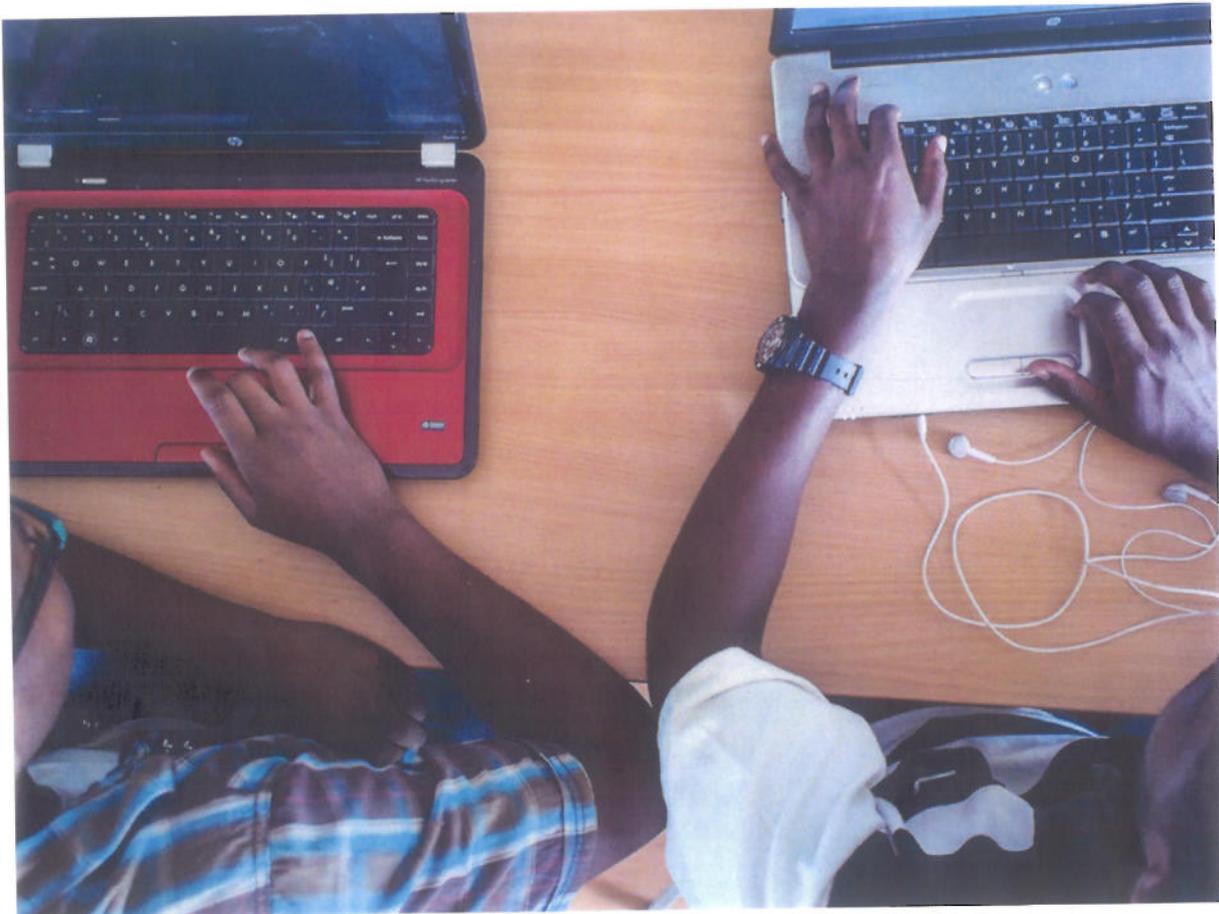


Regional Project Document

Promoting Inclusive Economic Transformation in Africa



*Empowered lives.
Resilient nations.*



January, 2015

**United Nations Development Programme
Regional Bureau for Africa
Project Document**

Project Title: *Promoting Inclusive Economic Transformation in Africa*

RPD Outcome(s): An integrated, prosperous and peaceful Africa, driven and managed by its own citizens and representing a dynamic force in the international arena

Expected Project Outcome(s): Outcome 1: Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods, especially for the poor and excluded (SP Outcome 1)
(Those linked to the project and extracted from the CP)

Expected Output(s): Output 1.1 Regional policy and regulatory frameworks enabled to enhance access to sustainable energy
Output 1.2 Solutions developed at the regional level for inclusive natural resources management
Output 1.3 Regional systems and institutions enabled to achieve structural transformation of productive capacities that are sustainable and employment intensive
(Those that will result from the project)

Executing Entity: UNDP Regional Service Centre (Addis Ababa)

Implementing Agencies: African Union Commission, NEPAD and the Regional Economic Commissions (RECs)

Brief Description

This project is part of the RBA Regional Programme (2014-2017) designed to support regional integration processes to help usher in a prosperous and peaceful Africa, driven and managed by its own citizens, and representing a dynamic force in the international arena. The project will contribute towards strengthening Africa's structural economic transformation to promote inclusive business and markets for integration in global and regional value chains through three interrelated project components (a) regional policy and regulatory frameworks enabled to enhance access to sustainable energy (b) regional solutions developed for inclusive natural resources management and (c) regional systems and institutions enabled to achieve structural transformation of productive capacities that are sustainable and employment intensive. UNDP's contributions at the regional level and sub-regional level will focus on: (i) thought leadership, policy advice and advocacy; (ii) building capacity of key policy guidance institutions to manage the process of structural transformation (iii) supporting regions and countries to develop policies and programmes to enhance productive capacities of women and youth in Africa, (iv) sustainable management of natural resources, biodiversity and ecosystem services and (v) inclusive and sustainable solutions for energy efficiency. The project will target groups experiencing the greatest inequalities and exclusion in terms of access to opportunities and achievement of outcomes particularly, women and youth. In order to sustain results, capacity development and engagement with key institutions and beneficiaries will be pursued as well as partnerships between developing countries through intra-African collaboration, South-South Cooperation and Triangular Cooperation.

