



**MINISTRY OF FOREIGN AFFAIRS
OF DENMARK**
Danida

**HOW-TO NOTE FOR IMPLEMENTATION OF “THE WORLD WE SHARE”
JOB CREATION AND SUSTAINABLE GROWTH**

Ministry of Foreign Affairs of Denmark

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This note is one of 12 notes developed by the Ministry of Foreign Affairs of Denmark to ensure the implementation of the strategy for development cooperation “The World We Share”

1. Fighting Poverty and Inequality
2. Energy Transition and Emission Reductions in Developing Countries
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How-to note for implementation of "The World We Share"

Job creation and sustainable growth

1. Purpose of the note

This note aims to provide specific guidelines on how to implement Denmark's strategy for development cooperation "The World We Share", the Government's Priorities for Danish Development Cooperation 2021-2025 and the four-year plans. The two overall purposes of the note are:

- **To create consistency** between strategy, policy, planning and budgeting as a shared framework of reference for the implementation of "The World We Share" and its objectives.
- **To set the framework** for prioritising, selecting and deselecting in adherence to the principles of *Doing Development Differently*, which call for taking a holistic and adaptive approach.

The main target group for this note is employees at the Danish Ministry of Foreign Affairs responsible for implementing "The World We Share". Furthermore, it may serve to inform external partners. The note will be available on the Aid Management Guidelines site as an internal guidance document. Specifically, the note is intended as a reference document in programming (including in Programme Committee meetings and on the Council for Development Policy (UPR), as well as in the monitoring (e.g. in appraisals and reviews), in the dialogue with partners, and in the work with international norms and standards.

In principle, the note will remain valid for the duration of "The World We Share", and will be revised as required in response to changing contexts and priorities. The political priorities in the Finance Act will always have primacy to this note. The note complements the other thematic How-to-Notes and should therefore be read together with the other notes.

2. Introduction

According to the African Development Bank, every year, more than 12 million young people join the African labour market, while only 3 million new jobs are created. Accordingly, there is correlation between lack of employment opportunities and growing poverty, inequality and instability. Private-sector driven job creation and sustainable growth are considered essential elements in the pursuit of poverty reduction (UN Sustainable Development Goal, SDG 1) and the fight against inequality (SDG 10). At the same time, sustainable decent jobs combined with rights, influence on decision-making and opportunities to participate in society contribute crucially to creating hope and future prospects for young people, pre-empting migratory pressures and instability (SDG 16).

Job creation (SDG 8) must also serve as leverage to promote other key undertakings, such as gender equality (SDG 5) and promotion of the green transition (SDG 7). Particular attention is paid to involving

young people and creating opportunities for their future, including through more and better jobs. Furthermore, job creation and sustainable growth, especially in the formal sector, contribute to fiscal revenues and greater socioeconomic stability, which poses a particular challenge in fragile states and areas.

The note takes advantage of solid preparatory work by the Task Force for Job Creation and Skills Development for Youth in Africa¹. It highlighted seven special challenges, including insufficient income, scarcity of jobs, young people struggling to find a foothold in a labour market characterised by poor conditions, and changes relating to climate and environment that pose a challenge to young people's living conditions.

Subsequently, the Task Force recommended a series of solutions, including targeting skills development at the informal economy, greater focus on green and sustainable development in vocational education, better private-public cooperation on vocational training, and stronger links between training and employment opportunities based on cooperation with the private sector and a demand-driven approach.

The UN Sustainable Development Goals of special relevance to job creation and sustainable growth:

- 1) No poverty
- 5) Gender equality
- 7) Affordable and clean energy
- 8) Decent work and economic growth**
- 9) Industry, innovation and infrastructure
- 10) Reduced inequalities
- 12) Responsible consumption and production
- 16) Peace, justice and strong institutions
- 17) Partnerships for the goals

3. Scope, strategic background and focus

Scope

The note is first and foremost about the countries in which Danish development cooperation is present and has entered into partnerships. It covers countries with an *expanded partnership*, most of which are in Africa, but is also relevant to those with a *targeted partnership*, not least within the green sector (which is typically relevant to both low-income and middle-income countries) and in relation to humanitarian and stabilising interventions. Furthermore, based on "The World We Share", the main focus will be on poor and fragile developing countries and areas, especially in Africa. They tend to have few resources, weak institutions, low capacity and insufficient resilience to adapt to climate change and to the environmental degradation that destroys their means of survival.

