

Data Collection Survey for  
Employment Environment Surrounding  
the Vulnerable Population  
in the Horn of Africa

Final Report

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# Data Collection Survey for Employment Environment Surrounding the Vulnerable Population in the Horn of Africa Final Report – Executive Summary

## Survey Background and Purpose

The Horn of Africa (note: in this survey, “Horn of Africa” is referred to the member countries of Intergovernmental Authority on Development – IGAD) is one of the most unstable and vulnerable region where conflicts and the climate change severely affect. Its population is around 230 million – one fifth of the whole African continent – and the nearly half is youth. The average youth unemployment in the region is around 14%, only around 20% of the total employed population have wage labor, and more than 70%’s employment situation is not stable such as self-employed. In addition, it is estimated that there are more than 4 million refugees and around 10 million internally displaced people (IDP) in the region. The expansion of employment opportunity and decent work not only for the youth and women, but also for these population is urgently needed.

In order to contribute to the resilient society and human security through decent work, JICA has been supporting; 1) private sector growth and entrepreneurship – expansion of labor needs, 2) promotion of quality education and training – supply of quality labor force and empowerment, and 3) protection of rights of workers. Also, in terms of peacebuilding, it has contributed to; 1) improvement of regional resilience against conflicts, 2) inter-regional connectivity, 3) creation of resilient government and society, and 4) redress of inequality through socio-economic development. However, these assistances in the region have been implemented individually, and not necessarily conducted under an integrated strategy for peace and stability through promotion of decent work.

The purpose of this survey is to collect, organize and analyze the necessary information for an integrated strategy to realize the decent work which contributes to the peace and stability in the Horn of Africa. More concretely, the survey has clarified the employment and labor environment surrounding the vulnerable population such as the youth and women in the region in order to propose JICA’s future assistance plan for the creation of jobs and realization of decent work. Also, it has analyzed the gap between the employment policy and frameworks and the reality by conducting questionnaire survey and interviews on labor and employment to workers including the youth, women and vulnerable population, industrial sectors including private companies and business associations, and public institutions. Especially in this region, the mismatch of labor market needs and workers’ skills is an issue, therefore, the survey has unveiled the reality and reasons behind, and propose counterplans. A field survey by the Japanese consultant team was planned, however, it has been canceled due to the Omicron variant of COVID-19. Even so, a field survey by a sub-contractor was conducted in Djibouti to collect information on thoughts among the workers and industries on the employment.

## Survey Policy and Methodology

ILO determines the four strategic objectives for the decent work; 1) job creation, 2) social protection, 3) social dialogue, and 4) rights at work. In order to measure these four objectives, ILO defines 10 indicators as shown in the below table<sup>1</sup>.

**Table 1 Decent Work Indicators**

1 Employment opportunities	6 Stability and security of work
2 Adequate earnings and productive work	7 Equal opportunity and treatment in employment
3 Decent working time	8 Safe work environment
4 Combining work, family and personal life	9 Social security
5 Work that should be abolished	10 Social dialogue, employers' and workers' representation

Source: ILO

Each of the above indicators has more detailed indicators. In the survey, some of the indicators that are important such as; unemployment rate and youth unemployment rate of “1 Employment opportunities”, and number of working poor of “2 Adequate earnings and productive work”, were analyzed.

Also, ILO indicates that the three outcomes need to be accomplished for the peacebuilding in its publication “Sustaining Peace through Decent Work and Employment”. The possible assistance projects/programs have been proposed using this framework which is shown in the following table.

**Table 2 Outcomes and Outputs that Contributes to Conflict Prevention and Peacebuilding**

<b>Outcome</b>	<b>Examples of Necessary Outputs for Outcomes</b>
Expanded employment opportunities and empowerment	<p>Considering the different needs of men, women, youth, refugees, IDPs for employment, entrepreneurship, agriculture, etc.</p> <ul style="list-style-type: none"> <li>● Economic and labor policy for inclusive labor market</li> <li>● Expanded options of occupation in the labor market</li> <li>● Skill learning and training</li> <li>● Expanded demands of both male and female workers</li> <li>● Improvement of awareness of better employment opportunities</li> <li>● Promotion of private sector, business development service and access to financial market</li> </ul>
Enhancement of contact among the crisis-affected population to increase social cohesion	Establishment of opportunities on contacts and dialogues among the different groups including government, workers and employers in order to overcome the stereotype images and enhancement mutual understanding, confidence and social cohesion.
Reducing (real or perceived) grievances and sense of injustice	Promotion of livelihoods with equal employment opportunities and respect for workers' basic rights through comprehensive and transparent employment and social security in order to avoid inequality and injustice such as exclusion of particular groups, lack of rights, inclusive mechanisms and dialogue in the employment and workplace.

Source: UNIFEM, ILO: GUIDELINES FOR GENDER-SENSITIVE EMPLOYMENT CREATION FOR DISTRICT COUNCILS, ILO: Sustaining peace through decent work and employment

<sup>1</sup> ILO (2013). *Decent Work Indicators – Guidelines for Producers and Users of Statistical and Legal Framework Indicators*

Besides JICA, there are many donors assisting in the related fields in the target eight countries. In this survey, the survey team had interviews with IGAD, ILO, UNHCR, UNDP, IOM, GIZ, AFD and USAID in order to collect information on their assistance projects/programs and to seek future collaboration. Also, the information on the Japan's past assistance was collected for the formulation of future support projects/programs.

Web meeting system was utilized for the online meetings with the institutions in the target countries. Also, a local sub-contractor was hired in Djibouti to collect information on thoughts among the workers and industries on the employment.

## Ethiopia

Ethiopia's Gross National Income (GNI) per capita in 2020 was USD 890, increased from the previous years' USD 850, however, it is still classified as a least developed country. Under the "Ten Years Development Plan – A Pathway to Prosperity 2021 – 2030", which is the 10 year national development plan, the government of Ethiopia seeks the growth of income level, expansion of basic social services, improvement of livelihood, equal and free participation of citizens to the political, economic, and social activities, etc. The main industry of the country is shifting from the primary to the tertiary, though unlike South East Asia, a shift to the secondary industry is not observed. State owned companies lead the economy, but on the other hand, the private sector is not well developed, which is a challenge in Ethiopia. One of the reasons is that the national currency Birr is overvalued and it obstacles the development of export oriented industries. The government considers the agriculture, manufacturing such as food processing, apparel, construction material and pharmaceuticals, mining, tourism, ICT, construction and trade industries as potentials. At the same time, it is easing the restrictions on foreign investment for the industrial development through foreign capitals. Although the main economic actor is state owned companies, the informal economy's share is large – in 2018, the size of the informal economy was 23.3% as a percentage of GDP. The government aims to formalize the informal economy.

The population in Ethiopia is over 100 million which is the second largest in Africa after Nigeria. It will be increasing and is expected to reach 200 million in 2049. As of 2020, there were 800 thousand refugees and 2 million and 730 thousand IDP within the country, however, due to the intensified Tigray conflict, it is expected that another 2 million and 500 thousand people became IDP at the time of October, 2021.

The unemployment rate in 2019 is not so high – 2.0%, however, the underemployment is much higher – 23.0%, and the figures for women and youth are worse than the national average. The environment for employment, business and start-ups is not desirable. The government of Ethiopia implements various policies for attracting foreign investment, promoting the manufacturing sector, strengthening the export competitiveness and developing the private sector, to which a number of donors including JICA are supporting. There are many public and private employment agencies in Ethiopia, but they do not provide enough service to job seekers, and therefore, their capacity building is necessary.

In the past, refugees were not allowed to work in Ethiopia, but the congress adopted a resolution on the modification of the Refugee Proclamation in order to give access to the work permit, driving license, financial services, etc. for refugees. However, still the acceptance of refugees is not easy and the support of UN refugee agency – UNHCR – is basically for the return to the origin country or resettlement in a third country. As for IDP, the National Disaster Risk Management Commission is in charge of the support, with IOM, UNHCR, etc. as the partner agencies.

On the other hand, as for women, it is safe to say that basically the legal framework is established as the constitution touches the gender equality and affirmative actions for women, and so on. However, there still exists the gender gap, for example the higher unemployment for women. Even so, compared to other IGAD member countries, the women’s situation in terms of the business index is still better.

The compulsory education in Ethiopia is eight years followed by the two year lower secondary education. After the lower secondary, there is an examination. Those who obtain high scores are eligible to go for a university or higher level vocational school after the upper secondary. Those who obtain low scores may go to a vocational school or directly join the labor market without going to the upper secondary. The gross enrolment rate for the primary education is over 100%, but for the secondary education is only 34.9%. The literacy rate in 2017 is only 72.6% even for the young generation between 15 to 24 years old – way below the world average of 91.6%. There are public and private vocational schools – public ones are more popular as they are free of charge and provide higher quality training. However, mismatch is observed between the skills trainees obtained and the skills the industries require. Besides, in 2010, the National Qualification Framework was established.

The assistance policy of Japan for Ethiopia, set in 2017, points four focused areas; 1) agriculture and rural development, 2) industry promotion, 3) infrastructure development, and 4) education and health. All these four areas are somehow related to the “employment environment of the vulnerable population”. The gender is included as one of the points of concern. JICA conducts “Industrial Promotion Project” from 2017 to 2022, where ruling body’s capacity development, improvement of business environment, capacity building on industrial park planning, development and management, etc. are under implementation. Also, it supported the Ethiopian government on the establishment of the Ethiopian Kaizen Institute (EKI) and has been providing technical assistance in order to expand the concept of *kaizen* in Ethiopia. Besides these assistances, Japan has been implementing various projects such as the construction of TICAD Human Resource Development Center for Business and Industry and dispatch of volunteers in the related fields for the human resources development.

On the other hand, other development partners also provide various assistance on the employment related fields. Especially GIZ implements integral assistance both for supply and demand sides of the human resources such as SME’s capacity building, assistance for industrial parks, quality improvement of education and training in higher education and technical and vocational education and training (TVET) institutes. Also, it has established a network platform among the African Diaspora including Ethiopians in Europe and

entrepreneurs in Africa including Ethiopia so that the African Diaspora in Europe invest to their origin countries as business angels. Besides USAID, EU, World Bank, UN agencies, and others implement a number of projects and programs for the improvement of employment environment of the vulnerable populations.

