

UNFPA West and Central Africa
Acceleration Paper

# Harnessing the Demographic Dividend

in West and Central Africa



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### INTRODUCTION

UNFPA and partners are committed to moving forward faster. This paper is part of a series of "acceleration papers" that analyse bottlenecks and identify priority focus areas at regional and country level in West and Central Africa. The aim is to accelerate efforts to implement the International Conference on Population and Development (ICPD) Programme of Action and UNFPA's three transformative results: ending preventable maternal deaths, ending the unmet need for family planning and ending gender-based violence and all harmful practices. As UNFPA assesses progress in a midterm review of the UNFPA Strategic Plan, 2022-2025, these papers call for an acceleration of efforts to achieve the Sustainable Development Goals by 2030.

This paper is the result of a co-creation by the UNFPA representatives from Nigeria, the UNFPA Regional Director, Deputy Regional Director, SWEDD Directors, regional advisors, and specialists.

The demographic dividend describes a country's opportunity to catalyse economic growth and development progress when the working-age population expands faster than the non-working The potential gains in economic output and improved well-being depends on the productive capacity of each new person that enters the labour force. In other words, just because an economy has an increasing number of potential workers does not automatically mean there will be more output or livelihood opportunities. Physical capital plays an important role. High-quality infrastructure is critical to facilitating and sustaining greater

**population.** Due to a variety of factors, including better health and education services, improved agricultural productivity, general technological progress and urbanization,<sup>1</sup> falling birth and death rates cause a structural change from large family sizes and short lives to smaller family sizes and longer lives. As this transition unfolds, the number of potential workers – or producers – grows faster than the number of children and elderly – the "dependent" population or net consumers. As total production outpaces consumption, an economy can generate higher levels of savings and investment, which can then catalyse the production of more goods and services and hence greater income and poverty reduction opportunities.

<sup>1</sup> See Canning et al. (2015) among many others.

economic output – such as roads, railways and ports, water and irrigation systems, electricity and telecommunications networks, or anything that helps businesses produce and sell goods and services. Even more important, however, is human capital or the productive and entrepreneurial capacity of each new working-age body. A fastgrowing labour force that is well-educated and fully physically and cognitively developed is betterpositioned to contribute to increased economic output and take advantage of broader opportunities presented by the demographic transition. The opposite is also true.

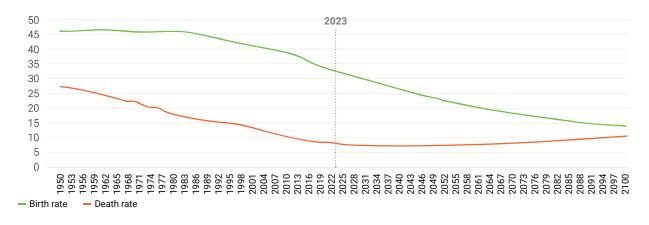
This acceleration paper has three objectives: present an overview of the demographic situation of the West and Central Africa region; pinpoint strategies that have helped countries create the conditions to harness the demographic dividend; and discuss opportunities for UNFPA to enhance its contributions in this space.

### 1. THE WHAT AND WHERE: DEMOGRAPHIC SITUATION

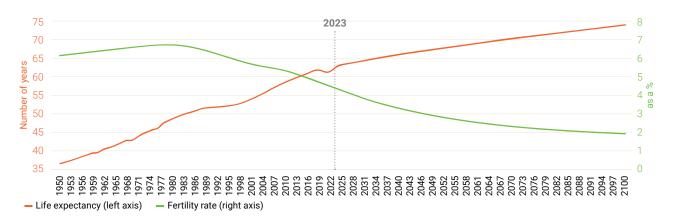
### 1.1 The demographic dividend window of opportunity is open

Demographic transition forces began to take hold of West and Central Africa in the 1980s and continue to shape the region. Death rates have steadily declined since the 1950s and are currently reaching their lowest point. The fall in birth rates began in the 1980s and will continue a downward trajectory until the end of the century (Figure 1). The impacts on family size and life expectancy are astounding. While the average woman was expected to give birth to nearly seven children in the 1950s, a person born in the region was lucky to survive 35 years (Figure 2). By 2000, however, women were having one child less, on average, while life expectancy had extended nearly 20 years. Currently, the average woman bears approximately four children, which is projected to fall to three in the 2040s and two by the end of the century. At the same time, a child born in the region today should live for around 63 years and a child born in the 2060s is expected to enjoy at least 70 years of life.