In keeping with the objectives set out in "The World We Share", the note contains two overall implementation tracks. There is a green track, in which a series of existing instruments and measures can be brought into play to create sustainable and decent jobs for young people, including framework conditions conducive to private-sector development, climate adaptation, green recovery and transition, investment in renewable energy and the like. This will be particularly relevant to relatively stable contexts where there is scope for a broad-based and holistic endeavour and where synergy can be created across the interventions.

¹ [The Ministry of Foreign Affairs' website describes job creation and skills development here \(in Danish\), and has a document in English here.](#)

Moreover, there is a fragility track, which will look at how Denmark can help create opportunities for young people where this is difficult, by supporting job creation and sustainable growth in weak states and in areas near these, such as Sahel and the Horn of Africa, including in the intersection between development, humanitarian and stabilising interventions. Here, available Danish measures and instruments will be more limited. While environmental considerations will play a part to the extent possible, the spotlight will be on the scope for supporting income-generating activities, living wages and entrepreneurship. In these contexts, job creation may also contribute to prevention and stabilisation in areas bordering conflict zones.

Strategic background

This how-to note concerns the following key objectives in "The World We Share".

We create hope: Objective 1

- Contribute to ensuring new and more positive opportunities for the individual through job creation, upskilling, entrepreneurship and sustainable economic growth. The private sector must play an active role, and we must promote market-based development with the aim of creating jobs.
- Improve the framework conditions for the private sector in developing countries to generate economic growth, decent jobs and development. We will, for example, support the social partners (employers' organisations, trade unions and government) and promote fair and sustainable trade.

Apart from the emphasis on Objective 1 ("We create hope"), which is decisive for realising "The World We Share"'s ambition of creating hope and opportunities for young people in developing countries, the note also focuses on implementing key elements of the environmental objectives stated in the strategy for development cooperation, in particular:

Climate, nature and environment: Objective 4

- Contribute to sustainable and socially just economic recovery and green transition after the Covid-19 crisis. Focus on creating hope and opportunities through decent jobs and green growth that benefits everyone and draws on the strengths of the Danish business sector and the social partner organisations.
- Ensure that the focus on clean energy and clean water contributes to improving health, creating jobs for people and fighting poverty. Education, technical training and upskilling can support green transition and job creation.
- Support the business community's involvement in the work on achieving the UN Sustainable Development Goals within areas such as energy, water, environment, food and health. Ensuring decent jobs and livelihoods in developing countries are at the heart of this work.
- Zoom in on the social responsibility of companies within sustainable global value and supplier chains in developing countries in accordance with UN Guiding Principles and human rights and business.
- Work to enable poor and fragile developing countries to better utilise the access to the EU market and to become gradually integrated in regional and global trade to create local economic growth and employment and a sustainable future.

Definitions

Poverty is conceived as a multidimensional phenomenon that is not just about income, but also about access to resources in a wider sense, including education, healthcare, natural resources, energy, jobs and personal security.

Employment is when people produce goods or services for wages or profit.

Income is salary, profit and the value of one's own production. The emphasis is on employment in the private sector, and the goal is decent and sustainable jobs. The quality of jobs is crucial, and the salary is a key component. All progress counts, but the target is a so-called living wage, which enables a reasonable living standard.

Decent jobs refers to productive work that provides a reasonable salary, a safe workplace and social protection. In addition, it involves the right to unionise, participation in decision-making and gender equality. In practice, a central parameter here will be about shifting employment from the informal to the formal labour market.

Green jobs are decent jobs in green sectors that contribute to preserving or restoring the environment and climate. For example, there are jobs that protect ecosystems, reduce CO₂ emissions and contribute to climate adaptation and biodiversity.