Assistance on the private sector development and skills improvement of job seekers, students and TVET trainees would be suitable for future assistance. The further development of the food processing industry, establishment of agricultural value chain, assistance for start-ups for private sector development, business skills training for entrepreneurs such as business strategy, financial and legal management, soft skills training such as communication skill and time management, capacity building for employment agencies, skill recognition system establishment of workers including informal workers based on the National Qualification Framework, etc. can be the fields of the future assistance. Other development partners conduct related projects/programs, therefore, it is desirable to collaborate with such agencies during the project development and implementation period.

## Sudan

As the Bashir regime, which was in power for 30 years, came to an end in 2019, the transitional government was established and the civilian leader, Mr. Abdalla Hamdok was assigned as Prime Minister in September 2019. However, the transitional government's rule has been unstable, especially after the riot by the Sudanese military that took place on October 25th in 2021, followed by the resignation of Prime Minister Hamdok's in January 2022.

Sudan lost 75% of its oil revenue with the independence of South Sudan in 2011, and its foreign exchange reserves sharply declined. At the same time, the central bank increased the monetization of the fiscal debt caused by the subsidies to fuel and wheat, which led to acute inflation (average inflation rate of 2021 was +359%). Sudan's GDP is USD 21.3 billion (nominal, 2020), and has had negative growth over the last 3 years affected by the security situation and the pandemic of COVID-19. The GNI per capita was USD 530, and it is categorized as a low-income economy.

The Government of Sudan (GoS) announced the "Three-year Program for Stability and Economic Development 2021 – 2023" and had been working on stabilization of the macroeconomy, along with sectoral development: improvement of agricultural productivity, acceleration of industrialization (mainly agro-products, leather products, and Arabic gum), and promotion of trade of industrial products.

Sudan is lagging behind in the preparation of a favorable investment and business environment, this includes the challenges in business registration, access to finance, and customs procedures. GoS has been working to improve the country's global business environment ranking and has passed the Investment Law, Public-Private Partnership Law, and the Banking Act in 2021. In addition, Internet and cell phone penetration rates are expanding.

Sudan is a young country with a total population of about 43.8 million, of those 70% are estimated to be under the age of 30. Its labour force is 12 million, half of which are youth (15-34 years old). Sudan is the second biggest host country for refugees after Uganda in Africa, with 1.13 million refugees as of December 2021. It is also estimated that there were more than 3 million IDPs in Sudan as of July 2021.

GoS recognizes that it was the youth and women who led the revolution in December 2019, that brought an end to the previous regime. The General Framework for the Programme of the Transitional Government indicates “Enhancing the role of youth of both sexes and expanding their opportunities in all areas” as one of the priorities, and the above mentioned Three-year program also indicates that GoS would make efforts in reducing unemployment and creation of decent work opportunities. Looking at Sudan’s labor market situation, the unemployment rate is very high at 16.8%, and that of youth (15-24 years old) is 32.1%. The youth (15-24 years old) NEET rate is 32.8%, which is the highest among the eight surveyed countries. Of those who are employed, 38% are found in agriculture, 17% in industry, and 45% in service sector. It is estimated that 87% of the employed are under informal employment.

There were various restrictions on the formation and activities of trade unions in Sudan, and in practice, they had been under the control of the former regime. In fact, GoS has only ratified the ILO’s Freedom of Association and Protection of the Right to Organise Convention and the Tripartite Consultation Convention in 2021.

Many youths (mostly males), find employment opportunities in Sudan unattractive and are migrating abroad in search of work. Although there are no exact statistics available, as of 2011, 880,000-1,340,000 Sudanese had left the country as labor migrants, mostly to the Gulf countries.

The perception of entrepreneurs is generally favorable in Sudan, and start-up hubs are becoming more and more active. With the support of development partners and private sector, various efforts are being continuously made for nurturing entrepreneurs.

Concerning the employment environment for vulnerable groups, such as for refugees, the legal system is in place but there is still a gap in enforcement. As for women, there are still challenges in both the legal system and its enforcement.

Sudan’s Asylum (Organization) Act (2014) guarantees refugees the right to employment. The refugees from Syria and Yemen can enter the labor market without a work permit. South Sudanese refugees are entitled to the same rights as Sudanese. Yet, the Non-Sudanese Employment Act (2001) only allows labor office to grant work permit to foreign persons if the position cannot be filled by nationals: thus, it is practically not possible to gain a work permit by refugees. Even if they have a work permit it is not for a long term or permanent employment.

Sudan ranks 139th out of 189 states and countries on the Gender Inequality Index. Such a situation can be witnessed from women’s low labor participation rate (Women: 29.4%, Men: 68.1%) and high unemployment rate (Women: 28.8%, Men: 11.4%). Especially the unemployment rate for young women

(15-24 years old) is 42.6%.

In 2021, Sudan approved to ratify CEDAW and Maputo Protocols (signed in 2008), and its interim constitution (2005) stipulates gender equality. On the other hand, Muslim Personal Status Act (1991), cultural customs, and traditional values make it difficult for women to work out of the house, and to secure assets as collateral for finance due to the restrictions. Furthermore, the Labour Code (1997) does not stipulate gender equality for remuneration nor the type of work contents. With regard to the prohibition of harassment based on sex and gender or penalty for these harassments, no applicable provisions could be found in the Labour Code.

For the Sudanese, 8 years of primary education is compulsory. At the end of primary education, students take a final exam. Based on the results of the exam (pass or fail and score), and the students' will, they can proceed to academic secondary school, technical secondary school, or vocational training center. If they fail the exam, they can either go to artisan school or enter the labor market. The rate of students entering TVET at the secondary level (technical secondary school and vocational training center) is low at 4.19% in 2018, and that of women is so low at 1.3%. The training courses at TVET schools are often mechanical oriented such as welding and auto mechanics, and difficult for women to find employment after graduation. In addition, these TVET schools are rather concentrated in Khartoum and thus there is a challenge in accessing them. Sudan's TVET sector was formulated in the 1970s, and there has been no drastic change since then. This means that there is a general framework for the TVET sector, but it needs to be reformed to keep up with changes in the labor market. Internship and apprenticeship are widely practiced in Sudan, which provides a valuable opportunity to acquire skills for those who could not join the official TVET system.

Since the establishment of the transitional government, Sudan has taken various measures to stabilize the macro economy and revised its laws to conform to international standards. However, since the riots in October 2021, the situation has become unpredictable, and thus the application and enforcement of the policies and laws revised or introduced under the ex-Prime Minister is uncertain.

Japan's Country Development Cooperation Policy for the Republic of Sudan (2018) puts the Consolidation of Peace and Economic Development as the main goal and states to assist the priority areas of (1) consolidation of peace: improve the public service and enhance local governance, (2) basic human needs: support health and sanitation, water and environment and expansion of employment opportunities through vocational training, (3) industrial diversification and agriculture development: work on industrial diversification and promotion of trade and investment to replace of the oil industry with a focus on the agricultural sector.

JICA has been implementing projects that are related to this survey's theme: employment of vulnerable populations such as peacebuilding support in Kassala and Darfur, enhancement of vocational training system, development of irrigation scheme, and improvement of its management. Yet, the formulation of new projects has been suspended since October 2021.



Other development partners are also working for the realization of GoS's policy priority "Enhancing the role of youth of both sexes and expanding their opportunities in all areas", and actively supporting economic development, particularly the agricultural sector and human resources development. For example, the Enable Youth Program of the AfDB promotes the youths' agribusiness and the creation of jobs through it. UNIDO is working to strengthen the agricultural value chain throughout the process from productivity improvement up to sales while working for promotion of starting a business among rural population. The Government of Netherlands implement the "Orange Corner Program (OCP)" to support youth who wants to start businesses in partnership with the start-up hubs and sponsored by the private sector, and the "Challenge Fund for Youth Employment (CFYE)", which aims to create decent work opportunities through investing and supporting the solutions initiatives framed around job creation. ILO, GIZ, and UNIDO are providing support for micro/small enterprise development, vocational training, private sector development to improve the livelihood of the refugees and host communities, and skill building in Khartoum, Eastern, Darfur, and Kordofan states.

In considering the future support for the vulnerable population's employment in Sudan, it is critical to reflect the voices of the citizens throughout the support process, respecting their continued struggle for gaining democracy.

It would not be easy for JICA to address the vulnerable population's employment issue through Sudanese governmental institutions in a foreseeable future. It would be therefore appropriate to work with organizations, such as the Sudanese Business Federation (SBF) which is a private institution with semi-public functions, universities and other educational institutions which are rather neutral in nature, or through coordinated cooperation together with other development partners.

In terms of collaboration with other partners, the OCP and CFYE supported by the Netherlands are in operation as of February 2021. The British Council is starting its support to enhance the TVET sector, and it is conducting a situational analysis. JICA could consider partnering with these partner assistance programs/ projects and take part in some of the activities such as training (In Japan, Sudan, or a third country), in a way to benefit from the JICA's experience and network that was built over years.

Regarding the possibility of regional assistance, since Sudan is a member of IGAD and thus JICA could consider taking a part in the ILO's Free Movement of Persons and Transhumance (FMPT) program, and management of the movement of people and goods on the Eritrean and Ethiopian borders, either JICA alone or in coordination with GIZ, IOM, ILO, or other partners.

### South Sudan

Due to the long lasted conflict and humanitarian crisis, some parts of the country are inaccessible. Because of this kind of unique situation, the National Development Strategy 2018 - 2021 (NDS) emphasizes the peacebuilding which is a challenge for the improvement of the employment environment. NDS prioritized the following four clusters; 1) governance, 2) economy, 3) social service, and 4) cross cutting issues. In

the economic cluster, reducing the dependency on crude oil is mentioned, and in the social service cluster, the human resources development is pointed as an important issue. As for the cross cutting issues cluster, the youth employment is mentioned – quite related to the topic of this study. NDS finished in 2021, however, a new strategy after 2022 has not yet published. Besides, there is “Revitalised Agreement on the Resolution of the Conflict in the Republic of South Sudan (R-ARCSS)” in which the issues the interim government needs to solve are mentioned.