Source: UNFPA WCARO calculations based on UN DESA World Population Prospects: 2022 Revision (medium variant estimates)

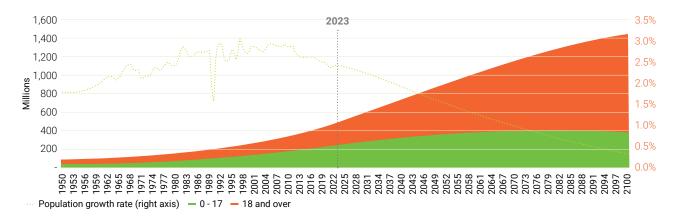


#### Figure 2: Fertility rate and life expectancy projections in WCA, 1950–2100

Source: UNFPA WCARO calculations based on UN DESA World Population Prospects: 2022 Revision (medium variant estimates)

As the move towards smaller families and longer lives unfolds, the population is dramatically increasing. In West and Central Africa, the population growth rate moved from 2 per cent in the 1950s to 3 per cent in the mid-1990s, which increased the total population from around 80 million to 250 million – or a three-fold jump (Figure 3). The population growth rate has been falling since and stood at 2.4 in 2023. An estimated population of nearly 500 million persons lived in the region in 2023 – close to half under the age of 18. Looking forward, although the population growth rate will continue a steady descent reaching 1 per cent around 2070 and 0.3 per cent by 2100, the total population will double by 2060 and reach nearly 1.5 billion by the end of the century.

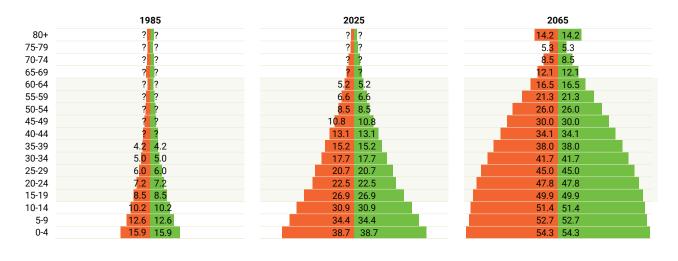




Source: UNFPA WCARO calculations based on UN DESA World Population Prospects: 2022 Revision (medium variant estimates)

The massive increase in the working-age population, which is currently picking up pace, presents a demographic dividend opportunity. The potential production gains can be illustrated through population pyramids. While the number of persons aged 15–64 years grew by around 200 million between 1985 and 2025, that number is expected to double to more than 400 million persons between 2025 and 2065 (Figure 4).

### Figure 4: Population pyramids in WCA, 1985, 2025, 2065

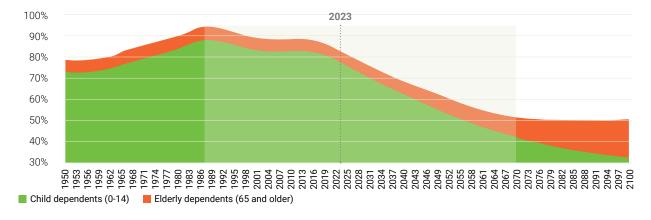


(in millions of persons by five-year age groups)

Source: UNFPA WCARO calculations based on UN DESA World Population Prospects: 2022 Revision (medium variant estimates)

**Based on the latest projections, the region has approximately 40 years to take advantage of favourable demographic conditions.** This is measured by looking at the dependency ratio, which captures the relationship between potential workers and non-workers. The ratio gets smaller as the size of the working age population (aged 15–64 years) grows faster than the size of the non-working age population (aged 0–14 years and persons over 65). The ratio peaked at 103 per cent in the mid-1980s (i.e. there were 103 dependents for every 100 potential workers); it is currently at 79 per cent and expected to bottom out at around 55 per cent in the 2060s where it will remain steady at and start to reverse course in the early 2100s (Figure 5).

### Figure 5: Young and old dependency ratio projections in WCA, 1950–2100



(children and elderly as a percentage of working age population)

Source: UNFPA WCARO calculations based on UN DESA World Population Prospects: 2022 Revision (medium variant estimates)



**For most countries in the region, the opportunity is just emerging.** All countries have unique demographic profiles, but the vast majority (20 of 23 countries) remain in the pre-dividend stage (Figure 6).

**Figure 6: Demographic dividend stage by country in WCA** (2023 projected dependency rates in parentheses)

	1. Pre-dividend		2. Early dividend	3. Late dividend				
Life expectancy	Low		Rapidly increasing	Stabilizing				
Feritlity rate	High		Rapidly declining	Declining				
Workforce	Stable		Increasing	Stabilizing				
Children	Many		Starts decreasing	Decreasing				
Working age	Stable		Increasing	Stable				
Elderly	Few		Stable	Starts increasing				
	Equatorial Guinea (71)	Guinea (81)	Cabo Verde (46)					
	Sierra Leone (72)	Cameroon (81)	Gabon (67)					
	Côte d'Ivoire (74)	Gambia, The (83)	Ghana (68)					
	Guinea-Bissau (75)	Benin (83)						
	São Tomé & Príncipe (75)	Nigeria (85)						
	Togo (75)	Burkina Faso (85)						
	Liberia (77)	Chad (98)						
	Congo, Republic of (77)	Mali (98)						
	Senegal (80)	Central African Republic (102)						
	Mauritania (81)	Niger (105)						