Sustainable economic growth is a prerequisite for job creation and higher incomes. It is about managing the economy so as to give it, now and in the future, the same or greater value. At the same time, economic growth must create better opportunities for all, including for the poor and vulnerable.

Sustainable growth refers to an approach in which the current generations utilise the resources of the Earth so as to avoid harm to the opportunities of future generations. In this note, sustainable growth will refer to green interventions in developing countries.

4. Thematic priorities

Job creation and sustainable growth can be addressed through a number of different sectors and measures. Accordingly, it has been necessary to select and deselect what falls within the framework of this note. First and foremost, there are other subjects that are covered in more depth in other how-to notes, such as 'Energy transition and emissions reductions', 'Migration and a fair and humane asylum system', 'Peacebuilding and stabilisation' and 'Climate adaptation, environment and nature'. Conversely, in keeping with Danish priorities in "The World We Share", the greening of development aid is a major area of concern in this note. This is a ubiquitous issue that should be taken into account as much as possible in the development of job creation and sustainable growth. It has thus been chosen to place the main emphasis on sectors with a vast untapped potential for green job creation.

In general, the note will concentrate on job-creating interventions within private-sector development, agriculture and food production, as well as on the green transition, including investment in renewable energy. The assumption is that investment in higher productivity and an expansion of the local market does, to a great extent, create opportunities and jobs. This can be either direct or indirect job creation in both the formal and the informal sector, including employment in particular value chains or in the economy as a whole. Private investment is crucial to bring about an economic transformation in which the framework conditions for the private sector are improved, thus raising productivity, wages and

purchasing power, while reducing poverty. In the agricultural sector, there is a vast potential for creating jobs by introducing new green technologies, both in order to increase production and to foster the green transition and renewables. Moreover, investment in renewable and decentralised energy is crucial for sustainable production and hence for job creation. The greening of the business, private-sector and financing instruments will set the framework for major parts of Danish endeavours in the field of job creation and economic growth.

Agriculture and food production in the informal sector is the primary occupation for the vast majority of people in developing countries, particularly for the poorest and most vulnerable groups. Climate change harms livelihoods, not only for those who live from and on rural lands, but also for urban populations affected by food scarcity. Improved agricultural methods, market access, focus on new technologies (especially as regards productivity increases and climate-resistant crops) and local financing may all contribute to climate adaptation and to securing a higher and more stable income for those most vulnerable to climate change. Interventions that combine job creation and climate adaptation will thus contribute both to boosting resilience and to cushioning the harmful effects of climate change on, for example, agricultural production. It will be important that both adaptation and mitigation interventions help promote a sustainable transition with emphasis on job creation and upskilling.

Finally, efforts in favour of job creation and sustainable growth must adhere to the do-no-harm principle, which means that Danish-sponsored interventions must not directly or indirectly harm poor or vulnerable groups.

Dilemma #1 – jobs vs. green transition. Certain contexts may present a dilemma between job creation and green measures, e.g. when phasing out coal, which often leads to losing ‘fossil jobs’. This runs the risk of provoking political opposition at the local level, unless there is simultaneous investment in a just transition. Thus, it is not always a given that job creation and greenery can go hand in hand, and the best approach must always be weighed up in view of the context at hand and in keeping with the adaptive approach.

Dilemma #2 – jobs vs. fighting extreme poverty. This note is particularly focused on the groups and individuals who are the most vulnerable and furthest from having their rights and needs fulfilled (the principle of ‘Leaving no one behind’). This means that we try to reach and include these groups to the extent that this is feasible and makes sense in the given context and intervention. However, this will always hinge on an individual assessment. Accordingly, it is not always the case that we can and must demonstrate how a project has a direct positive effect for the poorest of the poor. In some contexts, the most sensible path can be to help create jobs for a higher number of people, even if they are relatively less poor. Thus, a renewable-energy project may not create jobs for the poorest of the poor, but it benefits them indirectly in the long term.