Programme Period:	2014 - 2017	Total resources required	37,180,000
Key Result Area (Strategic Plan)	SP Outcome 1	Total allocated resources:	18,000,000
Atlas Award ID:	_____	• Regular	12,000,000
Start date:	2015	• Other:	
End Date	2017	o Switzerland	6,000,000
PAC Meeting Date	Dec 2014	o Donor	_____
Management Arrangements	DIM	o Government	_____
		Unfunded budget:	19,180,000
		In-kind Contributions	_____

Agreed by (UNDP):

Abdoulaye Mar Dieye
Abdoulaye Mar Dieye (Assistant Administrator and Director, Regional Bureau for Africa)

I. SITUATION ANALYSIS

The United Nations Development Programme (UNDP) regional programme for Africa outlines key achievements, opportunities and challenges towards advancing sustainable human development – the process of enlarging space and inclusivity, transforming the economy to deliver for people and building a robust social contract. UNDP's approach is underpinned by the concept of Sustainable Human Development which focuses on the process of enlarging people's choices by expanding their capabilities and opportunities in ways that are sustainable from the economic, social and environmental standpoints, benefitting the present without compromising the future.

Africa has put its lost decades behind and made significant strides on the social, political and economic front since the turn of the century. The continent has since seen rapid democratic transitions, leading to more responsive and accountable governments. The frequency of armed conflicts is on a downward trend. Steady economic growth and macroeconomic stability have resurged. The private sector has flourished in agriculture, telecommunications, finance, retail trade, housing and construction. New technologies are spreading rapidly across the continent, especially in the areas of information and communication. Discoveries of oil, gas, and other mineral resources are creating new opportunities. Africa has been reducing extreme poverty since 1999, with expanded social policies also improving health and education services – including those targeting women and girls. Nevertheless, with all the enthusiasm there is sober recognition of unfinished challenges that are impeding the continent to reach its full potential of building “an integrated, prosperous and peaceful Africa”.

To lift the vast majority of the Africa's citizens out of poverty and underdevelopment will need a structural economic transformation that has so far been lacking. Africa's growth is above the global average (in 2013 Africa maintained a growth rate of 4% compared to 3% for the global economy)¹. However, wide income disparities amongst sections of the population are still hampering human development in Africa², notwithstanding a 4.3 per cent decline between the periods 1990-99 and 2000-09. High levels of inequality mask sub-regional variations, with Southern Africa (Gini index, 48.5) and Central Africa (Gini index, 45.0) being the most unequal, compared to North Africa (Gini index, 37.4) and East Africa (Gini index, 41.0). The proportion of people living on less than US\$1.25 a day in sub Saharan Africa decreased from 56.5% in 1990 to 48.5% in 2010. However, this figure is approximately 20.25 percentage points off the 2015 target (Africa MDG Report 2014). Despite declining poverty levels, large disparities in socioeconomic indicators persist across regions (including rural and urban), and between men and women, which are explored in UNDP's Human Development Report 2014. Estimates indicated that on average, 1 out of every 2 Africans lives below the international poverty line and 585 million people, the equivalent of 72% of the region's population, is either living in multidimensional poverty – with overlapping deprivations in education, health and living standards – or at risk of falling back into poverty when crises hit. Inequality is diminishing the pace of progress in human development indicators (HDI). For instance, if the inequality in the distribution of life expectancy, years of schooling and income within countries is taken into account, the value of the HDI for African countries (excluding North Africa) is reduced by 34%. In addition, the inequality in achievements between men and women in relation to reproductive health, political and economic empowerment as captured by the gender inequality index remains large at 0.6 for Africa compared to a global average of 0.4.

The growth in the region is bypassing traditional employment-heavy sectors such as manufacturing, which has an important implication in poverty reduction. Africa's growth is currently fuelled by services, agriculture, and extractive industries. The consequences of bypassing manufacturing in Africa's growth pattern has resulted in the lack of improvement in the fundamentals of industrialisation – lower transport, cheaper and reliable power and an educated labour force that could benefit all other sectors³. The resultant impact is that Africa is growing without human development. This has led to high levels of inequality and stagnant rural economies that pushes the young to seek opportunities in urban metropolises or abroad.

Countries and communities across Africa remain vulnerable to shocks, emanating from climate change, natural disasters (drought and floods mainly) and from economic, political and social instability. Conflicts, climate change and disaster risks represent interrelated challenges that are impairing the ability of Africa to advance human development and realize its structural transformation agenda. Violent conflict costs Africa around \$18bn per year⁴ while Africa's costs for adapting to climate change are increasing (USD 7-15 billion annually by 2020, up to USD 50 billion per year by 2050). Disasters only contribute to between 3 and 15 per

¹ Africa Economic Outlook 2014

² Africa MDG Report 2014 -The level of income inequality in Africa is second only to Latin America

³ Africa's Pulse 2014

⁴ Oxfam "Africa's Missing Billions 2008

cent of annual loss of GDP in African countries. The recent Ebola outbreaks that threatened the very viability of the state in Liberia, Sierra Leone and Guinea point to extreme vulnerability to shocks that easily wash away hard-won gains. The Horn of Africa drought of 2011, the instability of the Great Lakes region, the Sahel crisis and the Ebola outbreak in Mano River Union region point to the interplay of demographic, ecological, security and political factors. These regions have faced recurrent crises that intermittently trigger temporary responses, but have not yet fully addressed the underlying drivers of instability and vulnerability, which require a more comprehensive and integrated approach towards building resilience.