As mentioned above, South Sudan’s economy heavily depends on the crude oil. During the time when the oil price was higher than USD 100/barrel the 99% of export, 95% of governmental revenue, and more than 60% of GDP derived from it. The dependency on Official Development Assistance is also high, and it is the largest foreign currency source for South Sudan.

Besides the oil sector, the agriculture, fishery, mining and construction sectors are considered to have large potential. Especially the agriculture sector is expected to have high potential because more than the 70% of the territory is suitable for agriculture, and 95% of the population engages in the sector. At the same time, the country has one of the largest wetlands in the world, moreover, the country is along the Nile, and therefore, the fishery resources are abundant. However, the fishery related technology and the cold chain are not well developed. As for the mining sector, it is expected that South Sudan has a large amount of minerals like the surrounding countries. As a large scale investment is necessary for the development of mining sector, foreign investment will be necessary. Since the basic infrastructure such as roads, water supply and sewage is not well developed, the demand for the construction sector is high, especially the road construction has urgent needs. In order to attract FDI, reducing the political risk and recuperation of safety are said to be necessary.

The population of South Sudan in 2020 was 11 million, which is expected to grow up to 20 million in 2050, double of the current population in 30 years. South Sudan is a source country of refugees. At the moment, there are around 2.3 million South Sudanese refugees in the neighboring countries, which is around 20% of the population. There are almost 1 million in Uganda, and more than 800 thousand in Sudan. On the other hand, South Sudan is also a recipient country of refugees. As of December 2021, there are 330 thousand refugees within South Sudan, and more than 90% comes from Sudan. There also exist more than 1.7 million internally displaced people (IDP) in South Sudan due to the armed conflict.

The data on the employment environment is scarce, and there are many cases that the data available in other countries in the Horn of Africa is not available in South Sudan. As for the unemployment rate, the data in 2019 is available – 12.0% as the national average, 18.6% among the youth between 15 and 24 years old. 46% of the workers in urban areas is self-employed while the 27% engages in a family business – these two categories occupy the three fourths of the urban workers, and most of them might be informal ones. The business environment is not favorable, and the local currency is overvalued, therefore, it may become an obstacle for the export in future when the local industries grow. As for the governmental assistance on the employment, there is a movement on establishing a guideline for employment agencies, however, the actual

status of such agencies is not clear.

There are some challenges on the employment of refugees and women. As for women, the maternity and child care leave system is not sufficient, and it may be one of the causes of the higher women's unemployment rate of 13.2% compared to the national average of 12.0%. However, there are some provisions of affirmative actions for women, for example, R-ARCSS requires that more than 35% of public institutions' workers is women and states about the establishment of "Women Enterprise Development Fund". The refugees in South Sudan rarely have work permit, and even in the informal sector, only a few percent of the total refugees have a job. As for migrants, as South Sudan is a member country of East African Community (EAC), the citizens have a right to migrate within EAC member states under certain conditions. However, the labor union of South Sudan has not yet participated in the East African Trade Union Confederation, and this hinders South Sudanese from obtaining work permit in other countries of EAC.

The public education in South Sudan is 8-4-4 system. Students take TVET courses after the eight year primary education, or after the four year secondary education. The gross enrolment rate to the primary education in 2015 is 73%, but it decreases sharply to 11% for the secondary education. The Ministry of General Education & Instruction, the Ministry of Labour, Public Service and Human Resource Development, and the Ministry of Youth and Sports are in charge of TVET, but other ministries also provide TVET services based on their own plan. In order to organize this situation, currently UNESCO is conducting activities for unifying TVET by leading meetings among related ministries. Less than 10% of the school aged population has access to TVET, and the expansion to the rest of the population is desirable.

The newest assistance policy of Japan for South Sudan was prepared in 2011, and it is now under the process of update. In the fields related to the vulnerable populations' employment, Japan has conducted technical assistance projects and dispatch of experts to TVET sector. The presence of JICA in this field is huge. Besides the mentioned UNESCO's assistance, other donors such as ILO and AfDB implement projects on employment creation for youth, support for entrepreneurs, and so on.

The collection and organization of statistics can be supported as the international cooperation. Currently, the statistics is not well collected, therefore, it is difficult to analyze the current situation and plan the policy and/or future assistance. Basic infrastructure like roads, water supply and sewage is not well developed – assistance from Japan is expected. Besides, assistance to TVET, agriculture and fishery industries, which are thought to have potential, can be considered. JICA has assisted TVET and agriculture, so JICA's know-how might be useful. Now more than 90% of imported commodities comes from the border with Uganda, and in order to diversify the import channels, capacity building for the border management officials in the Ethiopian and Kenyan borders can be implemented. Like TVET and agriculture sectors, JICA has cooperation experiences in the border management in South Sudan as well.

## Uganda

Uganda is a low-income country with a GNI per capita of US\$800 (2020). Its poverty reduction has been driven by agricultural sector promotion. With the vision of transforming Uganda from a society of peasant to a modern and prosperous nation by 2040, the NDP III (2020/21-2024/25) aims to achieve sustainable industrialization for inclusive growth, employment and wealth creation. It aims to achieve economic growth and increase employment through agriculture-based industry, resource-based industry, and ICT industry. Most of the enterprises are micro, small and medium enterprises (1.1 million), which account for more than 80% of manufacturing output, 93.5% of which are micro enterprises.

Uganda has been active in regional integration, participating in the EAC and COMESA to take advantage of its geographical location at the keystone of the Northern Corridor connecting neighboring countries and Kenya's outer port of Mombasa. Laws and regulations are in place to attract domestic and foreign investment, and the investment strategy sets the target of creating one million jobs between 2020 and 2025. On the other hand, a 12% Internet data tax has been introduced, which may depress digital entrepreneurship.

Uganda has a population of about 46 million people, 25% of whom live in urban areas. Uganda is the largest host country for refugees in Africa, hosting more than 1.5 million refugees (mostly women and youth) from countries such as South Sudan and the Democratic Republic of Congo. However, the rapid influx of refugees and their prolonged stay have resulted in a strain on existing infrastructure and natural resources, competition with host communities for these resources, and social and economic impoverishment of the refugees themselves. The Ugandan diaspora is estimated to be about 3 million, and the annual amount of remittances from them is estimated to reach US\$1.2 billion.

Uganda's labor force is 16.6 million, of which 60% are youth, and 740,000 people enter the labor market every year. The labor participation rate is 70%, and the employment rate by industry is 72% in the primary sector and 21% in the tertiary sector. The unemployment rate is 2.5% for youths, compared to the overall rate of 1.7%, and the underemployment rate is 4.5% for youths, compared to the overall rate of 3.3%. The unemployment rate is relatively low because the informal sector absorbs 75% of total employment, 85% of working women, and 92% of youth. There is a particularly large number of agricultural workers in the informal sector. Young people tend to migrate to urban areas and engage in informal employment. On the other hand, the number of labor migrants from Uganda to foreign countries is about 630,000 (2013), mostly to Kenya, Rwanda, and South Sudan. The government has signed bilateral labor management agreements with three Middle Eastern countries, and about 160,000 people are working in the Middle East.

As for the human resource development system, the 2019 TVET Policy lists eight measures, including the establishment of an employer led TVET system and the development and implementation of a regionally harmonized TVET qualification framework. This is planned in response to the low training-to-employment transition rate of only 35% and a lack of collaboration between TVET and industry. The government has been implementing the Youth Livelihood Program (YLP) and the Uganda Women Entrepreneurship Program (UWEP). But the youth businesses started under YLP have remained at micro and small scale.

Under NDP III, the government is planning Micro, Small and Medium Enterprises (MSMEs) Competitiveness Project and the Micro, Small and Medium Enterprises (MSMEs) Development for Youth Employment Project. In addition, in 2020, the Youth Apprenticeship Program, the Uganda Green Jobs Program, and the National ICT Initiative Program have been launched.

In terms of employment, the 2006 Employment Act consolidates the laws governing individual employment relationships and provides for other connected matters such as prohibition of gender discrimination, and equal remuneration. But there is no legal framework to provide social security in the informal sector. The 2011 National Employment Policy advocates the promotion of labor externalization (export), employment of vulnerable groups (women, disabled, elderly), and youth employment. Tripartite consultations between the government, employers and workers are in place.

As a country implementing the Comprehensive Refugee Response Framework (CRRF), Uganda has been promoting the integration of refugees into the country. In terms of the legal system, the Refugee Act of 2006 and the Refugee Regulations of 2010 guarantee refugees' freedom of movement within the country, the right to work, and the right to access land. The National Education Policy of 2018 guarantees refugees' access to education at all levels. However, according to a 2018 survey, only 20 percent of employers knew that refugees have the right to work legally. The unemployment rate among refugees is four times higher than that of host community residents. Currently development partners are providing livelihood support to refugees and host communities through the Department of Refugees in the Office of the Prime Minister and local governments.

Uganda's gender disparity is smaller than other countries in the Horn of Africa region. Although the country has ratified conventions related to women's rights under international law and has constitutional and refugee law provisions for women's rights and affirmative action, but there are inequalities in inheritance rights under the law (Succession Act) and insufficient maternity leave benefits (Employment Act).

