

TICAD 20th Anniversary Review Supplementary Report

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Mitsubishi UFJ Research and Consulting

Preface

The TICAD (Tokyo International Conference on African Development) has been held every five years since 1993 by the Government of Japan and TICAD co-organizers. This conference is a platform that allows the international community to discuss the African Development.

The fifth TICAD will be held from June 1 to 3, 2013 in Yokohama which will mark the 20th anniversary of the TICAD.

JICA has been conducting a study «TICAD 20th Anniversary Review» in order to review the last 20 years' progress and also to contribute to the preparation for TICADV and the discussion toward the future of the TICAD process.

The study has been carried out by Mitsubishi UFJ Research and Consulting, commissioned by JICA, and received various insightful inputs and strong support from the TICAD co-organizers that are the Government of Japan, the United Nations, the World Bank and the African Union Commission.

Furthermore, we received comments from various experts, including Mrs. Sadako Ogata, the former United Nations high commissioner for refugees and now the special advisor to the President of JICA, and Mr. Marc Mallock Brown, the former administrator of the United Nations Development Programme. Active debates have also taken place during the Civil Society workshop held on the 13th and the 14th of November 2012, in Ouagadougou, Burkina-Faso.

I would like to thank all those who assisted in various ways in the preparation of the present report.

The views expressed herein do not necessarily reflect the official views of the Government of Japan, TICADV co-organizers and JICA.

I hope this report will be widely shared and used as a reference amongst stakeholders, and will contribute to discussions on the ways of supporting Africa in the future.

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Supplementary Report

1. Positioning of this Study and TICAD's Background

1-1. Positioning of this Study

This study aims to review the TICAD process since 1993 and the performance and trends of development assistance provided by TICAD co-organizers for Africa as well as private-sector trade and investment in the region in the same period—while also taking into consideration the results of preceding studies. It also aims to develop lessons learnt for the future of TICAD after TICAD V, incorporating the views and opinions of experts.

TICAD is a process led by the Japanese government, and Japan's "assistance for Africa through the TICAD process" is almost synonymous with Japan's overall aid to the continent—but not entirely, and there is no explicit distinction between aid "through the TICAD process" and "non-TICAD" aid¹. The same could be said of other TICAD co-organizers. For this reason, this study will review the political, economic, and social trends in African countries—in light of contribution made by Japan and other TICAD co-organizers since 1993—and produce lessons learnt for the future of TICAD after TICAD V.

Furthermore, in the trend reviews on development assistance for Africa (Chapter 4) and promotion of investment in private trade (Chapter 5) by the development assistance institutions among the TICAD co-organizers (UNDP and the World Bank), the target institution in Chapter 4 (development assistance) is the International Development Association (IDA), and the target institutions in Chapter 5 (promotion of private investment in trade) are the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA), based on information and data availability and the main areas and regions selected for aid, particularly for the World Bank.

1-2. Launch of TICAD and African Development

1-2-1. Condition of Africa when TICAD was launched

In early 1990, amidst the flow of global political change following the conclusion of the Cold War between the East and West in 1989, African countries one after the other began switching to multi-party systems. Looking at the 48 countries in Sub-Saharan Africa, the switch to a multi-party system occurred in 3 countries in 1990, 7 in 1991, 11 in 1992, 8 in 1993, and 3 in 1994. Since there were seven countries that had introduced a multi-party system prior to 1989, by the end of 1994, 39 out of 48 countries were nations with multi-party systems.²

¹ Ministry of Foreign Affairs (MOFA) 2007, Report on the "Evaluation of Japanese Assistance to Africa through the TICAD Process"

² Haraguchi, Takehiko. Multi-tribal Nations and Multi-party Systems. IDE-JETRO.

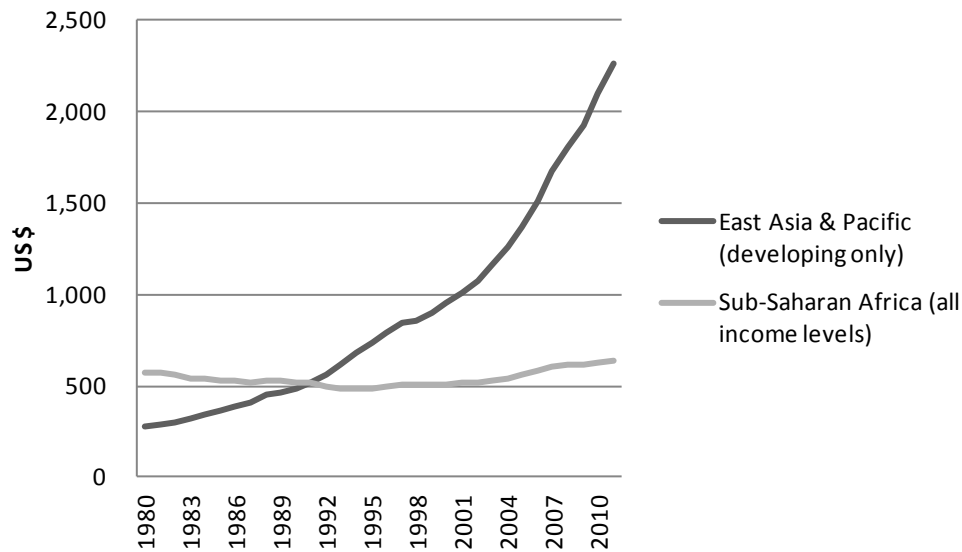
Figure 1-1 Transition of African countries to a multi-party system

| Year of transition | Name of country | Number of countries |
|---------------------------|---|----------------------------|
| Prior to 1989 | Senegal, Gambia, Zimbabwe, Botswana, Namibia, South Africa, and Mauritius | 7 |
| 1990 | Cote d'Ivoire, Cape Verde, and Gabon | 3 |
| 1991 | Burkina Faso, Benin, San Tome and Principe, Equatorial Guinea, Zambia, Lesotho, and Comoros | 7 |
| 1992 | Mauritania, Mali, Ghana, Cameroon, Congo, Chad, Rwanda, Djibouti, Kenya, Tanzania, and Madagascar | 11 |
| 1993 | Guinea, Niger, Togo, Guinea-Bissau, Central African Republic, Burundi, Eritrea, and Seychelles | 8 |
| 1994 | Ethiopia, Mozambique, and Malawi | 3 |
| | Total | 39 |

Source: Haraguchi, Takehiko. Multi-tribal Nations and Multi-party Systems. IDE-JETRO.

This was a period when African countries were experiencing economic stagnation ongoing since the 1980s. Sub-Saharan Africa, impacted by the second oil shock in 1979 and the global recession that followed, fell into an economic crisis during the early 1980s. Subsequently, as shown in the graph below, the average per capita GDP (Year 2000 nominal value) in Sub-Saharan African countries continued to decline throughout the 1980s, bottoming out during the early 1990s at less than \$500, reaching \$482 in 1994. Thus, the 1980s are sometimes called Africa's "lost decade."

Figure 1-2 Per capita GDP (2000 constant prices)



Source: World Bank Databank

The early 1990s were a time when domestic economies were depressed, and in domestic politics, great hopes were placed in the new multi-party systems. In short, TICAD I held in 1993 was launched at a time when “there was expectation of reforms to come due to the political changes in African countries in the midst of economic stagnation.”³

While Africa was stagnated throughout the 1980s, Asian countries displayed rapid growth. The per capita GDP in Asian countries in 1991 surpassed that of Africa and continued to rise.

As shown in the figure above, the 1990s were a time when the economy deteriorated even more than in the 1980s, with a trend toward improvement becoming visible only after 2000. As something that provides an overview of Africa in the mid-1990s, in 1995 the World Bank released *The African Continent at a Turning Point – the Condition of Sub-Saharan Africa in the Mid-1990s*. This report acknowledges the economic stagnation while expressing hope for future reform due to the political changes.

³ Japan’s emphasis on strengthening aid to new African countries following the change in their political administration when new leaders had just come to power may have been an important part of Japan’s diplomatic policy.

The Changing African Landscape

A) Political Change

The last half decade has seen a political transition in Africa. By 1994, the majority of African countries had legalized a political opposition and either held or moved toward holding elections. More than 30 elections have taken place in Africa over the last five years. Most important of all, however, has been the remarkable emergence of associational freedom, accompanied by the establishment of large numbers of independent organizations in African countries. The World Bank assessed this situation and, while initially expressing concern for the risk of delays precipitated by the changes in political regimes, recognized that “at least, the foundations for development have been laid down, and we may even hope for synergistic effects on the development agenda.”

B) Economic results

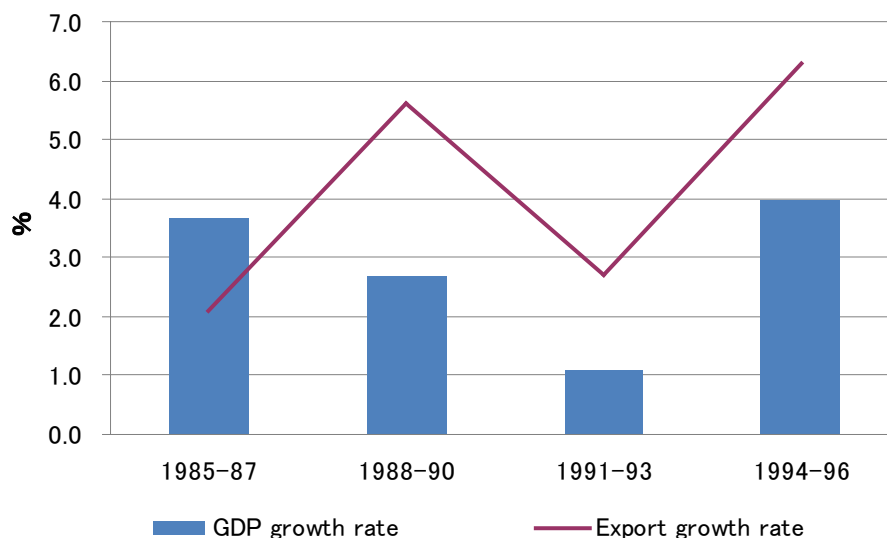
Although approximately half of the Sub-Saharan countries, i.e., 21 countries, exhibited positive growth during the period from 1988 to 1993, only this half of the 21 managed to achieve growth rates of 4–5%. Meanwhile, due to the emergence of countries suffering the devastation of civil wars and social unrest (Liberia, Rwanda, Somalia, and Zaire, etc.), approximately 20 countries recorded negative growth. As a result, the per capita GDP of the Sub-Saharan countries as a whole for the period from 1988 to 1993 was minus 0.9%. Additionally, the export structure for Sub-Saharan Africa remained the same throughout the latter half of the 1980s, and primary commodities continued to account for approximately 90% of total exports.

Source: World Bank (1995) A Continent in Transition: Sub-Saharan Africa in the mid-1990s

1-2-2. Condition of Africa immediately before TICAD II

Growth in African countries began in earnest in 2000 and thereafter, but at the time of TICAD II in 1998, signs of recovery were visible in Africa. The figure below shows the GDP growth rate of Sub-Saharan African countries in 3-year periods. A trend toward recovery can be seen starting in 1994. The intermediate value of the growth rate which was 2.7% annually in 1988-90 dropped to 1.1% in 1991-93 but rebounded to 4.0% in 1994-96. Moreover, as the result of economic reforms in the countries in the 1990s, exchanges rates were deregulated, and exports began to grow. The export growth rate, which was 2.7% in 1991-93, increased to 6.3% in 1994-96.

Figure 1-3 GDP growth rate and export growth rate of Sub-Saharan countries (median) (1985-1999)



Source: World Bank Databank

In March 1997, a symposium called Deployment of a New Stage in African Assistance was held by FASID in Japan in preparation for TICAD II. At the symposium, the condition of Africa was summarized as “showing some easing of the rapid economic decline seen during the 1980s in Sub-Saharan African countries.” Concerning this condition, it was pointed out that “a different approach must be taken for each African country, and we must respond accurately to the basic needs of the poor. Specifically, in countries where economic growth and democracy are progressing, it is necessary to strengthen trade and investment. In countries that are currently in the midst of a transition period, ODA is the main form of assistance. In countries that are in the early stage of transition, emergency aid and humanitarian assistance should be the central focus.”⁴ So, TICAD II was held when such signs of recovery were visible in Africa.

1-2-3. Condition of Africa immediately before TICAD III and beyond

In the late 1990s prior to TICAD III held in 2003, emphasis began to be placed on poverty reduction in discussions behind the scenes at international venues such as the G8 Summit meetings. In 2000, the MDGs which include the goal of halving poverty were established. Moreover, the improvement of aid effectiveness which began with the Rome Declaration provoked international discussion.

⁴ FASID (1997). Outlook for the New Stage of African Assistance: First FASID Forum.

Meanwhile, as emphasis was placed on poverty reduction in the late 1990s, the negative impact of globalization came to be regarded as a problematic because, even if some economies grew due to economic deregulation, the gap between countries as well as within countries expanded significantly. Doubts were raised that perhaps the poor may be becoming poorer than before. So, what sorts of policies cause growth and poverty reduction, as well as whether growth contributes to poverty reduction came to be questioned. Pro-poor growth began to gain attention as a type of growth that contributes to poverty reduction.⁵ In response to these international debates, TICAD, at TICAD III in 2003, proposed “poverty reduction through economic growth” as a pillar among the main challenges for African assistance, and became a proponent for promoting pro-poor growth in Africa.

In many African countries in the late 1990s, economic growth was beginning to recover, and promotion of pro-poor growth within that continued to be pointed out as important for “economic growth” given the flow of assistance that emphasizes poverty reduction and given the international aid that tends to concentrate in aid to the social sector which is apt to directly improve the lives of the poor. Pro-poor growth has sustained balanced assistance for Africa.

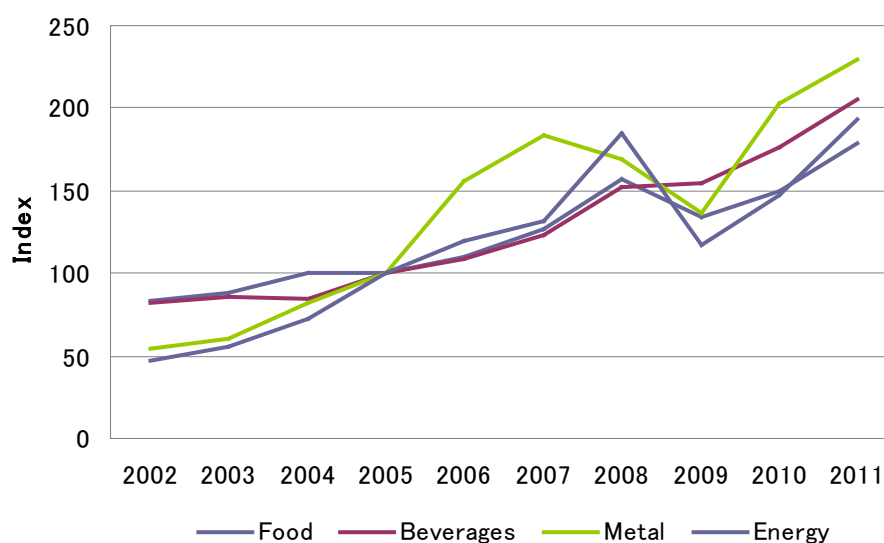
However, the economic recovery of Africa in the late 1990s is often said to have been due to the rise in the price of primary commodities⁶. The trend in the prices of primary commodities from TICAD III until 2011 is as follows.

After 2002, primary commodities’ prices temporarily dropped in 2009, but aside from that, the basic trend was upward. Compared to 2002, prices in 2011 were 2.1 times higher for food, 2.5 times for beverages, 4.2 times for metal, and 4.1 times for energy. In the case of developing countries including those in Africa that export these commodities, the increase in income received from exports is likely to be a major engine of economic growth.

⁵ Institute For International Cooperation of JICA (2004). *Enjyo no chouryu ga wakaru hon (Understanding Development Assistance Trend)*. International Cooperation Publishers Society.

⁶ For example, World Bank, Africa Chief Economist Office. (2012). "Africa's Pulse" volume6, IMF (2012) “Regional Economic Outlook, Sub-Saharan Africa”

Figure 1-4 Commodity prices (Index number: 2005 = 100) (2002–2011)



Source: World Economic Outlook, October 2012

In response to Africa’s economic recovery which was deeply related to the rise in primary commodity prices, TICAD points out the importance of diverse industrial development including manufacturing in addition to development of primary commodities, citing “private sector-led growth” which is considered important in the TICAD process and “acceleration of growth” through TICAD IV. This is connected with economic transformation which has been discussed in Africa in recent years.

It may be said the TICAD’s initiatives over 20 years were aimed at resolving Africa’s development issues, which have changed significantly since the early 1990s, while incorporating the flow of international assistance mainstreamed by the US and Europe and at the same time adding TICAD’s own viewpoint.

1-3. Changes during the period of the TICAD process

1-3-1. Co-organizers

Since its launch in 1993, TICAD has been held through the sponsorship of Japan together with other co-organizers. This type of forum is unlike the African forums held by other countries and is unique to TICAD. Initially, Japan, the United Nations, and GCA (later dissolved) were the original co-organizers of TICAD. Subsequently, the UNDP, which leads the development community, and the World Bank, joined on as co-organizers, and in 2010, in accordance with the “Joint Communiqué

regarding the Reinforcement of the Cooperative Relationship between Japan and the African Union,” the AUC (Commission of the African Union) also joined as a co-organizer. This is expected to reinforce Africa’s ownership in the TICAD process.

(Reference) Changes in co-organizers

1993: Japan, UN, GCA⁷

1994: Japan, UN, GCA, UNDP

2000: Japan, UN, GCA, UNDP, World Bank

2007: Japan, UN, UNDP, World Bank

2010: Japan, UN, UNDP, World Bank, AUC

1-4. Summary

This study aims to review the TICAD process since 1993 and the performance and trends of development assistance provided by TICAD co-organizers for Africa as well as private-sector trade and investment in the region in the same period—while also taking into consideration the results of preceding studies. In addition, it aims to contribute to preparations for TICAD V and discussions on the future of TICAD after TICAD V.

African countries were experiencing economic stagnation from the 1980s to around the time of the launch of TICAD I. Sub-Saharan Africa, impacted by the second oil shock in 1979 and the global recession that followed, fell into an economic crisis during the early 1980s. Subsequently, the average per capita GDP (Year 2000 nominal value) in Sub-Saharan African countries continued to decline throughout the 1980s, bottoming out during the early 1990s at less than \$500, reaching \$482 in 1994.

Meanwhile, in early 1990, amidst the flow of global political change following the conclusion of the Cold War between the East and West in 1989, African countries one after the other began switching to multi-party systems. Of the 48 countries in Sub-Saharan Africa, the switch to a multi-party system occurred in 39 countries by the end of 1994. The early 1990s were a time when domestic economies were depressed, and in domestic politics, great hopes were placed in the new

⁷ GCA: Global Coalition for Africa

An NGO with the qualities of an eminent persons group founded in 1991 through the initiative of former World Bank President, Robert McNamara, comprising current and former development ministers of Africa and the industrialized countries; the GCA had been a co-organizer since TICAD I but was dissolved in September 2007 after having accomplished its initial objectives (raising the awareness of the international community regarding Africa issues).

multi-party systems. In short, TICAD I held in 1993 was launched at a time when “there was expectation of reforms to come due to the political changes in African countries in the midst of economic stagnation.”

In the early 90s, Africa witnessed ethnic disputes erupt within the borders of each country, and economic stagnation continue to prevail overall. However, in the late-1990s, following the convening of TICAD II, signs of recovery in Africa were becoming evident backed by the rise in the price of primary commodities. Moreover, in the late 1990s, emphasis began to be placed on poverty reduction in discussions behind the scenes at international venues such as the G8 Summit meetings, and in 2000, prior to TICAD III held in 2003, MDGs that included the goal of halving poverty were established.