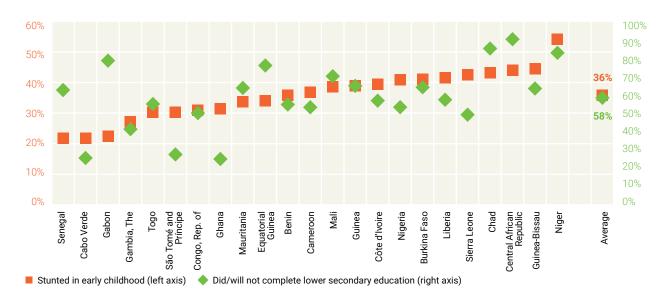
Source: UNFPA WCARO calculations based on UN DESA World Population Prospects: 2022 Revision (medium variant estimates)



## 1.2 The potential to capture the dividend remains small

First, the human capital base of the region remains severely underdeveloped. Second, economies in West and Central Africa are not taking advantage of women's economic potential. Third, there are limited opportunities for families to improve their lives.

The human capital base of the region remains severely underdeveloped. An example can be seen in the five-year cohort of youth aged 15–19 years who were born between 2001 and 2005. There are approximately 50 million of these adolescents living in West and Central Africa today, accounting for close to 20 per cent of the working age population. On average, close to 40 per cent of this group were stunted during childhood while around 60 per cent never completed lower secondary education (Figure 7). This implies that 20 million adolescents suffered long-term harm from nutrition deprivations experienced in early life. In addition, having only completed primary education or no education at all, around 30 million adolescents are functionally illiterate and lacking basic numeracy and critical reasoning skills. Combining these deprivations indicates that a large portion of the current generation of adolescents will never reach their full physical, cognitive or innovative potential, which will limit their contribution to economic growth and the demographic dividend.

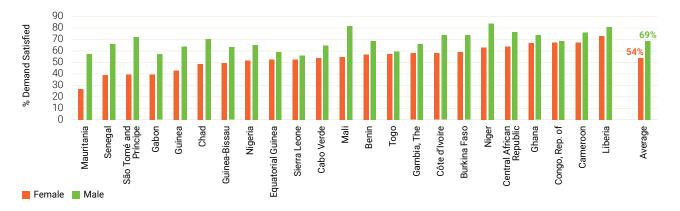


**Figure 7:** Childhood stunting and lower secondary education non-completion among adolescents in WCA countries, 2020 estimates (percentage of cohort of aged 15–19 years)

Sources: UNFPA WCARO calculations adapting a methodology developed in Cummins (2019) based on UNESCO Institute for Statistics, UNICEF/WHO/World Bank Joint Malnutrition Estimates Expanded Databases and UNDESA World Population Prospects.

Notes: (i) Interpolation and nearest neighbour imputation methods used to gap-fill missing values at the country level, where applicable; (ii) Stunting rates were applied to the 0-11 month population in year n+2 and lower secondary completion rates to year n+14 (e.g. the 2003 stunting rate and 2015 completion rate were applied to the group of children born in the year 2001).

**Economies in the region are not taking advantage of women's economic potential.** On average, only around half of all women are economically active, which is a full 15 percentage points below male rates (Figure 8). This is a major loss of potential economic output and a factor that will undermine the size of the demographic dividend.

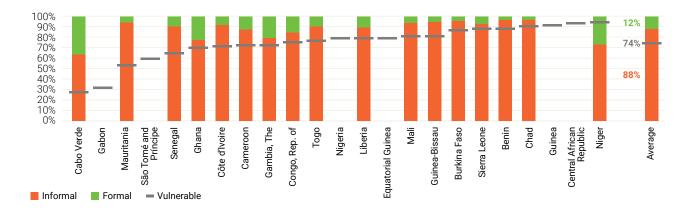


**Figure 8: Labour force participation rates by gender in WCA countries, 2021 estimates** (percentage of population aged 15–64 years)

Source: International Labour Organization Modelled Estimates and Projections database (ILOEST) (April 2023)

**There are limited opportunities for families to improve their lives.** This reflects the state of labour markets, which are predominantly informal. On average, around nine out of every ten workers are employed in the informal sector (Figure 9 – red and green bars). This means that most jobs are characterized as vulnerable, with low and erratic pay, no worker protections or benefits such as health or disability insurance, maternity leave, paid time off, etc. and often dangerous conditions (Figure 9 – black lines).