Japan's Country Development Cooperation Policy for the Republic of Uganda (July 2017) states that, as "Basic Policy of ODA (Principal Goal): to support poverty reduction and redress regional disparity through economic growth," Japan contributes to the economic growth of Uganda and its neighboring countries by supporting infrastructure and human resource development. The policy also states that Japan supports livelihood improvement in Uganda, while being mindful of the regional disparity. In terms of employment-related support, the Government of Japan has been implementing its cooperation as follows. Under the Priority Area 1: establishing the environment to attain economic growth, support for Nakawa Vocational Training College, which began in 1968, continued until 2020, a Knowledge Co-Creation Program (KCCP) in Vocational Training and Education Sector, and JOCV dispatchment are still on-going. Under the Priority Area 2: to improve incomes through rural development, one project, a KCCP, and JOCV dispatchment for rice promotion, and Project on Atari River Basin Irrigation Scheme have been implemented; as for livestock promotion, a JICA Partnership Program through an NGO, a KCCP, and JOCV dispatchment have been implemented. Under the Priority Area 4: realizing social stability in Northern Region and refugee-hosting

areas, Northern Uganda Farmers' Livelihood Improvement Project (Phase 2), a country training for local governance with community participation, a KCCP in peacebuilding, a support for self-reliance through the integration of refugees and host communities via Japanese NGOs are provided. The Project for the Improvement of National Road in Refugee-hosting Areas of West Nile Sub-region plans to create employment opportunities for host community residents and refugees living in the vicinity using LBT. In addition, ABE Initiative and Data Collection Survey for ICT Industry Promotion and Start-up System Strengthening are underway.

Various development partners are already working on the vulnerable group employment promotion, but they do not cover all the groups. Since Japan is implementing a number of bilateral cooperation projects in Uganda as above, it is proposed that the ongoing and upcoming projects which involve vulnerable groups to consider including employment promotion components in line with the ILO's "Sustainable Peace through Decent Work and Employment" framework.

For example, regarding one of the three outcomes of the ILO framework: "greater economic opportunities and empowerment," the following supporting measures can be included. Under the Japanese Country Development Cooperation Policy for the Republic of Uganda Priority Area 1: establishing the environment to attain economic growth, an ICT Industry Project is in the pipeline. Currently, this project is said to be mainly targeting youth. It is recommended that the project also include women and refugees as targets and solicit ICT-based business ideas that can create employment for these vulnerable groups. It is also recommended to support human resource development of Ugandans in Japan by soliciting their employment experience in Japan, so that when they return to Uganda, they can actively develop industries, create employment, and be attractive employee candidates for Japanese companies who start business in Uganda. This could be realized by collaborating with the Ugandan Diaspora Japan Association, Uganda Students Association in Japan, Japan-Uganda Social and Economic Development Association and a network of ABE Initiative graduates. Furthermore, for the livelihood improvement projects under the Priority Area 4: realizing social stability in Northern Region and refugee-hosting areas, additional public relations activities could be introduced, from the angle of aiming for more youth and women engagement in Agriculture through SHEP Approach. In addition, it is proposed that the ongoing issue-specific training include lectures and discussions on the ILO's "Sustainable Peace through Decent Work and Employment" framework, for the penetration and dissemination of the framework.

It is assumed that projects under the Refugee and Host Community Support Program, which belong to the Priority Area 4: realizing social stability in Northern Region and refugee-hosting areas, have already incorporated social cohesion improvement approach in line with another outcome of ILO framework: "improved social cohesion through inter-group knowledge and perceptions". It is recommended here that the detailed process, achievements, and lessons learnt from the efforts be communicated and shared among different stakeholders such as groups of youth, women, and refugees and development partners.

In addition, regarding the other outcome of ILO framework: "improved perceptions of fairness and equity",

currently the reality is not reflecting the law which guarantees refugees' right to employment. Research findings indicate that only 20% of employers are aware of the right of refugees to work legally, the unemployment rate of refugees is four times higher than that of host community residents, and there are cases where officials have demanded bribes for refugees' movement within the country for business purposes. Therefore, it is recommended that JICA support under the same Refugee and Host Community Support Program to include disseminating refugees' legal rights to employment and education (which could link them to employment), and giving feedback on issues surrounding exercising the rights to the central and local government, stakeholders and development partners.

## Kenya

Kenya has a total area of 583,000 km<sup>2</sup>, about 1.5 times the size of Japan, and its population is 47.6 million (2019, Census), with a GDP of US\$95.5 billion (2019, World Bank) and an annual economic growth rate of 5.4% in 2019. Kenya's economy, including the impact of the expansion of the COVID-19 infections after 2020, the country has shown resilience to the new coronavirus and is expected to grow its gross domestic product (GDP) by 5% for the entire year 2021, making it one of the fastest recovering countries in sub-Saharan Africa.

Kenya's main industry is agriculture, which accounts for about 30% of GDP, and exports of tea and fresh flowers to Europe increased in the 2010s. Kenya is the largest supplier of flowers to the European Union, thanks to the Kenyan government's efforts to foster the horticulture industry. Industrialization is more advanced than in other African countries, especially in the manufacturing sector. In addition to agriculture, light industry, cement, and other manufacturing industries have also developed, and construction is also one of the major industries thanks to the development of infrastructure. In addition, as described below, the Kenya Vision 2030 calls for focusing on six key industries: tourism, agriculture, trade, manufacturing, business processing outsourcing (BPO)/IT and finance.

"Kenya Vision 2030", a long-term economic development strategy, released in 2008 by the Government, that aims to become a middle-income country by 2030. Through various social and economic reforms, Kenya will become a middle-income country by 2015, and based on this strategy, the government aims to (1) achieve an average annual economic growth rate of 10% or more by 2030, (2) achieve equitable social development in a clean and secure environment, and (3) achieve a sustainable democratic political system.

In late 2017, the Kenyan government announced the "Big Four" (BIG4), consisting of four priority economic policies for the next five years: (1) manufacturing, (2) food and nutrition security, (3) universal health coverage, and (4) affordable housing supply.

Currently, under the framework of this Kenya Vision 2030, the third mid-term plan MTP III (2018-2022) is being implemented. The following is a summary of the part of the MTP III pertaining to employment and labor issues for vulnerable groups, focusing on the priority issues and areas set forth in the MTP III.

The cross-cutting issue is industrialization, i.e., plans to increase manufacturing production and export share. In addition, given the importance of micro, small, and medium-sized enterprises (MSMEs), which employ 15 million people and account for 29% of the country's GDP. Improve the environment for MSMEs, including the implementation of a national credit guarantee scheme to facilitate access to finance. Third, on the labor and employment side, ensure the provision of decent employment for all Kenyans and position unemployment as a major social and economic problem in Kenya. Demographically, Kenya is also considered to be competitive enough to attract new investment, as approximately 72% of the population is younger than 35 years old, and a young population with some occupational skills is a great asset for the country.

Looking at Kenya's priority industries, MTP III states that the agriculture and livestock industry will secure and increase employment through the development of commercial production to enhance food production, which will contribute to increasing the growth rate of the agricultural sector, as food and nutrition security is a priority for the industry. With regard to manufacturing industry, the sector growth rate is projected to expand from 5.8% in 2018 to over 7.0% in 2022 due to the transformation of the structure of the Kenyan economy; prioritizing manufacturing as one of the BIG 4 initiatives is expected to contribute to faster and higher growth. Particular emphasis is being placed on the textile and apparel, leather processing, and construction materials sectors, as well as measures to lift agricultural processing. The government is also working to increase employment levels by promoting private sector investment in special economic zones (SEZs) and industrial and SME parks.

Tourism is one of the key sectors driving economic growth and is expected to contribute the equivalent of 9.2% of total annual employment in the medium term. Trade is likewise one of the key sectors expected to contribute to the achievement of 10% GDP growth, with the goal of economic growth and development, employment and wealth creation.

Business Processing Outsourcing (BPO)/Information Technology Services (IT-Enabled Services: ITES) is providing business opportunities in Kenya, with the growth of the global BPO industry, and a growing talent pool, especially young people. Financial services are expected to provide additional employment to meet Kenya's investment needs as it seeks to become a globally competitive financial sector.

The blue economy is attracting attention as a sector that contributes to economic growth by creating new jobs and increasing export revenues in underutilized sectors up to now.

As for the labor and employment market, the share of formal employment is about 18% (2005), but one of its characteristics is that 70.6% (13.35 million) of the total labor force (18.91 million) is engaged in agriculture.

Looking at Kenya's demographic indicators, it can be noted that the vulnerable groups, namely women and young people, have poor index values. The high unemployment rate for young people (7.2%, 2019) is particularly noteworthy, as it is nearly three times higher than the average for all generations (2.6%).



Regarding the number of workers by industry, it can be said that the percentage of workers by industry is low compared to other countries in the Horn of Africa region surveyed, with 54.4% in the primary industry and 6.4% in the secondary industry, while the tertiary industry shows 39.4%, which is a high level.

The Ministry of Labor and Social Protection and the Ministry of Education, Science and Technology are the main authorities in charge of employment-related policies and implementation. The legal framework for employment support includes the Employment Law, which is the basic law. The law was enacted in 2007, and the 2021 amendments aim to bring Kenya's employment laws in line with international best practices, notably by introducing the right to pre-employment leave for employees.

Most of the farmers who support the agricultural sector are small-scale farmers, and to improve their income, it is necessary to strengthen the commercialization and technological capabilities of small farmers through changing their awareness. In light of this, MTP III calls for innovation, commercial orientation, and modernization of smallholders, and also promotes the development of human resources with the aim of increasing the value-addition in agriculture and expanding its exports.

In the manufacturing and commercial sectors, the focus areas for investment promotion are sub-sectors such as agro-processing, textile, leather, wholesale and retail, and ICT. On the other hand, it is said that more than 80% of the population belongs to the informal sector, many of which are small, medium, and micro enterprises. Since strengthening their competitiveness is important from the perspectives of job creation, income growth, and poverty reduction, Kenya Vision 2030 sets the improvement of added value and productivity as priority items for the economic sectors, especially for strengthening the capacity of managers and entrepreneurs of small, medium, and micro enterprises.

Kenya is a refugee-hosting country, receiving approximately 480,000 refugees and 60,000 asylum seekers as of December 2021. The majority of refugees come from Somalia (58.3%) and South Sudan (28.1%), followed by the Democratic Republic of Congo (6.3%) and Ethiopia (4.3%).

The range of support measures differs depending on the attributes of the refugees. For example, for Somali refugees, the Kenyan government's basic policy is to return them to their home country due to poor relations with Somalia, while for refugees from South Sudan, the Kenyan government provides resettlement assistance based on the good relations between Kenya and South Sudan. Refugees are engaged mainly in informal employment. Although the Refugee Act states that refugees are allowed to obtain work permits under the Citizen and Immigration Act, in practice, refugees have difficulties in obtaining work permits, and in light of this, the Refugee Act bill is under review, and restrictions on freedom of movement have occurred from time to time.

