



JOBS
& CITIES

The Jobs & Cities Approach

Supporting employment and local economic
development through urban projects

#WorldInCommon



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In the countries where AFD operates, cities are key sources of economic and job opportunities, but also places of social and territorial inequalities. It is therefore crucial to implement strategies to support employment and foster economic development for the benefit of all the people who live there, especially the most vulnerable among them (women, youth, marginalized or disadvantaged communities). Local economic development is much more than “mere” economic growth. It is an approach that promotes an inclusive and common vision of a local territory where various actors from the private and public sectors and from civil society work together to build lasting solidarity aimed at achieving economic and social objectives.

Key Figures

2.2 billion

people live on less than \$2 per day, and yet 780 million of them have a job.

2.5 billion

people work in the informal economy.

20 million

the estimated number of jobs that would need to be created in Africa each year through to 2035 to absorb the increase in population, the equivalent of twice the average rate over the past 5 years.

Source: International Labor Organization, cited in “Decent Work”.
The Roadmap for the AFD Education, Training and Employment Division - October 2019.
<https://www.afd.fr/en/ressources/investing-decent-jobs>



What is the Jobs & Cities approach?

Since 2017, AFD has developed a crosscutting approach, to maximize the economic and social benefits of urban projects for local inhabitants, especially the most vulnerable among them.

This would consist of promoting drivers of local economic development and **identifying the best ways of measuring and providing employment.**

This approach is called "Jobs & Cities" and has enabled AFD to develop an operational strategy focused on 3 areas:



1

How to develop local economic sectors in order to generate decent work



2

How to develop inclusive economic activities in the context of urban development projects



3

How to support infrastructure construction or renovation, to generate decent work locally





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€1.1 billion
committed by AFD

80,000
people supported

In 2019, AFD committed more than €1.1 billion to finance projects and programs promoting sustainable urban development and supporting local authorities.

Throughout 2019, the projects carried out in the urban development sector, as well as backing for local authorities, helped to support the employment and/or income-generating activities for nearly 80,000 people.

Source: Urban Development and Support for Local Authorities - 2019 AFD Activity Report
<https://www.afd.fr/en/ressources/urban-development-and-support-local-authorities-2019-activity-report>



Identification

What employment issues exist in the territory and who are the key stakeholders to meet?

1



Completion / Assessment

Has the project allowed for the creation of employment?
What kinds of employment have been created, and for which groups?

4



Diagnosis / Feasibility

How can the employment component be included in feasibility studies?
How to improve management of the employment component and build capacity of contracting authority teams?

2

3



Implementation

Do works contracts make provisions for the integration of vulnerable groups?
Do contracting authorities and contractors coordinate their activities with employment stakeholders?

Recommendations for contracting authorities of urban projects to better integrate employment and local economic development (LED) issues at each step of the urban project cycle

Employment and LED issues are transversal elements common to all urban projects. Contracting authorities and other partners must understand and integrate these issues in the different phases of the project cycle (from conception to the planning phase, to execution and assessment).

1

Integration of employment and LED issues and mobilization of stakeholders starting from the identification phase



- **Identify and meet with key employment stakeholders** (ministries, employment agencies, social partners, the business and entrepreneurship ecosystem, civil society organizations for the informal employment component) to better understand the context and identify the main national employment issues and/or those relating to the territory in question.
- **Reflect on initial coordination between the urban project and employment and LED objectives.** This involves collecting certain information that must be analyzed and further examined during the feasibility study.

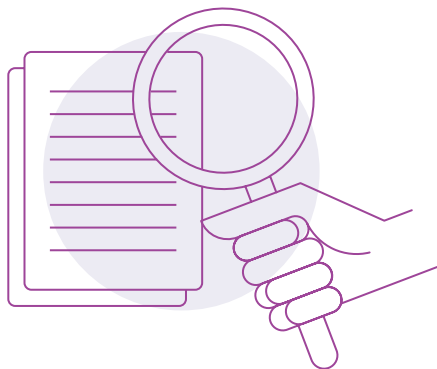
For some countries, AFD has drafted questionnaires to help define the employment component of projects.

In cooperation with Local Economic Development Network Africa, AFD has produced a methodological guide to support the implementation of local economic development strategies for African cities.

For urban projects, AFD supports the implementation of a sector-based approach, centred on the rehabilitation of a facility to develop other links in the supply chain.

2

Diagnosis and feasibility phase



- **Facilitate coordination with employment stakeholders** by mobilizing institutional and public stakeholders through an interministerial or cross-disciplinary approach at local scale. This dialogue must enable effective coordination between the urban component and the project's socio-professional component.
- **Integrating a detailed employment/LED component** which includes:
 - Economic analysis of the territory: existing businesses, promising sectors, etc.
 - Assessment of the labor market: youth unemployment, issues of gender equality in the workplace, etc.
 - Mapping of the employment and economic stakeholders to involve them in design and implementation of the project
 - Analysis of the different types of work projects that could include social clauses or programs using the High Labor-Intensive (HLI) approach
 - Analysis of the types of work projects for which companies could consider recruiting from among the local workforce.
- **Ensure that the socio-economic aspect is included in feasibility studies** to facilitate the analysis of employment opportunities in the territory and adjust the investment and project planning accordingly. This involves:

In Tunisia, AFD has supported interministerial dialogue between the Ministry for Equipment, Housing and Regional Development and the Ministry for Vocational Training and Employment in order to adapt business premises so they are better suited to local employment realities.