Figure 9: Informal and vulnerable employment trends in WCA countries, 2021 estimates (percentage of total employment)



Source: International Labour Organization Modelled Estimates and Projections database (ILOEST) (April 2023)

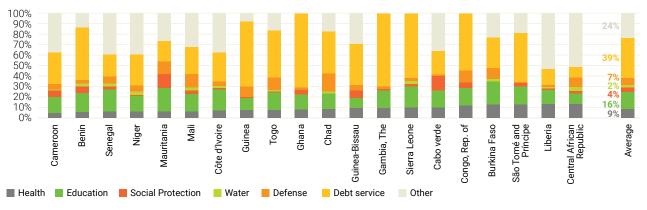
# 2. THE WHY: DIVIDEND CHALLENGES

### 2.1 Attention is increasing yet there is little investment

The positive news is that governments in West and Central Africa are giving increasing attention to the demographic dividend. In 2013, the member states of the African Union committed to this agenda during their review of the 20th anniversary of the International Conference on Population and Development (ICPD), which fed into Agenda 2063 - the African Union's master plan for transforming Africa into the global powerhouse of the future. The African Union then developed a "Roadmap on Harnessing the Demographic Dividend through Investments in Youth" and held two summits in 2017. Most governments in the region have since developed national demographic dividend roadmaps and integrated demographic dividend priorities into development planning processes.

The heightened policy attention has not translated into more investments to drive the dividend. A review of recent expenditure information shows that governments in West and Central Africa only spend around 30 per cent of their budgets on human capital sectors, on average (Figure 10). This falls far short of their commitments to the 2001 Abuja Declaration (15 per cent of the budget for health), the 2015 Incheon Declaration (20 per cent of the budget for education), the 2015 Ngor Declaration (a budgetary amount equivalent to 0.5 per cent of GDP for sanitation and hygiene) or the 2022 Protocol to the African Charter on Human and Peoples' Rights on the Rights of Citizens Social Protection and Social Security (progressive increases in allocations for social protection).

Figure 10: Approved government expenditure in select WCA countries, 2020–2022 average (as per cent of total expenditure)



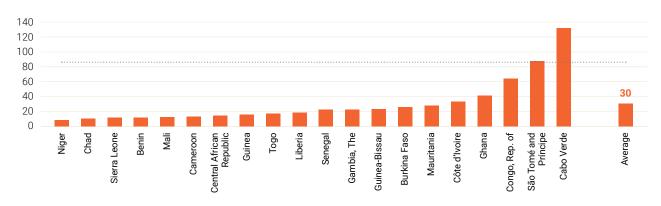
Sources: UNFPA WCARO calculations based on Government Spending Watch (2023)

**The low prioritization of human capital sectors is a contributing factor to major funding gaps.** In the health sector, for example, every government in West and Central Africa apart from Cabo Verde and Sao Tome and Principe is failing to invest US\$ 86 on a per capita basis, which is the estimated minimum amount required to provide basic, lifesaving services to their populations (Figure 11).<sup>2</sup>

<sup>2</sup> The World Health Report 2010 presented estimates of required health spending prepared by the High-Level Taskforce on Innovative International Financing for Health Systems, concluding that low-income countries (LIC) would need to spend US\$ 60 per capita, on average, by 2015 in order to deliver a set of essential health interventions, but noting that the figure would for some countries be less than US\$ 40 per capita and for others more than US\$ 80 per capita. These estimates were then independently updated to 2012 US dollar terms (from 2005), which resulted in an average figure of US\$ 86 per capita. See Jowett et al. (2016) and Chatham House (2014).



Figure 11: Approved health expenditure per capita in select WCA countries, 2020–2022 average



(in current US\$)

Source: UNFPA WCARO calculations based on Government Spending Watch (2023)

#### 2.2 Slow growth and structural inequalities

Beyond the low levels of investment in human capital, slow economic growth and structural inequalities limit income opportunities and the demographic dividend potential in West and Central Africa. On the economic front, projections indicate that the region will average 1.3 per cent per capita growth over the 2023–2030 period (Figure 12). If this rate were maintained indefinitely, it would take the average person nearly 60 years to double their income. At the same time, income is unevenly balanced, with the richest population decile capturing around 13 times more income than the poorest decile, on average (Figure 13 – blue diamonds). The region also has among the highest inequalities globally between female and male achievement (Figure 13 – pink circles).<sup>3</sup>

<sup>3</sup> Gender Inequality Index: A composite measure reflecting inequality in achievement between women and men in three dimensions: reproductive health, empowerment and the labour market. It shows the loss in potential human development due to inequality between female and male achievements - 0, where women and men fare equally, to 100, where one gender fares as poorly as possible in all measured dimensions.

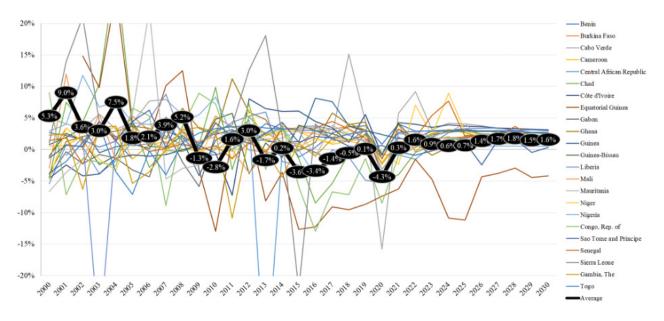
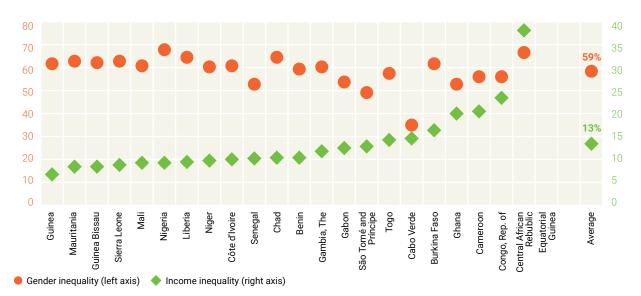
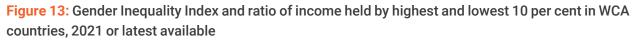