As for women, the unemployment rate is slightly higher than the national average, and only 30% of them works in the formal sector. Gender equality is enshrined in the Constitution and labor laws. Although there are positive aspects such as the prohibition of sexual harassment and the quota law, women are at a disadvantage compared to men because of inadequate maternity leave systems, and the inequality of

inheritance rights, which makes women difficult to build assets. In addition, there are differences between men and women when registering a business, so the equality in entrepreneurship has not been achieved. The existence of customary laws and out-of-court dispute resolution procedures prevent women from owning land in some cases. To overcome these situations, business development funds designed for women are beginning to spread at the grassroots

Kenya's education system is based on an 8-4-4 system. The number of children in public elementary school is estimated to be 8,592,810 in 2020, and the gross enrollment rate has reached almost 100%. The number of public and private junior high school students is reported to be 3,289,885, with a gross enrollment rate of 71.2% in the same year. The total number of universities is 74, including 31 public and 21 private universities. A total of 566,042 students are enrolled. In addition, there are 235,607 students enrolled in vocational training schools (TVET institutions), both public and private.

Vocational education is provided at secondary vocational institutions with the requirement of the Kenya Certificate of Primary Education (KCPE), followed by the Government Vocational Test III (basic) after about two years of training, and then by the Government Vocational Test II (intermediate) and then Government Vocational Test I (advanced), culminating in the Master Certificate.

Higher education is provided at universities, teacher training colleges, polytechnics, and various higher vocational colleges. Universities offer bachelor's programs of 4-6 years, master's programs of 2 years, and doctoral programs of 1-3 years, depending on the field of study. There is also a one-year graduate diploma program for those who have completed a bachelor's degree.

Challenges common to all levels of education often mentioned are lack of school buildings and equipment/supplies due to lack of finances, and the quality of teachers.

The basic Japan's policy of ODA established in 2020 is to contribute to sustainable development and equitable social development that contributes to economic growth, that is, to contribute to the development of quality infrastructure, economic environment and social infrastructure that contributes to economic growth, while addressing issues that arise with economic growth and supporting social strata that are left behind in the economic growth process. The project will contribute to Kenya's socio-economic development. In addition, since the results of the cooperation will influence and contribute to the achievement of the Sustainable Development Goals (SDGs), the cooperation will be implemented while taking into consideration the consistency with these goals.

The areas include (1) development of high-quality infrastructure, (2) institutional development and human resource development, including the development of a business and investment environment and the formation of new markets with an eye to industrial diversification and export promotion, and (3) support for strengthening small-scale farmers' management capabilities and value chains to meet market needs in order to promote agriculture.

In terms of specific program development plan, programs are being implemented to contribute to the

achievement of Sustainable Development Goal 8 (economic growth and employment). For example, the "Trade and Investment Environment Development Program" provides policy support that contributes to improving the business and investment environment to encourage foreign companies to invest and expand into Kenya, as well as to introduce and transfer new technologies through high-quality infrastructure development and investment by Japanese companies, thereby strengthening bilateral economic relations between Kenya and Japan.

The "Private Sector Promotion Program" contributes to the production of human resources with firm knowledge and appropriate technical skills to support industrial development in Africa through support for higher education. It also contributes to the achievement of Sustainable Development Goal 8 (economic growth and employment) by strengthening cooperation and synergy with related sectors such as infrastructure, agriculture, and education, and with private sector partnership projects.

The "Market-Responsive Agriculture Development Program" contributes to the achievement of Sustainable Development Goal 2 (hunger) and Goal 9 (infrastructure, industrialization, and innovation) by promoting market-responsive agriculture targeting small-scale farmers through enhanced market linkages and awareness raising, and by helping to strengthen value chains through capacity building and infrastructure development of relevant institutions in the processing and distribution sectors.

In addition, under the "Food and Nutrition Security Program", the Kenyan Ministry of Agriculture, Livestock and Fisheries and the Agricultural Transformation Office will contribute to the achievement of Sustainable Development Goals 2 (hunger) and 12 (sustainable consumption and production) by supporting the improvement of agricultural productivity and competitiveness of major crops such as rice, which are highly dependent on imports.

The World Bank sees employment as a challenge in Kenya's employment/work sector, as employment is a factor slowing the development of the investment climate and slowing productivity growth. It notes that the new labor force sought by FDI in Kenya is unskilled with a broad base of the population pyramid. Various factors, such as the low level of digital literacy and the fact that many young people in urban areas are engaged in the informal economy, are seen as hindering new investment and consequently slowing productivity growth. The level of entrepreneurship is high but often informal, and business survival and scaling up is highly uncertain while productivity is low. Lack of long-term financing instruments, resulting in many MSMEs remaining informal, limits growth of MSMEs.

## Somalia

Somalia is a low-income country with a GNI per capita of US\$320 (2020). It has been fighting clan conflicts and terrorism for nearly 30 years. 2012 saw the establishment of the Federal Government of Somalia, but the country is still working on building peace, containing ongoing conflicts of Somaliland and Puntland states, Al-Shabaab and the Islamic State (ISS). In addition, there have occurred many natural disasters, such as droughts, floods, and locust attacks. Conflicts and natural disasters have resulted in many IDPs and

refugees. The NDP-9 (2020-2024) aims at poverty reduction and inclusive economic growth through the four pillars of: inclusive and accountable politics; improved security and the rule of law; inclusive economic growth including employment; improved social development.

Somalia's main industries are livestock and agriculture, and these primary product-centered exports are regularly outweighed by imports, resulting in a persistent trade deficit. NDP-9 aims to strengthen the resilience of these core industries against climate change and to take advantage of intra-regional trade opportunities by investing in trade corridors with neighboring countries. Somalia, a member of the Arab League, has applied for membership in the EAC and the WTO and is also keen to join the AfCFTA. Other industries with new technologies and increasing demand are telecommunications, mobile money, and finance, and industries with growth potential are oil, fisheries, light industry, and services. However, due to the slow development of laws and regulations necessary for economic development and foreign investment, and the lack of security, it is difficult to attract foreign investment other than from the diaspora. In fact, many people run their businesses with remittances from the diaspora. The informal sector accounts for a large part of the economy, so NDP-9 is trying to increase the growth of informal micro and small enterprises by updating administrative procedures and introducing market regulations.

The population is approximately 16 million, with 47% living in urban areas. About 640,000 refugees originating from Somalia have fled to Kenya, Uganda, Ethiopia, Yemen, and other countries, but their return is gradually progressing, with about 90,000 people returning to Somalia since 2014. In addition, due to conflicts and natural disasters, nearly 3 million people have become IDPs. It is estimated that there are 1 to 1.5 million diaspora persons originating from Somalia, living in Europe, the United States, Australia, Malaysia, South Africa, and other countries. There are approximately 29,000 refugees from Ethiopia, Yemen, and other countries residing in Somalia.

The labor force is approximately 3.95 million, of which 59% are youth. The employment rate in the primary industry is about 80% for both men and women. The unemployment rate is high among the youth at 19.8%, compared to 12.8% for the overall workforce. Even those who are employed may face the challenge of being working poor, as 63% of them belong to the extremely poor group living on less than US\$1.90 per day. Two-thirds of young people wish to migrate in search of livelihoods, and the destinations are often the Gulf States, South Africa, Europe, Ethiopia, Kenya, and Uganda. Women are hampered by care work and housework, and their labor force participation rate is one-third that of men, while the NEET rate among young women is more than double that of men. Therefore, when considering the promotion of women's employment, it is necessary to first increase the labor force participation rate. Most of IDPs, who are found one out of every five nationals, originally engaged in agriculture as their means of livelihood, but after being forced to leave the land where they lived and become IDPs, they often reside in urban areas. Therefore, support for new technical and entrepreneurial skills is needed to help them make a living in the areas where they are displaced. It is estimated that 94% of the labor force works in the informal sector. However, since there are no reliable labor statistics, which are essential for the planning and implementation of employment policies, the improvement of statistical information is also necessary.

The literacy rate is 50% for those aged 15 and above, 62% for those aged 16-19, 68-79% for urban areas, 45% for rural areas, 57% for IDPs, 45% for agro-pastoralists, and 16% for nomads, with males being more literate than females. There is a challenge in the basic level of education of human resources with a primary school enrollment rate of 33%. Furthermore, TVET is currently provided only through fixed-term projects supported by development partners, and the national system of providing TVET is not functioning. Employers generally prefer university graduates to TVET graduates, although university education is theoretically oriented.

Regarding the legal system for employment of vulnerable groups, first of all, the Refugee Act and IDP Act (Federal Protection and Assistance for Internally Displaced Persons Act) are in the draft stage and have not yet enacted, and the legal rights guarantees for both are weak. Returning refugees and returning labor migrants face challenges in reintegration, such as owning land and houses in the host community and establishing means of livelihood, and development partners are providing support for tackling these issues. Under the Foreign Employment Act 2015, there is an article only allowing to grant work permits to foreign persons if the position cannot be filled by nationals of Somalia, and there are occupations for which foreign nationals are not given work permits. Currently refugees are deemed foreigners since the Refugee Act is not yet enacted. For returnees to Somalia, legal measures have been taken to allow dual citizenship, but its actual enforcement is not clear. If returnees are judged to be foreigners, the same Foreign Employment Act applies to them, and there are occupations for which they cannot obtain work permits. Secondly, for women, gender equality has not been achieved in terms of the workplace under the Labor Code, and maternity leave provisions are insufficient. In addition, gender inequality in inheritance rights under Family Law and Sharia law makes it difficult for women to form their own assets. On the other hand, with regard to youth, the 2017-2021 National Youth Policy includes job creation and economic development, and the 2019 Social Security Policy points out that high unemployment rates among youth can lead to conflict. It is currently not clear how specific youth employment support measures are being enforced.

