobs are not in decent employment. Some 29 per cent of African workers were living in conditions of extreme working poverty[4] in 2023 (table 1), a proportion that has not declined significantly since 2015. The lack of productive and decent jobs in many African countries continues to hinder efforts to eradicate poverty and achieve inclusive growth.

[4] Percentage of employed individuals living on less than $2.15 per day at purchasing power parity.

Table 1
Extreme working poverty rate: Africa and its subregions, 2005–2023
(Percentage of workers living on less than $2.15 a day at purchasing power parity)

	2005	*2010*	*2015*	*2020*	*2021*	*2022*	*2023*
Africa	40.39	34.37	30.43	29.92	29.59	29.19	28.97
North Africa	3.92	2.65	2.08	3.79	4.02	4.24	5.01
East Africa	49.36	43.66	40.09	39.81	39.34	38.85	38.12
Central Africa	60.21	51.61	42.60	44.78	44.42	43.70	43.32
West Africa	44.75	36.85	30.39	24.95	24.48	24.07	23.88
Southern Africa	15.99	9.02	9.05	10.13	9.84	9.84	9.80

Source: ILO, "Statistics on working poverty", modelled estimates, ILOSTAT database. Available at https://ilostat.ilo.org/topics/working-poverty/ (accessed on 3 December 2024).

D. Unemployment rate, by sex, age and persons with disabilities (indicator 8.5.2)

10. Unemployment rates in Africa are often higher than the global average, highlighting persistent issues of high informal employment, underemployment and structural challenges. Unemployment rates are, however, projected to continue to decline after the modest increase that occurred in 2020 and 2021 as a result of the global response to the COVID-19 pandemic. Unemployment rates for women, including female youth unemployment rates, tend to be higher than the equivalent rates for men (figure VI). That discrepancy can be explained by unequal access by women and men to good-quality employment opportunities.

11. The continental employment rate for people with disabilities, which stood at 39 per cent in 2021, is lower than the rate for people without disabilities, which stood at 56 per cent.[5]

12. Youth unemployment in Africa, while lower than the global average (figure VII), remains a critical issue. Many young people in Africa are compelled to accept any available employment in order to secure their livelihoods. Often trapped in working poverty, young people are employed, primarily, in the informal economy. Moreover, the quality of jobs available to young people in sub-Saharan Africa is a matter of significant concern. In 2023, nearly three in four (71.7 per cent) of workers aged 25 to 29 were employed in jobs that were categorized as "insecure". That figure was only 0.6 percentage points lower than the equivalent figure in 2003, while one in three employed young people earned less than the median wage.[6]

13. Official unemployment rates mask the magnitude of the unmet need for employment in Africa. The jobs gap (table 2 and figure VIII), calculated using an indicator recently developed by ILO, attempts to capture the entirety of the unmet demand for employment.[7] Persistent skills and qualification mismatches and low levels of foundational skills contribute to the difficulties that Africans face when seeking employment. In 2024, some 113 million people in Africa wished to find a job but were unable to obtain one. However, only 39.5 million of those searching for jobs were categorized as unemployed.

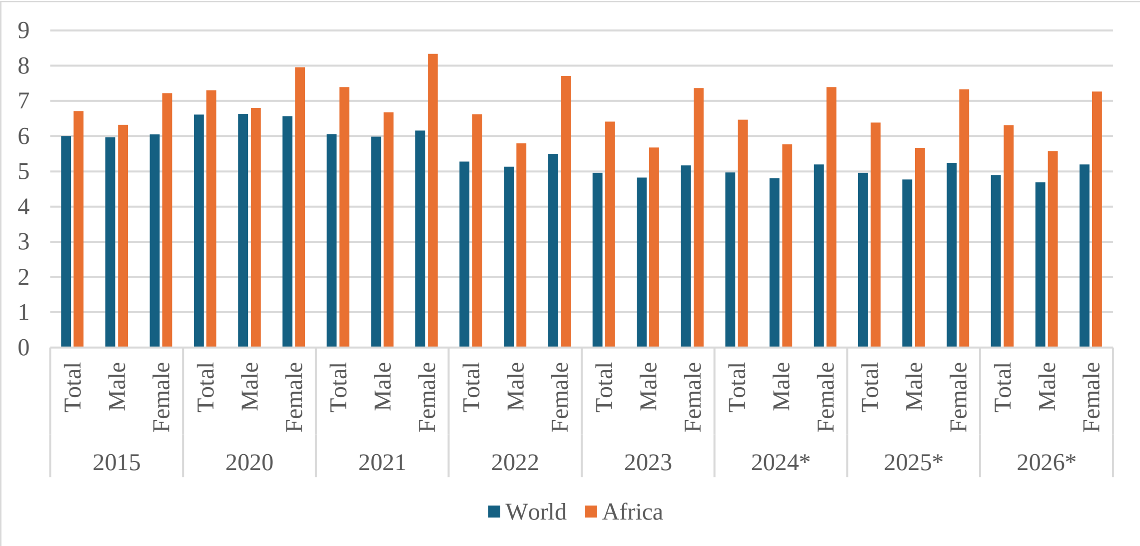
[5] *Disability and Development Report 2024: Accelerating the Realization of the Sustainable Development Goals by, for and with Persons with Disabilities* (United Nations publication, 2024).

[6] ILO, *Global Employment Trends for Youth 2024. Decent Work, Brighter Futures* (Geneva, 2024).

[7] Including unemployed persons and those who want employment but are not categorized as unemployed. For more information, see ILO, "The jobs gap: measuring labour underutilisation beyond unemployment", Spotlight on Work Statistics No. 13 (Geneva, 2024).