Although certain countries were able to achieve political stability and economic growth from the 2000s, Africa on the whole continued to maintain the highest rate of the poor among its population, as well as to be plagued by a host of seemingly insurmountable problems including conflict and hunger, infectious diseases (especially HIV/AIDS), climate change, and even accumulated debt. The Hokkaido Toyako Summit, which took place in July 2008, after TICAD IV, addressed the issue of African development. The leaders renewed their commitment to increase ODA to Africa and referred to specific assistance measures for Africa, such as the improvement of the business environment, improvement of infrastructure, support for agriculture, spending on Aid for Trade, support for good governance, and peace and security in Africa. In this way, the private sector, together with ODA, has been taking on an increasingly important role in today’s African development.

2. TICAD Process Review

2-1. Overview and outcome of TICAD I-IV and related meetings⁸

2-1-1. TICAD I

Since the introduction of multi-party democracy in the 1990s, many African countries were faced with unstable new governments and stalled economic reforms. In addition, the aid flow to Africa started to slow with the end of the Cold War, when EU members—long-time donors to Africa—began sending their aid money to the former Eastern Bloc. EU countries were increasingly cutting back on overall aid budgets, which also added to the downward trend in aid money for Africa. As a result, interest in the African development by the international community waned, raising concern that Africa may be marginalized⁹. Meanwhile, Japan's assistance to Africa rose sharply between the 1980s and 1990s. Japan was the fourth largest donor to Africa after France, the U.S., and Germany, as of 1993¹⁰. TICAD I, held in the same year, succeeded in drawing global attention back to African development by appealing that there would be no world peace and development without the resolution of problems in Africa¹¹. The conference also served to familiarize the global community with the term and concept of ownership (referred to as “self-reliance” in the Tokyo Declaration of TICAD I) and partnership as well as highlight the importance for African countries to learn from the development experience of Asia.

Cooperation between Asia and Africa, presented at TICAD I, has since been promoted and supported through the enhancement of coordination among African countries and their development partners, the reaffirmation of regional cooperation and integration as set out in the 1980 Lagos Action Plan, as well as through the Asia-Africa Forum (held in Bandung in 1994 and Bangkok in 1997) and workshops held in both English- and French-speaking Africa¹².

⁸ The part from TICAD I through to TICAD Conference on Consolidation of Peace in this section was written with reference to JICA (2007), Project Study on the TICAD Process-review of Past Achievements and Implications for Future Success [Project Study].

⁹ This is pointed out in many literature, such as the Foundation for Advanced Studies on International Development (FASID) (1997), *A New Phase of Development Cooperation with Sub-Saharan Africa: FASID Forum I*.

¹⁰ Preliminary Study for the Planning of Economic Cooperation Projects (New Approaches for Assistance to Africa (MOFA, 1997)

¹¹ Horiuchi, Shinsuke, *TICAD after 10 Years: A Preliminary Assessment and Proposals for the Future* (2004) (<http://www.idea-jpn.co.jp/reports/TICAD-10year-nosokuseki.pdf>)

¹² <http://www.mofa.go.jp/mofaj/area/ticad/aaf.html>

Figure 2-1 Content and achievements of TICAD I

| | |
|--------------|---|
| Content | (1) Held on October 5-6, 1993 in Tokyo; adopted the “Tokyo Declaration on African Development”; (2) Attended by a total of around 1,000 people comprising representatives of 48 African countries (including five heads of state), 12 donor countries, the EC, and eight international organizations and observers |
| Achievements | (1) Held at an opportune time when the sense of crisis among African nations over the region’s economic problems and fading global interest toward the continent was at its height after the end of the Cold War; (2) Demonstrated Japan’s positive attitude toward aid to Africa through its non-project grant aid target and plans for a youth invitation program, water resource development projects, and an Asia-Africa seminar; (3) Highlighted the need for the international community to support Africa and the importance of Africa’s self-reliance and partnership with the international community, based on the “Tokyo Declaration on African Development” adopted by the conference; (4) Became the first international conference to suggest the possibility of applying Asia’s experience to Africa |

Source: Compiled by Mitsubishi UFJ Research and Consulting (MURC) Co., Ltd., using materials from the Ministry of Foreign Affairs (MOFA).

(http://www.mofa.go.jp/mofaj/area/ticad/index_tc1.html)

2-1-2. TICAD II

At the 9th UNCTAD meeting held in April 1996, two and a half years after TICAD, the Japanese government launched its “African Aid Initiative,” in which Japan stated its commitment to continue its development assistance for Africa. The hosting of TICAD II was also announced at the meeting, together with a proposal to maintain the momentum for African development raised by TICAD I¹³. In May 1996, OECD/DAC adopted a “New Development Strategy” in which “ownership” and “partnership” was emphasized¹⁴. TICAD II was held in 1998 on the back of this “New Development Strategy”, and the two concepts of “ownership” and “partnership” have since become the underlying principles of the TICAD process.

TICAD II structured its themes in a way somewhat different from that of other TICADs in that it employed the headings “approaches” and “cross-cutting themes.” The use of “approaches” at that particular time may be attributed in part to the discussions that were going on at the Special Program of Assistance for Africa (SPA)—which were then having large influence on African development—on new approaches such as the creation of sector-specific basket funds, which assumed sector-level assistance cooperation by both the governments of the developing countries

¹³ Horie, Masahiko (1997), *Japan’s Development Cooperation with Sub-Saharan Africa: Past, Present and Future*, FASID (1997), A new phase of development cooperation with Sub-Saharan Africa: FASID Forum

¹⁴ MOFA website: Japanese texts on the website use the translation *jijo doryoku* (“self-reliance”) for “ownership.”

and the donor countries, under Sector Investment Programs (SIP)¹⁵. SIP was also articulated in the Tokyo Agenda for Action adopted at TICAD II, and its impact may be gauged by the observation that “There is a need to improve the methods and mechanisms of current field-level cooperation.”

In the “Tokyo Agenda for Action,” Japan did not adopt the SIP and proposed the three concrete themes of “capacity building,” “gender mainstreaming” and “environmental management.” TICAD II set out priority policies and activities together with numerical targets, and produced an “illustrative list” of TICAD partner projects/programs to outline the concrete steps to be taken towards African development.

TICAD II took place in 1998, the year of a global financial crisis. TICAD II is deemed to have played a role in spotlighting aid to Africa at a time when all eyes of the world were fixed on Asia and other regions seriously affected by the crisis.

Figure 2-2 Content and achievements of TICAD II

| | |
|--------------|---|
| Content | (1) Co-hosted by Japan, the UN and the Global Coalition for Africa (GCA) on October 19-21, 1998 in Tokyo; adopted the “Tokyo Agenda for Action”; (2) Offered a dialogue session for African representatives and Japanese private sector businesses aimed at expanding trade & investment and sharing experiences between Asia and Africa; (3) Discussed the specifics of follow-up on the “Tokyo Agenda for Action” toward maintaining the momentum for African development |
| Achievements | (1) Sent out to the international community a positive message that the future outlook of Africa is bright, in light of Africa’s progress in recent years (2) Shared the recognition that the full potential of the African people needs to be materialized and Africa's participation in the international community as equal partners needs to be strengthened in order to reduce poverty and improve living standards in African countries (3)The “Tokyo Agenda for Action” adopted at the conference featured the numerical goals, policies, and activities of Japan’s assistance for Africa in three areas: 1) social development, including education, health/population and assistance for the poor, 2) economic development issues such as private-sector/industrial/agricultural development, external debt, etc., and 3) good governance, conflict prevention, and post-conflict development. (4) Some of the key numerical targets set out in the “Tokyo Agenda for Action” are as below: 1) by 2015, reduce the proportion of people living in extreme poverty by at least half, 2) by 2015, ensure universal primary education in all countries, and 3) by 2015, reduce maternal mortality to a quarter and infant & child mortality to one-third (of the 1990 levels). |

¹⁵ MOFA (1998), *Report on SIPs*

| | |
|--|---|
| | <p>(5) The main points for aid to Africa presented in the “Tokyo Agenda for Action” are as follows: 1) Social development: Pledged grant aid of some 90 billion yen in education, health & medical services, and water resources for the next five years, 2) Economic development: Establishment of the Asia-Africa Investment Information Service Center, the holding of the Asia-Africa Business Forum, debt management capacity building, and the expression of intention to consider enlarging the scope of grant aid for debt relief, 3) Basic foundation for development: Support for anti-personal mines clearance in southern Africa, support for conflict-affected regions, and cooperation with the UNDP, OAU, UNHCR, and others, 4) South-South cooperation: Training of 2,000 Africans over the next five years in Japan-sponsored training programs, 5) Coordination: Establishment of bases for African human capacity building, and networking among development research and training institutes, 6) Follow-up: Implementation of follow-up projects under the TICAD II facility.</p> |
|--|---|

Source: Compiled by MURC using materials from MOFA

http://www.mofa.go.jp/mofaj/area/ticad/index_tc2.html

2-1-3. TICAD Ministerial Meeting

The period after TICAD II saw a number of meetings and initiatives on Africa. In 2000, the EU and OAU issued the “Cairo Plan of Action” at the Africa-Europe Summit in April, and the U.S. Congress passed the African Growth and Opportunity Act (AGOA), which set up the framework for U.S. trade investment to sub-Saharan Africa in May, while China adopted the “Beijing Declaration of the Forum on China-Africa Cooperation” and formulated the “Program for China-Africa Co-operation in Economic and Social Development” in October¹⁶.

In the following year, 2001, African governments launched a development plan of their own initiative, the “New Partnership for Africa’s Development (NEPAD),” which was adopted at the AU Summit followed by the announcement of the “Genoa Plan for Africa” at the G8 Summit in Genoa.¹⁷

The TICAD Ministerial Meeting of 2001, held at a time when African development was being discussed internationally in various aspects as shown above, expressed TICAD’s support for the New Partnership for Africa’s Development (NEPAD), as a manifestation of Africa’s ownership.

The meeting identified the following as important approaches toward African development: (1) the strengthening of the foundation for development through the promotion of peace and good governance; (2) investment in people, with focus on the human resource development, education, and health sectors; (3) poverty reduction through economic growth; (4) South-South cooperation, or the cooperation between Asia and Africa as well as among African countries, and (5) the diffusion of

¹⁶ http://www.mofa.go.jp/mofaj/gaiko/oda/shiryo/hyouka/kunibetu/gai/africa/sct_03_01_2_3.html

¹⁷ Ibid.

Figure 2-3 Content and achievements of the TICAD Ministerial Meeting

| | |
|--------------|--|
| Content | (1) Held on December 3–4, 2001, by Japan, the UN (UNDP, OSCAL), the Global Coalition for Africa (GCA), and the World Bank; (2) Attended by a total of 400 representatives from 52 African countries, 28 Asian and European countries, and 32 international and regional organizations; (3) Offered a public-private exchange session and a civil society dialogue session involving NGOs; (4) Discussions centered on TICAD II review and on NEPAD, Africa’s own development initiative; other focused areas (foundation for development, investing in people, poverty reduction through economic growth) and focused approaches (South-South cooperation, regional cooperation, IT for development) were also examined; (5) The chair’s statement was issued as the meeting’s final output. |
| Achievements | (1)The international community recognized the effectiveness of the TICAD process for its contribution to raising interest in African issues and the validity of the “Tokyo Declaration” and the “Tokyo Agenda for Action.” (2) By providing a forum for an exchange of views on NEPAD, the ministerial meeting served as a promoter for TICAD-NEPAD cooperation. |

Source: Compiled by MURC using materials from MOFA

(http://www.mofa.go.jp/mofaj/area/ticad/tc_kanry.html)

2-1-4. TICAD III

TICAD III, held in 2003, was attended by many heads of state and government not only from Africa but from Europe and Asia, which conveyed an impression that the TICAD process, in the decade since its establishment, has grown into an international forum for discussions on African development. Japan’s policy for assistance to Africa through the TICAD process was summarized into the three pillars of human-centered development, poverty reduction through economic growth, and the consolidation of peace. Human security—one of the key planks of Japan’s foreign policy—also figured in the TICAD Tenth Anniversary Declaration issued at the conference¹⁹.

During the Gleneagles Summit in 2005, held after TICAD III, G8 countries and other donors made a commitment to double international assistance to Africa in the following five years by increasing the amount by US\$25 billion by 2010 (compared to 2004)²⁰.

¹⁸ http://www.mofa.go.jp/mofaj/area/ticad/tc_ghk.html

¹⁹ http://www.mofa.go.jp/mofaj/area/ticad/pdfs/10_sengen.pdf

²⁰ http://www.mofa.go.jp/mofaj/gaiko/summit/gleneagles05/s_01.html

Figure 2-4 Content and achievements of TICAD III

| | |
|--------------|---|
| Content | (1) Convened from September 29 to October 1, 2003 in Tokyo; issued the “TICAD 10 th Anniversary Declaration” and the “Summary by the Chair of TICAD III”; (2) Attended by over 1,000 participants from 89 countries (including 24 African heads of state or government) and 47 organizations; (3) Held discussions on efforts for African development made by both donors and African countries; sought to consolidate international support toward NEPAD and to expand partnership with Africa |
| Achievements | <p>(1) Marking the largest attendance ever from African countries and also from Europe and Asia at this conference, TICAD established itself as a leading international platform on African development issues.</p> <p>(2) The “TICAD 10th Anniversary Declaration” expressly featured “human security,” a concept Japan had been promoting. (3) The “Summary by the Chair of TICAD III” delivered at the meeting set forth the three pillars guiding Japan’s aid to Africa, namely, “human-centered development,” “poverty reduction through economic growth”, and “the consolidation of peace,” and laid out the major development agenda of: 1) the consolidation of peace, 2) capacity building, 3) human-centered development, 4) infrastructure, 5) agricultural development, 6) private-sector development, 7) the expansion of partnerships, and 8) dialogue with civil society.</p> |

Source: Compiled by MURC using materials from MOFA

http://www.mofa.go.jp/mofaj/area/ticad/index_tc3.html

2-1-5. TICAD Asia-Africa Trade and Investment Conference

The TICAD Asia-Africa Trade and Investment Conference held in 2004 aimed to spotlight the idea of “poverty reduction through economic growth,” one of the three pillars of TICAD III, and to further Asia-Africa cooperation, a basic concept of the TICAD process, in the fields of trade and investment. Recognizing that trade and investment are by nature the activities of the private sector, the chair’s summary clarified the roles of the government in trade and investment. This was consistent with TICAD II’s and TICAD III’s position of emphasizing government’s roles.

The outcome of the TICAD Asia-Africa Trade and Investment Conference include: 1) the identification of four areas to be addressed within the TICAD process: the formulation of appropriate policies for promoting industries, the promotion of product development according to comparative advantages, the empowerment of local small and medium-sized enterprises, and the promotion of social contributions by private enterprises, 2) the announcement to create a comprehensive network for business promotion, and 3) the signing of a policy document on mutual cooperation between NEPAD and TICAD for the promotion of business between Asia and Africa. The document on the “TICAD-NEPAD Joint Policy Framework”—the first document approved by TICAD and NEPAD—outlined concrete cooperative actions to be taken towards the promotion of trade and

investment between the regions²¹.

Figure 2-5 Content and achievements of the TICAD Asia-Africa Trade and Investment Conference

| | |
|--------------|---|
| Content | <p>(1) Held on November 1–2, 2004 in Tokyo; issued the “TICAD-NEPAD Joint Policy Framework for the Promotion of Trade and Investment between Africa and Asia”; (2) Attended by 700 participants from 48 African countries, 13 Asian countries, 16 Western countries and 24 international organizations; (3) Acknowledged the potential for promoting trade and investment between Asia and Africa, and discussed in breakout sessions the roles of the government in tapping this potential; (4) Held discussions on 1) sharing of the basic philosophy, “poverty reduction through economic growth, 2) potential for trade and investment between Asia and Africa, 3) the identification of problems in trade and investment, 4) the roles of the government in improving the environment for trade and investment, and 5) the enhancement of public and private networks through TICAD; (5) As side-events, four African countries (Kenya, Morocco, South Africa and Egypt) and NEPAD organized investment seminars targeting private businesses. Embassies and international organizations held exhibitions of African products.</p> |
| Achievements | <p>(1) By inviting private companies from Asia and Africa to hold discussions, the conference served as a venue for two-way dialogue and discussion between private businesses and the international community at large, instead of that between countries. (2) It contributed to the April 2005 Asia-Africa Summit (50th anniversary commemoration of the Bandung conference) by presenting specific incentives for Asia to cooperate with Africa. (3) The “TICAD-NEPAD Joint Policy Framework for the Promotion of Trade and Investment between Africa and Asia” issued at the conference acknowledged the tasks toward removing impediments to Asia-Africa trade and investment promotion, namely: 1) political, economic and social stability, 2) the maintenance of a stable and predictable business environment through sound macroeconomic policies and the “rule of law,” and 3) the reduction of business transaction costs through the development of infrastructure, and announced concrete actions to accomplishing the above tasks, which are: 1) stimulating the interest of the private sector in trade and investment between Asia and Africa, 2) taking actions to promote mutual understanding and confidence between the public and private sectors, 3) exchanging and sharing information and experience and contributing to global knowledge, 4) bridging the information gap and removing negative perceptions associated with doing business in Africa, and 5) cooperating with the Bandung process.</p> |

Source: Compiled by MURC using materials from MOFA
http://www.mofa.go.jp/mofaj/area/ticad/index_asia_af.html

²¹ http://www.mofa.go.jp/mofaj/area/ticad/as_af_gh.html

2-1-6. TICAD Conference on the Consolidation of Peace

The TICAD Conference on the Consolidation of Peace in 2006 was themed on and aimed at promoting one of the three main pillars of TICAD III. The consolidation of peace—a process that requires multi-faceted and comprehensive approaches—is an issue of great significance from the viewpoint of human security. With this in mind, the Japanese government, recognizing the “consolidation of peace” as a field where Asian experience can be applied to Africa—one of the fundamental principles of the TICAD process—and aiming to assist in the consolidation of peace in Africa by sharing the experience of Cambodia and Afghanistan in this respect, hosted discussions in the three areas of peace consolidation, namely, security, political governance & transition, and community reconstruction & socio-economic development²².

Figure 2-6 Content and achievements of the TICAD Conference on the Consolidation of Peace

| | |
|--------------|---|
| Content | <p>(1) Held on February 16–17, 2006, in Addis Ababa, Ethiopia, hosted by the Japanese government, the UN, the Global Coalition for Africa (GCA), UNDP and the World Bank</p> <p>(2) Attended by over 400 participants from 23 countries in Africa and 50 countries in other regions, 38 regional and international organizations, and 20 NGOs/civil society bodies</p> <p>(3) Discussions took place on the four key issues of: 1) ownership and partnership, 2) the need for comprehensive/integrated approaches and country-specific approaches, 3) the significance of human security and the roles of non-governmental/civil society organizations and women, and 4) Asia-Africa cooperation. In addition, detailed discussions were held on: 1) security, 2) political governance and transition, and 3) community reconstruction and socio-economic development.</p> <p>(4) Japan announced its active support for Africa in the fields of governance and human security, along with a financial assistance of approximately US\$60 million in total.</p> |
| Achievements | <p>(1) The conference reviewed the current situation and issues of peace consolidation efforts, reaffirmed the need to step-up efforts toward peace consolidation—in light of the recurrence of violence—and concluded that the process for peace consolidation would require multi-faceted, integrated, and coherent approaches.</p> <p>(2) Deliberated on the three elements required in the approach toward peace consolidation, namely, 1) security, 2) political governance and transition, and 3) community reconstruction and socio-economic development.</p> |

Source: Compiled by MURC using materials from MOFA

<http://www.mofa.go.jp/mofaj/area/ticad/heiwa.html>

²² http://www.mofa.go.jp/mofaj/area/ticad/heiwa_gai.html

2-1-7. TICAD IV

The priority themes of TICAD IV, held in 2008, were the acceleration of economic growth, establishing human security (achievement of MDGs, the consolidation of peace and good governance), and dealing with the environment and climate change issues. The outcome of this conference was the Yokohama Declaration and the Yokohama Action Plan, a roadmap with concrete actions showing how the TICAD process would provide concrete support for African growth and development in the next five years.²³ The Yokohama Action Plan is characterized by an action-based approach that comprehensively grasped African development issues. Moreover, it was decided that progress on the action plan be annually followed-up on and published. TICAD IV is distinct from previous TICADs in its inclusiveness and in the adoption of this follow-up mechanism.