5. Approach

The context determines the intervention

In accordance with ‘Doing Development Differently’, the context will determine the choice of approach and modality in Danish support for job creation and sustainable development. Whether it be an expanded partnership with a particular country or a multilateral undertaking, the context and local ownership will

dictate the proposed intervention. In stable countries with an expanded partnership, such as Kenya and Uganda ('the green track'), the spotlight will tend to be on creating framework conditions conducive to enterprise, introducing new technologies and enhancing productivity, in synergy with a wide range of instruments. In fragile countries and fragility-affected areas with an expanded partnership, such as Mali and Somalia ('the fragility track'), a different, more limited approach will usually be taken. This may mean, for instance, that income-generating activities and entrepreneurship become alternatives to decent jobs and to social dialogue in the formal sector. However, common to all interventions is that they will, to the extent possible, be demand-driven and coordinated with each country's strategies for fighting poverty and boosting growth.

In fragile states and fragility-affected areas ('the fragility track'), it can be difficult to achieve results through partnerships with the authorities, either because they are only sporadically present or because of political concerns. However, wherever possible, Denmark will strive to build the capacity of local partners. It has been demonstrated in, for instance, Burkina Faso and Niger that durable capacity-building of government entities in the water sector or peace-and-reconciliation interventions can be fruitful. In stable countries with an expanded or targeted partnership ('the green track'), this can take place directly, say, through Danida Fellowship Centre (DFC), Danida Green Business Partnerships (DGBP), Partnering for Green Growth (P4G), government-to-government cooperation, or through contributions to international partners engaged in implementing activities within this track, such as local SMEs, training centres, local and national authorities, financial institutions and others.

Prioritised modalities and approaches to job creation and sustainable growth

Based on Doing Development Differently, opportunities for synergy will be sought out continuously during the formulation and implementation of Danish development cooperation. In several cases, there will be innovative interventions that need to be piloted. A great deal of them will take place in the Horn of Africa and in Sahel in fragile contexts whose unpredictability gives rise to a special need for close monitoring and adjustment along the way. Accordingly, in keeping with this adaptive approach, interventions in each country will be designed and constantly modified to match the context at hand and the recipient country's wishes and priorities. This is why the present note offers examples of possible measures, but it is not exhaustive and does not lay down predefined guidelines.

In countries with an expanded partnership, the bilateral cooperation is essential when it comes to job creation and better opportunities for young people. The creation of conducive framework conditions for business development, financing, improvement of agricultural production, support to local value chains, vocational education and business-support systems are largely national domains, which makes the bilateral support highly pertinent. Denmark has a number of strengths and often a flexibility that makes a difference. It is in the bilateral aid that we design hands-on solutions, in many cases alongside other international and local partners and authorities. There are plenty of good examples of bilateral engagements developing new measures in the field of growth and employment, private-sector development and upskilling, both in 'the green track' and in 'the fragility track'. There are also examples of bilateral support for regional work, such as TradeMark East Africa, succeeding in reinforcing national work by improving the framework conditions for the private sector. The design and preparation of new expanded partnerships will often provide scope for incorporating a direct or derived focus on youth, sustainable growth and employment.

In particularly challenging contexts (‘the fragility track’), multilateral actors can be one of the few entry points to the job-creation agenda (e.g. through multi-bi interventions, i.e. implemented with earmarked donations to multilateral organisations, as in Case #5). Denmark is a major contributor to international organisations and hence able to contribute to policy-making in institutions that play a significant role in job creation and sustainable growth, either through core contributions or targeted grants. These can be organisations like the ILO and UNDP, as well as green funds like the Least Developed Countries Fund (LDCF) and the Global Environment Facility (GEF). Through its EU cooperation, Denmark has also ensured that job creation and youth take centre stage within the Neighbourhood Development and International Cooperation Instrument (NDICI). Going forward, it will be a priority to work for an implementation, in terms of relevant regional and country strategies as well as Team Europe initiatives, that creates opportunities and jobs for young people, especially when it comes to fragile regions. Finally, there might be possibilities for concrete partnerships at country level.