An inclusive political process that opens space for voice and participation is fundamental in building a cohesive and vibrant society. The recent uprising in Burkina Faso, near state collapse in Mali and growth of violent extremism points to the unfinished business of deepening democratization and opening space. To ensure greater transparency and accountability in the allocation of resources, the expectations of citizens across Africa – especially youth and women – for a fuller engagement in government decisions need further progress with respect to voice and participation. Formal elections and democratic transfer of power have to translate more clearly into sustained, meaningful development outcomes, specifically through improved public service delivery and effective management of public and natural resources. Access to justice and human rights can improve through advances in constitutionalism, rule of law and institutional strengthening of the judiciary and the security sector. To achieve these, it is critical to further develop human and institutional capacities with a clear role for different stakeholders, including civil society organizations.

A robust social contract is a prerequisite in establishing a mutually beneficial relationship between the governed and the governors. The social contracts also critical in underlining the relationship among citizens and the ideals of the society they wish to foster. The Ebola crises in many ways highlighted in a vivid manner the very collapse of the social contract in the minds of some citizens. Many risked catching the deadly virus rather than believe what state institutions were saying. Although progress has been made on the democratisation front with the growth of representative and inclusive governments. The continent needs second-generation governance systems that goes beyond elections and builds a social contract that outlines the mutual rights and responsibilities of citizens and what to expect from a capable state. Without a robust social contract that underpins citizenship then the relationship between people and the people the state is will remain artificial and undermine social, political and economic growth in the continent.

Africa is undoubtedly at a strategic inflection point and in order to seize the historic momentum presented by the gains made, it must make significant changes to avoid stagnation and meet its full potential. Although the current path has led to important improvements it is not sufficient or transformational enough to respond to challenges ushered by the youth bulge, growth of urbanisation and the urgency of lifting masses out of poverty. The challenges mentioned above are further amplified by a changing demographic landscape. Africa is seeing the largest ever growth of unplanned and unmanaged urbanization, as many young people devoid of opportunity in rural areas move into cities thereby creating a swath of semi-governed, overcrowded and poorly sanitized slums. This rapid urbanization represents new frontiers in the development challenge for many African countries, particularly in how to deliver services in informal settlements, capacities for effective city planning, and insecurity. It is in these slums that Ebola was for the first time urbanized, presenting a complex challenge and overwhelming the already fragile health systems. Excessive urban concentration provides both opportunities for development take-off but also poises unique challenges that demand conceptual shifts in how jobs are created, and how services and security are provided.

The unfinished business that are impairing the ability of Africa to further advance human development and reach its full potential could be summed as: (a) a lack of real economic transformation that lifts all of Africa's citizens, (b) insufficient space for inclusive participation, and (c) a fragile social contract. It is in these three areas where UNDP's five regional projects will focus its interventions. In addition to the challenges and opportunities set out above, UNDP's regional work responds to the aspirations of Africa articulated by the African Union and other regional organs⁵. These are convergent with the vision, guiding principles and areas of work of the UNDP Strategic Plan 2014-2017, and the directions of the quadrennial comprehensive policy review⁶. The five mutually reinforcing regional projects build on the successes and responds to the lessons from past cooperation, and are aligned to the UNDP Strategic Plan at the thematic, design and operational level.

This proposed project towards achieving 'growth that is inclusive and sustainable, incorporating productive

⁵ This is reflected in several regional protocols, charters, agendas and declarations, principally: Agenda 2063, the shared values agenda, the common position on the post-2015 development agenda, and the OAU 50th Anniversary Declaration.

⁶ General Assembly Resolution 67/266

capacities that create employment and livelihoods for the poor and excluded' will contribute to the achievement of key aspirations in the African Union's Agenda 2063. In January 2014, Heads of State and Government of the African Union adopted the Common African Position (CAP) to inform Africa's negotiations on the post-2015 Development Agenda. The CAP's overarching goal is to eradicate poverty by making growth inclusive and people-centred, enhancing Africans productive capacities to sustainably manage and leverage their natural resources in an environment of peace and security. The CAP underlines the African development priorities that should underpin the global development agenda. To this end, the CAP is anchored by the following six pillars: Structural Economic Transformation and Inclusive Growth; Science, Technology and Innovation; People-centred Development; Environmental Sustainability, Natural Resource Management and Disaster Risk Management; Peace and Security; and Finance and Partnerships.

The project will focus on contributing towards strengthened structural economic transformation for Africa to achieve its full potential by (a) enhancing regional policy and regulatory frameworks for access to sustainable energy (b) expanding natural resource governance for broader value chains and (c) enhanced systems and productive capacities for regional integration.

II. STRATEGY

Project Rationale

The project rationale and approach builds on UNDP's strengths and lessons learned from the previous regional programme (2008-2013) that created sustainable capacities to promote inclusive growth and the achievement of the MDGs in regional and national institutions. The programme also laid the foundation for support to youth empowerment through regional frameworks and the integration of youth employment in national policy documents that respond to the aims of the Ouagadougou 2004 Plan of Action for Promotion of Employment and Poverty Alleviation and the Strategy for the Harmonization of Statistics in Africa. The Regional Programme's support to capacity development in negotiating and regulating investment contracts met the real needs of the countries involved. In addition, the experience from initiatives carried out to strengthen capacities for participation in trade and to link trade policy to poverty reduction and human development revealed UNDP's need to sharpen its role in support of trade policies by focusing on complementing and supporting efforts of other organisations and building on its strengths - its country presence and human development perspective. UNDP brings country level knowledge on poverty reduction and human development into the trade discussion at the international levels and has important roles to play in strengthening the supply capacities such that value addition will accrue to the poor and to disadvantaged groups, and advocating for trade and investment policies that expand opportunities for them. The regional programme also promoted private-sector and inclusive market development for poverty reduction in Africa through the African Facility for Inclusive Markets (AFIM) project. AFIM is seen as an important broker at the pan African level, bridging a gap in the policy, programme and partnerships arena, and it has used its catalytic funding to link practical pilots on the ground with policy dialogue. The work and experience of AFIM will be built upon and expanded in this project. Partners see UNDP as a partner who can 'convene the right people', as one who understands governments and policy, as well as poverty alleviation and the private sector development and engagement approaches.

