

United Nations Development Programme



Country/Region/Global: Africa Regional

Project Initiation Plan for the Inclusive Growth and Extractives Team

Project Title: **Towards a cutting-edge Inclusive Growth portfolio approach in Africa**

Expected SP Outcome: Structural transformation accelerated, particularly green, inclusive and digital transitions.

Expected RP Outcome(s): African citizens (especially women, and youth) benefit from a regionally integrated, structurally transformed, and inclusive economy.

Initiation Plan Start/End Dates: **1 January 2022 – 30 June 2023**

Implementing Partner: **UNDP**

Brief Description

The purpose of this 18 months Project Initiation Plan (PIP) is to allow the IGET to decisively pivot towards a cutting-edge integrated, systematic, and partnered portfolio approach. The demands for the adoption of a portfolio approach are pervasive throughout UNDP and IGET and RSCA are no exception. For example, the newly adopted UNDP's Strategic Plan 2022-2025, the Regional Programme for Africa as well as UNDP's Renewed Strategic Offer for Africa demand that the IGET Team increasingly shift gears by emphatically deepening collaboration within the team, across other UNDP RSCA thematic teams and external partners to generate and deliver a more integrated package of services - that includes integrated tools and methods, policy and programme development and implementation support, measuring sustainable development progress and generating lessons learned and best practices - to better address intersecting, multidimensional development challenges and support the achievement of the SDGs in Africa. Lessons have also emerged from the past IGET Team practices, which have been amplified during the evolving COVID-19 experience, on the need to do things differently. For example, while the IGET played a formidable role to support African countries to align and integrate Agenda 2030 (SDGs) and the African Agenda 2063 into their National Development Plans; support structural economic transformation, social protection, extractive industries and sustainable livelihoods and employment, however, the IGET team by design worked on these thematic areas as standalone, and there was no clear overarching framework to promote inclusive growth in Africa through more integrated way of working within and across RSCA teams and external partners. In response to these demands and lessons, the IGET – in this PIP - enlists the process of substantive deliberations and consultations required within the team, across RSCA teams and external partners to be able to formulate a portfolio that address the multidimensional challenges and opportunities in Africa requiring an integrated and systematic approach for a regionally integrated, structurally transformed, and inclusive economy for all African citizens.

Programme Period:	<u>Q12022-Q22023</u>	Total resources required	<u>_\$1,010,000_</u>
Atlas Project Number:	UNDP1/00142192	Total allocated resources:	<u>_\$510,000_</u>
Atlas Output ID:	UNDP1/130527	• Regular	_____
Gender Marker:	_____	• Other:	_____
		○ Donor	_____
		○ Donor	_____
		○ Government	_____
		Unfunded budget:	<u>_\$500,000_</u>
		In-kind Contributions	_____

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Agreed by UNDP:  4CE91C50181545B

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I. PURPOSE

The purpose of this 18 months Project Initiation Plan (PIP) is to allow the IGET to respond to multiple demands, and decisively shift towards a cutting-edge integrated, systematic, and partnered portfolio approach.

The demands for portfolio approaches¹ for inclusive growth are a confluence on many intersecting trends – most prominent among them is a more profound understanding of the multidimensional challenges facing Africa. Africa's has over the past decade experienced good economic growth; however, growth has been uneven and has not been able to fundamentally touch the lives of the poor. What has been learned over this timeframe is that there are several interrelated structural and systemic factors impacting on growth in Africa, namely:

- Growth emanates largely and narrowly from mining, extractives, and the export of primary products where job creation is low; and economic diversification (including for trade) and structural transformation has remained limited.
- Much of the African population, especially the poor, youth, and women, find their livelihoods and business opportunities in (rural and urban) informal economies, which remain largely disarticulated from the growth process and in a state of low productivity and exclusion.
- Limited public spending allocated on the provision of equitable, quality services (in health, education, water and sanitation, energy, infrastructure, and others) and resources for the poor, youth and women that can help improve their – and their children's – skills and productivity.
- Lack of voice, empowerment, and participation of the poor, marginalized and excluded in decision-making processes to shape development that can improve their lives and livelihoods.
- Lack of social protection for the poor, excluded and informal workers facing challenges to safeguard development gains against high vulnerability and exposure to multiple shocks.