The following approaches should be particularly considered when designing interventions in favour of job creation and will be further detailed below:

- I. Private-sector driven development
- II. Young people and upskilling
- III. Food systems, climate-smart agriculture and nature-based solutions
- IV. Urban interventions
- V. Socially just green recovery and access to renewable energy
- VI. Gender equality

I. Private-sector driven development. In most African countries, the majority of formal and informal jobs are created in the private sector, which has a vast and untapped potential. Moreover, the private sector in fragile countries and areas will often be more stable than the public sector. Since the informal sector is far bigger than the formal sector in most African countries, it is important to look into the scope for supporting the informal sector through for example access to loans and capacity-building. This should be combined with an ambition to create more formal jobs and to support a formalisation of the economy, for instance by developing better framework conditions and specific incentives to formalise. Formalisation has numerous advantages. It makes it easier to ensure decent working conditions, to enforce workers’ rights and to expand the tax base. In addition, efforts will seek to improve framework conditions for enterprise development, since an unreliable business climate often causes insufficient access to financing in poor and fragile countries and areas.

Danida Sustainable Infrastructure Finance (DSIF)

As part of the pursuit of the Sustainable Development Goals, Danida Sustainable Infrastructure Finance (DSIF) enables the funding of infrastructure projects in developing countries that would not otherwise be viable on market terms. All new DSIF projects must look into opportunities for investing in upskilling through local partners with a view to boosting growth and employment.

Possible action tracks

1) In *countries with an expanded partnership* and with large-scale bilateral interventions in job creation, the focus should be on framework conditions for the private sector, dialogue between employers and workers regarding formalisation, green value chains, green financing, improved measures against corruption, advocacy etc. In these countries, it is relevant to map out the scope for larger, more differentiated interventions in which a series of instruments can be brought into play (financing, business instruments, partnerships etc.). This encompasses chances of supporting Corporate Social Responsibility (CSR), particularly in countries where Danish companies are active. In the planning of expanded partnerships with emphasis on private-sector development, growth and employment, another option is to discuss the matter with Denmark's Investment Fund for Developing Countries, IFU, which has various useful instruments, e.g. High-Risk High Impact (HRHI), Danida Sustainable Infrastructure Finance (DSIF) and guarantees. Furthermore, efforts should be made to secure private-sector financing through innovative instruments, including guarantees from the African Guarantee Fund (AGF) and the new Danish guarantee instrument.

Danida Market Development Partnerships (DMDP)

Danida Market Development Partnerships (DMDP) promotes commercially oriented, innovative partnerships (SDG 17) between the business community and civil society that contribute to developing markets and fostering local economic growth and employment (SDG 8). In Burkina Faso, about 3,450 farmers, a third of them women, have raised their income by taking part in an organic sesame-seed project. DMDP is being replaced by Danida Green Business Partnership, DGBP, which, alongside non-commercial partners, will involve the private sector in developing and implementing market-based solutions to environmental degradation, climate change and the biodiversity crisis, as well as in contributing to inclusive economic growth.

2) In *countries with an expanded partnership* as well as in countries with a *targeted thematic partnership*, an obvious idea is to create innovate partnerships and new business models with civil society, authorities and companies, particularly in the areas of energy, water and food. Involving and partnering up with the private sector is vital to meet the Sustainable Development Goals and the Paris Agreement. Moreover, the companies often possess crucial innovation drive, capacity and capital. The local business community and citizens' organisations, as well as Danish firms, civil society and relevant authorities need to be involved, as they may contribute knowledge, funding and solutions for the benefit of developing countries (DMDP/DGBP, P4G, government-to-government cooperation with a focus on productive sectors). At the same time, the Danish government's pursuit of ambitious climate targets in the companies' supply lines should be brought into play to contribute to a more sustainable and socially responsible development. Finally, greater digitisation may potentially enable the testing of new measures, including online marketplaces that may bring in higher incomes.