14. Persons with disabilities often face additional challenges when seeking to exercise their right to work. Compared with persons without disabilities, they often receive lower wages, suffer higher levels of job instability, are hired on less favourable terms and find it challenging to access their places of work. They are also less likely to be appointed to leadership positions when formally employed.[8] The situation is especially difficult for women and girls with disabilities, who may be forced to perform unpaid work or may face particular challenges in the workplace, including sexual harassment, unequal pay, limited access to redress mechanisms because of discriminatory attitudes that result in the dismissal of their claims, and physical, information and communications barriers.[9]

Figure VI
Unemployment rates: Africa as a whole and the world, 2015–2026
(Percentage)



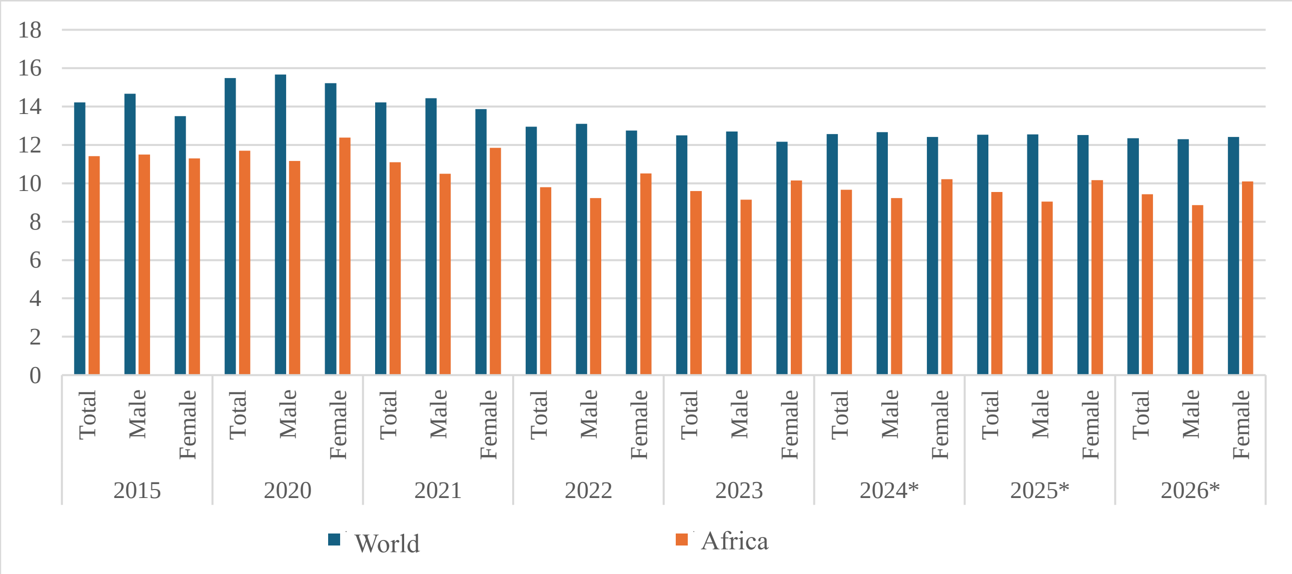
Source: ILO, "Statistics on unemployment and labour underutilization", modelled estimates, ILOSTAT database. Available at ilostat.ilo.org/topics/unemployment-and-labour-underutilization (accessed on 9 December 2024).

Note: Data for 2024, 2025 and 2026 are projected.

[8] Committee on the Rights of Persons with Disabilities, General Comment No. 8 (2022) on the right of persons with disabilities to work and employment (CRPD/C/GC/8), paragraph 4.

[9] Committee on the Rights of Persons with Disabilities, General Comment No. 3 (2016) on women and girls with disabilities (CRPD/C/GC/3), paragraph 58.

Figure VII
Youth unemployment rates: Africa as a whole and the world, 2015–2026
(Percentage)



Source: ILO, "Statistics on unemployment and labour underutilization", modelled estimates, ILOSTAT database. Available at ilostat.ilo.org/topics/unemployment-and-labour-underutilization (accessed on 9 December 2024).

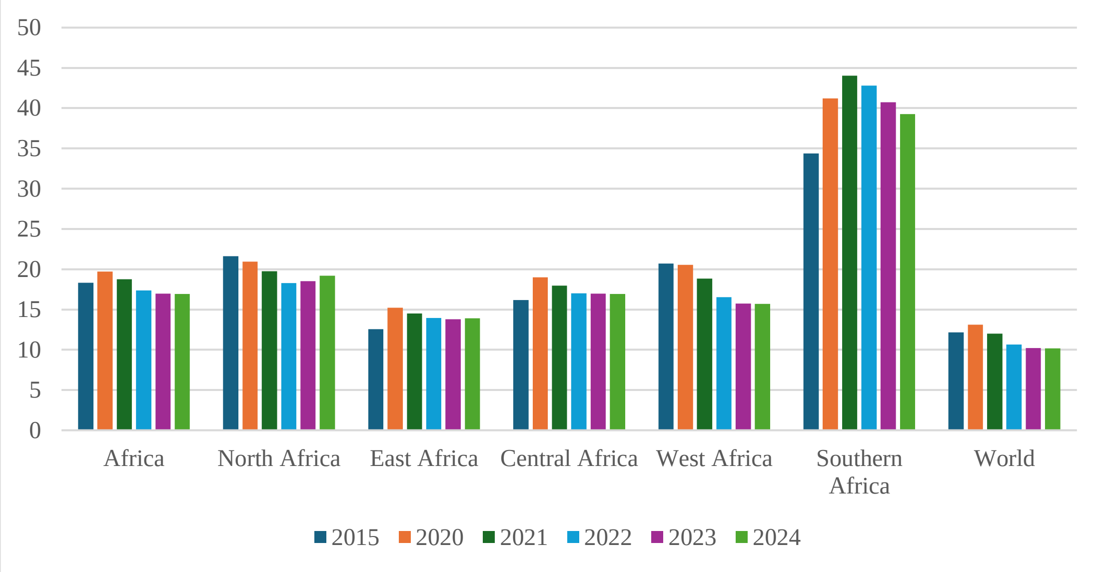
Note: Data for 2024, 2025 and 2026 are projected.