These development challenges are dynamic, interconnected, and multidimensional, and demand IGET systematically coalesce its expertise and adopt new mechanisms and modalities to work jointly. While in the past the IGET has played a remarkable role to support African countries to achieve inclusive growth, by: aligning and integrating Agenda 2030 and the African Agenda 2063 into their National Development Plans; supporting national efforts on structural economic transformation, social protection, extractive industries and sustainable livelihoods and employment, the team has, however, done this by adopting individual thematic mechanisms (e.g. programme documents) that tended to create standalone thematic areas, particularly in the absence of a clear overarching programmatic framework to promote inclusive growth in Africa through more integrated way of working. Most recently on the issues of social protection, informality, and greater emphasis on maintaining progress, and achieving the SDGs in the evolving aftermath of COVID-19 have already increased the realization that IGET needs to adopt new mechanisms and more integrated ways of working. At the same time, IGET having recently bolstered its capacity on such themes as Trade (on AfCFTA), SDG Integration and Structural Transformation and with it too has come the realization of the need for change.

More immediately, portfolio approaches are increasingly the required programmatic modality in response to UNDP's Strategic Plan 2022-2025, the Regional Programme for Africa (for example, IGET is directly responsible – or contributes - and coordinates all 7 outputs of RPD's Outcome 2) as well as UNDP's Renewed Strategic Offer for Africa. These integrated frameworks require IGET Team to increasingly shift gears by emphatically deepening collaboration within the team, across other UNDP RSCA thematic teams (with a special focus on Sustainable Finance Hub and SART) and external partners to generate and deliver a more integrated package

¹ A portfolio approach means understanding issues from a systems perspective, leveraging linkages across interventions to achieve broader goals. This approach also requires a different risk aspiration, prepared to explore innovative options.

of services - that includes integrated tools and methods, policy and programme development and implementation support, measuring sustainable development progress and generating lessons learned and best practices - to better address intersecting, multidimensional development challenges and support the achievement of the SDGs (Agenda 2030) and Agenda 2063 in Africa.

The time is therefore ripe for IGET to develop a common, overarching programmatic framework (i.e., a portfolio approach as a mechanism) that builds on sound understanding of these multidimensional, intersecting challenges and lessons learned from the COVID-19 experiences on how to do things differently. The task of designing such an overarching programmatic framework for IGET will require bringing greater attention to opportunities that support growth in Africa that is greener, diversified, transformative, inclusive and resilient over time and creates greater opportunities for regional economic integration under AfCFTA. What this means in practice is leveraging IGET capacities that promote (greener) more diversified growth and trade with capacities to improve inclusion and resilience. And ultimately, linking all this into and supporting enhanced capacity to integrate Agenda 2063 and the 2030 Agenda in national and local development plans, budgets, financing strategies and statistics. Beyond the IGET, the task will be to increase collaboration with RSCA teams on such themes as economic governance, local governance and finance, value chain development, private sector development, green and digital opportunities, resilience, INFF and advancing opportunities for women and youth.

This PIP, therefore, enlists the process of substantive deliberations and consultations required within the team, across RSCA teams and external partners to formulate a portfolio approach that addresses the multidimensional challenges and opportunities in Africa in a systematic, integrated and conflict-sensitive way and towards a regionally integrated, structurally transformed, and inclusive economy for all African citizens.