²³ http://www.mofa.go.jp/mofaj/area/ticad/3_gs_point.html

| TICAD IV: Overview of the Yokohama Action Plan | | |
|--|-----------------------------------|---|
| Broad category | Sub category | Actions to be taken in the next five years under the TICAD process |
| Boosting economic growth | Infrastructure | Regional transport infrastructure (roads, ports, etc.) Regional power infrastructure Water-related infrastructure Enhanced involvement of regional institutions Promotion of public-private partnerships (PPPs) in infrastructure |
| | Trade, investment, and tourism | Promoting and expanding trade Encouraging foreign investment Assisting private-sector development Promoting tourism |
| | Agriculture and rural development | Enhancing capacity to increase food production and agricultural productivity Improving access to markets and agricultural competitiveness Supporting the sustainable management of water resources and land use |
| Achieving MDGs | Community development | Comprehensive “glocal” (global and local) community development Community-based approach, building on functional hubs |
| | Education | Basic education—expansion of access and quality Post basic education and higher education/research Multi-sectoral approach Education management |
| | Health | Strengthening of health systems Improvement of maternal, new-born and child health Measures against infectious diseases |
| Consolidation of peace, good governance | | Conflict prevention Humanitarian and reconstruction assistance Restoration and maintenance of security Promotion of good governance |
| Addressing environment/climate change issues | | Mitigation Adaptation Water and sanitation Education for Sustainable Development (ESD) |
| Broadening partnership | | Promoting South-South cooperation, in particular, Asia-Africa cooperation Deepening regional integration Broadening partnerships |

Source: http://www.mofa.go.jp/mofaj/area/ticad/tc4_sb/yokohama_ks.html

The Hokkaido Toyako Summit that took place in July 2008, after TICAD IV, addressed the issue of African development. The leaders renewed their commitment to fulfill the goal of increasing ODA from G8 and other donors to Africa by US\$25 billion a year by 2010, and referred to specific assistance measures for Africa such as the improvement of the business environment, improvement of infrastructure, support for agriculture, spending on Aid for Trade, support for good governance, and peace and security in Africa²⁴.

Figure 2-7 Content and achievements of TICAD IV

| | |
|---------|---|
| Content | <p>(1) Held on May 28–30, 2008 in Yokohama; chaired by Prime Minister Fukuda, who delivered a keynote speech at the opening session; issued three documents, namely, the “Yokohama Declaration,” the “Yokohama Action Plan”, and the “TICAD Follow-up Mechanism”; (2) Attended by over 3,000 participants from 85 countries and 74 organizations, including 41 heads of state and government (AU Commission Chairperson Jean Ping, etc.) as well as private-sector and civil society/NGO representatives; (3) The World Bank, FAO, WFP, and IFAD organized a high-level panel discussion on food price hikes, in the presence of Prime Minister Fukuda and Foreign Minister Koumura. (4) Prime Minister Fukuda announced in his keynote speech that Japan will double its ODA to Africa, introduce measures to double Japanese private investment in Africa, and carry out other aid to Africa measures. (5) The conference produced the following three documents as its final output: the “Yokohama Declaration”, which confirms the participants’ political commitment regarding their efforts and future direction for African development; the Yokohama Action Plan, a roadmap based on the Yokohama Declaration that sets out concrete actions to be taken under the TICAD process; and the “TICAD Follow-up Mechanism” to monitor and assess the implementation of the TICAD process. (6) The “Yokohama Declaration” advocates “boosting economic growth” in the industry, agriculture, trade/investment, and tourism sectors, “achieving Millennium Development Goals” with emphasis on community development, education, health, and gender, “the consolidation of peace and good governance” in view of the importance of development and peace, “addressing environmental issues and climate change” in Africa, a continent vulnerable to climate change, and “broadened partnerships”—a priority of the TICAD process—through the enhanced efforts of the international community towards African development. (7) Prime Minister Fukuda, who chaired the conference, presented the “Summary by the Chair of TICAD IV”.</p> |
|---------|---|

²⁴ http://www.mofa.go.jp/mofaj/gaiko/summit/toyako08/doc/doc080709_03_ho.html

| | |
|--------------|---|
| Achievements | (1) The theme, “Towards a Vibrant Africa,” as well as the key discussion points, was highly commended by African participants as timely and appropriate. (2) The increased number of summit-level participation from Africa and high-level attendance from countries in Europe and Asia attests that TICAD has established itself as a true international platform for African development over its 15-year history. (3) Japan affirmed its favorable relations with Africa through Prime Minister Fukuda’s bilateral talks with all of the 40 summit-level participants, the AU chairperson, and six individual invitees. (4) With the introduction of the “TICAD Follow-up Mechanism,” a monitoring mechanism was institutionalized. The mechanism has since been playing a role in ensuring the continued implementation of the initiative, by providing opportunities for talks among relevant countries/organizations at the annual follow-up meetings. (5) The targets for grant assistance and technical cooperation in the agriculture sector set in the Yokohama Action Plan were achieved in 2009, but on the sub-sector level, further assistance is needed in the field of irrigation (as of March 2012). (6) The education sector has achieved the targets (as of March 2012). (7) The health sector has met the targets (as of March 2012). |
|--------------|---|

Source: Compiled by MURC using materials from MOFA

http://www.mofa.go.jp/mofaj/area/ticad/index_tc4.html

http://www.mofa.go.jp/mofaj/area/ticad/tc4_fum.html

<http://www.mofa.go.jp/mofaj/area/ticad/report/annual/2011/report2011.pdf>

2-1-8. Comparison of major agenda items for TICAD I-IV

The agendas of TICAD I through IV were set based on the major development topics in Africa at the time and the discussion behind the scenes at international venues. For this reason, a variety of themes were featured at the conferences, and when it came to African economic growth, TICAD consistently attached importance to protection from threats to human lives, livelihoods and dignity, and capacity building (human security), placing at the center the role of the private sector (i.e., private sector-led economic growth) and each and every human living in Africa. One characteristic of this was TICAD’s featuring of promotion of south-south cooperation from the standpoint of sharing Japan’s experience in Asian development with Africa.

Figure 2-8 Major aspired themes under TICAD (I–IV)

| | TICAD I "Towards the 21 st Century" (1993) | TICAD II "African Development toward the 21 st Century" (1998) | TICAD III (2003) | TICAD IV "Toward a Vibrant Africa: Continent of Hope and Opportunity" (2008) |
|--------------|--|--|--|--|
| Major agenda | (1) Political and economic reforms Democratization Respect for human rights Good governance Human and social development Economic diversification and liberalization | (1) Social development and poverty reduction: Promoting human development Education Health and population Other measures to assist the poor | (1) Consolidation of peace (2) Capacity building African Peer Review Mechanism | (1) Boosting economic growth Infrastructure Trade & investment practices Agricultural and rural development |
| | (2) Economic development through the activities of the private sector | (2) Economic development issues such as private-sector/industrial/agricultural development, external debt, etc. | (3) Human-centered development Health Water resources management | (2) Achieving MDGs Community development Education Public health |
| | (3) Regional cooperation and integration Promotion of intraregional trade and investment | (3) Good governance, conflict prevention, and post-conflict development | (4) Infrastructure | (3) Consolidation of peace, good governance |
| | (4) Emergency relief and development Disaster prevention and management Food security | Other: (1) Underlying principles Ownership Global partnership (2) Approaches Strengthening coordination Regional cooperation and integration South-South cooperation (3) Cross-cutting themes Capacity building Gender mainstreaming Environmental management | (5) Agricultural development (6) Private-sector development | (4) Addressing environmental/climate change issues |
| | (5) Asian experience and African development Political stability Promotion of agricultural production Education/human resource development Market-friendly and export-led policies Fiscal policies Emphasis on the private sector Land reform | | (7) Expansion of partnerships (8) Dialogue with civil society | (5) Broadening partnerships |
| | (6) International cooperation | | | |
| | (7) Follow-up | | | |

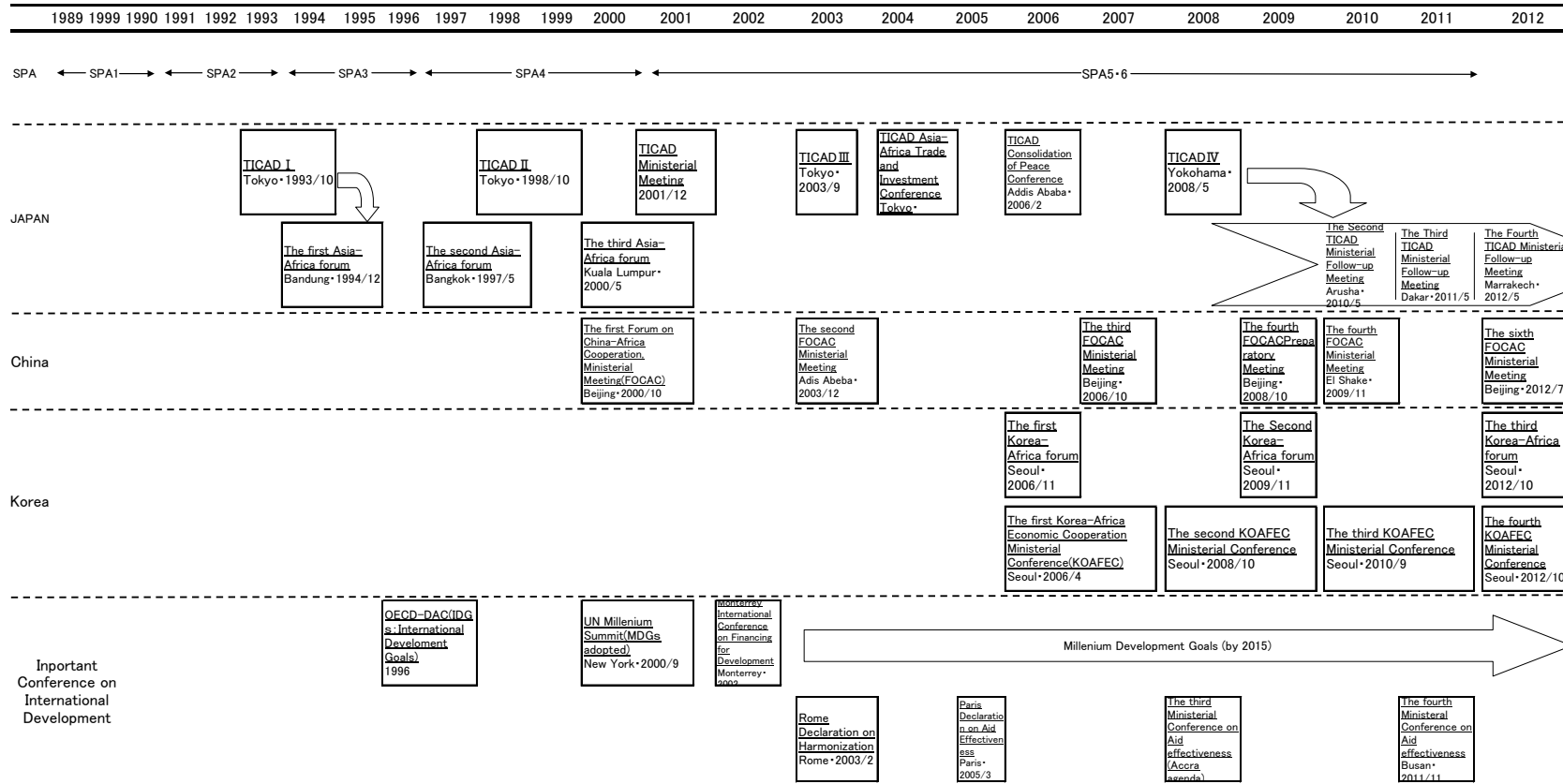
Source: Compiled by MURC using materials from MOFA.

We have thus far reviewed the history and development of TICAD. In the next section, we will shed light on the relationship between TICAD meetings and other relevant contemporary meetings

and initiatives. Note, however, that the Africa and France Summit, although examined in the text, is not shown in the diagram below, as the summit was founded before the start of the TICAD process and has since been held continuously²⁵.

²⁵ Source: Websites of the respective meetings

Figure 2-9 Historical development of TICAD and other relevant meetings



2-2. International discussions, meetings and initiatives for African development

2-2-1. International assistance trends

This section deals with two international trends that emerged from the latter half of the 1990s relating to African development: measures for poverty reduction (UN Millennium Summit) and reaction to globalization (WTO Doha Ministerial Conference). Also mentioned in this section is the “World Summit on Sustainable Development” of 2002, as the culmination of these two trends.

(1) United Nations Millennium Summit

From the 1990s, an increasing number of donor countries and aid agencies considered poverty eradication the ultimate goal of development, and in 1996, the New Development Strategy was adopted by the OECD Development Assistance Committee (DAC). Then, in 2000 the United Nations Millennium Summit Declaration was adopted at the United Nations Millennium Summit. The Millennium Development Goals (MDGs) represent an integration of this declaration and the development goals set at major international conferences and summits held throughout the 1990s.²⁶ Under the MDGs, “To reduce by half the number of people living in absolute poverty” was set as an international development goal. Additionally, from 1999, the Poverty Reduction Strategy Papers drafted jointly by the World Bank/IMF and the governments of the developing countries came to be adopted as the development plan of each country.

The United Nations Millennium Declaration, in its eight chapters, articulates the role of the 21st century international community. While the content of each chapter is integrally related to African development, an entire chapter has been dedicated exclusively to Africa.

Figure 2-10 United Nations Millennium Summit (2000)

| | |
|---------|--|
| Content | <p>The eight chapters of the United Nations Millennium Declaration are as follows.</p> <p>I. Values and Principles</p> <p>II. Peace, Security, and Disarmament</p> <p>III. Development and Poverty Eradication</p> <p>IV. Protecting our Common Environment</p> <p>V. Human Rights, Democracy, and Good Governance</p> |
|---------|--|

²⁶ UNDP Tokyo Office website: <http://www.undp.or.jp/aboutundp/mdg/>

| | |
|--------------|--|
| | <p>VI. Protecting the Vulnerable</p> <p>VII. Meeting the Special Needs of Africa</p> <p>VIII. Strengthening the United Nations</p> <p>Chapter III, in particular, presents a broad discussion on development and poverty eradication, and it not only articulates direct measures for the reduction of poverty but also emphasizes the importance of the transparency of financial, monetary, and trading systems.</p> <p>Additionally, regarding Africa, the declaration states, “We will support the consolidation of democracy in Africa and assist Africans in their struggle for lasting peace, poverty eradication, and sustainable development, thereby bringing Africa into the mainstream of the world economy.” To this end, the declaration articulates measures to meet the issues of poverty eradication and sustainable development, including support for the peace and democracy of Africa, debt cancellation, improvement of market access, enhanced official development assistance, increased flows of foreign direct investment, and transfers of technology. In addition, it declares its support for Africa in building up its capacity to tackle the spread of the HIV/AIDS pandemic and other infectious diseases.</p> |
| Achievements | <p>(1) In 2002, the United Nations International Conference on Financing for Development was held in Monterrey to discuss the mobilization of financial resources for achieving the MDGs, in light of the recognition of the need for the “sufficient additional funding” called for in the “Road Map Toward the Implementation of the United Nations Millennium Declaration.”</p> <p>(2) International initiatives are being taken toward the achievement of the MDGs by 2015. In addition to the above International Conference on Financing for Development in Monterrey, the UN Summit on the Millennium Development Goals was held in 2010; and a UN General Assembly High-level Meeting on MDGs is planned for 2013.</p> |

Source: Ministry of Foreign Affairs of Japan website

http://www.mofa.go.jp/mofaj/kaidan/kiroku/s_mori/arc_00/m_summit/sengen.html

UNDP website: <http://www.undp.or.jp/aboutundp/mdg/>

(2) WTO Doha Ministerial Conference (2001)

The new WTO round of negotiations that began in 2001 advanced the cause of opening up the markets as well as endeavored to correct the trade imbalances of the past and thus came to be known as the “Development Round.” At the WTO Doha Ministerial Conference in 2001, an agreement was

reached to improve or negotiate improvements of WTO rules in the field of agricultural subsidies, textile and clothing products, exemptions to the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS), and a revision of anti-dumping laws. Accordingly, a certain amount of success was said to have been achieved in correcting the WTO rules, which had previously favored the industrialized countries.

Figure 2-11 WTO Doha Ministerial Conference (2001)

| | |
|---------|---|
| Content | <p>Key decisions relating to developing countries at the WTO Doha Ministerial Conference are as follows.</p> <ul style="list-style-type: none"> - The Preamble to the Ministerial Declaration states, “We recognize the particular vulnerability of the least-developed countries (LCD) and the special structural difficulties they face in the global economy,” and declares, “We are committed to addressing the marginalization of least-developed countries in international trade and to improving their effective participation in the multilateral trading system.” - Each agenda for negotiation expressed concern for the developing countries, and the major agendas discussed were as follows. <ol style="list-style-type: none"> 1) Improving market access to agricultural products 2) Lowering, reducing, or eliminating high tariffs and non-tariff barriers for agricultural products 3) Lowering, reducing, or eliminating high tariffs and non-tariff barriers for non-agricultural products 4) Revising current anti-dumping agreements 5) Reducing tariffs and non-tariff barriers of goods and services related to the environment 6) Considering “special and differential (S&D)” treatment and “aid for trade” for developing countries as part of development measures |
|---------|---|

Source: FASID (2002), *Background of the Johannesburg Summit (World Summit on Sustainable Development: WSSD)*, http://www.fasid.or.jp/_files/library/report/report3.pdf

JICA (2003), *Understanding Aid Trends*

(3) World Summit on Sustainable Development: WSSD (2002)

Originally, the purpose of the WSSD, which was held in Johannesburg in 2002, had been to

revise “Agenda 21,” the action plan adopted at the United Nations Conference on Environment and Development (UNCED) held in 1992, and to discuss various, global-scale issues, which occurred subsequently. Nevertheless, the WWSD turned out to be a culmination of the various international initiatives taken until the first half of the 2000s, and a myriad of topics were discussed, including environmental problems as well as poverty issues, health, trade and investments, and African development, etc.

Figure 2-12 World Summit on Sustainable Development (August–September 2002)

| | |
|------------------------------------|--|
| <p>Impact of other conferences</p> | <p>1) Discussions were called for on increasing aid and ways of utilizing debt forgiveness for achieving the MDGs, which were discussed at the United Nations International Conference on Financing for Development in Monterrey in March 2002.</p> <p>2) Trade issues were raised relating to market access for the products of developing countries, which was discussed at the WTO’s Fourth Ministerial Conference held in Doha in 2001.</p> <p>3) A specific action plan to support NEPAD was adopted at the Kananaskis Summit held in June 2002, and African development issues became a major topic for discussion.</p> |
| <p>Content</p> | <p>Major themes that integrated “Agenda 21,” which was adopted at the Rio Summit, with the Millennium Development Goals, were discussed.</p> <p>The following eight topics were included as major themes in the Plan of Implementation.</p> <p>(1) Poverty eradication, (2) Changing unsustainable patterns of consumption and production, (3) Protecting and managing natural resources—the base of economic and social development, (4) Sustainable development in a globalizing world, (5) Health and sustainable development, (6) Sustainable development of small-island developing states, (7) Sustainable development of Africa (Mention is made of TICAD and the utilization of south-south cooperation supported by TICAD.), (8) Other regional initiatives, (9) Means of implementation, and (10) Institutional frameworks for sustainable development.</p> <p>A rough draft was drawn up by adding the comments of each country to this Plan of Implementation, and after four preparatory committees, the “Johannesburg Declaration on Sustainable Development” was adopted at the WSSD. In terms of African development, the declaration states, “We welcome and support the emergence of stronger regional groupings and alliances, such as the New Partnership for Africa’s Development (NEPAD).”</p> |

Source: Compiled by MURC using materials from the Ministry of Foreign Affairs of Japan website (<http://www.mofa.go.jp/mofaj/gaiko/kankyo/wssd/>)

2-2-2. Summit Meetings

(1) Kyushu-Okinawa Summit (2000)

Since 2000, African issues have become major themes at the G8 Summits. At the G8 Kyushu-Okinawa Summit, which was held that year in Japan, the heads of state of African countries (the presidents of Algeria, Nigeria, and South Africa) were invited for the first time, and dialogue with the G8 leaders was realized. This was instrumental in further raising the awareness of G8 toward African development.²⁷

(2) Kananaskis Summit (2002)

The Kananaskis Summit was held against the backdrop of (1) the terrorist attacks of 9-11 and the subsequent strengthening of cooperation among the G8 countries, including cooperation between US and Russia; (2) the rising awareness of the international community toward development, particularly African issues, fomented through the series of development meetings starting from the WTO Ministerial Conference in Doha in November 2001 and the International Conference on Financing for Development in March 2002 to the Johannesburg Summit in late-August 2002; and (3) the launch of the “New Partnership for Africa’s Development (NEPAD)” (July 2001), as a manifestation of Africa’s ownership toward development based on democratization and sound economic management, among others. In terms of its initiatives toward Africa, the G8, based on its discussions on G8 support for NEPAD, adopted the *G8 Africa Action Plan*.²⁸ At the summit, Japan gave a presentation on its initiatives relating to the TICAD process.