Table 2
Jobs gap: Africa as a whole, African subregions and the world, 2005–2024
(Millions of jobs)

	2015	*2020*	*2021*	*2022*	*2023*	*2024*
Africa	98.79	118.99	115.80	109.81	110.44	113.16
North Africa	17.18	16.90	16.33	15.30	15.88	16.68
East Africa	22.83	31.66	30.96	30.75	31.31	32.65
Central Africa	10.67	14.53	14.33	13.97	14.39	14.88
West Africa	37.64	42.17	39.12	34.77	34.20	35.14
Southern Africa	10.47	13.73	15.06	15.03	14.65	13.81
World	439.24	492.78	457.57	410.36	400.03	402.38

Source: ILO, "Jobs gap rate", modelled estimates, ILOSTAT database. Available at: rshiny.ilo.org/dataexplorer34/?lang=en&id=LUU_XL UX_SEX_RT_A (accessed on 9 December 2024).

Figure VIII
Jobs gap rate: Africa as a whole, African subregions and the world, 2015–2024
(Percentage)



Source: ILO, “Jobs gap rate”, modelled estimates, ILOSTAT database. Available at: rshiny.ilo.org/dataexplorer34/?lang=en&id=LUU_XLUX_SEX_RT_A (accessed on 9 December 2024).

E. Proportion of youth (aged 15–24 years) not in education, employment or training (indicator 8.6.1)

15. In terms of demographics, Africa is the youngest global region, accounting for 20 per cent of the global under-25 population. The working-age population is projected to reach 600 million by 2030, when some 37 per cent of that population will be under 25 years of age.[10] The lack of productive and decent employment is therefore a serious challenge for young people in Africa. In 2023, unemployment remained the top concern for young Africans,[11] while skills gaps continued to impede economic transformation in 70 per cent of companies in sub-Saharan Africa, 11 percentage points above the global average.[12]

16. ILO estimates that, in 2024, 23.29 per cent of young people in Africa between the ages of 15 and 24 were not in education, employment or training. That figure was slightly higher than the global average, which in 2024 stood at 20.4 per cent, and only slightly lower than the 2019 (pre-COVID pandemic) figure of 23.89 per cent.

17. Of particular concern is the persistently large gender gap among young people who are not in education, employment or training, which suggests that young women are at a disadvantage when compared with young men when they transition from education to the labour market. Although it has been estimated that some 17.1 per cent of all young men in Africa were not in education, employment or training in 2024, the equivalent figure for young women was 29.6 per cent – a 12.5 percentage point gap. In North Africa, the gender gap was even wider in 2024 at 25.4 percentage points.

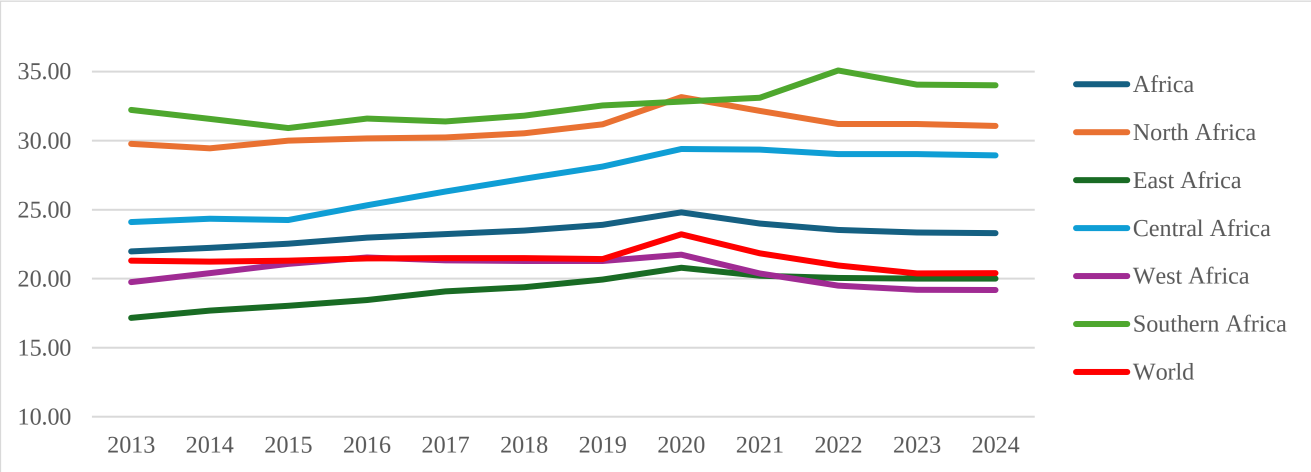
[10] African Center of Economic Transformation, “How Technical and Vocational Education Can Help Close Skills Gaps in Africa” (Berlin, 2023).

[11] Afrobarometer, “Africa’s youth are more educated, less employed, and less politically engaged than their elders, Afrobarometer study shows”, 17 Nov 2023.

[12] World Economic Forum, *Future of Jobs Report 2023* (Geneva, 2023).

18. The proportion of young people not in education, employment or training in 2024 stood at 34.0 per cent in Southern Africa, 31.1 per cent in North Africa and 28.9 per cent in Central Africa. Those rates were all higher than the regional average, which stood at 23.3 per cent. The equivalent rates for West Africa (19.2 per cent) and East Africa (20.0 per cent) were both below the regional average (figure IX). It should be noted, however, that lower rates are not necessarily an indication of better employment opportunities for young people, many of whom are likely to take up employment in the informal economy and work jobs that do not offer an escape route out of poverty.