3) In *fragile contexts*, the emphasis should be on, among other issues, entrepreneurship, access to finance, as well as income-generating activities, such as animal husbandry, food production, crafts and workmanship. This may be done by supporting access to loan, financing and mobilisation of private investment, combined with technical and business training of recipients to avoid inappropriate indebtedness. Thus, the aim should be to mobilise financing of sustainable, private-sector driven growth on top of the development aid, among other channels through the IFU and the multilateral development banks (including the World Bank Group's International Finance Corporation, IFC). Mobilising funds for financial inclusion and green transition in poor and fragile countries and areas will be a key consideration in the reform of the IFU. This is relevant in fragile contexts, where the IFU's new High Risk High Impact-fond (HRHI) supports private-sector development.

IFU High Risk High Impact

Through the High Risk High Impact initiative of the IFU (Investment Fund for Developing Countries), Denmark supports access to financing for the private sector in poor and fragile African countries with a special focus on job creation and the green transition. In Somalia, the IFU provides risk-tolerant capital to small and medium-sized enterprises, which can turn this into business development that creates jobs, economic growth and local tax

Dilemma #3 – risk tolerance vs. results: In private-sector work in fragile contexts, the scope for achieving results through private-sector development is often related to how much risk one is willing to run in view of the partners' limited capacity, the likelihood of corruption and the local political economy (vested interests). This will always be an act of balancing risk and opportunity in the context. Nevertheless, risks can be minimised by taking an adaptive (Doing Development Differently) do-no-harm approach, collecting information from like-minded organisations, carrying out a thorough stakeholder analysis and selecting potential partners carefully.

II. Young people and upskilling. Lack of qualified labour is a major barrier to job creation. It is a paradox that vast numbers of young people are unemployed, while local labour markets often hunger for skilled workers. This makes it vital to boost upskilling, particularly as regards technical and vocational courses.

Possible action tracks

1) In *countries with an expanded partnership*, upskilling and education of young people are integrated into bilateral and multilateral interventions in the fields of green transition, just transition, climate, coal phase-out, energy access etc. Moreover, the possibilities for involving trade unions and employers' organisations should be looked into. One source of inspiration could be the Danish model to ensure that vocational training is driven by genuine demand. The Danish labour movement and industry associations have an extensive network of partners in developing countries. This makes them well-placed to promote workers' rights, better conditions for activists, social dialogue and conducive business environment, while spreading Danish expertise and experience in areas such as a just green transition. Moreover, it is worth examining the scope for synergy with the ILO's pursuit of SDG 8. At country level, specific partnerships are an option, e.g. with the EU.

- 2) In more *fragile contexts*, support for entrepreneurship and upskilling, e.g. agricultural training, should help create better opportunities, particularly for young people. This may take place through cooperation with multilateral organisations or the EU. In addition, support can be channelled through the Strategic Partnership Agreements (SPAs) for 2022-25 with Danish NGOs. These encompass thematic interventions in areas such as climate, just transition and green solutions, which will have a vast potential for contributing to more opportunities, green jobs and income-generating activities for young people, even in particularly fragile regions, such as Sahel and the Horn of Africa.

III. Food systems, climate-smart agriculture and nature-based solutions.

There is an untapped job-creating potential in focusing on climate-smart agriculture (adapted to climate change or reducing greenhouse-gas emissions), food processing, sustainable food systems, prevention of food loss and waste, promotion of agroecological cultivation methods, and in strengthening socially responsible and green value chains.

Possible action tracks

- 1) In stable *countries with an expanded partnership*, bilateral interventions focusing on job creation as part of agricultural development and green value chains should be combined with climate and environmental considerations. One example of this is the support within the bilateral country programme in Kenya for the Northern Rangelands Trust. It works to spread community-based nature conservation. The idea is to create jobs for locals in environmental protection rather than letting resident populations degrade their natural surroundings. Moreover, in synergy with private-sector development work, opportunities should be sought out for supporting climate-smart farming and sustainable food production, for instance through the Strategic Sector Cooperation (SSC) and government-to-government cooperation.
- 2) In *fragile countries and areas with an expanded partnership, as well as in conflict-affected regions*, the preparation of Danish interventions should focus on particularly vulnerable groups. These could be, for instance, pastoralists in Sahel, many of whom are also involved in farming and animal husbandry. This will help raise incomes and create jobs where the needs tend to be the greatest. This could, depending on the context at hand, take place through, for instance, the UN or the EU, as is the case in Somalia. At the same time, nature-based solutions should be devised, such as protection and restoration of forests or wetlands,