²⁷ MOFA’s website on Japan’s ODA White Paper 2008

http://www.mofa.go.jp/mofaj/gaiko/oda/shiryo/hakusyo/08_hakusho/main/b2/s1_1_02.html

²⁸ MOFA’s website on the Kananaskis Summit (Evaluation and Overview)

http://www.mofa.go.jp/mofaj/gaiko/oda/seisaku/kondankai/senryaku/2_shiryo/shiryo_4_1.html

Figure 2-13 Kananaskis Summit: Africa Action Plan (2002)

| | |
|-------------|---|
| Cont ent | <p>(1) The action plan constitutes measures by the G8 as the basis for support and cooperation for the “New Partnership for Africa’s Development” (NEPAD).</p> <p>(2) The G8 will provide selective assistance to countries that are committed to good governance, the rule of law, investment in human resources, economic growth, and the alleviation of poverty, and that have demonstrated results, along with similar countries.</p> <p>(3) Of the US\$12 billion increase in ODA announced by each country and government agency at the Monterrey meeting on financing for development held in March 2002, the G8 is confident that half or more would be directed to African nations.</p> <p>(4) Specific measures can be classified into the following eight categories:</p> <ul style="list-style-type: none"> (a) Ensuring peace and security (b) Strengthening institutions and governance (c) Fostering trade, investment economic growth, and sustainable development (d) Implementing debt relief (e) Expanding knowledge: Improving and promoting education and expanding digital opportunities (f) Improving health and confronting HIV/AIDS (g) Increasing agricultural productivity (h) Supporting efforts to improve water resource development and management |
|-------------|---|

Source: The website of the Ministry of Foreign Affairs,

http://www.mofa.go.jp/mofaj/gaiko/summit/kananaskis02/g8_africa1.html

(3) Gleneagles Summit (2005)

Two years after TICAD III (2003), England hosted the Gleneagles Summit in 2006. “Africa” was taken up as a one of the major issues at this summit. The G8’s commitments based on such discussions are as follows.

Figure 2-14 Gleneagles Summit (2005)²⁹

| | |
|---------|--|
| Content | <p>(1) The G8 will provide additional funds for peacekeeping forces in Africa so that such forces could better deter, prevent, and resolve disputes in Africa.</p> <p>(2) The G8 will provide increased support to promote stronger democracy, effective governance, and transparency, in order to combat corruption and contribute to the recovery of assets lost through corruption.</p> <p>(3) The G8 will promote investment in health and education, and will take action to combat HIV/AIDS, malaria, tuberculosis, and other killer diseases.</p> <p>(4) The G8 will grant additional support for trade capacity-building and will collect the additional investments necessary for infrastructure development, thereby promoting growth, improving the investment environment, and making trade useful for Africa.</p> <p>(5) The G8 agreed to increase official development assistance to Africa by US\$25 billion, which will more than double aid to Africa compared to 2004.</p> |
|---------|--|

Sources: The website of the Ministry of Foreign Affairs,

http://www.mofa.go.jp/mofaj/gaiko/summit/gleneagles05/s_01.html

Yasufumi HAYASHI (2005), Report on Latest Development Assistance Trends: No. 19 Gleneagles

http://www.fasid.or.jp/_files/library/report/report19.pdf

At this summit, Japan announced its intention of increasing its ODA volume by US\$10 billion in aggregate over the next five years. Additionally, Japan had committed to double its ODA to Africa over the next three years and had launched the US\$5 billion “Health and Development Initiative” over the next five years. Japan also increased its contribution to the global fund to fight AIDS, TB, and malaria, and contributed US\$500 million for the time being. Japan is also in partnership with the African Development Bank and provided more than US\$1 billion over the next five years to the fund of the “Enhanced Private Sector Assistance for Africa Initiative.”

(4) Hokkaido Toyako Summit (2008)

TICAD IV was held at the end of May 2008. At the Hokkaido Toyako Summit, which was held in July 2008, an expanded session with the leaders of seven African countries, the AU, and related international organizations was held on the first day to discuss development problems in Africa and the outcome of TICAD IV, among others. Additionally, at a closed G8 session, the leaders discussed the theme of “Development and Africa,” and as a related issue, reaffirmed the commitments to increase official government development assistance made at the Gleneagles Summit (to increase ODA to Africa from the G8 and other donors by US\$25 billion a year by 2010), as well as expressed

²⁹ Only the commitments toward Africa will be stated here.

the necessity to increase ODA beyond the current commitments from 2011. Furthermore, in the *Summit Leaders Declaration*, the G8 leaders welcomed the contributions by TICAD I, expressed their intent to reflect the views of the African leaders in future cooperation, and shared the results of TICAD IV among the G8 nations.

Figure 2-15 Hokkaido Toyako Summit (2008)³⁰

| | |
|---------|--|
| Content | <p>(1) The G8 will continue to fulfill its commitments to ODA made at the Gleneagles Summit (to increase ODA to Africa from the G8 and other donors by US\$25 billion a year by 2010).</p> <p>(2) The G8 expressed the necessity to increase ODA to Africa beyond their current commitments from 2011.</p> <p>(3) The G8 welcomed the important contributions of TICAD IV. The G8 would reflect the views of African leaders in future cooperation.</p> <p>(4) Specific measures for African assistance included the improvement of the business environment, development of infrastructure, support for agriculture, contributions to “Aid for Trade,” support for good governance in Africa, and promotion of peace and security in Africa.</p> <p>(5) The G8 endorsed the progress report on cooperative efforts in Africa by the Africa Personal Representatives (APRs). APRs were encouraged to discuss the possible evolution of the Africa Partnership Forum (APF).</p> |
|---------|--|

Source: The website of the Ministry of Foreign Affairs,

http://www.mofa.go.jp/mofaj/gaiko/oda/shiryo/hakusyo/08_hakusho/main/b2/s1_1_03.html

2-2-3. Other International Forums with Africa

(1) Strategic Partnership with Africa: SPA (formerly, the Special Program of Assistance for Africa)

The Strategic Partnership with Africa (SPA) was created in the 1980s when the region was going through structural reforms, with the aim of mobilizing aid resources for Sub-Saharan countries. During the 1990s, the SPA played a critical role in aid to Africa, discussing aid modalities in Africa—from structural reform programs and project aid to program aid and budget support. There are also instances where the results of TICAD influenced SPA, such as when contributions committed to SPA from Japan immediately following TICAD I amounted to 10% of total SPA funds.³¹ Since 2003, however, the objectives of the SPA have shifted towards the improvement of the efficiency of aid between donors and African partners. Following this shift in focus, the African

³⁰ Only the points relating to Africa will be stated here.

³¹ Foundation for Advanced Studies on International Development (1997) *1st FASID Forum New Phase of Development in Africa Assistance*, comment made by Yasushi Kurokochi

partners began calling for the establishment of a framework for accountability between donors and African partners, which would allow the SPA to monitor donor performance, along with improvement in efficiency. As a result, the SPA lost its role as a forum for aid resource mobilization and discussions on aid modalities, and accordingly, gradually lost its influence and was terminated in 2008.

Figure 2-16 Strategic Partnership with Africa (1987–2008)

| | |
|--------------|--|
| Content | (1) A framework was established on the initiative of the World Bank in 1987 at a time when Africa was facing an economic crisis, with the aim of supplying funds to compensate for balance of payments gaps so that structural and macroeconomic reforms in Africa would not have a major impact on the livelihoods of the African people. (2) The main issues addressed by the SPA to date are as follows: From SPA 1 (1988–1990) to SPA 3 (1994–1996) – Discussions focused on structural adjustment, balance of payments support, and conditionality; SPA 4 (1997–1999) – Discussions developed from project-type support to program support and from balance of payments support to fiscal support, also covering sector programs and poverty reduction; SPA 5 (2000–2002) - Discussions focused on such topics as the Poverty Reduction Strategy Papers (PRSPs), public finance management, sector programs, growth and poverty, and selectivity in assistance. |
| Achievements | (1) According to the World Bank evaluation, the mobilization of funds by the SPA is considered to be one reason for the upturn in the African economy. In the period from SPA 1 to 4, the per capita growth rate in SPA countries increased from –1.1% in the first half of the 1980s to 2% at the end of SPA 4. (2) In the annual SPA survey conducted from 2003 to 2008, recipient countries rated their satisfaction with financial assistance at 3 or higher on the scale of one to five used in the 2008 survey. The ratings have overall been on an upward or steady trend. (3) Regarding the amount of financial assistance through the SPA in the period from 2003 to 2008, the static amount remained around 2 billion yen, while additional assistance dropped from US\$600 million in 2003 to US\$200 million in 2008, after peaking at US\$742 million in 2005. |

Reference: “Increasing satisfaction” graph, “General budget support” graph

Sources: MOFA website

http://www.mofa.go.jp/mofaj/gaiko/ODA/shiryu/hakusyo/02_hakusho/ODA2002/html/kakomi/kk01010.htm ;

SPA Survey: <http://www.spasurvey.info/> ;

World Bank (1998), Special Program of Assistance for Africa: An Independent Evaluation

(2) EU-Africa Summit (2000, 2007, and 2010)

Following the signing of the Lomé Convention with the African, Caribbean, and Pacific (ACP) countries, the EU signed the *Cotonou Agreement* in 2000. However, by the end of the Lomé Convention in the 1990s, the EU, due to assistance fatigue, was slipping from its status as Africa’s

“historic partner.” Meanwhile, the late 1990s was also the era when the worldwide trend of poverty reduction emerged, as well as developments toward the founding of NEPAD (2001) and the transition from the Organization of Africa Unity (OAU) to the AU. It was during this time that the EU, while adopting a comprehensive approach that integrated political dialogue, trade, and development assistance of the partnership with the ACP countries, prioritized its assistance to the poorest countries and at the same time engaged in policies that embraced developing countries as a whole. Against this background, the 1st EU-Africa Summit was held in Cairo in 2000, as part of a new initiative to deepen the relationship with the African countries. Subsequently, the second summit was delayed due to political issues between the EU and Africa, but during that period the *EU Strategy for Africa* was formulated in 2005, which illustrated the EU’s key issues in its relationship with Africa. The second summit was held in 2007, seven years after the first summit, in Lisbon, and the “2007 Joint Africa-EU Strategy,” a long-term strategy to deal with various common issues as a partnership on equal footing, was adopted. Additionally, the *Action Plan (2008–2010)* to advance the African-EU partnership in eight areas was formulated. Moreover, in 2010, the third summit was held in Tripoli, at which the leaders affirmed the *2007 Joint Africa-EU Strategy*, adopted the *Tripoli Declaration* and the *Action Plan (2011–2013)*, and agreed to reinforce their cooperation in the eight priority areas.

The following table summarizes the priority areas discussed at the three summits. From the first summit, a mutual relationship of partnership was recognized between the EU and Africa. The *2007 Joint Africa-EU Strategy*, which was adopted at the second summit, repositioned the said relationship as a strategic partnership and set (a) peace and security, (b) governance and human rights, (c) trade and regional integration, and (3) key development issues as its four main objectives, based upon which an action plan was drafted.

Figure 2-17 Themes discussed at the EU-Africa Summits

| | | | | EU-Africa Summit | | |
|-----|--|--|--|---|--|--|
| | | | | First (2000) | Second (2007) | Third (2010) |
| 大項目 | | | | | Lisbon Declaration | Tripoli Declaration |
| | | | | | 2007 Joint Africa-EU Strategy | |
| | | | | Action Plan <ul style="list-style-type: none"> ▪ Regional integration ▪ Integration of Africa into the world economy ▪ Human rights, democratic principles and institutions, good governance, and rule of law ▪ Peace-building, conflict prevention, management, and resolution ▪ Development issues (sustainable development challenges and poverty eradication, health, the environment, food security, drug consumption and trafficking, and culture) | Action Plan (2008–2010) Agreed on the following partnership and priority actions: <ul style="list-style-type: none"> ▪ Peace and security ▪ Democratic governance and human rights ▪ Trade, regional integration, and infrastructure ▪ MDGs ▪ Energy ▪ Climate change ▪ Migration, mobility, and employment ▪ Science, the information society, and space | Action Plan (2011–2013) Focus on the following partnership aspects: <ul style="list-style-type: none"> ▪ Peace and security ▪ Democratic governance and human rights ▪ Trade, regional integration, and infrastructure ▪ MDGs ▪ Energy ▪ Climate change and the environment ▪ Migration, mobility, and employment ▪ Science, the information society, and space |

Source: Compiled by MURC based on the EuroAfrica-ICT website

(<http://euroafrica-ict.org/africa-eu-relationships/>) and the Africa and European Partnership website

(<http://www.africa-eu-partnership.org/africa-eu-strategic-partnership>)

(3) Africa and France Summit (1994–2010)³²

France, besides the UK, is a country that has been most deeply engaged in Africa, as a former colonial power, among the region’s bilateral donors, with the Africa and France Summit dating back in the 1970s. The summit has been held almost every year to discuss African issues at large—not necessarily limited to the continent’s French-speaking part. The table below summarizes the summits according to each TICAD period, starting from the years around the time of TICAD I. The summits from the 18th in 1994 to the 21st in 2001 addressed the pressing issues of the moment, but from the meetings in the 2000s, the focus began to shift from the realm of security to cover the economy and development.

A comparison of summit themes and those of TICAD in each corresponding period shows

³² Mission des Fonctionnaires Internationaux (MFI): An inter-ministerial body established to promote France’s position in international organizations

similarities. Resembling themes appeared on the agenda of TICAD and the Africa-France summit around the same time—as with “globalization” featured at TICAD II and “the consolidation of peace” at TICAD II and III. Japan’s former prime minister was invited to the 24th summit in 2007, and an exchange of information between the two forums is already taking place.

Figure 2-18 Historical change of themes at the Africa and France summits

| | | Africa-France Summits | | | |
|--------------------|--|--|---|--|----------------|
| | | 18th , 19th (1994-1996) | 20th , 21st (1998-2001) | 22nd, 23rd, 24th (2003-2007) | 25th (2010) |
| Large category 大項目 | <ul style="list-style-type: none"> ▪ Security, military intervention ▪ Sustainable development ▪ Economic structural reform | <ul style="list-style-type: none"> ▪ Peacekeeping, arms ▪ Security and development ▪ Africa in globalization ▪ Good governance ▪ Infrastructure | <ul style="list-style-type: none"> ▪ Partnership ▪ Democracy ▪ Globalization, regional organizations ▪ Development ▪ Peace, security ▪ Africa’s young human resources and employment ▪ Information society | <ul style="list-style-type: none"> ▪ Economy, finance ▪ Human resource development ▪ The environment ▪ Poverty ▪ Energy resources | |

Source: Compiled by MURC using the France Diplomatie website
<http://www.diplomatie.gouv.fr/fr/pays-zones-geo/afrique/sommets-afrique-france/>

(4) China (Forum on China-Africa Cooperation [FOCAC])

China hosted the Forum on China-Africa Cooperation (FOCAC) in 2000, and has since been holding the forum every three years without interruption. FOCAC covers a broad range of sectors and expresses pledges made by China on specific development projects and financial assistance at each forum. Starting at the third Beijing Summit in 2006, China’s financial cooperation pledged at FOCAC is becoming widely recognized.

Figure 2-19 Forum on China-Africa Cooperation (2000 - 2008)

| | 1st (2000) | 2nd (2003) | 3rd (2006) | 4th (2009) | 5th (2012) |
|---------|---|---|--|---|---|
| Content | <p>Held around the following two major agenda items.</p> <ul style="list-style-type: none"> - In what way should we work towards the establishment of a new international political and economic order in the 21st century? - How should we further strengthen Sino-African economic cooperation and trade under the new circumstances? | <ul style="list-style-type: none"> - Discussions centered on the major theme of “Pragmatic and Action-oriented Cooperation.” | <ul style="list-style-type: none"> - Emphasized the long history of China-Africa cooperation and the shared goal of economic development and prosperity | <ul style="list-style-type: none"> - Stressed the forging of a partnership of political equality, mutual trust and economic win-win cooperation. - Deepening the new type of China-Africa Strategic Partnership for sustainable development | <ul style="list-style-type: none"> - Reinforced support for peace, development, and a new China-Africa strategic partnership - Emphasized the relationship between China and the AU |

| | | | | | |
|--------------|--|--|---|--|---|
| Achievements | <ul style="list-style-type: none"> ○ A comprehensive package of Chinese assistance to Africa covering the economy, politics, and security ○ Debt reduction, etc. | <ul style="list-style-type: none"> ○ Formulated the “Addis Ababa Action Plan” (2004–2006) ○ Training of 10,000 African engineers in China in three years | <ul style="list-style-type: none"> ○ Based on the “Beijing Declaration 2006,” China expressed its intention to double its aid to Africa by 2009. ○ Extended US\$3 billion of concessional loans and US\$2 billion preferential export buyer's credits to African countries, and established the US\$5 billion China-Africa Development Fund | <ul style="list-style-type: none"> ○ The “Sharm el Sheikh Action Plan” stipulated food security, the expansion of the China-Africa Development Fund, the cancellation of government loan debts, and assistance to infrastructure development. ○ Provided US\$10 billion in concessional loans for the next three years ○ Provided vocational training to 24,000 African personnel | <ul style="list-style-type: none"> ○ Based on the <i>Beijing Action Plan</i>, China will provide a US\$20 billion credit line to assist in the areas of infrastructure development, agriculture, manufacturing, and SMEs. ○ China will provide technical cooperation to support the improvement of production; China will support the drafting of a broadband infrastructure plan and support the entry of related Chinese enterprises into the African market. |
|--------------|--|--|---|--|---|

Source: Compiled by MURC using the Forum on China-Africa Cooperation website (<http://www.focac.org/eng/ltada/dyjbzjhy/>)

At the 5th Forum on China-Africa Cooperation held in Beijing, China expressed concrete commitments that included specific numerical values in the following five areas.

Figure 2-20 Five priority areas of the 5th Forum on China-Africa Cooperation (2012)

| | |
|---------|---|
| Content | <p>(1) China will expand its cooperation through investments and financing to support the sustainable development of Africa. China will provide a US\$20 billion credit line and support the development of infrastructure, agriculture, manufacturing, and SMEs.</p> <p>(2) China will build more agricultural technology demonstration centers and support the improvement of the agricultural production capacity of the African countries. The Chinese government will implement the "African Talents Program," in which China will train 30,000 African professionals in various sectors. China will also offer 18,000 government scholarships and provide assistance for the construction of Africa's cultural and vocational skills training facilities.</p> <p>(3) China will help African countries enhance capacity-building in meteorological infrastructure and forest protection and management, and will provide assistance for Africa's well-drilling and water supply projects, in order to provide safe water.</p> <p>(4) China will support Africa's integration process and capacity-building for overall development. In the next three years, China and Africa will establish a partnership for transnational and trans-regional infrastructure construction, and China will support the related project planning and feasibility studies. China will also encourage Chinese enterprises and financial institutions to participate in the transnational and trans-regional infrastructure construction.</p> <p>(5) China will promote people-to-people exchanges that will become the solid basis for publicly supporting common development for both China and Africa. China will promote China-Africa people-to-people friendship action and support the exchange between non-governmental organizations, women, and young people.</p> |
|---------|---|

Source: Compiled by MURC using information from the Forum on China-Africa Cooperation website (<http://www.focac.org/eng/ltda/dwjbzjjhys/hyqk/t954274.htm>)

(5) South Korea (Korean-African Forum for Economic Cooperation) [KOAFEC]

Since 2006, South Korea has been holding the Korean-African Forum for Economic Cooperation every three years. At these forums, South Korea expresses its commitment to provide assistance, and the participating African countries issue their statements. At the first forum, South Africa President Mbeki issued a statement; and at the second forum, a joint statement by the participating African countries was issued, which articulated the status of South Korea's assistance in the general trend of international assistance. At the second forum, the *Framework for Korea-Africa Development Cooperation 2009–2012* and the *Korea-Africa Green Growth Initiative 2009–2012*, were drafted, pointing the direction for cooperation until 2012.