Figure 12: GDP per capita growth rates in WCA countries, 2000-2030 (as a percentage)

Source: IMF World Economic Outlook (April 2022 database) from 2000–2028 and UNFPA WCARO projections for 2029–2030

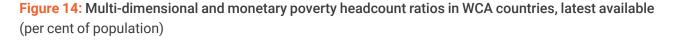


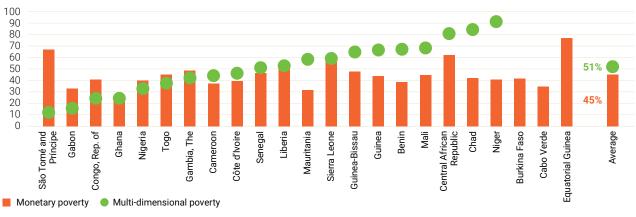


Source: World Bank Poverty and Inequality Platform (2023) and UNDP Human Development Database (2023)

### 2.3 Extreme vulnerabilities

The demographic dividend potential in West and Central Africa is also challenged by widespread vulnerabilities. As a starting point, around half the population was affected by the daily hardships of monetary poverty and/or multidimensional poverty prior to the arrival of COVID-19 and its many side effects (Figure 14). Since then, all populations have been hit by a non-stop flow of compounding shocks ranging from health emergencies (outbreaks of malaria, measles, monkeypox, polio and yellow fever) and climate events (floods, droughts and fires) to political instability (expanding hot spots of protracted conflicted, armed attacks, coups and protests) and macroeconomic volatility (slowing economic growth, inflation and government budget cuts) as well as recurring school closures (Figure 15).





Sources: Global Multidimensional Poverty Index (2023) and World Bank Poverty and Inequality Platform (2023)

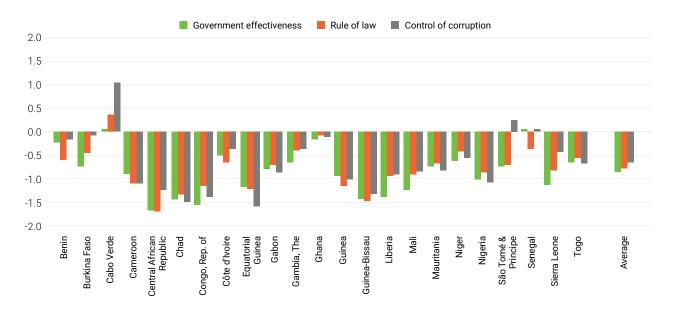
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		1		1					3	1	1			2	1	1	1	3				0	
Guinea-Bissau 1		1				1			3	1				1				0	1			1	
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Liberia 1	1	1		1					4					0			1	1				0	
Mali 1	1		1					1	4			1	1	2				0		1		1	1
Mauritania 1	1								2				1	1		1	1	2	1	1		2	
Niger 1	1	1	1						4	1		1	1	3				0	1	1		2	1
Nigeria 1	1	1	1	1			1		6	1		1	1	3	1	1	1	3	1			1	1
São Tomé & Príncipe 1		1							2					0	1	1		2	1			1	
Senegal 1	1								2	1	1			2				0	1	1		2	
Sierra Leone 1									1	1				1		1	1	2	1			1	
Togo 1									1		1			1			1	1				0	
Fotal 23	10	10	8	6		3	3	3	70	8	8	6	9	31	6	6	15	27	15	7	2	24	

#### Figure 15: Individual shocks affecting WCA countries, July 2022 to July 2023

Sources: UNFPA WCARO desk review based on OCHA Services <u>Reliefweb: All Disasters</u> and <u>WCA Humanitarian Response</u>; UNICEF <u>Situation</u> <u>Reports</u>; acaps: <u>Crisis Updates</u>; Armed Conflict Location & Event Data Project (ACLED) <u>Africa Regional Hub</u>; International Crisis Group <u>CrisisWatch: June 2022 update</u>; Carnegie Endowment for International Peace <u>Global Protest Tracker</u>; July 5 update; WHO <u>Outbreaks and</u> <u>Emergencies Weekly Bulletins</u>; Global Coalition to Protect Education from Attack <u>Education Under Attack 2022</u>; and IMF <u>World Economic</u> <u>Database (April 2023)</u>.