The evaluation of the previous regional programme concluded that it was highly relevant and responded to ongoing development challenges and emerging issues in the vast and diverse region of sub-Saharan Africa. The recommendations for future programming included: increased emphasis on African integration and the promise that regional integration holds for supporting inclusive growth and accelerating and sustaining human development as well as deeper and longer term engagement with the African Union and the regional economic communities for capacity development. In line with these recommendations, this project will focus on interventions where a regional approach brings the greatest value added to support economic transformation in Africa. Priority will be given to strategic initiatives, undertaken in collaboration with UN partners, other development partners, research and academia that strengthen the capacity of regional institutions and support the implementation of their priority frameworks.

This project is in line with UNDP's regionality principles and leverages UNDP's interventions and strategic presence at the country level. The project is designed to respond to regional challenges that cannot be undertaken at a national level such as cross-border issues, support to regional entities such as the African Union and Regional Economic Commissions and increased national uptake of regional instruments. The project aims to support domestication of key regional frameworks, experiences and international best practices through national development plans and strategies. The design of the project was undertaken in consultation with Resident Coordinators who helped identify key regional challenges that are inhibiting national development. The project also received significant inputs from UNDP's global programme managers, the Executive Office of the Administrator, the Development Impact Group of BPPS and representatives of partner institutions and civil society.

Underlying UNDP's contribution towards achieving "growth that is inclusive and sustainable" is founded on understanding the inter-related challenges that can impact on Africa's ability to further human development and the necessary interventions to ensure consensus and a structural economic change in poverty, inequality and exclusion. Despite noted achievements in declining poverty levels, with steady economic growth and macroeconomic stability, a flourishing private sector, the spread of new technologies, improvements in gender equality, and opportunities for resource mobilisation from discoveries of oil, gas, and other minerals, there is still a need to more aggressively address the virtuous cycle of structural change in poverty, inequality and exclusion in Africa. Challenges include high inequality from a pattern of economic growth that has limited impact on the poor, especially women and youth, unsustainable management of natural resources that threatens the livelihoods of the poor, continued vulnerability to economic, social and climate related shocks, and a gap in the availability and access to energy which hinders growth, job creation and gender equality.

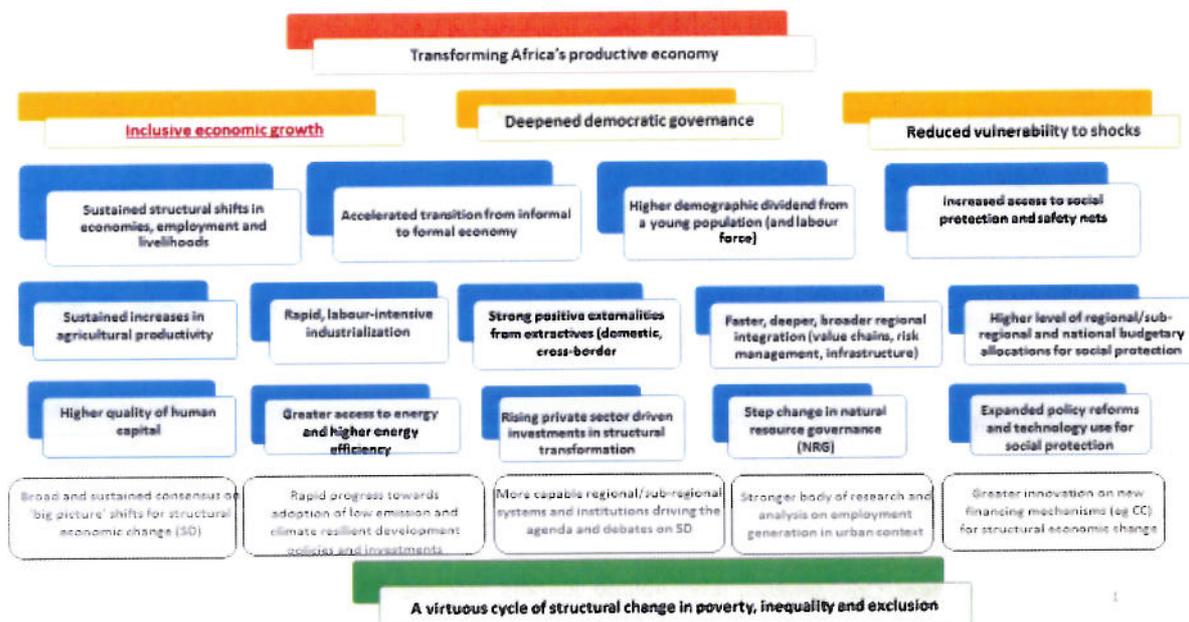
Sustainability of Support

Capacity development is a long-term process that will not fully be achieved within this project cycle. However, this project's approach is to ensure sustainability of support as a key consideration in choices made and the parameters of the project design, hence our contribution to an integrated, prosperous and peaceful Africa as outlined in Vision 2063. The capacity development initiatives identified in this project are to enhance the core functions of regional bodies and support implementation of their strategic plans. UNDP will support these bodies ability to secure more internal resources to realise their core functions and plans. As part of the sustainability plan, UNDP will jointly implement activities with key UN partners and other multilateral organizations to better coordinate and ensure sustainability for results. Furthermore the Monitoring and Evaluation plan of this project will continuously monitor and assess UNDP's support and key milestones over the project period, and recommend corrective approaches to ensure sustainability of interventions.