Figure IX
Young people not in education, employment or training: Africa as a whole, African subregions and the world, 2013–2024
(Percentage)

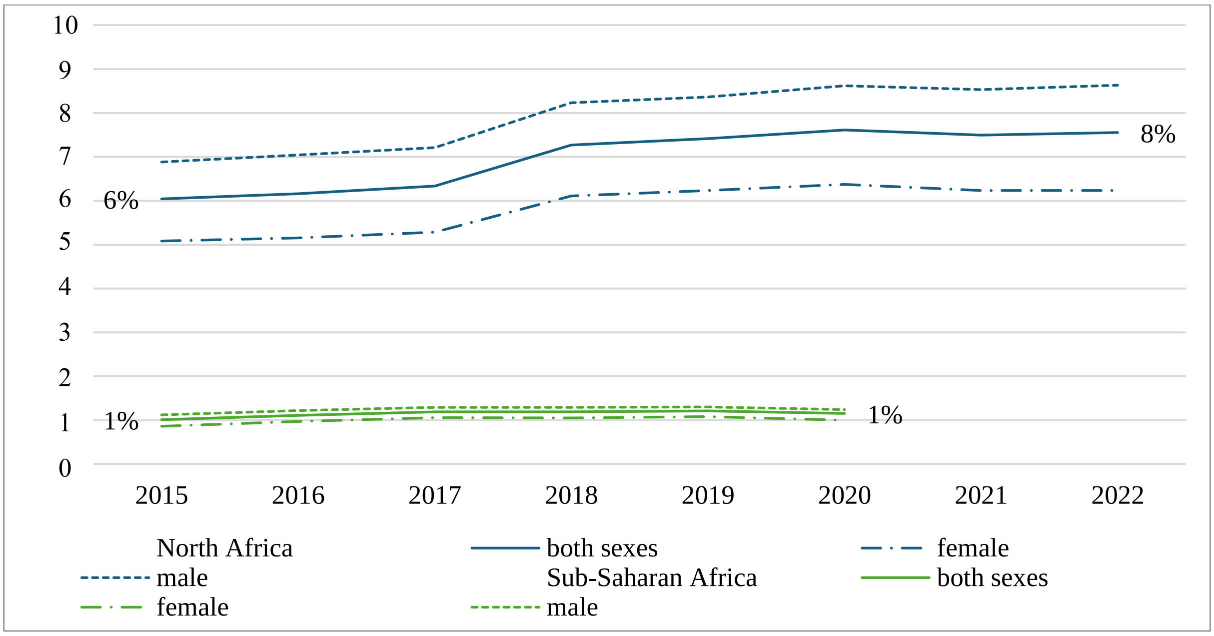


Source: ILO, "Youth not in employment, education or training (NEET) by sex (thousands) - Annual", modelled estimates, ILOSTAT database. Available at https://rshiny.ilo.org/dataexplorer56/?lang=en&id=EIP_NEET_SEX_NB_A (accessed on 22 November 2024).

19. Despite being considerably better educated than their elders (64 per cent of young people between 18 and 35 years of age have at least some secondary education compared to 35 per cent of those aged 56 and older), young people often face significant challenges in the transition from school to work. A critical factor is the skills gap, with mismatches between training and employment, often meaning that young people are unable to take up available employment opportunities. Skills development through effective technical and vocational education and training can play a critical role in addressing that challenge. Indeed, technical and vocational education and training, the importance of which is underscored in Sustainable Development Goal 4 and the Continental Education Strategy for Africa 2016–2025, can increase workers' employability, while offering employers the opportunity to find skilled workers and meeting labour market needs.

20. In Africa, the percentage of young people 15–24 years of age participating in technical or vocational education is very low. As illustrated in figure X, the participation rate in North Africa increased from 6 per cent to 7.6 per cent between 2015 and 2022, whereas the rate for sub-Saharan Africa increased between 1 per cent and 1.2 per cent during that period. While the gender gap in vocational training is relatively small in sub-Saharan Africa, it remains significant in North Africa, where women are at an increasing disadvantage.

Figure X
Proportion of those 15–24 years of age enrolled in vocational education: North Africa and sub-Saharan Africa, 2015–2022
(Percentage)



Source: United Nations Educational, Scientific and Cultural Organization (UNESCO) Institute for Statistics, *World Education Statistics 2024* (Montreal, UNESCO, 2024).

F. Proportion and number of children aged 5–17 years engaged in child labour, by sex and age (indicator 8.7.1)

21. Child labour remains a persistent and pressing challenge across the African continent. More than 1 in 5 children in Africa (21.6 percent) are involved in child labour, a two-percentage point increase on the 2016 estimate[13] and more than three times higher than it is in any other global region. With 92.2 million African children estimated to be in child labour, there are more children in child labour in Africa than there are in the rest of the world combined.[14] Furthermore, 41.4 million African children, equivalent to 9.7 per cent of the continent's children and the highest proportion anywhere in the world, are engaged in hazardous work. The agricultural sector contributes some 80.7 per cent (74.4 million children) to total child labour on the continent.[15] Subregional disparities are substantial, however, with the highest prevalence rate in East and West Africa. In East Africa, for instance, 44.5 million children are engaged in child labour, equivalent to 30 per cent of all children in the subregion.

22. Child labour is particularly prevalent among children from traditionally vulnerable and marginalized groups, including indigenous children and children in rural areas, who often face specific problems, including debt bondage, domestic servitude and other forms of abuse, exploitation or manipulation by labour intermediaries or other actors.[16]

[13] ILO and United Nations Children's Organization (UNICEF), *Child Labour: Global Estimates 2020, Trends and the Road Forward* (New York, 2021).

[14] Ibid.

[15] ILO, "Child labour statistical profile: Africa" (Geneva, 2021).