II. ACTIVITIES AND EXPECTED OUTPUTS

The overall objective and the expected output of this PIP is the conceptualization and development of a robust, integrated, systematic and partnered portfolio document for the IGET that not only brings coherence and collaboration from the Global GPN perspective and within the IGET, but also across RBA (especially SART and Economic Advisors in Country Offices), RSCA teams and Hubs (especially ASFH) as well as external partners (especially AU, RECs, and sister UN agencies). The PIP also of course includes essential activities that the IGET needs to carry out as it transitions to the portfolio approach over the course of the 18-month period. Enlisted below, first, are the essential IGET activities over the course of 2022, which have already been aligned to the Regional Programme for Africa under outcome 2, will directly and indirectly contribute all the 7 outputs², and by association are aligned to UNDP's Strategic Plan 2022-2025 as well as UNDP's Renewed Strategic Offer for Africa. These are:

Output 2.1 African institutions, civil society organizations and the private sector have the capacity to harness natural resource industries for the creation of higher income and sustainable employment (Output 1 in the workplan below)

- Producing a guideline on how to develop capacity on the use of new energy efficient production, processing, and recycling of minerals.
- Supporting the updating of the African Mining Vision (AMV) in light of the global commitments to net-zero carbon emissions.
- Raising awareness among AU Member States on adopting and diffusing technologies related to critical minerals and designing public policies that can create spillover effects between connected firms and sectors. This activity will also explore collaboration with the Regional Tax DRM Project.

² Hence the reason that all 7 outputs are listed even if the IGET is currently directly or indirectly implementing all of them, but acknowledges the upcoming discussions and collaboration with ASFH and other RSCA teams on outputs under outcome 2 to be formalized in the portfolio programme document.

Output 2.2. Regional capacity strengthened to integrate the 2030 Agenda for Sustainable Development and the 2063 African Union Agenda in national and local development plans, budgets, financing strategies and statistics; to accelerate progress using data-driven solutions (Output 2 in the workplan below)

- Establish Mentorship Programmes on SDGs and Development Planning.
- Establish a cadre of hands-on-experts and make them available through GPN roster system.
- Track and analyze SDGs, and Development Planning processes to establish baselines and shape the conversation engaging and collaborating with the DFA and INFF process.
- Develop local MPIs for pilot testing in select countries

Output 2.3. National Governments, subnational governments and private sector organizations have the knowledge and tools to promote and support youth and women relevant productive value chains based on a sectoral and ecosystem approaches (Output 3 in the Workplan)

- Consultations on deeper collaboration with AFSH as part of portfolio development. The consultations will seek to link into ASFH private sector team's work on SME financing framework, which together with other ongoing work (supply maps development in partnership with AfCFTA team) and other existing tools (Ecosystem Development Approach, Supplier development programs and greening food value chain methodologies) could very directly come to bear in a future deeper collaboration framework. Moreover consultations will also seek to link into the SDG investor maps, which already garner substantial amounts of data in numerous countries that could inform programmatic interventions.

Output 2.4. Policies and practices developed, and business models facilitated for inclusive private sector development across diverse country settings, including in Africa's borderlands (Output 4 in the Workplan)

- Consultations on collaboration with AFSH as part of portfolio approach development. See areas of potential consultation and collaboration under output 2.3 above.

Output 2.5. Informal sector enterprises enabled to engage on a path of sustainable and resilient growth (Output 5 in the workplan below)

- Select governments, informal economy actors and development partners supported through an engagement policy dialogue process to discuss, design, and adopt more effective policy solutions that include addressing multiple challenges such as formalization. Consultation and engagement to identify possible synergies with ASFH EU project and support the growth and formalization of informal enterprises will be explored here to enhance impact under this output.

Output 2.6. Capacities of public and non-state institutions strengthened to advance social protection systems and services, inclusive of workers in the informal economy ((Output 4 in the workplan below)

- Production of a report on the non-state social protection (4 case studies) finalized and validated; quantitative and qualitative analysis undertaken; editing, layout, translations done; outreach and advocacy carried out. Here engagement with IRFF teams in relation to the work they are carrying out in devising hazard insurance products (sovereign) will be explored.
- Partnership with FAO, ILO and other relevant organizations enhanced including for joint policy advisory support between IGET and ASFH.
- Regional activities within TRANSFORM supported.
- The Social Assistance in Africa Database co-hosted by an African University (MoU with the university).