Figure 2-21 Korea-Africa Forum for Economic Cooperation (2000–2008)

| | First (2006) | Second (2009) | Third (2012) |
|---------|---|---|---|
| Content | <ul style="list-style-type: none"> - Held in Seoul, South Korea; held with the objective of the cooperation and promotion of business and trade that will mutually benefit both Korea and Africa - Leaders of three African countries participated. | <ul style="list-style-type: none"> - Held in Seoul, South Korea; announced the <i>Seoul Declaration</i> - Heads of state and ministers from 15 African countries participated. - Discussed the future of the Korean-African partnership in relation to climate change - Announced the “Korea-Africa Green Growth Partnership” | <ul style="list-style-type: none"> - Held in Seoul, South Korea; heads of state and ministers from 15 African countries participated. - Discussed development cooperation, the promotion of trade and investment, peace and security, and good governance |
| Outcome | <ul style="list-style-type: none"> o South Korea announced that it would increase its African assistance to US\$100 million, which would triple its existing assistance. | <ul style="list-style-type: none"> o South Korea pledged to double its ODA to Africa by 2012 compared to 2008, and will receive 5,000 trainees from Africa during 2009–2012, as well as send more than 1,000 overseas volunteers to Africa by 2012. | (Detailed information was not available at the time of compilation of this report.) |

Source: Compiled by MURC using the Korea-Africa Forum for Economic Cooperation website (<http://forum.mofat.go.kr/eng/intro/info/summary/index.jsp>)

(6) India-Africa Forum Summit

Since 2008, India has been holding the India-Africa Forum Summit every three years. This purpose of this summit is to build a sustainable relationship between India and Africa in the 21st century on their long-standing bilateral relationship. This summit also aspires to build a framework for a broader pan-African involvement that goes beyond the bilateral relationship between India and respective African countries and India’s relationship with Africa’s regional economic community. India’s cooperation extends to human resources development, health, capacity-building, and ICT, etc. At each meeting, the participants agree to a statement and action plan, and an announcement is made regarding the Indian government’s commitment toward assistance.

Figure 2-22 India-Africa Forum Summit (2008–2011)

| | First (2008) | Second (2011) |
|---------|---|--|
| Content | <ul style="list-style-type: none"> - Held in New Delhi, India - Announced the <i>Delhi Declaration</i>; heads of state and ministers from 14 African countries participated and expressed views on topics such as climate change. - Announced the <i>India-Africa Framework for Cooperation</i>; cooperation extended to the areas of economic cooperation, political cooperation (peace and security, civil society, and governance), and science/technology/R&D, etc. | <ul style="list-style-type: none"> - Held in Addis Ababa, Ethiopia; announced the <i>Addis Ababa Declaration</i> - Heads of state and ministers from 15 African countries participated. - Announced the <i>Africa-India Framework for Enhanced Cooperation</i>; cooperation extended to the areas of economic cooperation, political cooperation (peace and security, civil society and governance), science/technology/R&D, social development and capacity-building, and health/culture/sports, etc. |
| Outcome | <ul style="list-style-type: none"> ○ Announced the “Duty Free Tariff Preference Scheme for Least Developed Countries”; of the 50 countries applicable under this scheme, 34 were African countries. ○ India pledged to provide grant aid of more than US\$500 million over the next five to six years to assistance projects in the areas of human resources development and capacity-building. ○ A pan-African institution for higher learning in science, information technology, and occupational training will be established, in addition to investments being made in R&D in the renewable energy and agricultural development fields. ○ India doubled long-term scholarships for students to study at Indian universities and increased the number of trainees to be accepted into the technical cooperation program from 1,100 to 1,600 per year. ○ Established an organization for dispatching volunteers to Africa | <ul style="list-style-type: none"> ○ India will provide a US\$5 billion credit line to Africa for the next three years; emphasized support for infrastructure development to promote regional integration. ○ A virtual university will be established in Africa, and India will provide new scholarships to 10,000 students to study at this university. ○ India will provide scholarships to more than 22,000 students to study at Indian universities over the next three years. ○ Three pan-African research institutions will be established. ○ Measures will be taken to increase access to Indian cities by the airlines of African countries. ○ An Indian-African Business Council will be established for the mutual promotion of trade and investments in India and Africa. ○ India will provide US\$2 million to the Somalia Mission of AU. |

Source: Compiled by MURC using the India-Africa Forum Summit website

(<http://www.indiaafricasummit.nic.in/?1200>) and press releases of the African Union (http://www.africa-union.org/root/au/Conferences/2008/april/India-Africa/press_releases.htm) and press releases of the Indian government (<http://pib.nic.in/newsite/erelease.aspx?relid=37177>).

(7) Comparison of Other International Forums related do African Development with TICAD

This section will compare the year started and the discussion content of the above-mentioned multilateral and bilateral conferences.

Looking at the year started, aside from the French-African summit meetings held since the 1970s, conferences held by the EU, China, South Korea, and India all began in 2000 or thereafter, after Africa started its trend toward recovery. Africa's economy was sluggish from the 1980s until the mid-1990s, and the conferences that supported Africa during this period were TICAD, SPA, and the French-African summit meetings. Furthermore, because SPA's activities subsided in the 2000s, the conferences that continued to support Africa from its slump until the present are TICAD and the French-African summit.

As former colonial powers in Africa, France and the other EU countries have deep, longstanding bonds with African countries economically and socially, and they are in geographical proximity. Meanwhile, TICAD is held by its co-organizers, the Japanese government, the United Nations, UDNP, the World Bank, AUC, and others, but the Japanese government does not have such deep history with African countries. It is highly significant that TICAD, with few historical ties to Africa, held a conference to aid African countries when they were stagnating in the early 1990s and has continued to do so up to the present. Incidentally, TICAD is the only conference on aid to Africa that is co-organized with international organizations.

Looking at the content of the conferences, the scope of the agendas is broad, covering the issues that Africa faces. However, there are no other conferences that feature as their main policy "private sector-led economic development", "human security" and "cooperation utilizing resources outside one's own country (south-south cooperation)," and these are a distinctive policies of TICAD.

Figure 2-23 Comparison of international conferences on aid to Africa

| | TICAD | Multilateral | | Bilateral | | | |
|---|--|---|--|---|---|---|---|
| | | SPA | EU | France | China | South Korea | India |
| Start Year | 1993 | 1988 | 2000 | 1970s | 2000 | 2006 | 2008 |
| Frequency / Times held | Every 5 years/ 4 times | Annually (concluded in 2008) | Every 3 years/ 3 times | Every 2 to 3 years/ 25 times | Every 3 years/ 5 times | Every 3 years/ 3 times | Every 3 years/ 2 times |
| Character of Conference | -Policy discussion -Agreement on action plan -Agreement follow-up process | -Mobilization of funds for aid to Africa -Discussion of aid modalities | -Policy discussion -Agreement on action plan | -Policy discussion | -Policy discussion -Agreement on action plan -Declaration of aid amount by host country | -Policy discussion -Agreement on action plan -Declaration of aid amount by host country | -Policy discussion -Agreement on action plan -Declaration of aid amount by host country |
| Scope of special aid compared to other conferences and other distinctive features | -Characterized by “African ownership,” “human security,” and “cooperation utilizing resources outside one’s own country (south-south cooperation)” | -No aid to specific sectors | -Distinguished by “human rights” -Large connection with the Cotonou Agreement | -Items of discussion concerning Africa’s condition change each time | -Aid targets are extremely broad. The amount of funds is specified. | -Aid targets are relatively broad. The amount of funds was specified the first time but has not been specified since the second time. | -Aid targets are extremely broad. The amount of funds is specified. |

Source: Prepared by Mitsubishi UFJ Research and Consulting based on materials from the respective countries.

2-3. Summary

The agendas of TICAD I through IV were set based on the major development topics in Africa at the time and the discussion behind the scenes at international venues. For this reason, a variety of themes were featured at the conferences, and when it came to African economic growth, TICAD consistently attached importance to protection from threats to human lives, livelihoods and dignity, and capacity building (human security), placing at the center the role of the private sector (i.e., private sector-led economic growth) and each and every human living in Africa. One characteristic of this was TICAD’s featuring of promotion of south-south cooperation from the standpoint of sharing Japan’s experience in Asian development with Africa.

TICAD I, held in the same year, amid the assistance fatigue which had taken its toll on the European donors, succeeded in drawing global attention back to African development by appealing that there would be no world peace and development without the resolution of problems in Africa.³³ The conference also served to familiarize the global community with the term and concept of ownership and partnership as well as highlight the importance for African countries to learn from the development experience of Asia.

TICAD II, held in 1998, proposed to maintain the momentum toward African development, which had been raised by TICAD I. TICAD II gave direction to the TICAD process based on the concepts of “ownership” and “partnership.”

In TICAD III, which was held in 2003, Japan’s policy for assistance to Africa was summarized into the three pillars of human-centered development, poverty reduction through economic growth, and the consolidation of peace. Human security—one of the key planks of Japan’s foreign policy—also figured in the TICAD Tenth Anniversary Declaration issued at the conference.

TICAD IV in 2008 declared its focus items to be acceleration of economic growth, establishments of human security (achievement of MDGs, consolidation of peace, and good governance), and steps to deal with the environmental climate change problem. The conference resulted in the Yokohama Declaration and the Yokohama Action Plan, a roadmap and concrete actions showing how the TICAD process provides concrete support for African growth and development in the next five years. Moreover, it was decided that progress on the action plan be annually followed-up on and published. TICAD IV is distinct from previous TICADs in its inclusiveness and in the adoption of this follow-up mechanism.

Meanwhile, TICAD process has had close relationships with International aid trend such as poverty reduction and globalization which widely recognized from the late 1990s to early 2000s. Particularly since 2000, African issues have become major themes at the G8 Summits. Although forums on aid to Africa, with the exception of TICAD, were rare in the 1990s, the EU, China, South Korea, and India, etc. began to hold forums on aid to Africa as soon as signs of economic recovery became evident in Africa from 2000 onward. However, it should be noted that TICAD is the only conference on aid to Africa that is co-organized with international organizations.

Looking at the content of the conferences, the scope of the agendas is broad, covering the issues that Africa faces. However, there are no other conferences that feature as their main policy “private sector-led economic development”, “human security” and “cooperation utilizing resources outside one’s own country (south-south cooperation),” and these are a distinctive policies of TICAD.

³³ Horiuchi, Shinsuke *TICAD after 10 Years: A Preliminary Assessment and Proposals for the Future* (2004) (<http://www.idea-jpn.co.jp/reports/TICAD-10year-nosokuseki.pdf>)

3. Changes in Conditions in Africa in the Past 20 Years

3-1. Changes in Socioeconomy in African Countries since 1993

This section provides an overview of the changes in socioeconomics in African countries from 1993 to the present through data analysis. Here, no particular consideration is given to the relation with the TICAD process, but rather the changes in socioeconomy in Africa are described objectively.

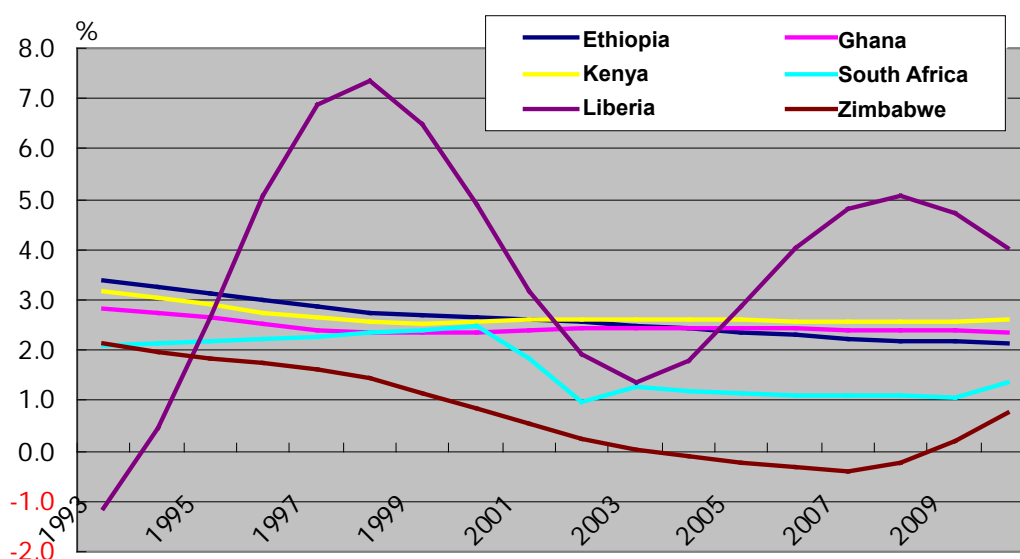
3-1-1. Population

(1) Population growth rate

The population of Africa (northern Africa and sub-Saharan Africa) increased from 683 million in 1993 to 1.02 billion in 2010. The average annual population growth rate during this period was 2.4%. Whereas the average annual population growth rate in northern African countries was 1.6%, the figure in sub-Saharan African countries was 2.6%. Looking at changes since 1993, the population growth rate in Africa overall is gradually declining, from 2.6% in 1993 to 2.4% in 2000 and 2.3% between 2005 and 2010. This trend is observed in both northern Africa and sub-Saharan Africa.

By country, all of the highest average annual population growth rates between 1993 and 2010 were seen in countries in western Africa, including Liberia (3.7%), Niger (3.5%), Chad (3.1%), and Equatorial Guinea (3.1%). Meanwhile, the countries with the lowest population growth rates were Zimbabwe (0.7%), Mauritius (0.9%), and Seychelles (1.1%).

Figure 3-1 Changes in Population Growth Rates (%)



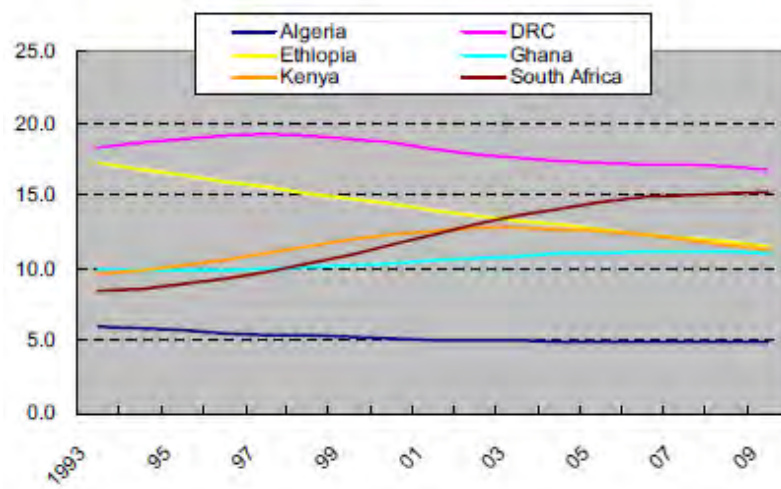
Source: Compiled using African Development Indicators

Looking at gender differences in the population growth rate for Africa overall, men exceed women by a slight margin throughout the given period, except in northern Africa, where the population growth rate of women exceeds men by a slight margin. By country, a relatively large gap is seen between men and women in Cape Verde, Lesotho, and Swaziland, with the rate for men being higher. Conversely, in Ivory Coast, Gambia, and Libya, the growth rate of women is consistently higher than that of men, and the gap is relatively large.

(2) Death rate¹

In Africa overall, the death rate per 1,000 persons improved from 14.3 deaths in 1993 to 12.1 in 2009. The death rates in northern Africa and sub-Saharan Africa are both improving, but the gap between them is large, at 5.6 for the former and 13.5 for the latter in 2009. The difference between countries is even larger; whereas the rates in Algeria, Cape Verde, and Libya were less than 5 deaths in 2009, the rates in the Central African Republic, Democratic Republic of Congo, Guinea-Bissau, and Zambia were close to 17. Since 1993, a number of countries have experienced an increase in the death rate, and this trend is pronounced in countries in southern Africa, such as Botswana, Lesotho, South Africa, and Swaziland. As stated below, this is presumed to be due to the prevalence of HIV/AIDS.

Figure 3-2 Changes in the Death Rate (1,000 persons)



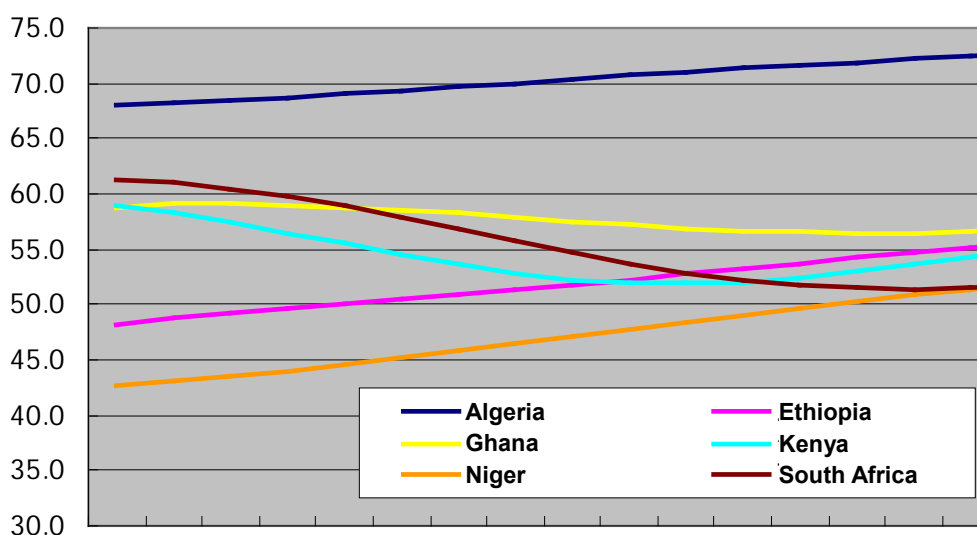
Source: Compiled using African Development Indicators

¹ Crude death rate, which indicates the number of deaths occurring during the year, per 1,000 of population estimated at midyear. The mortality rates mentioned in the “3-1-4 Health and hygiene” are the ratios of deaths of disease, age, or sex-specific categories. The mortality rates are often standardized when comparing mortality rates over time, or between countries, to take account of differences in the population.

(3) Average life expectancy

In Africa overall, average life expectancy at birth lengthened by 2.7 years, from 53 years in 1993 to 55.6 years in 2009. In northern Africa, the extension was even larger, at 5.3 years, and in sub-Saharan Africa, the increase was only 2.5 years. By country, Rwanda stands out, with an increase of over 20 years, from 6.4 years to 51.0 years, but setting aside this special case, average life expectancy increased by nearly 10 years in countries such as Eritrea, Guinea, Niger, and Sierra Leone. Meanwhile, a number of countries have experienced a decrease in average life expectancy since 1993. In these countries, the shortening of women's life expectancy is larger than that of men. As with the death rate, this trend is pronounced in the southern African countries of Botswana, Lesotho, South Africa, and Swaziland.