Theory of Change

The central premise for transforming Africa's productive economy is to reallocate economic resources from activities with low productivity to more productive ones that impact on a structural change in poverty, inequality and exclusion. This requires a concerted effort to have more conducive policies and regulatory frameworks that enhance opportunities and added value for sustainable employment and improved livelihoods; enhanced institutional systems and higher quality human capital to increase productivity and strengthen value chains focusing on sectors where women and youth obtain their livelihoods; strengthening value chains for emerging sectors and linking small and medium enterprises to the larger private sector in Africa, and ensuring a stronger body of research, analysis and influence in driving programmes, interventions and opportunities for regional and global integration.

Conditions reinforced for an integrated, prosperous and peaceful Africa



For this project, UNDP will focus on three interrelated outputs that will contribute towards accelerating Africa's economic transformation through a cross-disciplinary and issues based approach that recognises and responds to the multidimensional nature of sustainable human development. This project therefore seeks to respond and contribute to the structural transformation through interventions that integrate and address economic, social, and environmental aspects for inclusive growth by promoting sustainable energy access and natural resources management, and enhanced productivity and employment opportunities for the excluded and the poor. This includes specific project components on:

1. Regional policy and regulatory frameworks enabled to enhance access to sustainable energy
2. Solutions developed at the regional level for inclusive natural resources management
3. Regional systems and institutions enabled to achieve structural transformation of productive capacities that are sustainable and employment intensive

Project Synergies

This project is implemented through the regional programme framework and is therefore intricately related and complementary to the four other projects developed to support implementation of the Regional Programme Document 2014-2017. The project complements the *Transforming Governance in Africa* (Outcome 2) project by addressing the social and economic challenges posed by natural resource governance and how effective management of these resources could be a major accelerator towards inclusive economic transformation. It also complements the *Fostering Resilience to Shocks and Threats in Africa* (Outcome 3) project by addressing vulnerabilities to climate change and building resilience to shocks which can exacerbate existing threats to human security including natural resources and ecosystems for social protection, improved livelihoods and energy access in Africa. The project also complements the *Strengthening African Engagement in Global Development Debates* (Outcome 4) project by building consensus on the big picture development goals through sustained regional debates and declarations, improved data and analysis on development solutions, and by deepening and expanding African knowledge and thought leadership through south-south and triangular cooperation for effective economic transformation. Critical areas of engagement which will be undertaken in collaboration with partners will include regional SDGs dialogue and monitoring frameworks and flagship knowledge products such as the Africa Human Development Report, the African Economic Outlook and the Africa SDG Report to enhance development solutions for economic transformation. Finally the project will complement the *Fostering Inclusive Participation and Effective Contribution in the Process of Economic and Political Empowerment* (Outcome 4 Plus One) project by enhancing productive capacities and regional policy frameworks that create employment opportunities that foster inclusive and sustainable growth and promote inclusive business and markets, especially for the excluded poor including women and youth, in agriculture, extractives and other sectors.

Project Outputs and Activities

Output 1: Regional policy and regulatory frameworks enabled to enhance access to sustainable energy

Innovations in the energy sector provide an opportunity for African countries to leapfrog current energy systems towards a low carbon and sustainable energy pathways, making use of its rich renewable energy resources including solar power, geothermal and wind power. Africa has one of the lowest per capita energy consumption in the world⁷ but its consumption of electricity is projected to increase substantially (AfDB estimates more than six-fold increase over the next decades). Much of this increasing demand for energy can be met through renewable energy sources, including off-grid renewable energy options both at the individual systems level and at the mini-grid level. In Africa, UNDP is the most prominent energy sector actor in the United Nations system. Our Global Environment Facility (GEF) portfolio of approximately 40 projects, deploying US\$115 million of GEF resources and US\$611 million of co-finance, covers a broad spectrum of energy access, renewable energy, energy efficiency (primarily buildings and appliances) and sustainable transport interventions. UNDP is also an active member of the Sustainable Energy for All (SE4All) initiative launched by the UN Secretary-General, collaborating closely with, among others, the African Development Bank (AfDB). UNDP is also partnering with the International Renewable Energy Agency (IRENA) to promote regional power pools and energy corridors, as well as with a range of national, sub-regional and regional actors to promote the twin objectives of enhanced energy access and low-carbon energy solutions.

Activity Result 1.1.1 Implementation of regulatory frameworks for regional energy generation

UNDP and partners will work towards the achievement of universal modern energy access, as well as towards increased energy efficiency, by supporting inclusive and sustainable solutions, including the support to African institutions and governments to develop policies, plans and scaled up investment programmes on decentralized sustainable energy solutions, as well as youth-friendly and gender-sensitive multi-functional platforms.

- Conduct assessment of off-grid energy generation
- Produce investment opportunity briefs for RECs (SADC and ECOWAS)
- Prepare technological applications and standards for sustainable energy

⁷ World Energy Outlook 2014

Activity Result 1.1.2 Expanded public private partnership for access to energy

UNDP's strategic role is multidimensional, from a role as a convenor at the regional and sub-regional levels, bringing together public and private partners and communities to address challenges related to (1) Attracting Private Finance and (2) Building capacities to deliver.