When considering the direction of support for employment of vulnerable groups in Somalia, in the short-term, humanitarian assistance for IDPs and returnees as well as life and livelihood support should be provided. In the medium to long term, peacebuilding to stabilize the country and the development of an environment for economic and industrial growth should be pursued, with the aim of creating employment and formalizing employment in the country. At the same time, given that some populations are migrating out of the country in search of jobs, it is necessary to support building capacity of the government to manage the outflow and return of these populations in agreement with the member countries of regional economic blocs and other destination countries.

Due to the security situation, it is currently not possible for Japan to provide bilateral assistance in the form of grant aid or yen loan projects in Somalia, which require expert dispatchment in Somalia. Therefore, in accordance with the Country Development Cooperation Policy, Japan may continue providing capacity-building training for central and local governments, employment promotion training through infrastructure building, and long-term training opportunities such as the ABE Initiative. In addition, training in the third

country, such as for Islamic female leaders focusing on employment and human rights, and gender training in which male government officials also participate, are recommended to be created.

As for the ongoing "Youth Employment Project for Somalia (YEPS)," it is recommended for JICA to continue periodically collecting information through follow-ups after the completion of the project. While monitoring the improvement of security, a support to entrepreneurial ideas, financial services, and women empowerment through ICT utilization can be considered. This would be realized by liaising with local human resources, diaspora persons, and ABE Initiative graduates, and collaborating with local universities. When the security situation becomes stable enough for Japan to allow dispatching experts in Somalia, support for the fishery industry, which is currently supported under YEPS, and its products have higher share of importation to Japan can be considered. Support to agriculture can also be considered, and since agriculture in Somalia is highly vulnerable to climate change, support for improving its resilience could be considered, drawing on Japan's experience of agriculture resilience support in Kenya and Ethiopia.

In addition, as a prerequisite for promoting employment, a certain form of support for the government to build capacity to provide basic education on a sustainable basis and a system to provide vocational training can be considered. Furthermore, in order to promote decent work of their nationals at home and abroad, it is recommended to support the development of education and skills qualification systems, that can be accepted within the region, in collaboration with regional economic blocs such as IGAD and COMESA.

## Eritrea

The State of Eritrea (hereinafter Eritrea) is a relatively new country which became independent from Ethiopia in 1993. Even after the independence, persistent tensions with neighboring countries remained, including the border war with Ethiopia between 1998-2000. In 2018, however, Eritrea restored its diplomatic relations with Ethiopia, and then Somalia and Djibouti. This was realized following the approach and efforts of the Ethiopian Prime Minister Abiy Ahmed. Eritrea takes a self-reliant approach and emphasizes the country's leadership for its development. Since its independence, Eritrea has been working on the rehabilitation of the rail and port infrastructures destroyed during the civil war and rebuilding its economy. It is important to recognize the limitations to understanding the actual situation of Eritrea's economy and the situation of citizens due to the unavailability of objective and reliable data and limited information released by the Government of the State of Eritrea (GoSE).

Eritrea's GDP was approximately USD 2.1 billion, which makes USD 588 per capita in 2020. GoSE issued the National Indicative Development Plan (NIDP) in 2014, which states that GoSE would focus on the following sectors: agriculture, marine resources, extractive industry, and tourism, and work for their enhancement and development.

Agriculture in Eritrea, which accounts for one-third of Eritrea's economy, is mainly rain-fed and thus the productivity remains very low and is easily affected by drought and other weather conditions. GoSE aims to increase productivity through the development of agricultural infrastructure and improvement of inputs

(improved seeds, fertilizer, etc.), and to develop the industrial sector through agro-processing.

Eritrea is a mineral resource-rich country and GoSE has put efforts in attracting investment to develop the mining sector. FDI to Eritrea is dominated by the mining sector, accounting for 96% of total FDI. China, Germany, the USA, and Canada are the major investment partners. However, the investment and business environment is not favorable for international enterprises. The World Bank and other international research institutes have pointed out the challenges for investment and business management in Eritrea such as strict government control and interference, lack of laws and regulations on investment and business, and difficulty in obtaining information about rules and procedures for investment.

Eritrea has a population of about 3.5 million, 65% of whom live in a rural area and earn their living with agriculture. However, affected by climate change in recent years, living in rural areas has become difficult and people have decided to move to urban areas. Eritrea is experiencing rapid urbanization. The working-age population is 1.6 million and about 60-80% of them work in the agriculture sector. Labour participation rate is high at 78.9%, and the unemployment rate is 6%. For youth (15-24 years old), the labour participation rate is 68.1% and the unemployment rate is 10.9%. Even among the employed, it is estimated that the percentage of working poor is 75.2%.

Eritrea is the origin of refugees. UNHCR estimates that there are 520,000 Eritrean refugees. Tens of thousands of Eritreans migrate or are forcibly displaced out of Eritrea every year, the majority of them are between 18 and 40 years old. Poverty and avoiding national service are said to be the main reasons for refugees.

Eritrea issued the Proclamation on National Service No. 82 in 1995, which obliges all citizens between 18-40 years old to join national service, which is a combination of 6 months-long military work and 12-24 months-long labor service. Conscripts are paid with a minimum salary during the service period. Although the national service is fixed-term by law, the Ethiopia-Eritrea border war in 1998 lifted the limit as the country was in a state of emergency. The conscripts are mobilized for undefined terms since then. It is estimated there are about 300,000 to 400,000 conscripts, however, there is no public information from GoSE. This situation is considered a violation of the international convention, and the case is discussed at the ILO Committee on the Application of Standards (CAS). GoSE responded in the ILO's CAS discussion that such treatment is legitimate and justifiable due to the state of emergency, and GoSE has been working on demobilizing the conscripts in stages. GoSE also shared their concern that demobilization may result in massive unemployment due to the underdeveloped private sector which has limited capacity to absorb employees.

Eritrean citizens must hold official documents indicating the completion or exemption from the national service to be formally employed. If the citizens do not have such paper, then, their employment would be limited to the informal sector. According to GoSE's labor force survey (2015/16), 31.5% of those who are employed were found in the informal economy. Gender profile (2008) conducted by the AfDB indicated that women are heavily represented in the informal sector, and they are mainly (67%) in the trade business.

After the 8 years of compulsory education, students can proceed to secondary education (4 years) or TVET program (2-3 years). After the TVET program, if the students pass the Secondary Education Certificate Examination, they can proceed to university, on the condition that they fulfill the national service at least for 2 years. GoSE issued the National Framework for TVET in 1996 and enhanced the sector following the framework. The Education Sector Review (2017) indicated that TVET graduates' employment rate is high at 94.7% and the employers are generally satisfied with the graduates.

Eritrea has a gender policy and gender action plan, and the National Union of Eritrean Women (NUEW) has been active in promoting women's status. While the labor participation rate of women is relatively high (Women: 72%, Men: 86%), the educational opportunity for women is relatively low compared to men. For example, the primary education enrollment rate for girls is 68.7% while that for boys is 77.8%.

As for the legislative situation for women regarding economic activities, freedom of movement, decision to work, property rights are recognized by law. On the other hand, there are no provisions about equal remuneration, and the provision for maternity leave is insufficient. The rights enshrined in the labor laws (the Labour Proclamation of Eritrea, 2001) are not adequately guaranteed due to weak judicial institutions, traditional practices, and unenforced constitution.

Japan's Country Development Cooperation Policy for the State of Eritrea (2017) set "Social Stabilization and Development through Basic Livelihood Support" as the basic policy, and "Building Livelihoods" (water supply, food assistance, and health) as focus areas. Japan has been assisting Eritrea such as the provision of cold chain equipment for immunization, food assistance, and food and nutrition security through UN agencies and multilateral cooperation. On January first, 2022, Japan opened the Embassy of Japan in the State of Eritrea.

JICA supports Eritrea in the area of water resources, health, human resource development, and fishery sector development through technical cooperation. JICA's experience includes the Basic Training Project for Social Reintegration of Demobilized Soldiers in Eritrea (2005-2007), through which, third-country training in Uganda was organized. In addition, the Project for the Formulation of the Strategies and Practical Approaches for Coastal Fisheries (2019-2023) is currently underway.

As for the activities by the other development partners, AfDB has been assisting in the area of agricultural productivity improvement, promotion of participation of youth and women in agriculture, and TVET/human resource development. The project evaluation report states that the AfDB's support contributed to the increase of TVET enrollment from 4.7% to 9.0%.

FAO and IFAD have been working in the areas of agriculture, fisheries, as well as the response to climate change and natural disasters. Their assistance is not limited to improving agriculture and fisheries but also provision of training opportunities for youth and women and supporting business development and acceleration. UNDP also has conducted a cash-for-work program for those affected by climate change.

On the other hand, EU has decided to de-commit EUR 100 million from Eritrea and reallocate it to the crises



in other countries (such as supporting democracy in Sudan, and Sudanese refugees fleeing from the Tigray region) due to humanitarian concerns.

With regard to Japan's future support to Eritrea, considering the limited public information and statistical data, the suspension of IGAD membership, and the humanitarian risks, it is difficult to recommend a support plan that has an adequate risk management strategy at the end of this data collection survey which relies on the literature review only. Therefore, it is probably appropriate to consider the possibility of inclusion of the vulnerable group in the fishery business development plan in the master plan, which is to be proposed by the on-going Project for the Formulation of the Strategies and Practical Approaches for Coastal Fisheries<sup>2</sup>.

Now that the Embassy of Japan in the State of Eritrea is established, it is desirable to work to enhance bilateral relations and build trust through the provision of steady support building on previous Japanese and JICA's experience.

### Djibouti

Djibouti is located at the southern end of the Red Sea in northeastern Africa. With a land area of 23,200 km<sup>2</sup>, it is the smallest country in Africa, but it is situated on a maritime transportation route connecting Asia, the Middle East, Africa, and Europe. Djibouti's economy is dependent on port revenues, transit trade, and other transportation industries, as well as user fees from the stationing of troops from various countries. Djibouti's per capita GDP stands at US\$1,593 (2019), which is relatively high compared to neighboring countries.