Figure 3-3 Changes in Average Life Expectancy



Source: Compiled using African Development Indicators

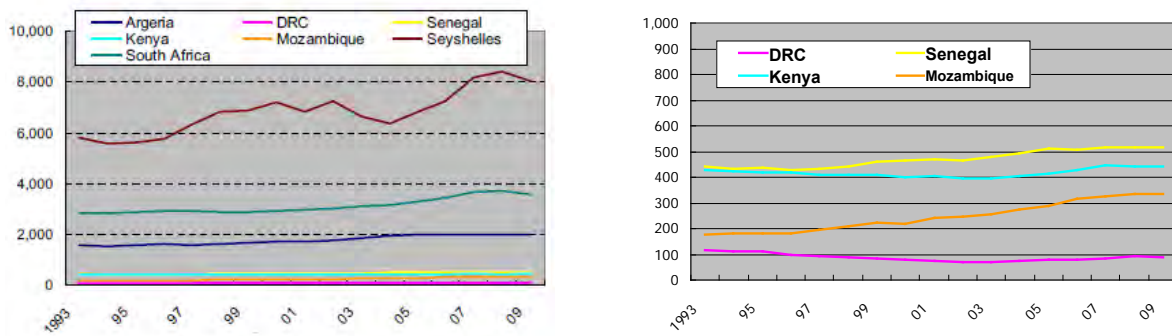
3-1-2. Income and consumption

(1) Per capita gross national income (GNI)

The data on per capita GNI is not comprehensive, and data from 1993 to 2009 is available for only a limited number of countries. Given this precondition, the per capita GNI for sub-Saharan Africa overall increased from \$462 in 1993 (Year 2000 fixed prices; the same applies below) in 1993 to \$551 in 2009. The disparity between countries is large, with a difference of 91 times between the highest, Seychelles (\$8,048), and the lowest, the Democratic Republic of Congo (\$88). During the

given period, income increased in many countries. Per capita income increased by 1.8 to 2 times in countries such as Botswana, Cape Verde, Mozambique, and Uganda (however, the income level in Mozambique and Uganda is only in the \$300 range). Meanwhile, a decline in income has been observed in the Democratic Republic of Congo and Madagascar.

Figure 3-4 Changes in Per Capita Gross National Income (GNI) (US\$)



Source: Compiled using African Development Indicators

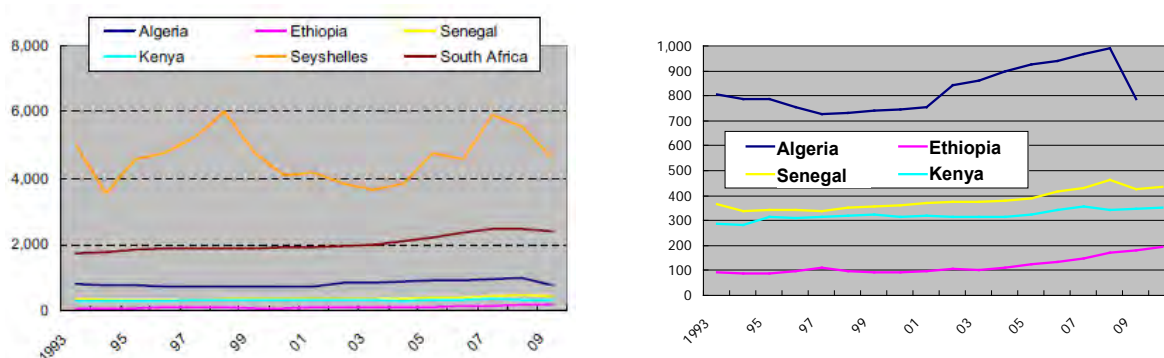
(2) Household final consumption expenditures per capita

Data on household final consumption expenditures per capita is not comprehensive either, and data from 1993 to 2010 is available for only a limited number of countries. Given this precondition, household final consumption expenditures per capita in Africa overall increased from \$422 in 1993 to \$552 in 2010. The gap between countries is not as large as in the case of income but is still quite sizable. There is a difference of 24 times between the highest, Seyshelles (\$4,622²) and the lowest, Ethiopia (\$196)³. As with income per capita, consumption is rising in many countries. An increase of 2 to 2.4 times occurred in Cape Verde, Ethiopia, and Mauritius (however, as stated above, Ethiopia's consumption expenditure level is extremely low) and nearly 3 times in Botswana. Meanwhile, expenditures decreased in Algeria, Madagascar, and Seyshelles.

² 2009 prices.

³ When income is taken into consideration, it is surmised that DRC is the lowest, but there is no data for 2003 and thereafter.

Figure 3-5 Changes in Household Final Consumption Expenditures per Capita (US\$)



Source: Compiled using African Development Indicators

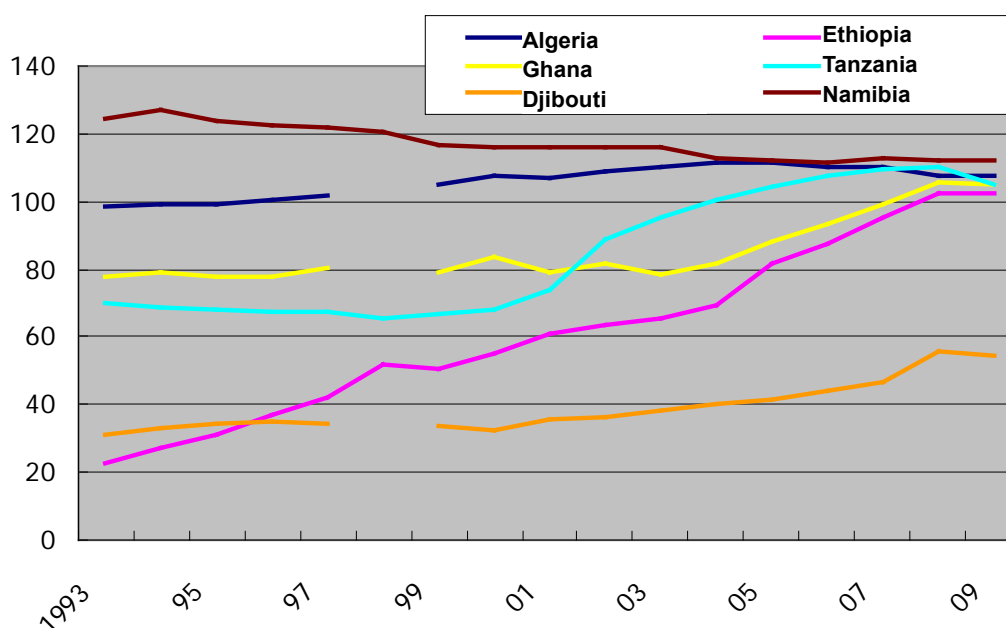
3-1-3. Education

(1) Primary education enrollment rates

The latest data for the primary education enrollment rate (gross figure)⁴ in Africa overall and for sub-Saharan Africa is 2005. Both figures stand at 96%, which represents a considerable improvement from 1995. However, there is a gap of approximately 10% between boys and girls, with enrollment of girls being lower in both cases. By country, while most countries in 2009 show an enrollment rate of 100% or more, countries such as Djibouti, Equatorial Guinea, and Niger have an extremely low rate, in the 40% to 60% range.

⁴ The ratio of all students enrolled at a given school (regardless of age) to the population which is at the appropriate age for the given level of schooling. Because enrolled students are counted regardless of age, the figure may exceed 100%.

Figure 3-6 Changes in the Primary Education Enrollment Rates (%)

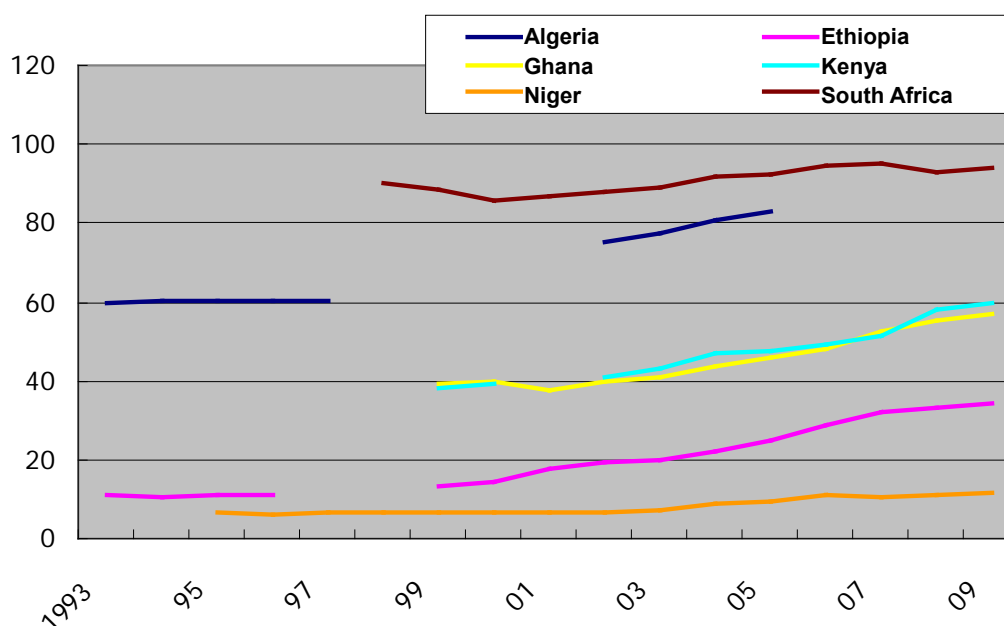


Source: Compiled using African Development Indicators

(2) Secondary education enrollment rates

The secondary education enrollment rate (gross figure) in 2008 for sub-Saharan Africa overall was just 37%, which is low compared to the primary education enrollment rate. There are many deficiencies in the data compared to primary education; however, aside from Libya and Seychelles where the rate exceeds 100%, there are only a few countries where the rate is over 80%, such as Algeria, Cape Verde, Mauritius, South Africa, and Tunisia. Meanwhile, the rate is less than 20% in Burkina Faso, Burundi, Central African Republic, and Niger. By gender, the enrollment rate tends to be lower for girls, but a distinctive features is that, in the above-mentioned countries where the enrollment rate is high, the reverse is true, with girls having a higher enrollment rate than boys.

Figure 3-7 Changes in Secondary Education Enrollment Rates (%)



Source: Compiled using African Development Indicators

(3) Literacy rate

The data used for analysis of the literacy rate among persons 15 years of age and above is from the years 2000 and 2009 (and adjacent years), for which relatively complete data exists. Data is available for the comparison of both years in only a limited number of countries, but among those countries, the literacy rate improved in every one except Madagascar. In 2009, countries with a literacy rate over 90% amounted to only three: Equatorial Guinea, Seychelles, and Zimbabwe (however, looking only at males, the list includes Cape Verde, Gabon, Kenya, Libya, Mauritius, and São Tomé and Príncipe). Among these, only in Seychelles is the rate above 90% for both males and females. (The only countries where the literacy rate of females is over 90% are Lesotho and Seychelles, and in both of these countries, the literacy rate is higher for females than for males). There are 13 countries including the above countries where the literacy rate exceeds 80%. On the other hand, the country with the lowest literacy rate is Ethiopia (29.8%). There are three countries, including Ethiopia, where the literacy rate is below 40% and seven countries where it is below 50%. A distinctive feature in these countries is that the literacy rate of females is particularly low compared to that for males.

Figure 3-8 Distribution by Literacy Rate (Age 15 and above, females and males)

| ~30% | ~40% | ~50% | ~60% | ~80% | ~90% | ~100% |
|----------|----------------|--|---|--|---|--|
| Ethiopia | Chad Guinea | Benin Gambia Senegal Sierra Leone | Central African Republic Ivory Coast Guinea-Bissau Liberia Mauritania Morocco Mozambique | Angola Burundi Comoros DRC Eritrea Ghana Madagascar Malawi Nigeria Rwanda Sudan Tanzania Tunisia Uganda Zambia | Botswana Cape Verde Gabon Kenya Lesotho Libya Mauritius Namibia São Tomé and Príncipe Swaziland | Equatorial Guinea Seychelles Zimbabwe |

* Includes data from 2008 and 2010 for some countries.

Source: Compiled using African Development Indicators

3-1-4. Health and hygiene

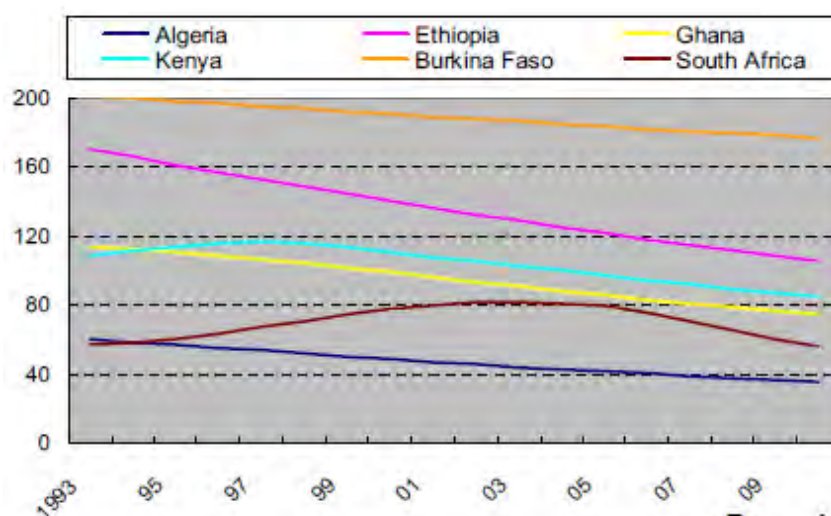
(1) Infant mortality rate

The infant mortality rate (per 1,000 person) improved in Africa overall from 159 deaths in 1993 to 115 in 2009. There is a large gap between northern Africa and sub-Saharan Africa. In northern Africa, the rate which stood at 70 in 1993 dropped to 28 in 2009, and meanwhile the rate in sub-Saharan Africa dropped from 172 to 125. However, the absolute value in sub-Saharan Africa is still high. By country, those with a high rate exceeding 160 in 2010 include Angola, Burkina Faso, Chad, Democratic Republic of Congo, Mali, and Sierra Leone. On the other hand, countries outside of northern Africa with extremely low rates in the 10 to 20 range include Seychelles and Mauritius.

The major factors that obstruct the reduction of the infant mortality rate are the so-called four major diseases: pneumonia, diarrhea, malaria, and HIV/AIDS⁵.

⁵ MDG Report 2011

Figure 3-9 Changes in the Infant Mortality Rate (1,000 persons)

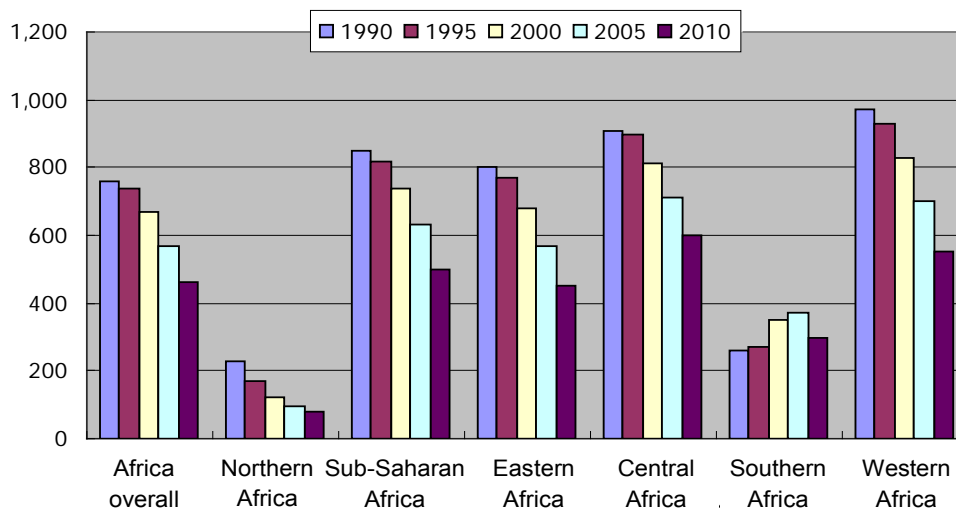


Source: Compiled using African Development Indicators

(2) Maternal mortality ratio

The maternal mortality ratio (per 100,000 live births) in Africa overall declined from 760 deaths in 1990 to 460 deaths in 2010. By region, northern Africa was the lowest, with 230 in 1990 declining to 78 in 2010. Whereas the ratio in eastern, central, and western Africa have dropped from the 800-900 level to the 400-500 level, the ratio in southern Africa has increased from 260 in 1990 to 370 in 2005. As stated below, this is presumed to be due to the prevalence of HIV/AIDS. By country, in addition to the countries in southern Africa, the maternal mortality ratio is also increasing in Burundi, Cameroon, Chad, Democratic Republic of Congo, and Somalia.

Figure 3-10 Changes in the Maternal Mortality Ratio by Region (100,000 live births)



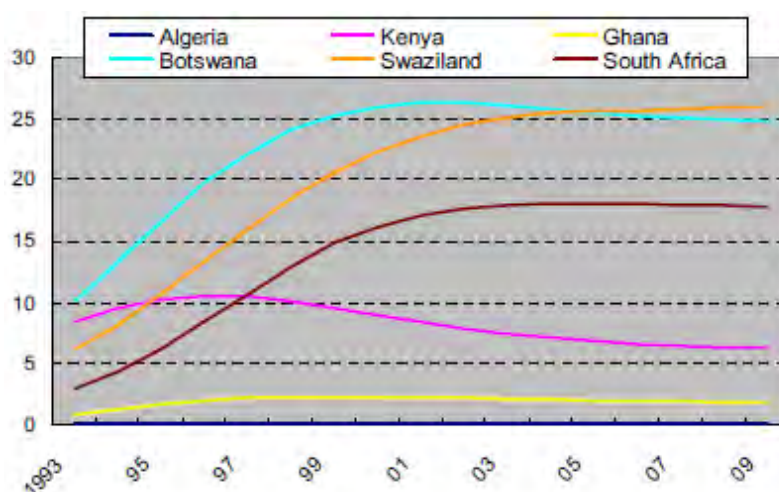
Source: WHO, UNICEF, UNFPA and the World Bank, Trends in Maternal Mortality: 1990 to 2010

(3) HIV/AIDS prevalence rate

The HIV/AIDS prevalence rate (% of 15 to 49 year olds) rose in Africa overall from 3.4% in 1993 to 4.9% in 2000 then subsequently declined to 4.3% in 2009. This is entirely due to the fluctuations in the prevalence rate in sub-Saharan Africa, which rose from 4.3% in 1993 to 6.3% in 2000 then subsequently declined to 5.4% in 2009. The rise in the prevalence rate is striking in southern African countries such as Botswana, Lesotho, South Africa, and Swaziland. It is surmised that this is also contributing to the rise in the death rate and maternal mortality ratio and to the shortening of the average life expectancy in these countries. However, it is pointed out that the prevalence rates in the above mentioned countries are showing signs of decline, and the prevalence among 18-year-olds has obviously declined⁶.

⁶ MDG Report 2011.

Figure 3-11 Changes in HIV/AIDS Prevalence Rates (% of 15 to 49 year olds)



Source: Compiled using African Development Indicators

(4) Malaria mortality rate

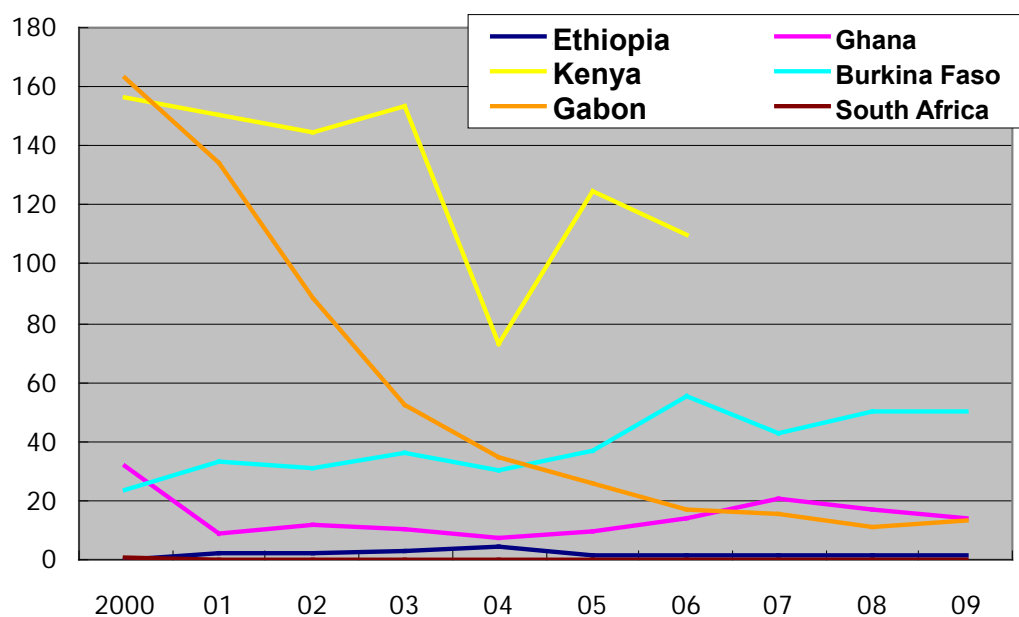
The only data available on the malaria mortality rate (per 100,000 persons) in most countries is data from 2000 and thereafter. According to this data, the rate increased in Africa overall from 9.9 persons in 2000 to 11.4 persons in 2009⁷. By country, there has been a large increase in western and central countries such as Burkina Faso, Cameroon, Democratic Republic of Congo, Guinea-Bissau, and Sierra Leone. Meanwhile, large decreases have been observed in countries such as Gabon and São Tomé and Príncipe.