- Value chain analysis in the energy sector for SADC and ECOWAS region
- Establishment and support to Secretariat for Africa Energy Leaders Group (AELG)
- Finalize and operationalize UNDP-AfDB Collaborative Platform for SE4ALL implementation
- Review of cross border and regional initiatives
- Develop a decentralised renewable energy initiative for Sub-Saharan Africa

Output 2: Solutions developed at the regional level for sustainable natural resources management

UNDP will support the development and implementation of regional and national initiatives for enhancing the linkages between natural resource extraction and sustainable human development. UNDP's support is in line with the Africa Mining Vision (AMV) 2050, which advocates the use of natural resources as drivers of economic structural transformation and social development. In supporting the implementation of the AMV, UNDP will work towards strengthening the Africa Mineral Development Centre (AMDC). In addition, a Rapid Response Facility has been created to provide catalytic financial and technical assistance to operationalize the AMV in a number of countries.

UNDP's Strategy seeks to support countries: 1) to design and implement legal frameworks and resource contracts that generate adequate revenues and put in place strong environmental and social safeguards; 2) to conduct people-centred exploration and extraction operations, that are gender-sensitive and promote community participation and civil society engagement; 3) to prudently collect and manage revenues to advance sustainable development; 4) to invest in human, social, physical and financial capital to advance human development and compensate for declining natural wealth, while promoting economic diversification; and 5) to ensure artisanal and small-scale miners operate in an environmentally and socially responsible way and in a conflict free environment, while generating employment and income. In its extractives related work, UNDP takes a human rights approach paying particular attention to indigenous peoples and local communities, including women, girls and boys, migrants and artisanal miners and their families, and other vulnerable groups.

Activity Result 2.1.1: Expanded natural resources management

- Collect, generate and share knowledge, guidelines and toolkits on the governance of non-renewable natural resources and with special focus in conflict prevention and peace building
- Set up a Rapid Response Facility to support the operationalization of the AMV in 15 countries
- Provide technical support in the design and implementation of extractives initiatives in 15 countries
- Set up a sub-regional mechanism to manage cross-border natural resource issues and infrastructure investments
- Support the completion of African Peer Review Mechanism (APRM) assessments on extractives in 4 countries.
- Harmonise regional policies for conservation, sustainable use, access and benefit for marine and coastal resources (GEF)
- Establish trans-boundary water resource management strategy

Output 3: Regional systems and institutions enabled to achieve structural transformation of productive capacities that are sustainable and employment intensive

UNDP will support policies and programmes to link small and medium enterprises to the larger private sector in Africa, especially through value chains focusing on sectors where women and youth obtain their livelihoods. Potential entry points include a proposed AU African Inclusive Markets Excellence Centre (AIMEC) to advance more inclusive and sustainable growth in Africa and to support Regional Economic Communities (RECs) and member states in developing the supply capacity of MSMEs (including small holders) in agriculture, extractive industries and other sectors. Special attention will be paid to inclusive entrepreneurship, and specifically to include women and youth as suppliers, distributors and more generally entrepreneurs in relevant value chains. This will include strengthening livelihoods and generating incomes through the sustainable management of ecosystems and natural resources. The programme will support

new modalities to address gender gaps, and will prioritize support to the economic empowerment of women and youth, including improvements to their agricultural productivity and the integration of jobs- and livelihoods-intensive productive capacities for youth and women, in regional and national development frameworks.

Activity Result 3.1.1: Regional institutional capacity enhanced for structural transformation

- Preparation of policy guidance toolkit on transforming the informal sector to the formal sector
- Advisory support to AUC to finalize and validate its Africa Private Sector Development Strategy
- Support establishment of an AUC African Inclusive Markets Excellence Centre (AIMEC) to assist countries in developing agriculture related livelihood and employment programmes and expand to extractives, the energy sector and light manufacturing
- Support RECs in organizing Project Facilitation Platforms (PFPs) tackling productive capacity and sustainable food production systems through regional agri-food value chains
- Support participatory articulation and monitoring of regional and sub-regional youth employment and livelihood related policies, programmes and partnership with private sector and civil society

Activity Result 3.1.2: Transformation of productive capacities

UNDP support to inclusive business models will engage poor people living at the base of the economic pyramid in global and regional value chains as consumers, employees, producers, and entrepreneurs. Such models offer great promise: to enable business growth in markets that cover two thirds of the world's population, while creating economic opportunity, better standards of living for the poor, and environmental sustainability. These inclusive business models include the poor on the demand side as clients and customers and on the supply side as employees, producers and business owners at various points in the value chain. They build bridges between businesses and the poor for mutual benefit including driving innovations and building resilience, enhancing markets and strengthening supply chains while providing higher productivity, sustainable earnings and greater empowerment for the poor including through social protection.

- Support a regional agro-business supplier development programme
- Support inclusive business ecosystems in Africa in partnership with regional institutions such as the Pan African Chamber of Commerce and Industry (PACCI)
- Creation of an interactive African youth entrepreneurs online portal and award scheme
- Conduct Public Private Dialogue on the Impact Investment Market in Africa to advance and implement selected regional activities
- Support to women's participation in regional trade policy dialogue formulation
- Carry out economic evaluation and assessment of contribution of social protection to inclusive growth and climate change resilience in selected countries
- Development of toolkits and guidance on the integration of social protection in development planning, expenditure and monitoring frameworks
- Facilitate continental and sub-regional dialogue on social protection

III. RESULTS AND RESOURCES FRAMEWORK

Intended Outcome as stated in the Regional Programme Document Results and Resource Framework:

Outcome 1: Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods, especially for the poor and the excluded (SP Outcome 1)

Outcome indicators as stated in the Regional Programme Document Results and Resources Framework, including baseline and targets:

Indicative Outcome Indicators:

1. Coverage of new livelihood and employment generation policies and programmes disaggregated by sector and sub-sector and by gender, age and excluded groups, and by wage category where available in RECs/countries
2. Annual value of the contribution of Africa to global trade and investment
3. Coverage of policy and institutional reforms that increase access to social protection schemes, targeting the poor and other at-risk populations in Africa
4. Number of resource-rich countries operationalizing the Africa Mining Vision (AMV)
5. Coverage of cost-efficient and sustainable energy use in Africa, disaggregated by energy source, rural/urban and sex