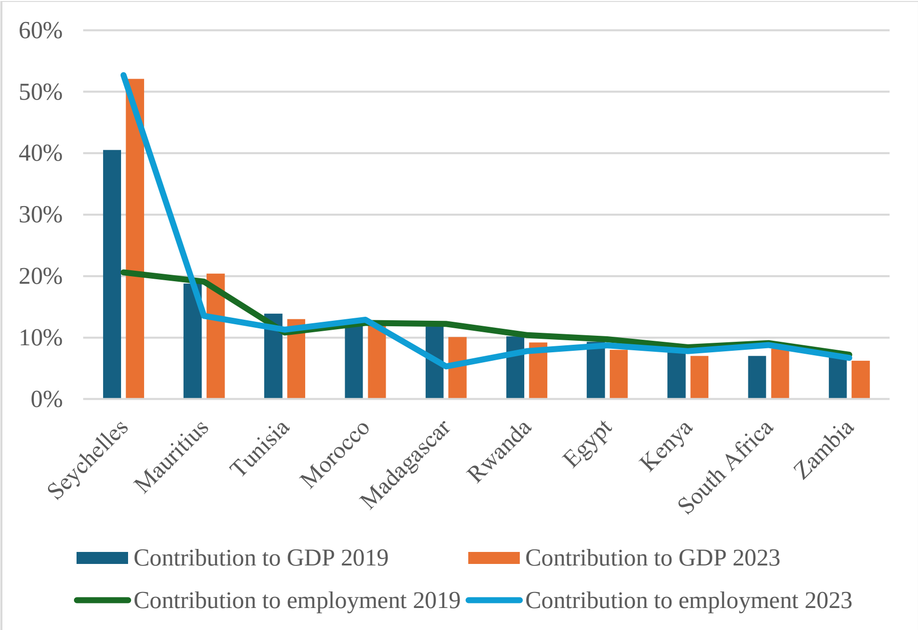
[16] Report of the Special Rapporteur on the sale and sexual exploitation of children, including child prostitution, child pornography and other child sexual abuse material, Mama Fatima Singhateh (A/77/140), para. 44.

23. African countries remain committed to eradicating child labour. Following the adoption of a 10-year continental action plan by the African Union in 2020 and the universal ratification of the Worst Forms of Child Labour Convention, 1999 (No. 182), significant progress has been made, including the adoption in May 2022 of the Durban Call to Action on the Elimination of Child Labour[17] with a view to achieving Sustainable Development Goal target 8.7 on the elimination of child labour by 2025 through efforts in agriculture, education, social protection and international cooperation.

G. Tourism direct gross domestic product as a proportion of total gross domestic product and in growth rate (indicator 8.9.1)

24. The tourism sector is a key contributor to GDP and employment in several African countries. According to the World Travel and Tourism Council, the sector contributed 6.8 per cent of the continent's total GDP in 2023, increasing by more than 13 per cent over 2022, and provided some 5 per cent of total employment.[18] Countries such as Mauritius and Seychelles have been able to reap significant benefits from the development of their tourism sectors, which, in 2023, contributed 20.4 per cent and 52.1 per cent, respectively, of GDP in those countries and provided 13.5 per cent and 52.7 per cent, respectively, of employment. The tourism sector is particularly important in certain economies, where it is a main source of income and jobs (figure XI).

Figure XI
Contribution to gross domestic product and employment of the travel and tourism sector in selected African countries, 2019 and 2023
(Percentage)



Source: World Travel and Tourism Council (2024).

[17] The Declaration is available at www.ilo.org/resource/durban-call-action-elimination-child-labour.
[18] World Travel and Tourism Council, "Africa – 2024 annual research: key highlights" (London, 2024).

H. Number of commercial bank branches per 100,000 adults and number of automated teller machines (ATMs) per 100,000 adults (indicator 8.10.1) and proportion of adults (15 years and older) with an account at a bank or other financial institution or with a mobile-money-service provider (indicator 8.10.2)

25. In the Addis Ababa Action Agenda of the Third International Conference on Financing for Development, adopted in 2015, Heads of State and Government underscored the critical role of financial inclusion in sustainable development and called for the strengthening of domestic financial institutions and capital markets. In Africa, significant progress has been made in expanding access to financial services, largely through the widespread adoption of mobile money platforms. In a 2023 report, the Global System for Mobile Communications (GSM) Association noted that mobile money transactions in Africa, which totalled $1.26 trillion in 2022, had made a significant contribution to the continent's GDP.[19]

26. Between 2011 and 2021, mobile money account ownership more than doubled in sub-Saharan Africa. In 2021, 49 per cent of adults owned an account. The increase has been particularly notable in countries where traditional bank account ownership has been low, including Mali and Senegal, which saw increases in mobile account ownership from 8 per cent to 44 per cent and from 6 per cent to 56 per cent, respectively, between 2011 and 2017. Mobile money has been instrumental in bridging financial gaps and enabling more people to access and use financial services.[20]

27. In July 2024, States members of the African Union endorsed mobile money interoperability across Africa to enable traders and customers to transfer between mobile money accounts held by different mobile money providers. A call to action was made to all African States to adopt mobile money interoperability by 2027, a step that will transform African business practices, provide jobs for young people, and boost economic activity, as the continent already accounts for over 70 per cent of global mobile money transactions.[21]

28. Despite those advances, significant equity gaps remain, particularly for underserved groups. The average gender gap in account ownership stands at 12 percentage points in Africa, double the average for developing economies globally. Encouragingly, some countries have made notable progress in closing those gaps. For example, Mali reduced its gender gap from 20 percentage points in 2017 to just 5 percentage points in 2021, while South Africa has maintained a negligible gender gap since 2014.[22] Addressing such disparities will be critical to ensuring that financial inclusion initiatives are equitable and inclusive and to supporting broader sustainable development objectives.

I. Aid for Trade commitments and disbursements (indicator 8.a.1)

29. The Aid for Trade initiative was launched in 2006 by the World Trade Organization (WTO) to help developing countries improve their trade capacity and infrastructure so as to reap additional benefits from trade.[23] Across the world, Aid

[19] GSM Association, *The State of the Industry Report on Mobile Money 2023* (London, 2023).