Output 2.7. National and regional institutions have the capacity to implement and deliver on the benefits of AfCFTA, especially regarding the free movement of and economic opportunities for women and youth, including cross-border trade

- Engagement with Trade colleagues for trade thematic areas’ inclusion in the portfolio approach

Recognizing the need to address the multidimensional and intersecting challenges and opportunities facing Africa, and thinking through new ways of working within IGET, across RSCA teams and external partners, **Figure 1** below will be used as a schematic and heuristic device to describe the process to develop the portfolio programme document output.

Output 8: An Integrated, systematic, and partnered IGET portfolio document developed (as enlisted in the workplan of the PIP)

To achieve this output, the following illustrative activities will be required:

- Develop a state-of-the-art background paper on inclusive growth based on latest literature, contextualized around the challenges and opportunities in Africa, and considering lessons learned through the COVID-19 experience for inclusive growth.
- Develop a common understanding and develop a strategic framework for Inclusive growth and enlist specific focus areas for collaboration including Trade and SDG integration.
- Hold consultations with RSCA teams (Governance and Peacebuilding, Gender, Natural Capital and Environment, Accelerator labs) and Regional Hubs (Resilience, Finance and Dakar on the findings and strategic framework and explore areas of collaboration across themes and country contexts.
- Expand consultations to include external partnerships for specific thematic areas and where strategic partnerships with AU, RECs and UN sister agencies will increase impact.
- Finalize the portfolio programme document