Baseline:

1. 25 - % of RECS with youth employment/other livelihood and employment generation policies and programmes (ECOWAS and EAC)
2. 3.3% - Africa contributes to global trade (2014)
3. 37 out of 46 - African countries implementing social protection programmes in 2013
4. 0 - # of countries with Country Mining Visions - Tanzania and Lesotho started the process of developing CMVs in line with the AMV. Mozambique, Guinea, Liberia and Sierra Leone are in the process of designing CMVs.
5. 30 - African countries face regular energy shortages, costing firms around 5% of their sales (SE4ALL, 2014) - 590 million people in SSA lack access to electricity and 690 million still rely predominantly on solid fuels for cooking. 19 of the 20 countries with the lowest energy access rates globally are in SSA.

2017 Target

1. 50 - % of RECs supported with youth employment/other livelihood and employment generation policies and programmes
2. 5% - African contribution to global trade
3. 42 out of 46 - African countries implementing social protection programmes
4. 15 - countries supported with the AMV operationalized through CMVs and other similar initiatives
5. 20 - African countries supported to reduce energy shortages through the SE4ALL Initiative

Applicable Key Result Area: Strategic Plan Outcome 1: Growth and development are inclusive and sustainable, incorporating productive capacities that create employment and livelihoods, especially for the poor and the excluded

Partnership Strategy

UNDP has forged strong partnerships with a wide range of regional, sub-regional and national public sector organisations, civil society organisations, foundations, multilateral organizations, donors and private sector partners in Africa through its global, regional and country level interventions in Africa. Over the duration of the regional project, these will be deepened and expanded together with core collaboration with sister UN agencies and key stakeholders. Developing and strengthening partnerships with existing partners and emerging donors through SSC and TrC will be an integral element of implementation by sharing and consolidating national best practices from UNDP's presence within the region, engagement with UNDP Global Policy Centres and Regional Service Centres in Asia, Europe and Latin America, and supporting the AUC and RECs to facilitate dialogue and exchanges on sustainable economic transformation. In the implementation of Output 3 on structural transformation of productive capacities that are sustainable and jobs- and livelihoods- intensive, key partnerships with ILO, UNIDO, ECA, AUC, AMDC, AfDB, IFAD and FAO will be deepened for collaboration in research and advocacy on employment and poverty nexus, rights-based approaches to employment, social protection, small and medium enterprise (SME) development, Trade facilitation in Africa, and Agricultural Value Chains. Partnerships with the private sector will be pursued in the financing and implementation of programmes for productive capacities building on existing platforms such as the Business Call to Action, Better than Cash, Extractive Industries, and ICT. Partnerships with AUC/RECs initiatives will upscale initiatives such as COMESA's 'Trade for Peace' project in the Great Lakes on women in cross border trade and post conflict settings, and others such as regional technology banks in the Cotonou Agenda; South South Technology Transfer Facility; and Diaspora bond for Least Developed Countries (LDCs) For sustainable management of natural resources, UNDP will partner with UNEP and GEF among others. In the area of energy access and efficiency UNDP will contribute to the SE4ALL Initiative and partner with UNIDO on renewable energy and others such as UNEP, EU, WB, AfDB, UNIDO, IsDB GIZ, Japan, SNV, Gates Foundation, Practical Action, ENDA Energie, KNUST, and the ALEG – African Leaders Energy Group

Project title and ID (ATLAS Award ID): Promoting Inclusive Economic Transformation in Africa

INTENDED OUTPUTS	OUTPUT INDICATORS	INDICATIVE ACTIVITIES	RESPONSIBLE PARTIES	INPUTS
<p>Output 1 Regional policy and regulatory frameworks enabled to enhance access to sustainable energy</p>	<p>1.1 Number of regional regulatory frameworks adopted by RECs on access to energy adopted Baseline 2014 - 2 (ECOWAS and SADC) Milestone 2015 - 2 (ECOWAS and SADC) Milestone 2016 - 2 (ECOWAS and SADC) Target 2017 - 3 (ECOWAS, SADC and ECCAS)</p> <p>1.2 Number of adopted regional investment policies on renewable energy Baseline 2014 - 0 Milestone 2015 – 1 (SADC)</p>	<p>1.1.1 Implementation of regulatory frameworks for regional energy generation</p> <ul style="list-style-type: none"> ▪ Conduct assessment of off-grid energy generation ▪ Produce investment opportunity briefs for SADC and ECOWAS ▪ Assessment of technological applications and standards for sustainable energy ▪ Decentralised renewable energy (RE) initiative for SSA <p>1.1.2 Expanded public private partnership for access to energy</p> <ul style="list-style-type: none"> ▪ Value chain analysis in the energy sector for SADC and ECOWAS region 	<p>UNDP, NEPAD, SADC, ECOWAS, ECCAS and AUC, AfDB, ALEG</p>	<p>Consultants/TA for assessment (300,000) Consultants/TA for investment briefs (250,000) Consultants/services for SE4ALL (3,600,000) Travel/M&E initiatives (1,500,000) Equipment/materials for RE initiative (1,800,000) Translation (300,000) Total 7,750,000</p> <p>Consultants/TA for energy sector</p>

