



# POLICY BRIEF

GREEN JOBS FOR YOUTH IN AFRICA

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# POLICY BRIEF on GREEN JOBS

The green transition in Africa has strong job-creating potential. To realize this potential, however, will require the adoption and implementation of effective policies. [INCLUDE](#) and [Palladium](#) teamed up for a [research paper](#) on Green jobs, based on the existing literature and the experience of the [Challenge Fund for Youth Employment](#) (CFYE), which has been supporting green entrepreneurs. This policy brief highlights the most important policy recommendations that came out of this research.

## Climate change and jobs

The effects of climate change are being felt across the globe. In many ways, however, the African continent is bearing the brunt of the negative consequences. The frequency and intensity of natural disasters, for instance, have increased more in Africa than elsewhere.<sup>1</sup> Climate change is hurting Africa's economic prospects, in the form of destroyed infrastructure, lower agricultural yield and loss of livelihoods. Climate change, therefore, is bad for job creation. In the context of a young and growing population and a shortage of jobs even today, that is a highly worrying prospect.

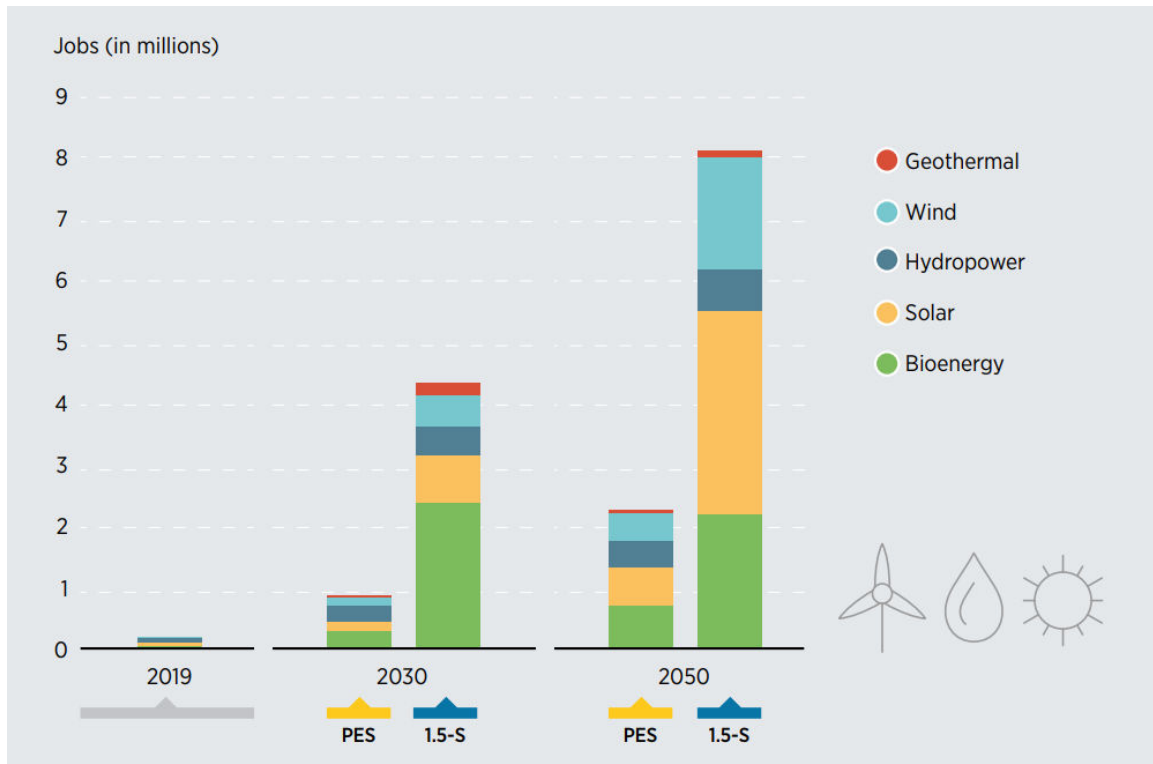
Although climate change itself is a job destroyer, an ambitious response to climate change can become a strong driver for job creation. The green transition requires bold investments, both in climate mitigation, to build the energy system of the future, and in adaptation, to increase the resilience of African economies to the effects of climate change. Starting with the first, IRENA estimates that the renewable energy sector alone could directly generate more than 8 million jobs by 2050.<sup>2</sup> The number of jobs created in firms benefiting from these energy sources will be a multiple of this. Figure 1 shows the projected evolution of renewable energy sector jobs in Africa. On the adaptation front, major public and private investments will be required, for instance in sustainable agriculture and in various types of infrastructure, from public transport to flood protection. Such major investments will also lead to large-scale job creation.