#### 2.4 Weak governance

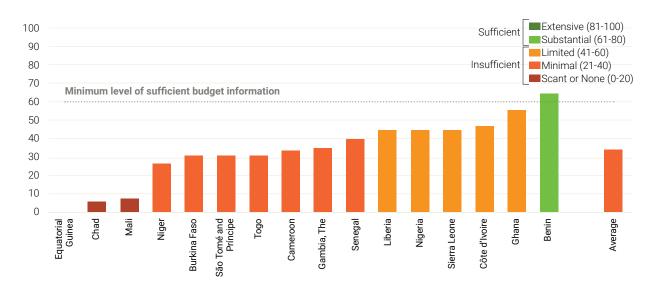
Governance is another major challenge in the region's quest to maximize a demographic dividend. By creating an environment that encourages economic growth, social progress and overall well-being for a nation's citizens, good governance sets the foundation for sustainable development. Regrettably, most countries in West and Central Africa rank among the worst performers on governance indicators globally, including for government effectiveness, rule of law and control of corruption (Figure 16). One of the biggest impacts of poor governance is its impact on the annual budget, which is a government's most important policy instrument. For the 16 countries that participated in the latest Open Budget Survey, only one country was evaluated as having a sufficient level of transparency and accessibility of budget information (Figure 17).



#### Figure 16: Select governance indicators in WCA countries, 2022

(Note: -2.5 is extremely weak and 2.5 is extremely strong performance) Source: Worldwide Governance Indicators (2022 update)

### Figure 17: Open Budget Index scores in WCA countries, 2021



Source: International Budget Partnership, Open Budget Survey 2021



### 3. THE HOW (WHAT WORKS): DIVIDEND-ENABLING POLICIES

Numerous studies review policies that can enable a demographic dividend in sub-Saharan Africa. This section builds on the evidence presented in a wide sample of those studies, including Woldegiorgis (2023), USAID, PACE and PRB (2022), Hosan et al. (2022), Patierno, K., Gaith, S. and E.L. Madsen (2019), African Institute for Development Policy and University of Southampton (2018), Bloom et al. (2017), African Union Commission (2016), Canning et al. (2015), African Institute for Development Policy (2015) and UNECA and African Union Commission (2013).

There is strong consensus around the general package of policies that should be in place to maximize demographic opportunities. This package includes: (i) accelerating the decline in fertility rates, including through family planning service delivery and outreach as well as gender empowerment; (ii) strengthening human capital, including through disease prevention, primary health care services, public education services that emphasize learning (especially for girls) and social protection; and (iii) promoting macroeconomic stability and good governance, including through fiscal and monetary discipline, foreign direct investment, free trade and open budget practices.

This section discusses the policy areas with the most relevance to UNFPA's mandate. It also centres on the policies that are most relevant for countries in the pre-dividend stage since this characterizes nearly all countries in West and Central Africa. The exciting news is the simplicity of the agenda, which is all about getting the basics right in terms of health, education and social protection services.

### 3.1 Strengthen access to primary health care services

The demographic dividend requires a population that is protected from disease and death. As a result, building out and delivering basic health services is one of the most important policy priorities for governments across the region. This requires getting the appropriate infrastructure constructed and maintained (health facilities, hospitals, cold chains, etc.), deploying a sufficient and qualified health-care staff across all regions (doctors, nurses, midwives, community health workers, administrators, etc.) and ensuring equipment, including obstetrics, and vaccines and drugs are procured and available, including in the hardest to reach areas. Family planning services and outreach are an integral component of this package.

Removing financing barriers is important to addressing demand-side issues. This may require improvements to the public financial management system to avoid delays in salaries or procurement processes and hence address the need to assess formal and informal fees. This may also require targeted social protection measures, including cash transfer programmes and health insurance schemes.

The impacts: Health interventions contribute to lower fertility and mortality rates, which increase the size of the demographic window. They also lower morbidity rates, which boosts productivity and economic growth.

### 3.2 Keep girls in school and learning

In addition to physical health, the demographic dividend requires a population that is skilled, innovative and takes advantage of women's economic potential. Education lays this foundation, which requires adequate classrooms, certified teachers and learning resources from pre-primary through secondary levels. This requires more and better vocational learning opportunities, including internships, mentoring programmes and joboriented curricula. And like the health sector, this also requires addressing demand-side barriers, which may involve communicating the long-term benefits of school attendance to parents, improving public financial management processes, reforming capitation grants, introducing teacher salary top ups and other incentives, and/or delivering cash transfers, including to families with girls.

The impacts: Education interventions contribute to delayed pregnancy and marriage, which increase the size of the demographic window. They also contribute to lower levels of genderbased violence and improved knowledge and skills, especially among girls, which boost productivity and economic growth.