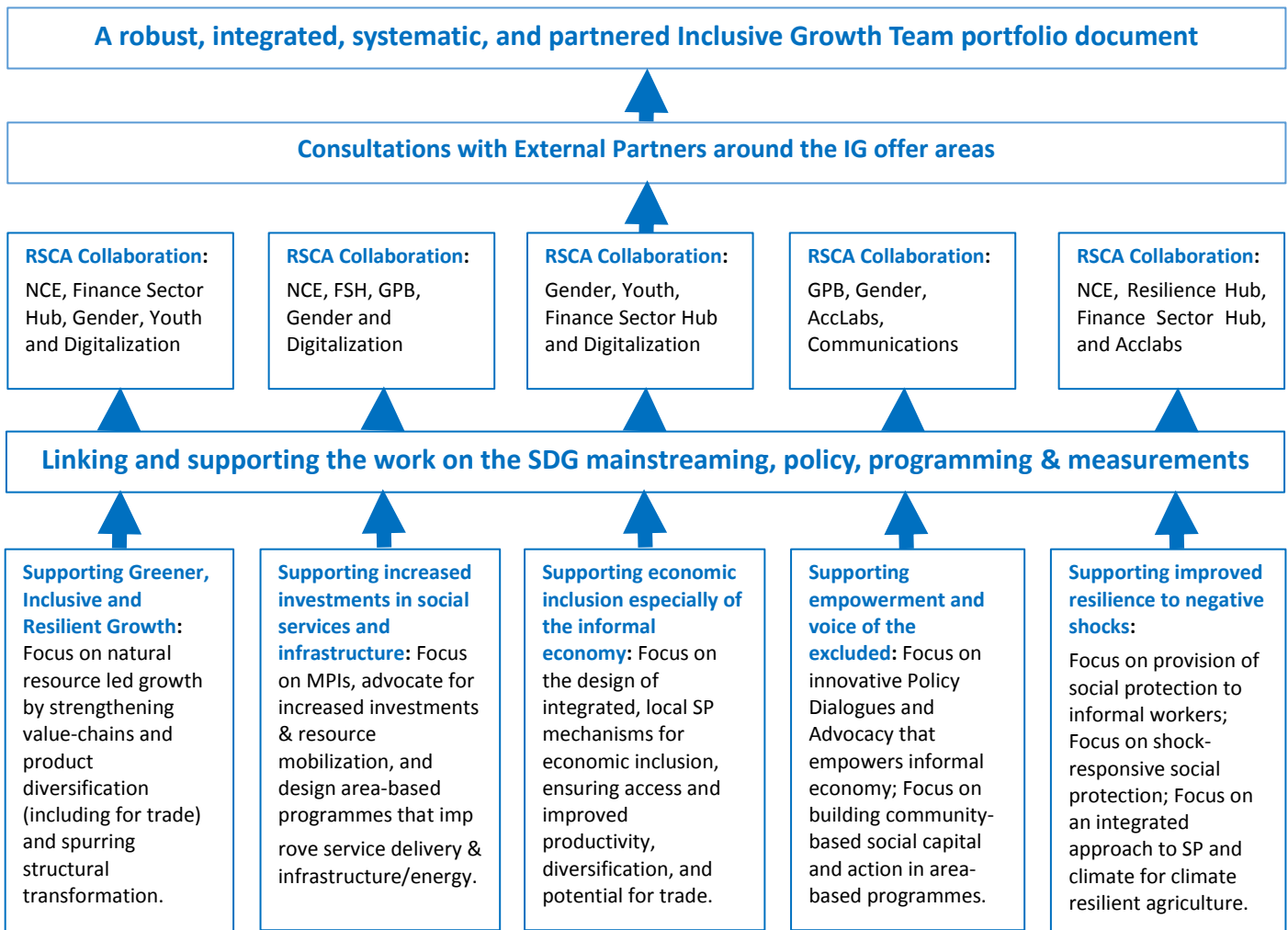


Figure 1: A schematic representation of the process and substance of IGETs portfolio approach

The above IGET thematic offers in the first row of Figure 1 highlight the conceptual and empirical lessons learned on the need for a more holistic and interdependent approach to inclusive growth, particularly in Africa. Put differently, the pursuit of inclusive growth in dynamic, multidimensional and responds to emerging trends, and includes:

- **sustained economic growth**, which is necessary but not sufficient for poverty reduction.
- **economic growth in sectors that provide employment, production, and entrepreneurship opportunities to the poor**. These include sectors where the poor are more likely to find their livelihoods such as agriculture, fishing, forestry, and other natural resources; and others where unskilled labour is important. In addition, a growing body of evidence suggests that access to energy by the poor can benefit across multiple dimensions ranging from income to education and health outcomes and the well-being of women (UNDP, 2010).
- **redistribution of the benefits of growth through public spending in the provision of equitable, quality services** (in health, education, water and sanitation and others) for the poor that helps improve their – and their children’s –skills and productivity. In turn, the poor boost growth when they are equipped with assets and resources to actively take part in the development process.
- **pro-active focus on women, youth, the excluded, and hard to reach population groups** who may need special help to gain access to employment and quality services. These may have important multiplier effects, positively affecting several dimensions of well-being – for example, educated mothers tend to have better nourished and educated children.
- **empowering the poor and marginalized** – including women and youth – to play an effective role in the decisions that determine their long-term well-being.
- **providing protection against negative shocks** – including those arising from global crises such as those due to high food prices – to avoid slowdowns or reversals in poverty reduction.

III. MANAGEMENT ARRANGEMENTS

This PIP will be implemented by UNDP under Direct Implementation Modality, and it will be managed by the UNDP-RBA using the existing management structure of the UNDP Regional Programme for Africa, under the guidance of the UNDP Africa Regional Programme Coordinator. The implementation of activities and day-to-day management of the project will be operationalized by the Team Leader, Inclusive Growth, UNDP Regional Service Center for Africa and supported by the Inclusive Growth Team members. The Inclusive Growth Team, UNDP RSCA will lead operational aspects of programme implementation and will have the overall responsibility for all contracting, procurement and recruitment of consultants where necessary under the PIP. During the PIP, the Project Board function will be performed by the Advisory Board of the Regional Programme for Africa.

IV. MONITORING

The monitoring functions will be fulfilled by the PIP project manager, namely Team Leader Inclusive Growth Team following the UNDP regular monitoring procedures. Support and guidance will be provided by the RSCA (PMSU and RBM teams), as required. The PIP project manager will oversee and review activities to ensure they are meeting the objectives and outputs set in the PIP. Quarterly progress reports will be prepared for the Regional Programme, and inputs into Regional Programme Annual Progress reports and ROAR will be provided by the Inclusive Growth Team in line with the standard UNDP Programme and Project Management Policy.