Djibouti also serves as an outer port for neighboring landlocked countries such as Ethiopia and South Sudan and aims to become a logistics hub in East Africa. In addition, since the achievement of peace in 2001, Djibouti has played an important role as a hub for international security by hosting U.S., French, and other nations' military forces, as the domestic situation has stabilized since then.

Djibouti has a population of 974,000 (World Bank, 2019), the majority (98%) of whom are Sunni Muslims. Although the population pyramid shows a high proportion of young people, the spread of the population under 20 years of age is thin, and the population is expected to age relatively fast in the future

Djibouti is a refugee-hosting country. Bordering Eritrea, Ethiopia, and Somalia on land and Yemen across the Gulf of Aden, it has accepted refugees from these neighboring countries. The total number of refugees is estimated to be just under 30,000, including 13,000 from Somalia, 8,000 from Ethiopia, and 4,000 from Yemen.

While 42.3% of Djibouti's total population is in the labor force, the labor market is characterized by a high unemployment rate of 11% (2019), especially among young people, which is about twice the average for all generations, and at the same time by a low female employment rate of 11.7%, about half that of males. In

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<sup>2</sup> The project outline states that "livelihood enhancement measures would be developed for small scale fisherfolks and female headed households to improve their income by gaining skills for various livelihood means associated with fishery business such as seafood processing, fresh fish delivery, fishery-net making and repair", indicating that the project includes the support to the vulnerable group.

terms of the number of workers by industry, the tertiary industry accounts for 62.0% of the total, reflecting the industrial characteristics of Djiboutian economy, which specializes in logistics and port services, and the high percentage of women (71.1%) employed in the tertiary industry is a notable feature.

Djibouti's economic features include China's economic support since the beginning of the 2010s with the opening of the Djibouti-Ethiopian Railway after electrification in 2016, and the partially completed Djibouti International Free Trade Zone (DIFTZ) in 2018, the largest free trade zone in Africa.

Based on the long-term national strategy named "Djibouti Vision 2035" announced in 2014, the government of Djibouti is promoting initiatives in various sectors with the goal of significantly improving national income, unemployment rate, and other social indicators. The Djibouti Vision 2035 aims to strengthen social cohesion and promote solidarity through maintaining and strengthening the institutional framework. Djibouti Vision 2035 is the first long-term strategic reflection conducted in the country, defining the country's future vision from a broad dialogue with all stakeholders of Djiboutian society 36 years after independence. With technical and financial support from UNDP, the World Bank, and others, the Djibouti Vision 2035 was developed based on a participatory approach that included not only the government but also the private sector and others, and a national consensus on one vision of Djibouti as a "Lighthouse on the Red Sea: a commercial and logistics hub for Africa".

The Djibouti Vision 2035 has five main pillars. They are (1) Peace and National Unity: strengthening unity, peace and solidarity; (2) Good Governance: strengthening good governance and democracy; (3) Economic Diversification: promoting competitive and healthy economic growth; (4) Investment in Human Capital: building a hardworking, healthy and educated workforce; and (5) Regional Integration: promoting trade and commerce with regional partners.

Under these pillars, Djibouti Vision 2035 aims to triple per capita income. Achieving this goal will require further acceleration and sustained GDP growth. This vision targets the creation of more than 200,000 jobs by 2035. The new growth model identifies sectors such as fisheries and agriculture, tourism, logistics, ICT, financial services, manufacturing, and renewable energy as key industries.

In addition, the Djibouti government has been promoting the growth and employment promotion strategy called "Stratégie de Croissance Accélérée et de Promotion de l'Emploi" 2015-2019 (SCAPE) under the Djibouti Vision 2035. SCAPE strengthens human capital, job creation, capacity and training investments, and market modernization with a focus on youth and women.

According to SCAPE, the high cost of production factors has a significant impact on Djibouti's competitiveness; for example, electricity prices are among the highest in the world (US\$0.3/1Kwh), which hinders productivity diversification and the rise of manufacturing. Labor costs are also uncompetitive, with relatively high wages and inadequate labor productivity. The tax and regulatory framework, which is very favorable to large corporations and foreign investors, is unfavorable to small and medium-sized enterprises (SMEs) and is considered one of the factors hindering their formalization. SMEs' access to financing

remains very limited. These weaknesses in the business environment hinder economic diversification and the development of SMEs.

Through SCAPE, the Djibouti government has implemented institutional reforms to facilitate investment procedures and business creation, including labor, public procurement, and tax laws, as well as infrastructure and capacity building enhancements as part of its efforts to promote private investment. Specifically, the government has established an integrated framework and institutions dedicated to supporting private sector development, such as the Office of Industrial and Commercial Property (ODPIC), adopted a trade development strategy, developed crafts, implemented a National High Council for Public-Private Dialogue, supported private sector development, established institutions dedicated to private sector development, and established a private sector development agency to support the development of Djibouti. The government has also promoted electrical interconnection between Ethiopia and Ethiopia, and the use of renewable energy.

In addition, SCAPE proposes to work on policies to strengthen key sectors (transportation, logistics and telecommunications) and build new growth in the key sectors of tourism and fisheries. These sectors have great development potential for Djibouti, but they are not being used to their potential well. In fact these sectors were selected according to two criteria: Djibouti's comparative advantage and its potential for job creation, while agriculture and animal husbandry were identified as essential in terms of eliminating food shortages, promoting rural employment, and protecting the environment.

Regarding transportation and logistics, Djibouti is the main access to the sea for landlocked and populous Ethiopia, and further improvements in port and road infrastructure have made the Djibouti-Addis Ababa corridor essential for Ethiopia's trade.

In the telecommunications sector, Djibouti already has a strong submarine cable infrastructure, but its potential remains largely untapped, access to telecommunications services is limited, and services are expensive and of low quality. Thus legal, regulatory, and institutional reforms are needed to develop the sector and open it up.

The tourism sector is very immature. Accommodation capacity is limited and concentrated in the capital, contributing only 1.5% to GDP and employing 4,500 people. 500,000 tourists by 2030 has been set as a goal, and to achieve this goal, a master plan for the development of major tourist destinations, appropriate airport. The SCAPE states that it is necessary to establish policies, improve the capacity of the government tourism bureau ONTD, and improve vocational training related to tourism.

Regarding fisheries, Djibouti's marine resources are largely undeveloped, despite the fact that it is a sector in high demand. While marine resource protection needs to be kept in mind, fisheries have the potential to contribute significantly to growth and create employment (2,500-5,000 people). This firstly requires establishing an institutional framework with a national fisheries policy, improving service capacity, revising fisheries regulations, and creating conditions for resource management. At the same time, active policies to support operators in this sector are needed, such as training of fishermen, construction of infrastructure

facilities, marketing strategies, and quality control programs for fishery products.

Agriculture is expected to contribute to economic diversification, improved food security, and poverty reduction; SCAPE states that strategies for the agricultural sector will be based on promoting employment opportunities and will include strengthening the technical and human capacities of youth and women, promoting cooperatives, and promoting intensive smallholder agro-pastoral projects. It is expected that 8,000 new employment opportunities will be provided to youth and women in this sector, accelerating productivity growth.

In the livestock sector, the development of the meat and its processed products value chain and the promotion of the hide sectors are proposed with the aim of stimulating and developing economic activities in rural areas and thereby improving their export capacity. Direct support to vulnerable groups will target small farmers, women organized in cooperatives, nomads, and artisanal fishers. In general, this approach is also intended to strengthen the resilience of the population against drought and to provide livelihoods through sustainable responses in terms of environmental protection and income generation.

The employment policy of the Djibouti government, against the backdrop of high unemployment, is to give priority to the employment of its own citizens, which is being promoted by the Ministry of Labor and Social Protection and its affiliated National Employment and Placement Agency (ANEFIP). Recent activities related to employment by the Ministry of Labor and Social Protection include the registration of university graduates by ANEFIP and the implementation of a 5-month internship, support for projects by young people in Djibouti City to support entrepreneurs, and employment of young people without diplomas or other academic qualifications. ANEFIP also recently launched an online employment matching system, which currently has 8,000 job seekers and 800 companies registered.

In terms of employment support measures by the Djibouti government, the Ministry of National Education and Vocational Training (MENFOP) is engaged in capacity building related to vocational training and operates 11 professional skills development institutions, including seven specialized vocational high schools and four higher vocational training centers. The government also promotes a public-private network aimed at identifying the most important skills for the development of the service sector. Meanwhile, the private sector, led by the Djibouti Chamber of Commerce, has been providing vocational training.

The Djibouti Chamber of Commerce, in collaboration with the government, is promoting economic development in the government's priority industries of logistics, ports, tourism, telecommunications, and fishing, as well as construction, real estate, and light industry sectors, and is also conducting training activities. Vocational training in the logistics and port sector is being implemented with support from the EU, AFD, and USAID, and related ministries include the Ministry of Transport, Ministry of Labor and Social Protection, and Ministry of Higher Education, with which it has established a public-private partnership PPP platform.

This JICA Survey re-commissioned a local research firm for detailed study. This local survey covered a total

of 444 respondents and 153 firms in person and by questionnaire. The main findings of the survey are as follows: relatives and acquaintances are more important for job hunting than the national employment agency (ANEFIP), the desired salary level is not so high (US\$300/month), and most respondents (42%) are employed in the agriculture, forestry, and fishery industry, and most of them express to continue to work in the same industry (82%). In addition, respondents tended to place importance on salary (100%) and job content (96%) as deciding factors in their job search.

Refugees in Djibouti has begun to be legally guaranteed the same rights as Djibouti citizens under the Refugee Law, but there is some lack of awareness of their rights. The rights are not well known, access to finance is not well shared, and there is also a lack of awareness, understanding, skills and knowledge among the parties concerned. As a result, formal employment is difficult for many refugees and the majority are engaged in the informal sector.

The unemployment rate for Djiboutian women is higher than that of the national average, and while fewer women work in the formal sector, 90% of women working in the informal sector are the ones who maintain households. Gender equality is enshrined in the Constitution and labor laws, and there is a prohibition of sexual harassment and a quota law is enacted, but there are still some occupations that restrict women from working by an order by the Minister of Labor and Social Protection and the Minister of Health. In addition, inequality in women's inheritance rights, as well as family law issues that prevent women from becoming heads of households, make it difficult for women to build assets.