### 3.3 Economic empowerment

In addition to health and education interventions, social protection helps families invest in themselves and cope with shocks, which is catalytic for harnessing the demographic dividend. The most widely studied and popular approach is to provide recurring cash transfers to vulnerable families. In terms of targeting, supporting pregnant and new mothers as well as adolescent girls is particularly effective.

The impacts: Recurring cash transfers contribute to improved use of family planning and obstetric services as well as delayed pregnancy and marriage, which increase the size of the demographic window. They also contribute to reduced poverty rates, increased dietary diversity, improved school attendance and learning, lower levels of genderbased violence, improved household assets and new livelihood activities, which boost productivity and economic growth.





### 4. WHAT DOES THIS MEAN FOR UNFPA WCARO?

A review of the demographic situation and dividend-enabling policies reveals various opportunities for UNFPA to increase its impact in this space. A starting point is to broaden the agency's narrative to better connect to policy discussions on the megatrends that are shaping the dividend, especially national systems and human capital. The content of the work can similarly expand into new areas of influence, including education, social protection and governance. Strategies can also be adjusted to ensure that time and money are invested in initiatives that have the potential to deliver impact at scale, including by leveraging national resources, strengthening influential partnerships and using demographic dividend observatories as a rallying point for the agenda.

Communication (the narrative): Moving away from issues and interventions

### 4.1 Talk about building human capital and national systems

**UNFPA is the United Nations sexual and reproductive health agency.** However, it can also be "advertised" as the agency that accelerates and expands the demographic dividend window – through its direct contributions to reducing fertility rates – and the agency that builds human capital – through its direct contribution to saving and

protecting lives as well as empowering girls and women. At the same time, while most of UNFPA's technical and financial support to governments is centred on strengthening sub-components of the health system (family planning and maternal health) and the protection system (case management mostly around gender-based violence), it can be "advertised" as the agency that strengthens national health and social protection systems.

In other words, IF everything that UNFPA does is about: (i) maximizing the size and productivity of the labour force – as a foundation for longterm growth and development progress; and (ii) strengthening national systems – as a foundation for better state capacity and governance... THEN it becomes much easier to build alliances, including with Ministries of Finance, United Nations agencies and international financial institutions (IFIs), which will allow UNFPA to generate more evidence, attract more funding and yield more advocacy power around the demographic dividend agenda.

#### **Recommended action:**

» Better connect messaging and reporting to human capital and national systems, including in progress reports, emergency updates/ appeals, fundraising proposals, year-end reporting and regional/country events.

#### Content (what): Moving into new spaces

### 4.2 Build stronger connections to the education agenda

There are many opportunities to build on ongoing support to girls' education, especially through regional initiatives.<sup>4</sup> The Sahel Women's Empowerment and Demographic Dividend (SWEDD) initiative in 13 countries provides accommodation, transport, scholarships, school kits, reinforcement courses, food, etc. to raise the retention rates and learning of girls in secondary school while avoiding unwanted pregnancies, early marriages and gender-based violence. The Muskoka Fund initiatives in nine countries support midwifery schools and social behaviour changes. The Spotlight Initiative focuses on ending all forms of violence against women and girls across the region and includes activities to reduce genderbased violence and harmful practices as well as to empower women's movements around advancing sexual and reproductive health. In addition to these initiatives, there are other opportunities, including using schools for training and awareness around harmful practices, using case management to enroll girls in school who have dropped out or never attended, and targeting cash transfer programmes to adolescent girls who are out of school or at a high risk of dropping out (see below).

#### **Recommended action:**

 Prioritize interventions that connect to or support girls' education through regional initiatives (e.g. SWEDD, Muskoka and Spotlight) » Help UNFPA Country Offices to identify programming opportunities, especially in the areas of GBV and generating demand for family planning services.

#### 4.3 Support social protection interventions

While UNFPA has select experiences with cash and voucher programmes, mainly in emergency situations, there are many opportunities to contribute to national social protection systems. This could involve technical and financial support to existing government and/or donor-funded cash transfer programmes, where in place, especially those that target pregnant mothers (the first 1,000 days) and high-risk adolescent girls. It might involve piloting and evaluating new interventions, including with a special focus on case management of families. This could involve positioning cash transfer and voucher programmes as a primary response to support women and girls affected by emergencies, including expanding the micro interventions that have been supported in several countries in the region. An institutional drive to generate evidence and technically and financially support national and/or community-based health insurance schemes, where viable, could be another opportunity.

#### **Recommended action:**

- » Develop a regional strategy that defines UNFPA's contributions to national social protection systems and enables Country Offices to expand cash and voucher assistance programming
- » Support Country Offices to pilot or expand cash operations
- » Support Country Offices to engage in national social protection and/or cash working groups.

<sup>4</sup> Health sector interventions are not included since maternal health, family planning and health system strengthening are already core to UNFPA's work in the region and do not represent strategic shifts.