[20] World Bank, "Financial Inclusion in Sub-Saharan Africa – Overview", Data from the Global Findex 2021 (Washington D.C., 2024).

[21] *2024 Annual Report of the Interdepartmental Task Force on African Affairs: Shaping Africa's Inclusive and Sustainable Digital Future – Anchoring the Pact of the Future* (United Nations publication, 2024).

[22] World Bank, "Financial Inclusion in Sub-Saharan Africa – Overview".

[23] For further information about the initiative, see: WTO, "Aid for Trade". Available at www.wto.org/english/tratop_e/devel_e/a4t_e/aid4trade_e.htm (accessed on 14 February 2025).

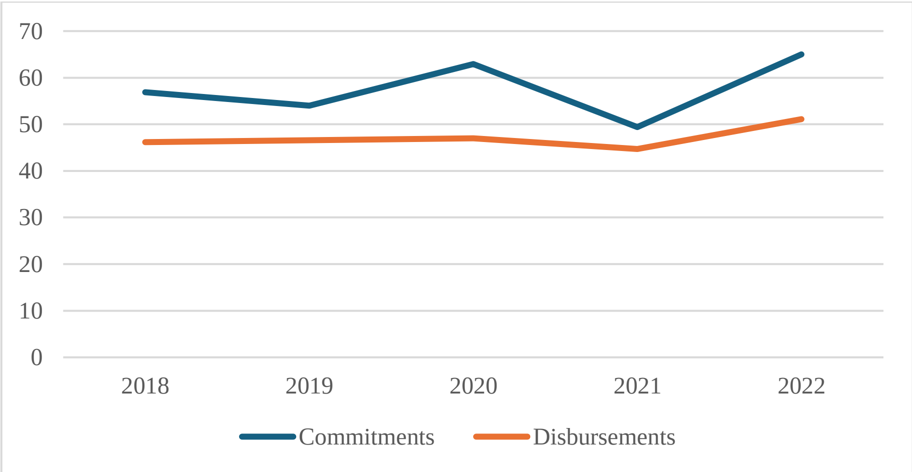
for Trade modalities have been used to finance infrastructure gaps, foster digital connectivity and e-commerce, support agriculture and clean energy transitions, support trade facilitation efforts and enhance inclusivity, all of which are among the continent's priorities.

30. Aid for Trade disbursements remained relatively stable between 2018 and 2022 (figure XII). By 2022, some $632 billion had been disbursed through the Aid for Trade initiative, including $369 billion by bilateral donors and $263 billion by multilateral donors. Total Aid for Trade flows totalled $189 billion by 2022 for least developed countries, $114 billion for landlocked developing countries and $35 billion for small and vulnerable economies.[24]

31. Aid for Trade has largely been driven by an increase in support for economic infrastructure projects (figure XIII). In the aftermath of the COVID-19 pandemic, Aid for Trade disbursements for infrastructure development increased by 28 per cent, reaching $27.9 billion in 2022. Disbursements were directed, primarily, towards the transportation and storage sectors, followed by the power generation and supply and the communications sectors.

32. In 2021 and 2022, 37 per cent of global Aid for Trade disbursements were directed towards Africa, while 35 per cent were directed towards Asia (figure XIV). Disbursements to Africa, which had been falling since 2019, declined from $17.98 billion in 2021 to $17.54 billion in 2022. As a result, the share of total Aid for Trade disbursements to Africa in 2022 reached its lowest level since 2006. Africa has been particularly affected by a decline in disbursements intended to build productive capacity, including disbursements made in support of banking and financial services, which decreased from $2.9 billion in 2020 to $2.0 billion in 2022.[25]

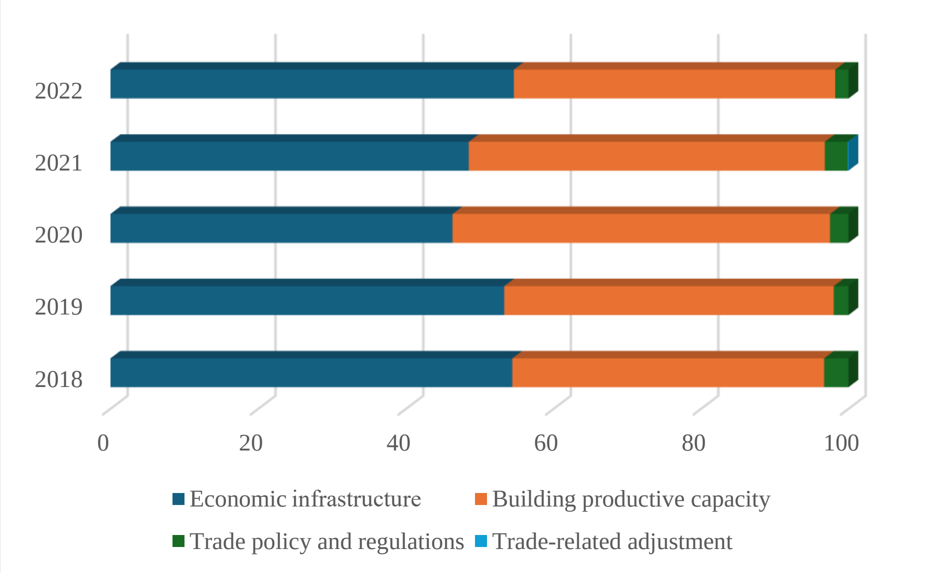
Figure XII
Evolution of Aid for Trade commitments and disbursements, 2018–2022
(Billions of United States dollars)



Source: WTO and OECD, *Aid for Trade at a Glance 2024* (on the basis of data derived from the OECD Creditor Reporting System).