As for the younger generation in Djibouti, the unemployment rate is higher than that of the population as a whole. Under the labor law, young people between the ages of 16 and 18 should not be discriminated against on the basis of age and have the right to join labor unions of their own volition. However, the content of the law is not sufficiently enforced, and cooperatives for young people are not fully utilized.

Japan's official development cooperation policy for Djibouti (2019) states that Japan will support the strengthening of economic and social infrastructure and the development of human resources to support economic growth in order to support sustainable economic and social development that contributes to stabilization and to help realize its long-term vision of playing a role as a security and logistics hub in East Africa, with human resource development as one of the goals.

The priority areas include: strengthening the economic and social infrastructure that contributes to sustainable economic growth; addressing domestic issues such as concerns about environmental impact due to the recent development of major industries such as ports and logistics centered in the capital city of Djibouti City; the rapidly growing demand for infrastructure such as electric energy; and the development gap between urban and rural areas. In light of the urgent need to address these issues and to ensure the social and economic stability of Djibouti, the government will support the development of industrial infrastructure and the improvement of the basic living environment for the people of Djibouti.

In addition, the program will support the development of human resources that will contribute to Djibouti's

sustainable growth by improving the quality of education through the development of a basic education environment, etc. In light of the current high unemployment rate in the country, the program will also support the development of human resources that will lead to industrial diversification and increased employment opportunities in Djibouti.

International donors on employment opportunity support include the World Bank, as well as the ILO, AFD, and others.

In September 2021, the World Bank adopted a new 2022-2026 Country Partnership Framework (CPF) primarily in support of the Djibouti government's goal of poverty reduction with an emphasis on the private sector. Djibouti's new CPF will leverage Djibouti's strategic location to support private sector development to increase productivity and job creation with a new focus on human capital development and governance to build long-term resilience from COVID-19, supporting private sector development. The report states that it is important to create an environment that

Specifically, the “Skills Development Project” is designed to stimulate entrepreneurship and small business development; enhance access to productive skills and jobs, including for women and youth; promote inclusive private sector-led growth, job creation, and human capital; and support government efforts to foster private sector development in key sectors such as tourism, housing, and agribusiness while improving connectivity within the region.

From France, AFD is implementing vocational training, education, financial sector and urban development projects in Djibouti. The vocational training project, with the Chamber of Commerce of Djibouti (CCD) as counterpart, aims to provide vocational training in port logistics, construction of a training center, and provision of equipment, targeting existing port workers and job seekers in general.

As for other donors, the African Development Bank's current country strategy paper (CSP2016-2020) is focused on economic and social infrastructure and governance, such as energy and public health, with no activities specifically targeting the labor market.

Regarding the German GIZ of Germany does not have a bilateral agreement on international cooperation with Djibouti and only advises on regional efforts through IGAD. Therefore, GIZ's IGAD advisors work under the direction of the GIZ Ethiopia office, and other than this team, GIZ has no presence in Djibouti.

The Intergovernmental Authority on Development (IGAD) is a regional organization headquartered in Djibouti, established in 1996 by East African countries to address drought, food security, border trade promotion, and conflict prevention. The eight member countries are Djibouti, Eritrea, Ethiopia, Somalia, Sudan, South Sudan, Kenya, and Uganda. In this IGAD activity, Germany, Switzerland, and Sweden are the main partners in employment-related issues, and it also works with international organizations such as the World Bank, ILO, UNDP, and EU. In cooperation with the World Bank, IGAD has worked with experts from both countries to develop action plans and policies.

Regarding Japan's support, in light of Djibouti's geopolitical importance, Japan has traditionally focused on security, and the Djibouti government has confirmed that it highly appreciates this support.

As for the future direction, the Djibouti Ambassador to Japan commented that Japan's support to Djibouti can be more focused on economic sector. Specifically, the former Japanese Ambassador to Djibouti has suggested that Djibouti is at an interesting location for shrimp farming in the Red Sea.

The Red Sea region is world-famous as a shrimp fishing ground, and Saudi Arabia has already been implementing shrimp aquaculture projects on a private basis in the central Red Sea region. Demand for farmed shrimp is expected to increase in the long term, and Japan and China are major consumers, and if a stable supply can be secured, there is potential for commercialization.

Fisheries is also one of Djibouti's priority industries, and shrimp farming is labor-intensive in terms of processing and treatment, which will contribute to the promotion of employment and exports. Starting with a government-level survey of fishery resources, a feasibility study, introduction of processing and freezing technology, and related technical guidance, and possibly even interest from Japanese private companies, the possibility of implementing the project through public-private partnerships may be considered.

In addition, the World Bank has also approached the Survey Team about the possibility of collaboration and cooperation in the field of vocational training, for example, providing equipment and dispatching experts from Japan. For example, the possibility of supporting automobile repair skills may be considered.

### Possible Region-wide Assistance

Many of the issues analyzed in this survey are common in each country or considered to be region-wide across the borders. There are some region-wide assistances for such issues implemented by donors based on the regional agreements. These assistances covering more than one country and responding the regional agreements, or donors' region-wide assistances might serve as references for JICA's future region-wide assistance, besides the mentioned possible projects/programs in each country.

The countries in the Horn of Africa belong to several regional organizations/frameworks, and when formulating regional projects/programs, the consistency with these organizations/frameworks' policies will be needed.

Table 3 Participation in Regional Organizations and Frameworks of Countries in Horn of Africa

Regional Organizations / Frameworks	Djibouti	Eritrea	Ethiopia	Kenya	Somalia	South Sudan	Sudan	Uganda
African Union (AU) *	P	P	P	P	P	P	P*	P
Intergovernmental Authority on Development (IGAD)**	P	O**	P	P	P	P	P	P
East African Community (EAC)	-	-	-	P	-	P	-	P
Common Market for Eastern and Southern Africa (COMESA)	P	P	P	P	P	-	P	P
African Continental Free Trade Area (AfCFTA) ***	P	-	P	P	O	O	O	P
Horn of Africa Initiative****	P	P	P	P	P	-	P	-
League of Arab States	P	-	-	-	P	-	P	-

P: Participating

O: Participating but there is an observation

- : Not participating

\* AU suspended the Sudan's membership after the unrest in 2021.

\*\* Eritrea's membership for IGAD is currently suspended. There are "Confederation of IGAD Employers – CIE" (signed by Djibouti, Ethiopia, Sudan, South Sudan and Uganda in 2019) and "Horn of Africa Confederation of Trade Unions – HACTU" (signed by Djibouti, Ethiopia, Eritrea, Somalia and South Sudan in 2018) as tripartite talk mechanisms in the region.

\*\*\* Somalia, South Sudan and Sudan signed, but not yet ratified.

\*\*\*\* Supported by AfDB, EU, and World Bank

Source: Elaborated by Survey Team based on various information

The region-wide projects being implemented or implemented by other donors include the refugee related project led by the government of Netherlands with IFC, ILO, UNHCR, UNICEF and WB, based on Global Compact on Refugees which is an international framework adopted in the UN General Assembly in December 2018, and another project implemented by ILO with IGAD for the free movement of people and nomadic herding within the IGAD region – donors implement projects/programs actively in collaboration with other donors. GIZ utilizes the resources not only in the Horn of Africa region but also in Germany and Europe by conducting a project on establishing a platform to link the Diaspora's financial resources in Germany and other countries in Europe with the entrepreneurs in Ethiopia and Kenya.

There are several ways for tackling with the development issues; a. policy/strategy making, b. organization/framework establishment, c. hard infrastructure development, d. soft infrastructure development, and e. capacity building and training. In order to implement these, JICA possesses grant aid, yen loan and technical assistance schemes. It is possible for JICA to conduct region-wide assistance projects/programs by its own using these schemes, however, more stakeholders are involved in the case of region-wide projects/programs, therefore, there will be cases where a collaboration with other donors and organizations is necessary. For example, IOM and UNHCR have know-how on border management and support for refugees which are cross-border issues. It would be effective and efficient to cooperate with them when implementing supports on these issues.



Therefore, there can be following approaches for JICA when implementing assistance projects/programs;

- 1). Regional agreement and policy recommendation: involving proactively in activities in the region by participating donor meetings, dispatching experts, etc. TICAD framework can be useful as well.
- 2). Participation in activities based on the existing regional agreements/frameworks: many other donors are already implementing activities based on the existing regional agreements/frameworks. JICA needs to analyze the possibility on collaboration with them (e.g. GIZ) to avoid duplication of the activities and to seek synergy with them.
- 3). Implementation of parallel projects to those implemented by UN agencies, etc.: JICA is not able to provide financial assistance to development partners such as UN agencies, therefore, in order to collaborate with them, it needs to develop parallel (similar) projects/programs for the same development issues and implement them in difference places and/or with modified activities. In order to promote such activities, JICA H/Q needs to be involved from the early stage besides the collaboration between the JICA field office and UN agencies' country office.
- 4). Collaboration with bilateral donors and multilateral development banks (WB, AfDB, EBRD, IsDB): Like 3), the projects need to be developed "parallel", and cooperate between them. GIZ, AFD, AfDB and WB have a large presence in the region, therefore, it may be feasible to seek collaboration with them at first. These institutions have their own country strategy, therefore, it is necessary to see the alignment on the JICA's strategy.
- 5). Implementation of assistance by JICA alone

In any cases, it is desirable for JICA to be involved from the a. policy/strategy making stage, however, if the approach is the participation to the existing regional agreements/frameworks, the technical assistance (project based assistance or training courses) is more realistic. If the issue is related to the hard infrastructure development, a financial cooperation can be also considered. In the countries where the private sector is well developed like Kenya, it is critical for the private sector to be involved for the improvement of the employment conditions.

More concretely, dispatch of experts to regional organizations like AU and IGAD, assistance to female cross-border traders, development of IGAD's regional qualification framework, expansion of *KAIZEN* initiatives to the region, networking with students who studied in Japan and business opportunity creation with Japan, etc. can be implemented as the regional cooperation.