### 4.4 Engage on governance issues

It will be important for UNFPA to meaningfully contribute to improved governance across the region. Here, there is an emerging opportunity to join forces with other United Nations agencies, including UNDP and UNICEF, who are beginning to engage in open budget practices in the region together with the International Budget Partnership (IBP). This would allow UNFPA to support the generation of evidence on the state of budget transparency, accountability and participation and identify opportunities to support line ministries and Ministries of Finance to publish more and better budget information as well as facilitate dialogues among government officials, politicians and civil society organizations - including youth and youth advocates - on open budget practices.

#### **Recommended action:**

- Pilot a regional partnership on open budgets with other United Nations agencies and civil society stakeholders
- » Support Country Offices to define and move forward strategic actions on open budgets.

#### Strategies (the how): Focusing on scale

### 4.5 Leverage domestic and external resources

UNFPA's most powerful contribution to the demographic dividend could be through its increased influence over annual budgeting processes. This would require an institutional shift that prioritizes the monitoring of government and donor investments in the health and social protection sectors. This annual evidence generation exercise would equip teams with timely intelligence to support ministerial counterparts to design and defend a budget that scales up the most costeffective interventions and maximizes equitable outcomes. It would also enable the monitoring of budget implementation, including the identification of spending bottlenecks, and contribute to improved budget transparency practices, with important feedback loops to the governance agenda. This agenda would further enable UNFPA to work with line ministries and Ministries of Finance to make compelling cases for additional external funding, including through grants and concessional loans from donors and IFIs.

#### **Recommended action:**

- Develop a regional strategy that enables Country Offices to expand their work on public finance
- Initiate a regional social expenditure platform that collects, analyses and summarizes budget information from all countries in the region
- » Support Country Offices to influence the design of annual health and protection budgets as well as identify and remove spending bottlenecks
- » Support Country Offices to develop and implement SMART Advocacy action plans to increase government spending on reproductive health and family planning services.

# 4.6 Strengthen influential partnerships – but be very selective

Making meaningful contributions to the demographic dividend agenda will require strengthening or initiating partnerships with influential actors both inside and outside of government. In most countries, this will include a combination of the Ministry of Finance, the Ministry of Planning and Development, the Office of the Prime Minister/President, specific committees within Parliament, and the finance departments within the Ministry of Health, Ministry of Women and Children and Ministry of Social Affairs, among others. This will also include development partners, including United Nations agencies, the World Bank, the African Development Bank (AfDB) and the International Monetary Fund (IMF). Depending on the context, this could also include bilateral donors, private sector actors, academia and civil society organizations representing young persons and women. However, UNFPA does not have the time

or resources to work with everyone, so it will be important to prioritize the two or three highest-value partnerships in the country.

#### **Recommended action:**

- » Develop a guidance note for Country Offices on engaging international financial institutions
- Share updates and opportunities for Country Offices to partner with the international financial institutions
- » Provide country-specific advice.

### 4.7 Repurpose and roll out demographic dividend observatories in all countries

**Demographic dividend observatories show strong potential to influence policies and investments.** Observatories are currently operationalized in seven countries in the region. While there is a need to take better stock of these institutions, the benefits are clear in terms of evidence generation (e.g. National Transfer Accounts or NTAs) and advocacy, including contributions to demographic dividend roadmaps and National Development Plans (NDPs). The next generation of observatories could include: (i) expanded membership to include senior officials from Ministries of Finance, the Office of the Prime Minister/President, Parliamentarians, United Nations agencies, international financial institutions, the private sector, academia and civil society organizations; (ii) the generation of routine analyses such as budget briefs and policy reviews; (iii) and the organization of periodic public events such as town halls, press briefings and thematic roundtables as well as private meetings such as closed-door discussions with Parliament, the Minister of Finance and the Prime Minister/President.

### **Recommended action:**

- Conduct a rapid review of existing demographic dividend observatories to identify good practices
- » Support Country Offices to repurpose or establish an observatory.





## 5. CONCLUSION

The window to take advantage of the demographic dividend is opening across most of the region but remains small. As the working-age population continues to grow faster than the number of children and elderly, the region has approximately 40 years to experience demographic tailwinds. However, the underdeveloped human capital base, the exclusion of a large share of women from economic activity, and the limited opportunities for families to earn a decent living and invest in their futures suggest that West and Central Africa is unlikely to enjoy a large dividend.

For vulnerable women and girls, the outlook is one of rising inequalities and daily hardships

**barring transformative action.** From low levels of investments in human capital and slow economic growth and structural inequalities to extreme vulnerabilities and poor governance, altering the current trajectory will require an unprecedented change in policy and investment priorities.

The good news is that we know what works. It is about getting the basics right in terms of health care, education and empowerment.

For UNFPA, there are vast opportunities to amplify the voice and impact on the demographic dividend agenda across West and Central Africa. This starts by anchoring the narrative around human capital and national systems. Next, it is about embracing the education, social protection and governance agendas. Lastly, new strategies can act as tipping points, including leveraging national resources, building influential partnerships and taking demographic dividend observatories viral.

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