Side Event

A High-Level Ministerial Dialogue on Harnessing the Demographic Dividend for Agenda 2063

Sunday, 29 March

1. Overview

Agenda 2063 is set to be Africa’s blueprint for an integrated, prosperous and peaceful Africa, driven by its own citizens and representing a dynamic force in the global arena. The vision, amongst others, is premised on the ability of Africa to harness one of its biggest assets - its youthful population, for the next 50 years. The returns are expected to be accelerated economic growth, induced by a change in the population structure and by the contribution of healthy, educated and skilled youth to economic development as a result of their higher employment and increased incomes. The demographic dividend will occur if three things happen:

- First, improvements in health status, especially children and women health, contribute to a decrease in the number of children born to each family. The combination of improved child survival and fewer children in the following cohorts leads to a population bulge.

- The second driver is the educational investment in this population bulge. As families have fewer children, they and the government have more resources to invest in the education of the surviving children and women increasingly enter the labor force.
The third and final step is having an economic environment where the educated cohort/bulge can find well-paying jobs.

With an estimated population of 2.8 billion by 2063, for which over 60 per cent will be under 25, Africa’s potential demographic dividend is also especially important in the context of the post 2015 development agenda because today’s African children aged 10 will be adults of 25 in 2030 (the target year for achieving the Sustainable Development Goals (SDGs)). Africa is set to have the largest cohort of young people and their success have the potential to define development trajectories for the continent.

2. Policy interventions necessary for demographic dividend

Managing population dynamics and harnessing the demographic dividend will entail policy interventions and investments on several fronts that will both create the widow of opportunity and capitalize on the dividend economically. Creating this widow and capitalizing on the dividends are strongly related to (i) health policies, investments and outcomes, especially the health of women and children, and healthy lifestyles among young people; (ii) investments in young people, including their education, skills development and participation in the economic sector, governance, peace and security; and (iii) integration and empowerment of older persons to ensure equity across generations.

Financing these policy choices and investment priorities at the key stages of the demographic transition is crucial. Sustainable financing in the human capital development will determine the extent to which economic and other policies foster the growth of jobs and income-earning opportunities, and the extent to which household and national savings are productively invested in the real economy. This is especially important as the financing gap for development and transformation remains large, with implications for sustainable financing mechanisms. African countries will have to prioritize, time and sequence investments at different stages of the demographic transition to fully realize the demographic dividend.

3. How Africa is responding at regional and national levels

These opportunities have been recognized and are high on the continental agenda. The 2013 Sixth Joint Annual Meetings of the ECA Conference of African Ministers of Finance, Planning and Economic Development and AU Conference of Ministers of Economy and Finance recognized the critical importance of Africa’s changing population dynamics and its potential impact on broad-based social development, poverty reduction and accelerated economic growth as a result of population changes that are more conducive to stimulating economic growth. This recognition led to the call for the development of a continental demographic dividend initiative that will contribute to accelerating economic development on the continent1. This is also echoed in the Common African Position on the Post 2015 development agenda on translating Africa’s youth bulge into a


African leaders have also called on United Nations member states to adopt policies that will translate the youth bulge into demographic dividends. Some of these policies and strategies include strengthening entrepreneurial skills and capacity; increasing youth’s access to financial services; promoting decent and well-paid jobs; increasing access to business advisory services and credit facilities; promoting participation in decision-making processes; and supporting the African Union initiative to create a continental framework on demographic dividend.

Since 2013, several countries have embarked on initiatives to work out the details of what harnessing this potential entails for both investments and policy focus. In doing so, they have started to translate these continental commitments into concrete actions by conducting and launching modeling on the demographic dividend, linked to their own visions and towards Agenda 2063. Countries such as Uganda, Burundi, Tanzania and Zambia have embarked on programmes that will create and harness the demographic dividend and through it, contribute to an inclusive growth, sustainable development and transformation. Cote D’Ivoire, Burkina Faso, Mali, Niger, Mauritania and Chad are part of a joint UNFPA/World Bank sub regional programme to accelerate the demographic transition (i.e. reduced fertility and child mortality) and thus to achieve the broader goals of triggering the demographic dividend and reducing gender inequality in the Sahel region. The Economic Commission on Africa is working with Small Island and Developing States (SIDS) on demographic dividend and ageing in SIDS.

4. Objectives

The overall objective of the high level event is to provide Member States with a platform to discuss concrete investment policy choices to support countries to create and harness the demographic dividend and contribute to achieving the aspirations of Agenda 2063.

As African governments engage in global processes that aim to seek consensus on a transformative development agenda and as they embark on how to plan, finance and implement Agenda 2063, the challenges and potential of its youthful population will be central.

Moving from commitment to actions, central to the discourse will be the overarching question, ‘what will it take to harness Africa’s demographic dividend and achieve Agenda 2063?’

This platform will be guided by practical discussions on:

a) Harnessing the demographic dividend– critical policies and investment choices;

b) Africa’s changing population in the context of post 2015 development agenda and Agenda 2063;

c) Financing Africa’s demographic transitions to reap its dividend;

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d) Strengthening entrepreneurial capacities and skills and promoting decent jobs; and

e) Accelerating the initiative to create a continental framework on demographic dividend.

The outcome of the event will feature a chair’s summary of the key conclusions and recommendations that is expected to (i) inform the input of African member states to the 3rd International Conference on Financing for Development, scheduled to be held in July 2015; and (ii) serve as the basis for Africa’s contribution to the high level event of the President of the United Nations General Assembly on ‘the demographic dividend and youth employment’ in June 2015.

5. Programme of event

The event will feature participation from eminent personalities, Ministers from relevant department and sectors, including Finance, Economic Development and Planning, health, labour and employment and youth affairs; heads of United Nation agencies, representatives from bilateral, multilateral and international government organizations, policy experts, civil society and private sector actors. It will offer the opportunity to exchange experience, provide country perspectives, share insights and contribute to the debate of this critical issue within the framework Agenda 2063.