V. WORK PLAN

Period³: Q1 2022 – Q2 2023

EXPECTED OUTPUTS <i>And baseline, indicators including annual targets</i>	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	PLANNED BUDGET								
		Q1	Q2	Q3	Q4	Q1 2023	Q2 2023	Funding Source	Budget Description	Amount (USD)
<p>Output 1⁴: African institutions, civil society organizations and the private sector have the capacity to harness natural resource industries for the creation of higher income and sustainable employment (See Output 2.1 of RPD)</p> <p>Baseline:</p> <p>Indicators: Number of countries with policies, strategies, and technical skills to add value to natural resources and embark on diversification (See RPD Output Indicator 2.1.1) Baseline: (number of countries): 14 Target: (number of countries): 19</p>	<ul style="list-style-type: none"> Producing a guideline on how to develop capacity on the use of new energy efficient production, processing, and recycling of minerals Supporting the updating of the African Mining Vision (AMV) in light of the global commitments to net-zero carbon emissions Raising awareness among AU Member States on adopting and diffusing technologies related to critical minerals and designing public policies that can create spill-over effects between connected firms and sectors 							UNDP/RP	TBC	100,000

³ Maximum 18 months

⁴ Please note that the numbering and narrative of the outputs enlisted here are the same as the outputs 2.1 – 2.7 under the RPD, however, for the sake of this workplan, we are numbering these outputs as 1 – 7, whereas output 8 is created for the purpose of enlisting the required output for the portfolio programme document and its related activities.

EXPECTED OUTPUTS <i>And baseline, indicators including annual targets</i>	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	PLANNED BUDGET								
		Q1	Q2	Q3	Q4	Q1 2023	Q2 2023	Funding Source	Budget Description	Amount (USD)
Output 2. Regional capacity strengthened to integrate the 2030 Agenda for Sustainable Development and the 2063 African Union Agenda in national and local development plans, budgets, financing strategies and statistics; to accelerate progress using data-driven solutions Baseline Indicators: Number of countries that have development plans, budgets and statistics that integrate Agenda 2063 and the 2030 Agenda across the whole-of-government (See indicator 2.2.1 of RPD) Baseline: TBD Target: TBD	<ul style="list-style-type: none"> Establish Mentorship Programmes on SDGs and Development Planning; Establish a cadre of hands-on-experts and make them available through GPN roster system; Track and analyze SDGs, and Development Planning processes to establish baselines and shape the conversation 							UNDP/RP	Consultancy - individual, Workshops, Travel, Supplies	94,000
	<ul style="list-style-type: none"> Local MPIs developed for pilot testing in select countries 							UNDP/RP	Consultations, Workshops, Travel	28,000

EXPECTED OUTPUTS <i>And baseline, indicators including annual targets</i>	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	PLANNED BUDGET								
		Q1	Q2	Q3	Q4	Q1 2023	Q2 2023	Funding Source	Budget Description	Amount (USD)
<p>Output 3. National Governments, subnational governments and private sector organisations have the knowledge and tools to promote and support youth and women relevant productive value chains based on a sectoral and ecosystem approaches</p> <p>Baseline Indicators: Number of national and subnational Governments with sectoral policies focused on supporting private sector organizations to promote youth and women-led productive and digital value chains, including through digital finance and e-commerce Baseline: 3 (national level) Target: 7 (national level)</p>	<ul style="list-style-type: none"> Consultations on deeper collaboration with AFSH as part of portfolio development 								Staff time	
<p>Output 4. Policies and practices developed, and business models facilitated for inclusive private sector development across diverse country settings, including in Africa's borderlands</p> <p>Baseline Indicators: Number of countries, public agencies and private sector organizations that have developed and adopted policies and practices to promote an inclusive private sector Baseline: 3 Target: 7</p>	<ul style="list-style-type: none"> Consultations on deeper collaboration with AFSH as part of portfolio development 								Staff time	