Urgent issues in African countries include the need to increase the number of mosquito nets treated with mosquito repellent, which is recognized as the most effective way of preventing malaria, and providing ACT (artemisinin-based combination therapy) to malaria patients. It is pointed out that the latter is gradually increasing at public hospitals, but private hospitals lack information on relevant treatment methods.⁸

⁷ WHO, Fact sheet No.94 Malaria (<http://www.who.int/mediacentre/factsheets/fs094/en/index.html>)

⁸ Ibid. and AU, AfDB, ECA and UNDP, "Assessing Progress in Africa toward the Millennium Development Goals 2011" (MDG Report 2011), October 2011.

Figure 3-12 Changes in the Malaria Mortality Rate (100,000 persons)

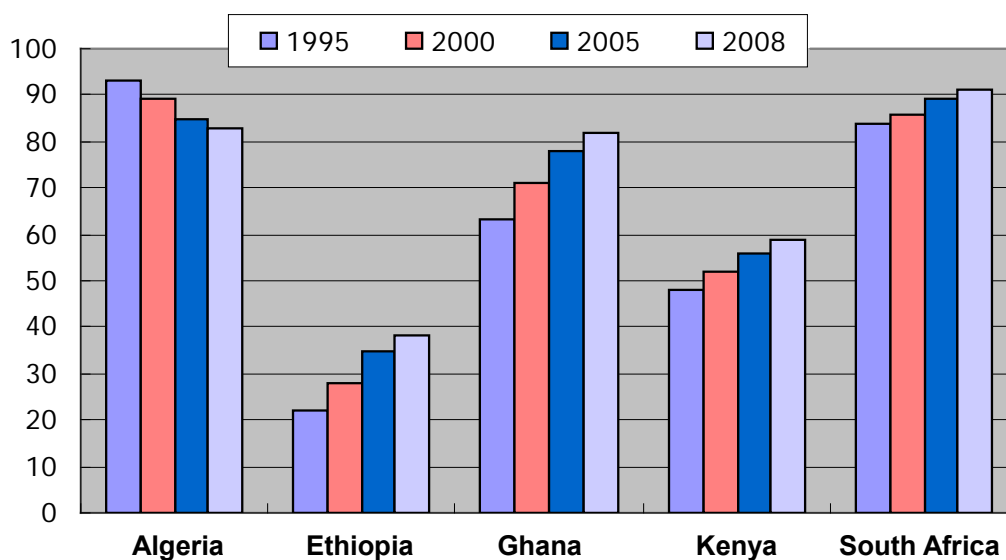


Source: Compiled using African Development Indicators

(5) Rate of access to improved water source

The rate of access to improved water source (% of population) in Africa overall rose from 58% in 1993 to 65% in 2009. By country, the rate is improving in nearly all countries, excluding a few (Algeria, Rwanda, Sierra Leone, and Sudan).

Figure 3-13 Changes in the Rate of Access to Improved Water Source (% of population)



Source: Compiled using African Development Indicators

However, such improvement is primarily in rural areas. Conditions in urban areas vary between those in countries that are improving and those in countries that are deteriorating due to rapid urbanization and growth of the slum population.

Figure 3-14 Rate of Population Using an Improved Drinking Water Source in Urban and Rural Areas (%)

| | 1990 | 2008 |
|-------|------|------|
| Urban | 86 | 86 |
| Rural | 40 | 53 |
| Total | 56 | 65 |

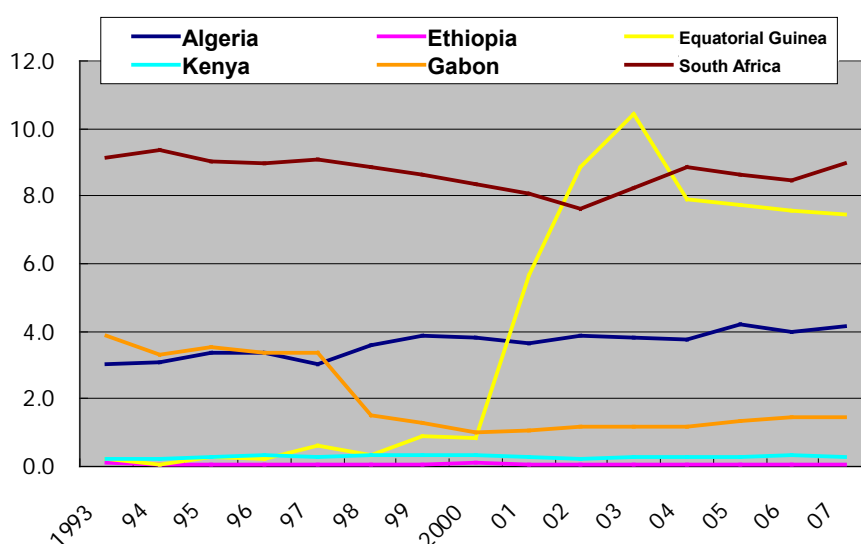
Source: AfDB, ECA, AU and UNDP, Assessing Progress in Africa toward the Millennium Development Goals: MDG Report 2011

3-1-5. Environment

(1) Carbon dioxide emissions per capita

The carbon dioxide emissions per capita in Africa overall increased from 1.10 tons in 1993 to 1.18 tons in 2007, but in sub-Saharan Africa, they have decreased slightly. By country, emissions increased in 33 countries and decreased in 17 countries (conditions in 2 countries are unchanged). The amount of increase was large in Equatorial Guinea and Seychelles, and excluding Gabon which displayed a decline of 2.4 tons, all other countries emitted a small amount of less than one ton. Furthermore, Africa as a whole is responsible for only a very small proportion of carbon dioxide emissions worldwide (4% or less), and only in a few countries is fossil fuel the main source of carbon dioxide emissions (Algeria, Egypt, Libya, Morocco, Nigeria, and South Africa).⁹

Figure 3-15 Changes in Carbon Dioxide Emissions per Capita (metric tons)



Source: Compiled using African Development Indicators

3-1-6. Poverty

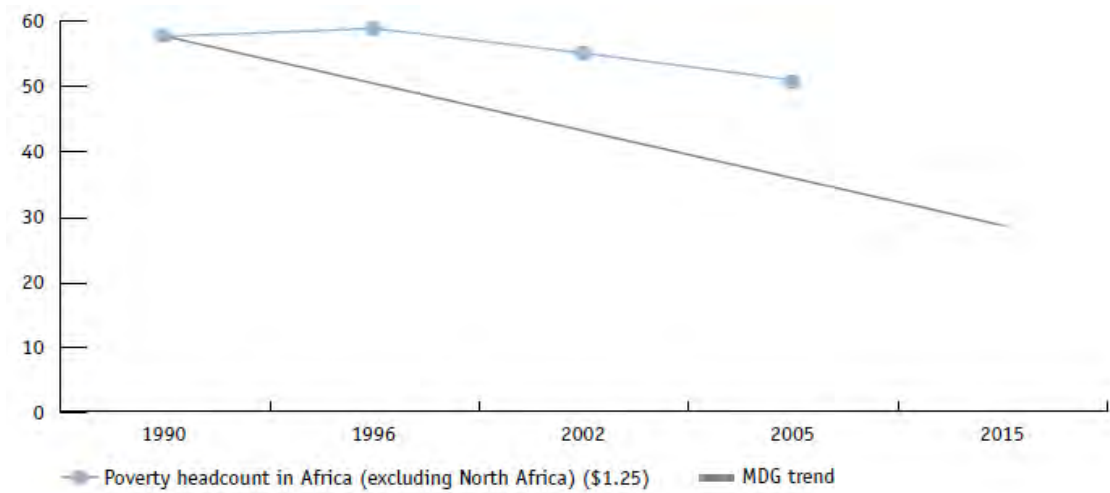
(1) Poverty ratio and poverty gap ratio

The poverty ratio (the percentage of people who live on less than \$1.25/day) in sub-Saharan Africa has not improved to the extent anticipated despite the economic growth since the 1990s. It remained high, at 58% in 1990 and 59% in 1996, and subsequently began a gradual decline to 51% in 2005. There was apprehension that the poverty ratio was once again rising due to the impact of

⁹ AU, AfDB, ECA and UNDP (2011).

subsequent economic crises, but according to the World Bank, the downtrend in the poverty ratio has continued, and in 2008 the rate was in the 47% range.¹⁰

Figure 3-16 Changes in the Poverty Rate in Sub-Saharan Africa (%)



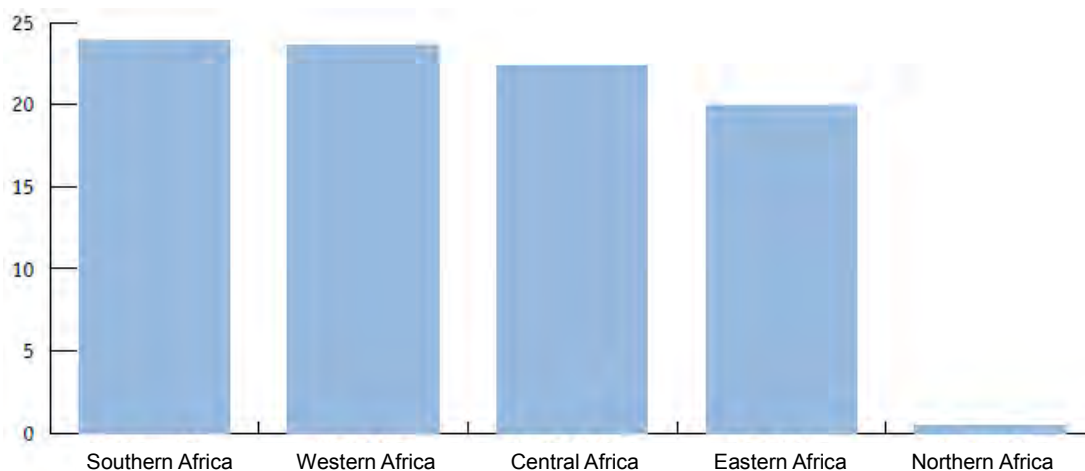
Source: UNECA, AfDB and UNDP, MDG Report 2011

Looking by region at the poverty gap ratio¹¹, which indicates the depth of poverty among people living on less than \$1.25/day, whereas in northern Africa there is basically no change from the 1% level since 1990, it has declined in sub-Saharan Africa but remains over 20% in all areas. That is, this indicates that the level (in terms of income and consumption) of the lives of people who live under the poverty line (\$1.25/day) still remains significantly below the poverty line.

¹⁰ World Bank, “An Update to the World Bank’s Estimates of Consumption Poverty in the Developing World,” March 2012.

¹¹ Poverty gap ratio = $\frac{\sum (\text{poverty line} - \text{consumption amount of the poor})}{(\text{total population} \times \text{poverty line consumption amount})}$

Figure 3-17 Comparison of the Poverty Gap Ratio by Region (2008, %)

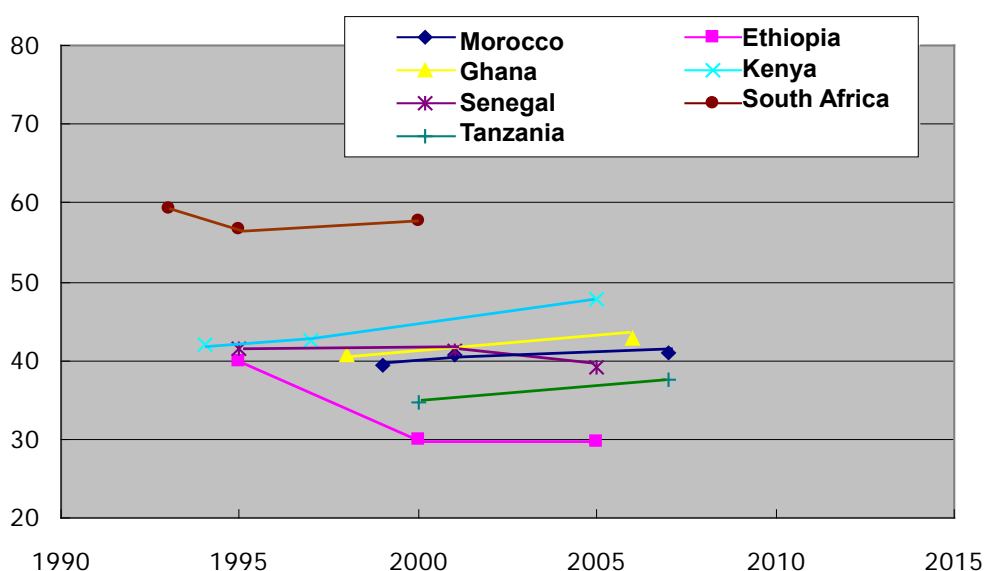


Source: UNECA, AfDB and UNDP, *MDG Report 2011*

(2) Gini Coefficient of inequality

Looking at the Gini coefficient (%) which indicates the domestic income gap in major countries in each region, there is a clear increase in Ghana, Kenya, and Tanzania, a slight increase in Morocco, a slight decrease in South Africa and Senegal, and a large decrease in Ethiopia.

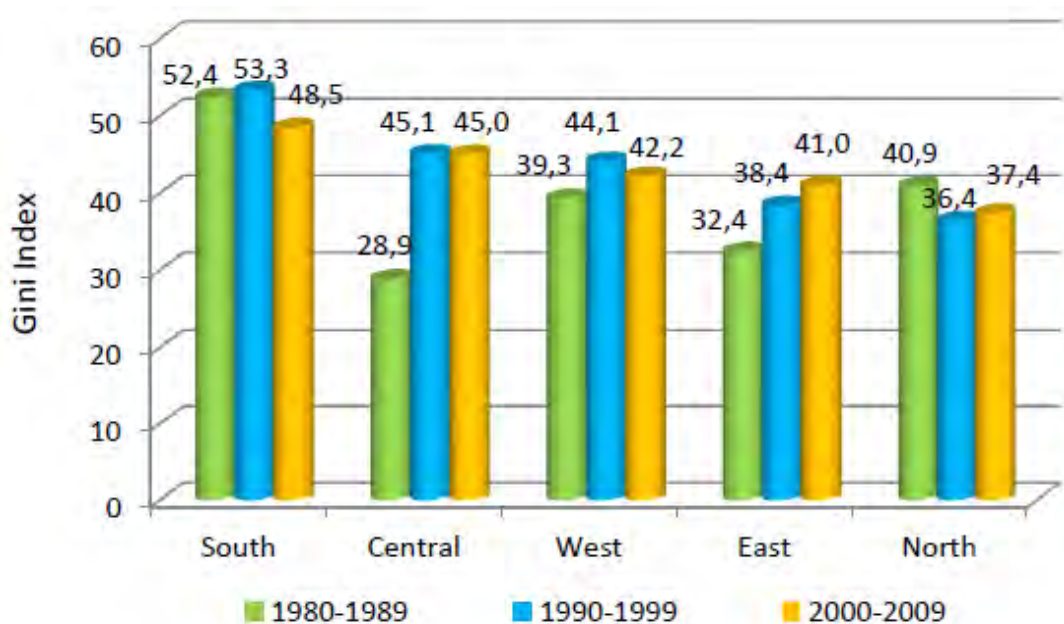
Figure 3-18 Change in the Gini Coefficient of Inequality (Index) (%)



Source: Compiled using African Development Indicators

Looking at the results of the comparative analysis of the Gini coefficient by region conducted by the African Development Bank and the World Bank, the levels of Gini coefficients and changes in them differ by region from the 1990s through the 2000s. Whereas a clear drop in the Gini coefficient, i.e., shrinkage of the income gap, can be observed in the south and the north, the Gini coefficient rose in the other regions, indicating expansion of the income gap. Comparing regions, the Gini coefficient in the south is consistently higher than in other regions, and so the south remains a region with a large income gap.

Figure 3-19 Changes in the Gini Coefficient of Inequality (Index) by Region (%)

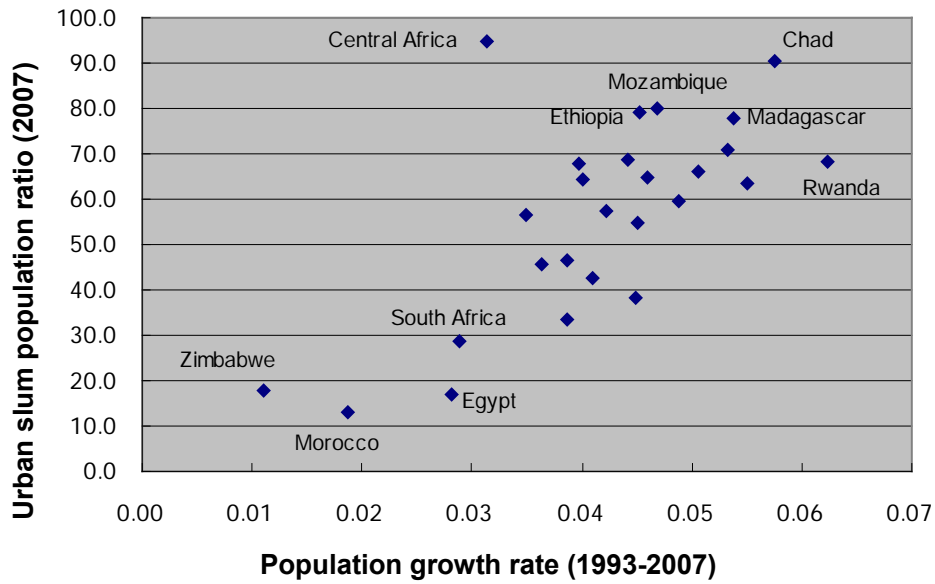


Source: African Development Bank, "Briefing Notes for AfDB's Long-Term Strategy: Briefing Note 5: Income Inequality in Africa," March 2012

(3) Urban slum population

The urban slum population is declining in both northern Africa and sub-Saharan Africa, but the level remains high in sub-Saharan Africa, at 62% in 2007. By country, the rates are extremely high in the Central African Republic and Chad, at 90% or above, and in Ethiopia, Madagascar, and Mozambique, where they are around 80%. Countries with a high urban slum population generally correspond to those with a high population growth rate during the period from 1993 to 2007, suggesting the tendency that the population increase and the urban slum expansion proceed simultaneously.

