



## ▶ STRENGTHEN 2:

Employment impact assessment to maximize job creation in Africa

### ▶ Overview

STRENGTHEN 2 is a joint initiative of the European Union and the ILO that focuses on job creation through investments. Launched in August 2020, the project is a strategic partnership with the overall goal of leveraging employment impact assessments to promote the creation of more and better jobs in sub-Saharan African countries.

A particular area of attention will be on European Union (EU)-sponsored actions, more specifically, the EU's External Investment Plan (EIP) which aims, among others, to ensure an integrated approach to boosting the investment climate and business environment in order to promote decent job creation and inclusive and sustainable development in Africa.

Given the high levels of poverty in the region, rising inequalities in many countries, growing populations in sub-Saharan Africa, and high levels of informality, unemployment and underemployment, in particular among young people and women, more and better jobs are an absolute necessity.

The project is helping the European Commission (EC) and its partners in:

- a. better measuring the employment impact of EU investment-support actions by working with the EC itself, stakeholders in beneficiary countries and the development finance institutions partnering with the EC; and
- b. identifying opportunities for employment generation by analyzing specific sectors, value chains, investment projects and initiatives, with an emphasis on the agricultural sector.

STRENGTHEN 2 is scheduled to end in July 2024 and builds on earlier ILO work, more concretely, work undertaken as part of the now concluded and also EU-supported first STRENGTHEN project. The project collaborates closely with the Mainstreaming Employment into Trade and Investment in the Southern Neighbourhood project, or METI, which covers related issues for countries in the Middle East and North Africa.



## ► First focus area: EIP employment impact

The project applies employment impact assessment methodologies to EIP actions at both the portfolio level and at the level of the individual project. Applying relevant methodologies to these actions provides insights for the further development of the methodologies and enhanced subsequent in-depth assessments of projects. In the process, the project team engages various national stakeholder groups, including governments, and employer's and workers' organizations.



The project contributes to the knowledge base on employment impact assessments (EIAs) throughout the investment project cycle – before, during and after project implementation. Areas covered include:

- Enhancing input-output analysis as the most widely used tool to create employment estimates.
- Leveraging other methodologies that show potential to improve the way long-term employment impacts can be measured, including those using micro-level data or geographic information system (GIS) data sources.
- Exploring how the employment impact of various support modalities, e.g. blending operations or guarantees, can be adequately measured.

The employment impact assessments are first undertaken by the project team, but the methodologies and systems will

be institutionalized within the EC and also made available to national stakeholders. The capacities of these groups are strengthened through specific support measures, for example, improved monitoring systems that track employment outcomes of projects and trainings on applying EIAs.

The project team facilitates exchanges among development finance institutions (DFIs) on how to measure the employment impact of investments while also contributing to the improvement and harmonization of such assessment practices across these institutions. Since the EU is partnering with DFIs in all of its EIP investment actions, working with them on this is an important component of the STRENGTHEN 2 project. Engaging with DFIs and other specialists working on such issues also reinforces the knowledge base of the STRENGTHEN 2 project team.

## ► Second focus area: Employment creation potential

The EU is actively looking for promising sectors and value chains in EIP partner countries to target for future investment support actions. An important criterion in selecting these is the anticipated employment impact. The STRENGTHEN 2 project closely liaises with EU Delegations in sub-Saharan African countries in order to identify such sectors and value chains and undertake in-depth analysis on the employment potential of respective investments.



### Contact details

### International Labour Organization

Route des Morillons 4  
CH-1211 Geneva 22  
Switzerland

Ralf Krüger, Chief Technical Adviser  
E: [strengthen2@ilo.org](mailto:strengthen2@ilo.org)