<p>Output 2 Solutions developed at the regional level for sustainable natural resources management</p>	<p>Milestone 2016 – 2 (SADC and ECOWAS) Target 2017 -3 (SADC, ECOWAS and ECCAS)</p> <p>1.3 Number of RECs with sustainable energy access initiatives Baseline 2014 - 0 Milestone 2015 2 Milestone 2016- 3 Target 2017 - 3</p>	<ul style="list-style-type: none"> ▪ Assess and develop RE initiative for Sub-Saharan Africa ▪ Establishment operationalization of Secretariat for AELG ▪ Finalize and operationalize UNDP-AfDB Collaborative Platform for SE4ALL implementation ▪ Assessment of cross border and regional initiatives 		<p>assessment and platforms (1,300,000) Consultations/Conference (950,000) Communications (400,000) Travel (500,000) Total 3,150,000</p>
<p>Output 2 Solutions developed at the regional level for sustainable natural resources management</p>	<p>2.1 Number of Country Mining Visions completed in collaboration with the African Mining Development Centre (AMDC) Baseline 2014 – 0 Tanzania and Lesotho in process) Milestone 2015: 5 Milestone 2016- 10 Target 2017 - 15</p> <p>2.2 Number of knowledge products and toolkits generated and shared Baseline 2014 – 0 (in Step-by-Step Guide to operationalize the AMV in progress) Milestone 2015: 1 Milestone 2016: 2 Target 2017 - 3</p> <p>2.3 Number of sub-regional</p>	<p>2.1.1 Expanded natural resource management governance</p> <ul style="list-style-type: none"> • Collect, generate and share knowledge, guidelines and toolkits on the governance of non-renewable natural resources and with special focus in conflict prevention and peace building • Set up a Rapid Response Facility to support the operationalization of the AMV in 15 countries • Set up a sub-regional mechanism to manage cross-border natural resource issues and infrastructure investments • Support the completion of African Peer Review Mechanism (APRM) assessments on extractives in 4 countries. • Harmonise regional policies for conservation, sustainable use, access and benefit for marine and coastal resources (GEF) • Establish trans-boundary water resource management strategy (Niger 	<p>UNDP, NEPAD, AUC, APRM, AMDC</p>	<p>Consultants and assessments for AMDC support (1,800,000) Rapid Response Facility for AMV (9,000,000) Consultants and assessments for APRM (1,200,000) Conference and Consultations - APRM stakeholder dialogues (1,600,000) Publications – (700,000) Total – 14, 300,000</p>

	<p>mechanisms setup to manage cross-border natural resource issues and infrastructure investments</p> <p>Baseline 2014 – 2 (SADEC and ECOWAS level)</p> <p>Milestone 2015: 2</p> <p>Milestone 2016: 3</p> <p>Target 2017 - 3</p>	River)	
<p>Output 3</p> <p>Regional systems and institutions enabled to achieve structural transformation of productive capacities that are sustainable and employment intensive</p>	<p>2.4 Number of assessments completed by African Peer Review Mechanism (APRM) which incorporate Extractive Industries (EI) and Human Development (HD) indicators including gender</p> <p>Baseline 2014 - 0</p> <p>Milestone 2015 00</p> <p>Milestone 2016- 4</p> <p>Target 2017 - 8</p>	<p>3.1.1 Regional institutional capacity enhanced</p> <ul style="list-style-type: none"> ▪ Policy guidance toolkit on transforming the informal sector to the formal sector ▪ Support RECs to lead Project Facilitation Platforms (PFPs) on productive capacity and production systems ▪ Advisory support to AUC to finalize and validate its Africa Private Sector Development Strategy ▪ Prepare a business plan and mobilize a coalition of support around an AUC African Inclusive Markets Excellence Centre (AIMEC) to assist countries in 	<p>UNDP, AUC, RECs, UNIDO, FAO, SIDA, CIDA, Rio+ Centre, Government of Brazil</p>
	<p>3.1 Number of institutions using the UNDP produced regional toolkit on informal sector transformation</p> <p>Baseline 2014 - 0</p> <p>Milestone 2015 0</p> <p>Milestone 2016- 2</p> <p>Target 2017 - 7</p>		<p>Consultants/TA on informal sector and employment & livelihoods policies (1, 600,000)</p> <p>Conferences - PFPs (800,000)</p> <p>TA/grants – regional value chains project (1,400,000)</p> <p>Consultants for AUC Private Sector and AIMEC Business Plan (400,000)</p> <p>Travel (250,000)</p> <p>Conferences (250,000)</p>
	<p>3.2 Percentage of users (male/female) positively rating the RECs Project Facilitation Platforms</p> <p>Baseline 2014 - 0</p> <p>Milestone 2015 30/35</p>		

	<p>Milestone 2016- 45/55 Target 2017 – 60/65</p>	<p>3.3 Number of regional agricultural value chains in which SMEs (led by women and youth) are actively engaged Baseline 2014 - 6 Milestone 2015 6 Milestone 2016- 12 Target 2017 –12</p>	<p>developing livelihood and employment programmes</p> <p>3.1.2 Transformation of productive capacities</p> <ul style="list-style-type: none"> ▪ Support a regional agro-business supplier development programme ▪ Support inclusive business ecosystems in Africa in partnership with regional institutions such as PACC1 ▪ Creation of an interactive African youth entrepreneurs online portal and award scheme ▪ Conduct Public Private Dialogue on the Impact Investment Market in Africa ▪ Facilitate continental and sub-regional dialogue on social protection 	<p>Publications (100,000) Total 4,800,000</p> <p>Consultants/TA for supplier development programme (1,600,000) Travel (200,000) Conferences for supplier development programme (450,000) Consultants/TA inclusive business ecosystems (2,380,000) TA - Africa youth entrepreneurs portal and award scheme (350,000) Publications (150,000) Consultants/TA –impact investment markets – (500,000) Social protection consultants and consultations (1,000,000) Travel (250,000) Publications/translation (300,000) Total 7,180,000</p> <p>Grand total 37,180,000</p>
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