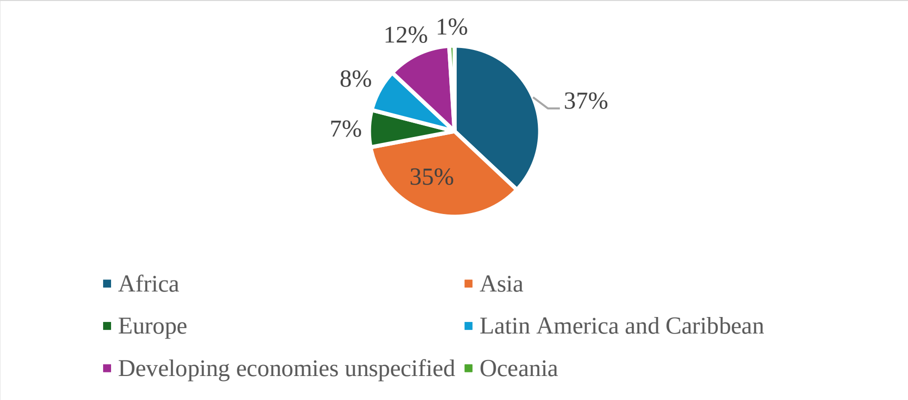
[24] WTO and Organisation for Economic Co-operation and Development (OECD) *Aid for Trade at a Glance 2024* (Paris, OECD Publishing, 2024)
[25] Ibid.

Figure XIII
Share of total Aid for Trade disbursements by Creditor Reporting System category, 2018–2022
(Percentage)



Source: WTO and OECD, *Aid for Trade at a Glance 2024* (on the basis of data derived from the OECD Creditor Reporting System).

Figure XIV
Share of total Aid for Trade disbursements by global region, 2021–2022 average
(Percentage)



Source: WTO and OECD, Aid for Trade *at a Glance 2024* (on the basis of data derived from the OECD Creditor Reporting System).

33. Although the establishment of the African Continental Free Trade Area has offered significant opportunities for deepened regional trade and global integration, the contribution of African economies to global trade remains below 3 per cent. Intra-African trade actually declined in 2022, with exports falling from 18.22 per cent to 17.89 per cent and imports from 12.81 per cent to 12.09 per cent.[26] Aid for Trade should be increased in order to remove trade barriers, foster trade diversification, and leverage the opportunities stemming from the creation of the African Continental Free Trade Area. Efforts must also be made to address a number of challenges in that regard, including misaligned project timelines and donor funding cycles, institutional capacity constraints, weak financing

[26] ECA, "African countries trading more outside the continent than amongst themselves, ECA report", 1 March 2024.

instruments and poor stakeholder coordination. Addressing those challenges is likely to increase the impact of Aid for Trade and could accelerate the integration of African economies into global trading networks.

J. Existence of a developed and operationalized national strategy for youth employment, as a distinct strategy or as part of a national employment strategy (indicator 8.b.1)

34. Youth employment is a priority concern across Africa. The ILO Centenary Declaration for the Future of Work and the Abidjan Declaration on advancing social justice: shaping the future of work in Africa, both of which were adopted in 2019, provide frameworks for action in that area. As of 2024, 37 of the 54 African States Members of the United Nations (69 per cent) had reported the adoption of a currently active youth employment strategy. Nearly all those strategies address policy areas such as education, training, and skills development (97 per cent), and enterprise development (97 per cent). Labour market policies (81 per cent), labour demand measures (79 per cent) and labour law issues (78 per cent) also feature prominently, while macroeconomic and sectoral policies are addressed in 69 per cent of the strategies.[27] Overall, youth employment strategies in African countries are more comprehensive than those in other global regions in terms of their thematic coverage.

35. The persistent youth employment challenges in Africa are hardly the result of a lack of strategies or policy initiatives. Rather, the implementation of these policies and initiatives is often impeded by a lack of resources. To move forward, these policies and initiatives must be given priority attention by African Governments.[28] Important lessons learned from past interventions include the fact that training programmes alone are often insufficient for young people to gain access to decent employment and must be paired with job matching, coaching and access to finance services. Engaging young people meaningfully in both the design and operationalization of strategies is equally critical.

III. Challenges, emerging issues and opportunities to accelerate implementation

36. Africa, home to some of the world's fastest growing economies, has demonstrated considerable resilience in a challenging global and regional economic environment. Job creation and improving productivity remain critical to ensuring meaningful development for the continent's rapidly growing population. Major challenges in that regard include a high level of informality and the limited capacity of many African countries to generate good-quality jobs in the formal economy. These challenges are exacerbated by factors such as limited industrialization, regulatory barriers, limited access to credit and low investment levels. Young women face additional barriers, and the proportion of young women not in education, employment or training remains 12.5 percentage points higher than the equivalent proportion of young men. Furthermore, although 69 per cent of African countries have adopted youth employment strategies, inadequate resources and the low priority given to those strategies often hinder their implementation.

[27] Juan Chacaltana, Valentina Barcucci and Martin Moreno, "Youth employment policies: patterns and trends in two unique data sets", ILO Working Paper No. 108 (Geneva, ILO, February 2024).

[28] Jonas Bausch, Sara Elder and Dorothea Schmidt-Klau, "A change in mind-sets: How comprehensive and pro-employment policy thinking can make a difference for young people in Africa", *Revue de Droit Comparé du Travail et de la Sécurité Sociale*, vol. 4 (2024), pp.200–215.

37. Public spending on children in Africa tends to be skewed towards older children.[29] Few African countries provide financial assistance to the parents and guardians of young children, which means that new parents in Africa are often unable to access any additional income to support their families at what is often a financially difficult time. Likewise, spending on early childhood education is far below the recommended 10 per cent of national education budgets in most countries in Africa. Investing in young children, through spending on childcare, child benefits or paid parental leave, can yield high returns as it boosts children's cognitive, physical and emotional development. Without such support, children often fail to reap the benefits of education and skills training when they are older. The failure to invest in young children is therefore a missed opportunity, including in terms of economic productivity.