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<sup>1</sup> World Bank (2021). 'Climate change adaptation and economic transformation in Sub-Saharan Africa'. Africa's Pulse, No.24 (October). Page 57

<sup>2</sup> IRENA and AfDB (2022). 'Renewable Energy Market Analysis: Africa and its regions'. International Renewable Energy Agency and African Development Bank, Abu Dhabi and Abidjan. Page 229

**Figure 1. Evolution of renewable energy sector jobs in Africa under 1.5-S and PES, by technology, 2019-2050.**



Source: IRENA (2022)<sup>3</sup>

Note: The Planned Energy Scenario (PES) refers to current plans. The 1.5-S scenario comprises a more ambitious scenario, aiming to reach the 1.5°C goal.

## Policy recommendations

What can policymakers do to stimulate green jobs? Starting at a general level, ambitious and coherent policy is needed to stimulate the green transition itself. Beyond that, specific policy interventions are needed to ensure that the green transition is inclusive and creates high-quality green jobs that will truly benefit Africa's youth. From the analysis of the literature and the specific case of the CFYE, we distil the following policy recommendations:

<sup>3</sup> IRENA and AfDB (2022). 'Renewable Energy Market Analysis: Africa and its regions'. International Renewable Energy Agency and African Development Bank, Abu Dhabi and Abidjan. Page 229

- 1. Focus on high-potential green jobs sectors.** It is important for policymakers to target their interventions. To this end, it is useful to identify specific sectors with high potential for green youth employment.
- 2. Provide incentives for green transition pioneers.** Governments should actively use fiscal and other policy instruments to provide incentives for green businesses. This should go beyond merely discouraging polluting industries, and provide direct incentives for green investments.
- 3. Promote inclusivity in green employment.** It is vital for the green transition to operate in accordance with the SDG principle of 'leaving no one behind'. Policymakers must guarantee the participation of all types of (vulnerable) groups in green job promotion policies.
- 4. Nurture a gender-responsive green transition.** Policymakers should take specific measures to take down the barriers preventing women from accessing green jobs. Gender-specific business development programmes and education for girls are important components.
- 5. Foster demand-driven skills development for green jobs.** More efforts are needed to equip Africa's youth with the skills required in the new green economy, through investment in TVET institutions and on-the-job-training programmes. This is not just a question of green skills in the technical sense, but also of soft skills.
- 6. Strike a balance in supporting climate mitigation and adaptation initiatives.** Currently, most climate finance goes to investments in climate mitigation, such as renewable energy. Although there is ample opportunity for job creation in this sector, it is important to maintain a healthy balance in relation to climate adaptation investments.
- 7. Close the finance gap and promote patient capital.** The risks of investing in innovative green businesses in Africa, particularly Small and Medium Enterprises (SMEs), can be large, leading to a significant financing gap. Yet it is exactly with those innovative SMEs that the job-creation potential is the highest. Policymakers need to establish new instruments to encourage the flow of patient capital to such investments.
- 8. Strengthen the evidence base.** The data and evidence on green jobs in Africa is still scattered and incoherent, leading to a lack of conceptual clarity, which in turn complicates effective policies. More investment is needed in collecting experiences, highlighting best practices and researching what works, so that policy can become more knowledge-based.
- 9. Facilitate learning and exchange between green job creators in the Global South.** Green entrepreneurs from different countries and sectors can gain a lot from mutual exchange of experiences. Policymakers and international organisations can invest in platforms that facilitate such exchange.

**10. Stimulate meaningful youth engagement.** Last, but not least, the green economy needs to deliver for Africa's youth. It is crucial, therefore, to engage youth in the design of policies and programmes aimed at green job creation. Youth-inclusive governance mechanisms must be put in place, to ensure that the green transition is aligned with the aspirations and ambitions of Africa's youth.

Please find more information on green jobs for youth employment in Africa in the **insight paper** by INCLUDE and CFYE or within the **executive summary**.

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