FACEJ-project in Mali

Through the FACEJ project, young people in Mali get help to develop a business plan and to access a guaranteed bank credit. FACEJ supports young people (about 40% women) in a number of towns and cities, including some surrounded by conflict zones. The model ensures access to finance, guarantees to the banks and that young people are getting in contact with the banking system and getting a financial education. In less than three years, 1200 businesses have been supported and about 5000 jobs created.

Somalia

As part of the EU's programme to develop communities in Somalia, Denmark is contributing to creating equal access to resources and opportunities in fishing and cattle breeding, which involves support for better production, access to markets and public-private partnerships.

since this may contribute to poverty reduction and sustainable development of society by virtue of improved nature management and local participation in areas where a major share of the population is directly dependent on the land for agriculture, stockbreeding and forestry.

IV. Urban interventions. Although farming is important, poverty reduction and social progress tend to be concomitant with a large share of the population finding work outside agriculture, typically in and around towns and cities, where wages and productivity are generally higher. At the same times, it is often in major urban centres that processing and manufacturing of food and other agricultural products take place.

Possible action tracks

In *stable countries with an expanded partnership*, bilateral and multilateral interventions should support entrepreneurship and decent jobs through formalisation of the informal sector. Moreover, opportunities for upskilling of young people should be taken into account, whenever green-transition investment is being prepared (e.g. water treatment and energy access in cities) as described in Case #1. This may link up to the green track through derived job creation in, for instance, green energy, clean cooking or energy efficiency.

V. Socially just green recovery and access to renewable energy. It is a Danish priority to secure a socially just and sustainable post-Covid-19 recovery in developing countries. Based on the principles of Building Back Better and Greener (BBBG), opportunities and green jobs must be created for young people, among other ways by investing in access to renewable energy. The same applies to the phase-out of coal, which holds potential for a just transition for the workforce through investment in upskilling, private-sector development and social initiatives. Access to renewable energy is also a prerequisite for sustainable growth. A recent NEFCO study has demonstrated that access to stable and inexpensive energy furthers private-sector development.

Possible action tracks

Both in *stable countries with an expanded partnership* and in *countries with a targeted partnership*, specific thematic interventions with partners such as NEFCO, SEFA, ESMAP as well as CIF, DSIF and others could help pursue the objective of greater access to renewable energy, while also creating employment and opportunities for young people. Moreover, the preparation of interventions should look into the scope for climate diplomacy, government-to-government cooperation, bilateral projects and cooperation with the private sector, civil society and multilateral partners. In collaboration with the other Nordic countries, Denmark should promote the multilateral development banks'

Uganda – Beyond the Grid

In Uganda, support is given to NEFCO's Beyond the Grid project for access to renewable solar energy. There is a special focus on upskilling of young people, including women, in production and maintenance of solar panels. The access to stable energy also contributes to local private-sector development.

activities and strategies for an inclusive and sustainable Covid-19 recovery (BBBG) with an emphasis on employment opportunities for young people. This may be done when drawing up strategies, country plans and thematic interventions on boards, constituencies (board subgroups), management committees

and in country consultations. Undertakings under the aegis of the Nordic Development Fund may also help advance post-Covid-19 green job creation.

In more *fragile contexts*, there will often be limited opportunities for devising job-creating renewable-energy solutions. Nevertheless, they should be looked into, as their feasibility depends on the context at hand.

VI. Gender equality. Women have fewer opportunities than men when it comes to incomes and decent jobs. They are underrepresented in degree courses, and this discrepancy is reflected in the labour market, where women tend to end up in jobs with lower wages and status and with poorer working conditions. Furthermore, women are often subjected to discrimination, harassment and gender-based sexual violence in the workplace. In fragile and conflict-affected areas, women are particularly vulnerable, as they may struggle to provide for themselves and their families. However, there are also signs that the transition to renewable energy may generate more job opportunities for women. The International Renewable Energy Agency (IRENA) estimates that women account for a greater share of total employment in the renewable-energy sector (32% of the workforce) compared to the oil and gas industry (22% of the workforce).