EXPECTED OUTPUTS <i>And baseline, indicators including annual targets</i>	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	PLANNED BUDGET								
		Q1	Q2	Q3	Q4	Q1 2023	Q2 2023	Funding Source	Budget Description	Amount (USD)
<p>Output 5. Informal sector enterprises enabled to engage on a path of sustainable and resilient growth (see output 2.5 of RPD)</p> <p>Baseline Indicators: Number of countries supported to adopt policies promoting the formalisation of informal enterprises (see indicator 2.5.2 of RPD) Baseline: 0 Target: 4</p>	<ul style="list-style-type: none"> Select governments, informal economy actors and development partners supported through an engagement policy dialogue process to discuss, design, and adopt more effective policy solutions that include addressing multiple challenges such as formalization. 							UNDP/RP	Policy Event, Travel, Consultancies	75,000
<p>Output 6. Capacities of public and non-state institutions strengthened to advance social protection systems and services, inclusive of workers in the informal economy (see output 2.6 of RPD)</p> <p>Baseline Indicators: Number of countries with policies, strategies, and capacities in place to increase access to inclusive social protection systems, including of workers in the informal economy. Baseline: 15 Target: 20</p>	<ul style="list-style-type: none"> Production of the report on the non-state social protection (case studies (4) finalized and validated; quantitative and qualitative analysis undertaken; editing, layout, translations done; outreach and advocacy carried out). Partnership with FAO, ILO and other relevant organizations enhanced. Regional activities within TRANSFORM supported. The Social Assistance in Africa Database co-hosted by an African University (MoU with the university). 							UNDP/RP	Consulting fees, IUNV salary, Travel, Online platform hosting and maintenance fees	178,000

EXPECTED OUTPUTS <i>And baseline, indicators including annual targets</i>	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	PLANNED BUDGET								
		Q1	Q2	Q3	Q4	Q1 2023	Q2 2023	Funding Source	Budget Description	Amount (USD)
<p>Output 7. National and regional institutions have the capacity to implement and deliver on the benefits of AfCFTA, especially regarding the free movement of and economic opportunities for women and youth, including cross-border trade</p> <p>Baseline Indicators: Number of Governments and regional economic communities (RECs) supported to adopt policies and plans to fast-track AfCFTA implementation to the benefit of women and youth Baseline: Governments 0; RECs 0 Target: Governments 10, RECs 4</p>	<ul style="list-style-type: none"> Consultations on deeper collaboration with Trade Colleagues as part of portfolio development 								Staff time	

EXPECTED OUTPUTS <i>And baseline, indicators including annual targets</i>	PLANNED ACTIVITIES <i>List activity results and associated actions</i>	PLANNED BUDGET								
		Q1	Q2	Q3	Q4	Q1 2023	Q2 2023	Funding Source	Budget Description	Amount (USD)
<p>Output 8. An Integrated, systematic, and partnered IGET portfolio document developed</p> <p>Baseline Indicators: A fully developed portfolio document on Inclusive Growth for the IGET that more systematically, collaboratively, and holistically addressing the multidimensional challenges and opportunities in Africa. Baseline: 0 Target: 1</p>	<ul style="list-style-type: none"> Develop a state-of-the-art background paper on inclusive growth based on latest literature, contextualized around the challenges and opportunities in Africa, and considering lessons learned through the COVID-19 experience for inclusive growth. Develop a common understanding and develop a strategic framework for Inclusive growth and enlist specific focus areas for collaboration including Trade and SDG integration. Hold consultations with RSCA teams (Governance and Peacebuilding, Gender, Natural Capital and Environment, Accelerator labs) and Regional Hubs (Resilience, Finance and Dakar on the findings and strategic framework and explore areas of collaboration across themes and country contexts. Expand consultations to include external partnerships for specific thematic areas and where strategic partnerships with AU, RECs and UN sister agencies will increase impact. Finalize the portfolio programme document . 								Consultancy, IGET staff time,	35,000
TOTAL (For 2022)										510,000
TOTAL (Jan – June 2023)										500,000
GRAND TOTAL										1,010,000