38. Child labour remains widespread, particularly in the informal economy, the agricultural sector and rural areas, due to insufficient numbers of good-quality jobs for adults and limited educational opportunities for children. Moreover, financial inclusion in Africa, a key driver of sustainable development, is impeded by a number of challenges, including insufficient liquidity, high transaction costs and high collateral requirements at financial institutions, limited financial literacy, inadequate financial infrastructure and the absence of formal identification systems, often required to access financial services.

39. Digital transformation has significant potential to accelerate implementation of the Agreement Establishing the African Continental Free Trade Area. In February 2020, the Assembly of Heads of State and Government of the African Union pledged to develop a protocol on digital trade. That protocol, which was adopted in February 2024, forms an integral part of the Agreement and has helped to accelerate efforts to establish a secure single digital market in Africa by 2030.[30] That market will create economies of scale and empower the African private sector to deepen its engagement in digital trade and e-commerce, as called for in the Digital Transformation Strategy for Africa 2020–2030 of the African Union.[31],[32]

40. Aid for Trade can play a transformative role in tackling these issues by supporting digital transformation, off-grid power solutions, localized service access and digital identification systems. A number of challenges continue to impede the effectiveness of Aid for Trade, however, including difficulties in monitoring its impact, aligning donor support, ensuring that Aid for Trade aligns with country priorities, and focusing adequately on trade-related infrastructure development.[33],[34]

IV. Key messages and recommendations to ensure the integrated and accelerated implementation of the 2030 Agenda and Agenda 2063

41. As underscored by the African Union Specialized Technical Committee on Finance, Monetary Affairs, Economic Planning and Integration and the Africa Regional Forum on Sustainable Development, African countries must promote economic diversification, adopt pro-employment macroeconomic policies and seek

[29] UNICEF, "Fit for the future: how a rethink of the human capital model is needed in Africa to optimize the return on social spending". Policy Note (October 2024).

[30] African Continental Free Trade Area, "Digital trade". Available at au-afcfta.org/trade-areas/digital-trade/ (accessed on 14 February 2025).

[31] The text of the Strategy is available at au.int/sites/default/files/documents/38507-doc-dts-english.pdf.

[32] *2024 Annual Report of the Interdepartmental Task Force on African Affairs.*

[33] For further details, see ECA, "On evaluating Aid for Trade in Africa", communiqué issued by the Expert Group Meeting and Workshop on Aid for Trade and Africa's Trading Capacity: Supply, Demand and Performance, held in Addis Ababa in May and June 2010. Available at www.wto.org/english/tratop_e/devel_e/a4t_e/wkshop_july10_e/uneca_e.pdf.

[34] OECD Development Assistance Committee, Development Co-operation Report 2006. *OECD Journal* on *Development*, vol.8, No. 1 (2006).

to foster productive employment across all sectors of the economy in order achieve Goal 8 and the related goals of Agenda 2063. Macroeconomic frameworks should, moreover, be redesigned to promote the creation of decent, inclusive and sustainable jobs, while clear employment targets should be stipulated in national budgets, monetary policies and development plans.

42. To promote compliance with the Transition from the Informal to the Formal Economy Recommendation, 2015 (No. 204), adopted by the International Labour Conference at its 104th session, it is crucial that African countries establish multiple pathways for the formalization of informal workers and businesses. To accelerate action in that regard, decent employment opportunities must be created that provide social protection for the millions of workers in the informal economy, while efforts are also needed to strengthen the skills and productive capacity of informal workers and businesses, including micro-, small and medium-sized enterprises, with a view to facilitating their integration into the formal economy.[35]

43. To boost youth employment, stakeholders should adopt an integrated approach, combining training, job matching, financial support and the participation of young people in programme design and implementation. Promoting young women's access to education, including vocational training, strengthening workplace equality and providing childcare services, will help to address barriers to women's labour market participation. Eradicating child labour will require the adoption of policies that promote rural livelihoods, education, social protection, and respect for labour laws.

44. It is crucial to design and implement targeted policies to improve the labour market participation rates of young women, persons with disabilities and members of other vulnerable groups. These could include policies to enhance access to education and vocational training, equality and inclusion in hiring practices, and access by young mothers to childcare and other support services.

45. Access to childcare and paid parental leave is an important enabler of women's economic participation. By redistributing domestic care work and enabling fathers to share in parenting responsibilities, women are less likely to drop out of the workforce, thereby reducing the gender employment and pay gap while improving gender parity and overall economic productivity.

46. Affordable child and family care services can have major economic and social payoffs for families, individuals and the broader society by facilitating women's labour force participation, increasing youth employment, enhancing children's capabilities, and creating decent jobs in the paid care sector. These policies are also good for business as they increase employee retention, and reduce staff turnover, absenteeism, and recruitment and training costs.

47. Multiple factors can be leveraged to create decent work and boost economic growth. Digital transformation, for example, has immense potential for creating decent jobs and wealth and strengthening social safety nets. Indeed, it has been estimated that every $1 invested in information and communications technology yields $20 in GDP growth.[36] It should be noted, however, that the digital transformation of economies requires both digitally savvy leaders and a workforce capable of making digital transformation changes happen.

48. Digital transformation is therefore a key element that can accelerate the achievement of Sustainable Development Goal 8 and the related goals of Agenda 2063 because it facilitates e-governance, financial inclusion, trade and access to credit. Financial inclusion can also be encouraged through payment policies that require all beneficiaries to open a financial account for disbursements. Donors should, moreover, direct a larger share of their Aid for Trade assistance towards

[35] ILO, *Advancing Social Justice*, Report of the Director-General, International Labour Conference, 111th session, 2023 (ILC.111/Report IA).

[36] African Development Bank, "Digital Entrepreneurship and Skills" (accessed on 15 February 2025).

projects and programmes that strengthen inclusive productive capacity in multiple economic sectors, with a view to spurring economic growth and accelerating the achievement of the sustainable development objectives of African countries.