Possible action tracks

Both in *fragile and in stable countries with an expanded partnership*, the opportunities for women should be explicitly included in the job-creating interventions with bilateral as well as multilateral aid. This refers specifically to access to advice and finance, as well as to investment in value chains in which women tend to be active. One example of this is the resilience projects in Burkina Faso where an array of methods are used, such as a labour-intensive recovery, to get more women into work.

IDA

Jobs and economic transformation is a key issue for the 20th replenishment of the World Bank's International Development Association (IDA), which provides aid and loans to the poorest developing countries. In the period 2023-2025, IDA 20 will focus on job-creating activities in sectors with a potential for green growth and green jobs, as well as in sectors that have traditionally employed women and young people. At the same time, the World Bank Group's IFC expects to contribute to establishing 1.4-1.6 million jobs worldwide during the lifetime of the projects financed in 2020-21. The target is to have 40% of the IFC's investment carried out in IDA-eligible and in fragile countries by 2030.

Synergies across interventions and modalities

Whenever possible and relevant, income-generating activities, sustainable growth and employment should be integrated into our development cooperation. In particular, there is a series of environmental interventions, including green transition, just transition, energy access and coal phase-out, that hold vast potentials for contributing to realising "The World We Share"'s Objective 1 about improving opportunities for young people in the poorest countries. There is also ample room for integrating this into the design, implementation and monitoring of both multilateral and bilateral interventions throughout Danish development aid, e.g. in interventions regarding renewable energy, green transition and coal phase-out.

Humanitarian, development and peace interventions (the HDP Nexus). More than 40% of the world's poorest live in countries characterised by vulnerability, conflict and violence. According to the

World Bank, this share is expected to rise to 65% within ten years. Higher incomes may contribute to bringing about security and stability, especially by creating economic opportunities for young people.

Possible action tracks

Experience shows that the private sector will always remain active. Accordingly, there is a potential for job creation even in the most fragile contexts. Job creation may also help address the underlying causes of fragility and advance durable solutions to displacement crises. Accordingly, such interventions should be seen in the light of Denmark's emphasis on stabilisation, fragility and displacement. The design of such interventions must connect the dots between job creation, living wages and fragility. In parallel with the stabilisation efforts, it is possible to embark on job-creating interventions, for example in Sahel and the Horn of Africa. Furthermore, possible synergies between humanitarian and financial actors should be examined. One example of this is the cooperation between the UNHCR and IFC in Kenya (the study 'Kakuma as a Market Place').

Northern Uganda Resilience Initiative

Under the Northern Uganda Resilience Initiative (NURI), South Sudanese refugees as well as local Ugandans gain access to land and receive agricultural training. This creates employment, growth and higher income for displaced families as well as for communities in this area affected by the war across the border.

A transparent, fair and sustainable trade policy. It is a Danish priority to ensure consistency between development cooperation, economic diplomacy and efforts within the EU and World Trade Organization (WTO) to champion a transparent, fair and sustainable trade and investment policy capable of creating growth, employment and poverty reduction in developing countries.

Possible action tracks

It is important to continue to work under the aegis of the EU, particularly for poor and fragile developing countries to become better at utilising their access to the EU's internal market and to integrate themselves into regional and global trade. This also concerns promotion of regional cooperation, such as the African Union and the East African Community (EAC). Finally, in certain countries, government-to-government cooperation may lay the groundwork for the partner country becoming able, over time, to take advantage of the EU's General Scheme of Preferences (GDP and GDP+) to export goods to Europe.

African Continental Free Trade Area

In order to foster sustainable trade, Denmark is supporting the AU's African Continental Free Trade Area (AfCFTA). It contributes towards regional economic integration and trade, thus creating jobs, better market access and integration into the global economy.