In Lebanon, Vietnam, Côte d'Ivoire, and several other countries, AFD has included a detailed employment component in the feasibility studies that it finances.



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- **Include a functional programming study** when funding the construction or renovation of premises hosting local activities. For each facility, the types of architecture, contractual arrangements, governance and management methods should be adapted to the local socio-economic context.
- **Further explore relevant employment/LED opportunities for the territory in question and/or for the purposes of the project:** promotion of vocational learning, HLI, business formalization programs, implementation of a community-led contracting authority.

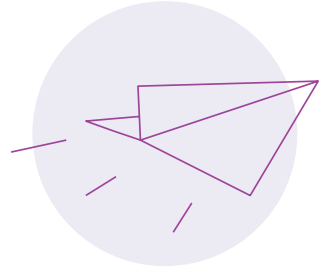
In Tunisia, AFD has initiated a functional programming study aimed at adapting the facilities for a national urban program to the local employment contexts in several residential areas of the country.

AFD can provide a benchmark study to contracting authorities, identifying 10 types of facilities/premises capable of hosting activities (warehouses, artisan workshops, coworking spaces) already present in several countries (France, Tunisia, Morocco, Brazil, Vietnam, Senegal).

- **Ensure that the experts involved meet with vocational training stakeholders** in order to better understand the existing training options, the specific characteristics of the employment pool, and check the availability of the skills required for urban projects. These projects require qualified personnel to carry out construction work, handle maintenance activities and optimize the operation of infrastructure and facilities.

3

Integration of employment/LED issues during the **Project start-up and implementation phases**



○ **Use the work to create jobs and/or improve integration of the local workforce and vulnerable groups** (women, youth, and disadvantaged or marginalized communities). Two methods can be used:

- Involve and make companies accountable, for example by including social integration clauses in the works contracts.

In France, the National Urban Renewal Agency (ANRU) uses social integration clauses that require public contractors to implement socio-professional integration measures for specific groups. This may involve promoting the employment of residents of priority urban neighborhoods that are being renewed in the context of works contracts.

In 2020, AFD began testing pilot tender documents for works that incorporate social integration clauses and require that certain types of vulnerable groups be integrated over an agreed period of hours or days.

- Rely on partnerships with NGOs, international organizations or even municipalities concerned by the urban project to mobilize the local workforce, especially vulnerable groups, and create short-term employment through HLI programs or planning by community-led contracting authorities.

AFD supported the implementation of the HLI public works program in Madagascar, Cameroon and a number of other developing countries. In Central African Republic, it contributed to the development of an HLI Public Works Guide, which identifies the issues and establishes the methodology to be used. In Côte d'Ivoire, AFD initiated political dialogue on the effectiveness of various employment policy instruments, including HLI public works, through a series of briefing notes.

In Haiti, AFD supported the implementation of a community-led contracting authority that empowered residents by giving them a budget to carry out small structural works (renovation of corridors, stairs, drainage systems) with support from NGOs and/or local companies.

○ **Initiate dialogue within the territory and, where appropriate, recruit an individual or team to animate the employment/LED component** in the areas of intervention. The goal is to provide a continuum between urban projects and measures to support employment. This coordination is demanding and must be integrated into technical assistance for the project.

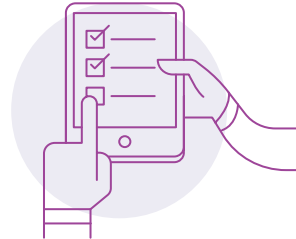
In Central African Republic, through the High Labor Intensive (HLI) activities for an urban project, AFD recruited a social contracting authority (the GRET association) to handle "social intermediation" between all the partners involved in the project (communities, local authorities, contracting authority, companies, laborers/workers at the construction sites, beneficiaries, etc.).



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4

Strengthening the evaluability of the project and improving its management



In the context of project management, it is important that the contracting authority identifies the employment issues to be taken into account, from the initial discussions on the intervention logic. This will facilitate the selection of monitoring and accountability indicators that will make it possible to measure and report on the employment/LED impacts of the project. In terms of monitoring and assessment, it may be necessary to build the capacity of the entity in charge of implementing the monitoring and evaluation system.

AFD has conducted in-depth reflection on employment indicators and has tools that can be used to improve the structure of the chain of accountability.

The AFD Evaluation and Capacity Building Divisions develop and provide tools for the joint development of a system of monitoring and evaluation with the contracting authority. AFD can also provide support to boost the skills of the contracting authority or the entity in charge of monitoring and evaluation.

If you have any questions, please contact the AFD teams (+33 1 53 44 31 31):
 Urban Development, Town Planning and Housing Division (VIL)
 Education, Vocational Training and Employment Division (EDU)
 Evaluation and Learning Department (EVA)

Towards a world in common

Agence Française de Développement (AFD) Group implements France's policy on development and international solidarity.

Comprised of AFD, which finances the public sector and NGOs; Proparco, which finances the private sector; and soon, Expertise France for technical cooperation, the Group finances, supports and accelerates transitions towards a more resilient and sustainable world.

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