Figure 3-20 Population Growth Rate and Urban Slum Population (%)



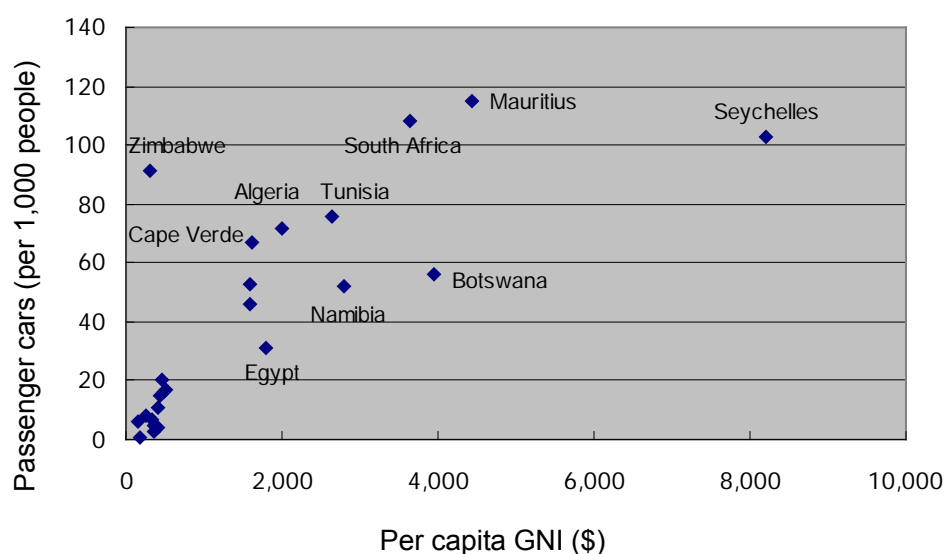
Source: Compiled using African Development Indicators, Global Urban Indicators Database 2010

3-1-7. Other

(1) Passenger car penetration rate

Because it is difficult to grasp the passenger car penetration rate (per 1,000 persons) chronologically, the figures for either 2007 or 2008 were analyzed. The passenger car penetration rate in sub-Saharan Africa in 2007 was 24.6 vehicles. By country, the countries with rates over 100 vehicles are Libya, Mauritius, Seychelles, and South Africa, followed by Zimbabwe, Algeria, and Tunisia. If the passenger car penetration rate is plotted together with the per capita GNI of countries for which the per capita GNI is known, a large difference can be observed in the passenger car penetration rate between countries where the per capita GNI exceeds roughly \$1,500 and countries with a lower per capita GNI.

Figure 3-21 Per Capita GNI and Passenger Car Penetration Rate (2007-2008)

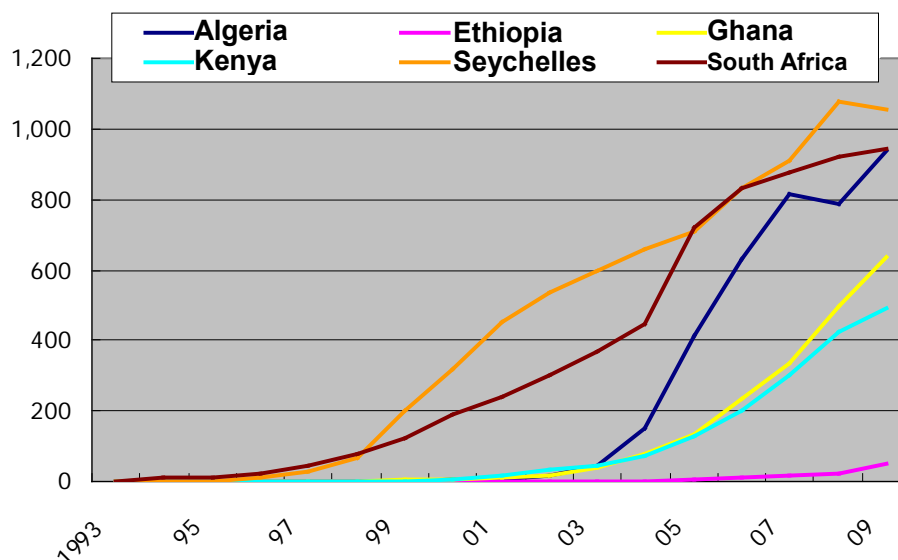


Source: Compiled using African Development Indicators

(2) Cellular phone subscriptions

The number of cellular phone subscriptions (per 1,000 persons) grew explosively starting at the end of the 1990s, increasing in Africa overall from only 1 in 1995 to 443 in 2009. The increase is even more striking in northern Africa, where the number reached 786 in 2009. By country, in 2009 Seychelles surpassed 1,000, and Algeria, Botswana, Gabon, South Africa, and Tunisia were approaching 1,000. Meanwhile, the countries with few subscriptions include Central African Republic, Eritrea, Ethiopia, and Somalia, where the number has not reached 100.

Figure 3-22 Changes in the Number of Cellular Phone Subscriptions (1,000 persons)



Source: Compiled using African Development Indicators

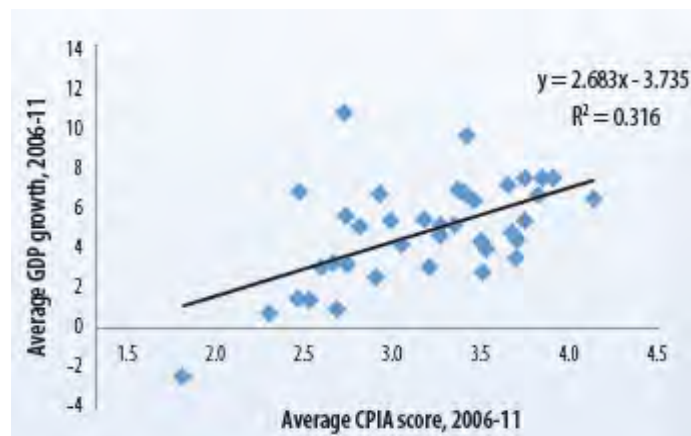
(3) CPIA (Country Policy and Institutional Assessment) Index¹²

It has been pointed out that there is a strong correlation between the comprehensive CPIA (Country Policy and Institutional Assessment) Index of 38 African countries and their GDP growth rate. In other words, countries with good policies and institutions tend to display high economic growth. It is also pointed out that this trend becomes more marked when oil-producing countries are excluded.¹³

¹² An evaluation index measured once a year by the World Bank in countries that are eligible to receive IDA funding. Each country is evaluated based on 16 criteria which are divided into four groups: (a) economic management, (b) structural policy, (c) policy to realize social inclusion/justice, and (d) management and systems for the public sector. The score ranges from one at the lowest to six at the highest.

¹³ World Bank, "CPIA Africa – Assessing Africa's Policies and Institutions", June 2012. (http://siteresources.worldbank.org/AFRICAEXT/Resources/WB_CPIA_Report_v11.pdf)

Figure 3-23 Relation between CPIA Index and GDP Growth Rate in African Countries (2006-2011)

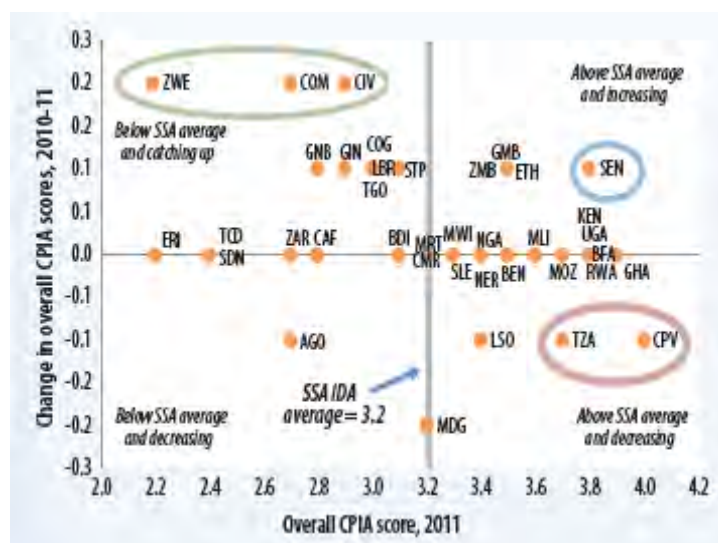


Source: World Bank (2012)

The average CPIA index in African countries remained unchanged at 3.2 in both 2010 and 2011. Looking by country, the index of 13 countries rose, 20 remained unchanged, and 5 declined during this period. The changes are not uniform because, while there was significant improvement in countries that are so-called fragile states (Comoros, Ivory Coast, and Zimbabwe), there was also deterioration in countries that formerly had a high index (Cape Verde and Tanzania, etc.). Overall, since the global economic crisis in 2008-2009, African countries appear to be pursuing policies for growth and poverty reduction in a tough economic environment.¹⁴

¹⁴ World Bank (2012).

Figure 3-24 CPIA Indexes and Changes in African Countries (2011)



Source: World Bank (2012)

3-2. Forecast for African Socioeconomy during the Next 20 Years

This section introduces several literatures concerning changes in African socioeconomic indicators for the next 20 years.

3-2-1. FASID International Development Research Center's Outlook for the African Economy

Takamasa Akiyama and Eriko Takahashi (2010) forecast the African economy up to 2030 by analyzing the types of economies in sub-Saharan Africa primarily using macro data and applying a simple econometric model for 37 sub-Saharan African countries¹⁵.

First, based on their analysis of macro data, they point out the following major problems related to the medium- to long-term outlook for the sub-Saharan African economy.

- (1) In many countries the population growth rate is high and the per capita GNI is stagnant or declining.
- (2) The high population growth rate will continue in the future, and employment in the non-agriculture sector will increase.
- (3) Stagnation of employment and income in the agriculture sector is primarily due to the decline

¹⁵ Takamasa Akiyama and Eriko Takahashi, "Chapter 1: Outlook for the African Economy" in *Seeking New Development Assistance for Sub-Saharan Africa*, Research Report Paper, African Development Strategy, Globalization and International Development Research (in Japanese), FASID, March 2010.

in the amount of farmland per capita.

(4) Economic and social infrastructure is inadequate, and this factor obstructs improvement in productivity.

(5) The amount of funds from the overseas private sector, such as FDI, is very low compared to other developing regions.

(6) The amount of ODA to sub-Saharan Africa is increasing in recent years, but the increase related to economic infrastructure is low.

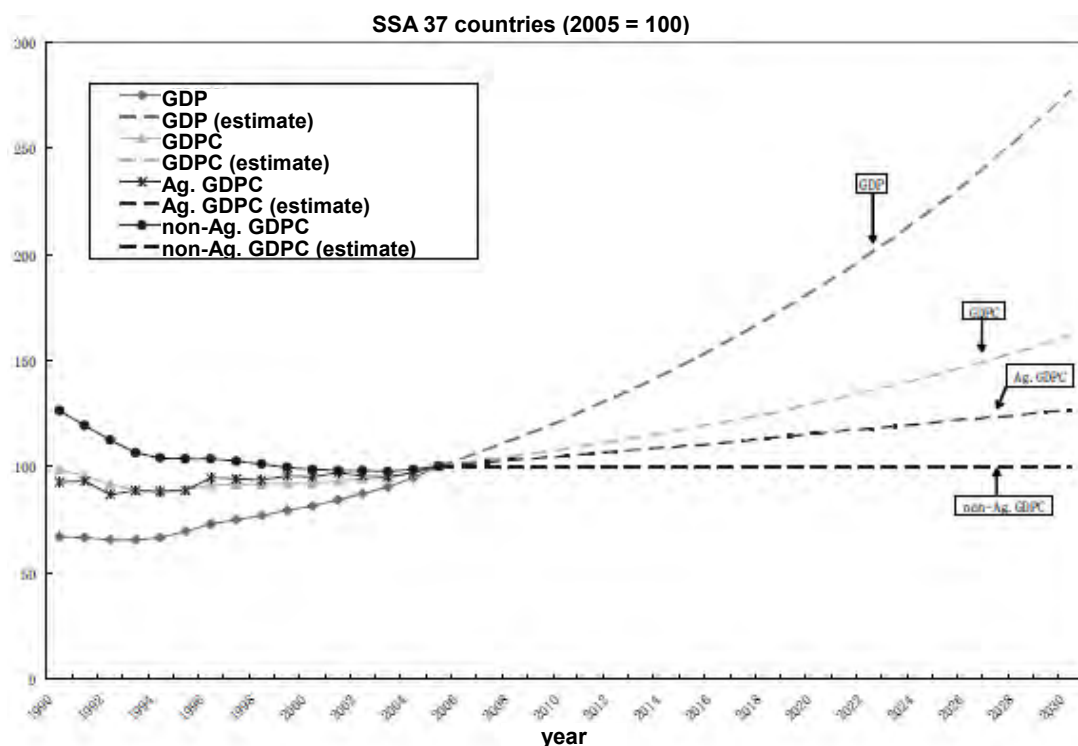
(7) Primary goods make up a large share of exports from sub-Saharan Africa, and because the prices of these goods fluctuate violently, the economy is unstable.

Based on the above analysis, employment and GDP by sector in the agriculture and non-agriculture sectors are forecast to develop as follow until 2030 in 37 sub-Saharan countries overall and in 10 separate countries (Kenya, Mauritius, Namibia, Senegal, South Africa, Tanzania, Botswana, Burkina Faso, Ethiopia, and Gabon).

(1) The agriculture GDP per employee (Ag. GDPC) in sub-Saharan Africa overall will increase by nearly 1% annually. However, no increase can be anticipated in the non-agriculture GDP per employee (non-Ag. GDPC). This is due to the fact that non-agriculture employees will increase, but little improvement in productivity per employee can be expected.

(2) Because employment in all countries will shift to the non-agriculture sector, the importance of non-agriculture productivity in the economy will increase.

Figure 3-25 Sub-Saharan Africa: Forecast Results for Employment and GDP by Sector (standardized)



Source: Akiyama and Takahashi (2010)

- (3) The forecast varies widely for Ag. GDPC depending on the country, and this is heavily influenced by whether or not there is room to expand the farmland per agricultural employee (i.e., countries with room to expand farmland are estimated to have a larger increase in Ag. GDPC (Tanzania, South Africa, Mauritius, and Gabon)).
- (4) The forecast varies widely for non-Ag. GDPC depending on the country, and this is probably influenced by the amount of capital per employee (i.e., countries with a large amount of capital per employee are estimated to have a larger increase in non-Ag. GDP (Burkina Faso, Tanzania, Senegal, South Africa, Mauritius, and Botswana)).
- (5) In South Africa and Mauritius, the population growth rate is low, and both the Ag. GDPC and the non-Ag. GDPC will increase. The forecast for both of these countries indicates the importance of the effect of population growth rates on productivity.
- (6) The non-Ag. GDPC in Gabon and Zambia does not rise, but this is most likely related to the fact that both are resource-rich countries, which has caused them to suffer from “Dutch disease.”

The above forecast leads to the following suggestions for development strategy.

- (1) To achieve poverty reduction, it is necessary for the income per capita to rise, but the income per capita is not rising due to the high population growth rate. For this reason, a policy to restrain population growth is necessary. In addition to conventional family planning, it is also necessary to improve the education of women.
- (2) Currently, the non-Ag. GDPC is larger than that for agriculture, but a decline is anticipated as the population in this sector increases. Moreover, in the event that the population increase of the past 10 to 15 years and the stagnation and decreased productivity continue in the non-agriculture sector, poverty will intensify in most sub-Saharan African countries. Not only will there be further growth of the slums in cities primarily due to population increase, but public safety is also likely to become a greater social problem. Considering this, it is necessary to boost productivity in the non-agriculture sector and to create employment in that sector.

3-2-2. OECD, Perspectives on Global Development 2010: Shifting Wealth

In light of the growth of the global economy since the 1990s, the OECD (2010) focused on the varied speeds of growth of the developing countries and analyzed the global economy by applying the “four-speed world” categories proposed by James Wolfensohn, former president of the World Bank¹⁶. The categories are as follows:

Affluent countries: High-income countries which have controlled the global economy for the past 50 years. The per capita GINI was over \$9,625 in 2000 and over \$11,455 in 2007.

Converging countries: Low- to medium-income countries with a high growth rates, such as China and India. The growth rate of the GDP per capita is double that of OECD high-income countries (over 3.75% in 2000 and over 3.0% in 2007).

Struggling countries: Growth performance is sometimes strong but is not regular. These countries do not require assistance from international society. The per capita GNI was \$755-\$9,265 in 2000 and \$935-\$11,455 in 2007.

Poor countries: The poorest countries, which are mainly in sub-Saharan Africa. The per capita GNI was less than \$755 in 2000 and less than \$935 in 2007.

¹⁶ OECD, Perspectives on Global Development 2010: Shifting Wealth, 2010.

In the 2000s, African countries were in the following categories.

| Category | Country |
|----------------------|---|
| Converging Countries | Nigeria, Ethiopia, South Africa, Tanzania, Sudan Uganda, Morocco, Ghana, Mozambique, Angola, Chad, Tunisia, Rwanda, Sierra Leone, Namibia, Botswana, Mauritius, Equatorial Guinea, Cape Verde |
| Struggling Countries | Egypt, Algeria, Cameroon, Libya, Congo, Lesotho, Gabon, Swaziland, Djibouti, Seychelles |
| Poor Countries | Democratic Republic of Congo, Kenya, Ivory Coast, Madagascar, Burkina Faso, Malawi, Niger, Mali, Zambia, Zimbabwe, Senegal, Guinea, Benin, Burundi, Togo, Central African Republic, Liberia, Mauritania, Gambia, Guinea-Bissau, Comoros |

These categories are not fixed, and they do not indicate future growth potential. The number of countries in each category changed as shown below between the 1990s and the 2000s.

Figure 3-26 Number of Countries in Each of the “Four-Speed World” Categories

| | 1990s | 2000s |
|------------|-------|-------|
| Affluent | 34 | 40 |
| Converging | 12 | 65 |
| Struggling | 66 | 38 |
| Poor | 55 | 25 |
| Total | 167 | 168 |

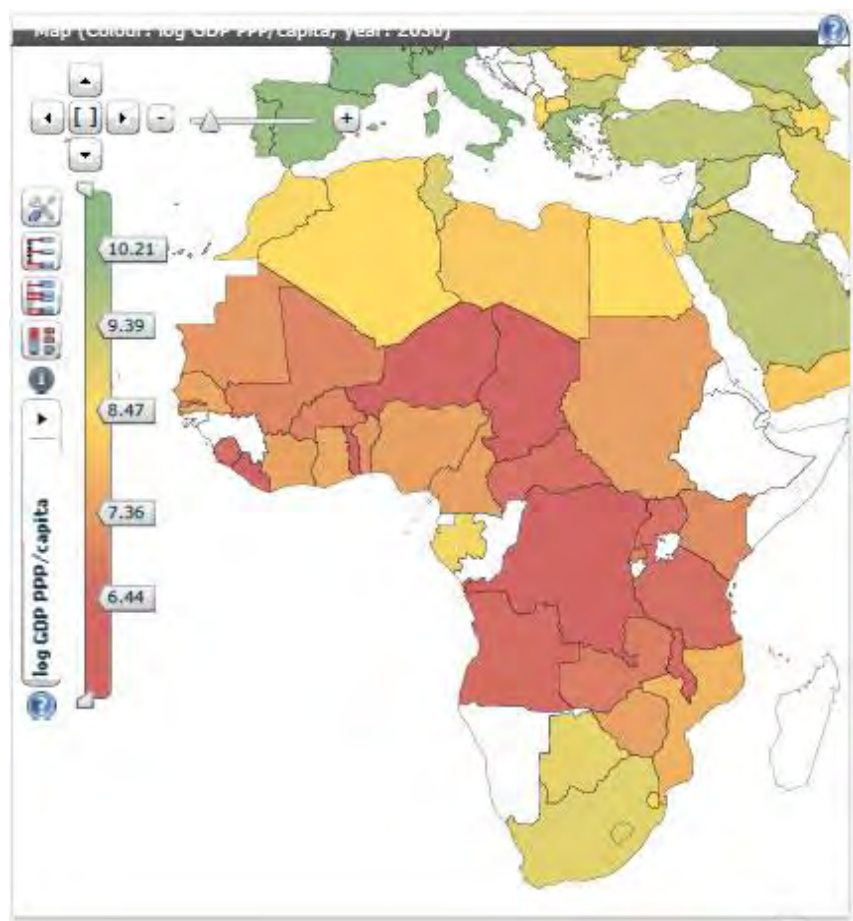
Source: OECD (2010)

Based on the above classifications, the OECD projects the economic growth of countries around the world up to 2030. The map below shows the forecast GDP per capita (PPP, logarithmic display) in 2030 for African countries¹⁷. Looking at this, large gaps are visible between countries that belong to same category in the year 2000. For example, in 2000, South Africa, Botswana, and Tunisia are “converging” countries, but whereas these countries are projected to be among the most “affluent” countries in Africa in 2030, Chad which belongs to the same “converging” group is projected to become one of the “poor” countries in 2030. Meanwhile, Senegal, Ivory Coast, and Zimbabwe

¹⁷ <http://webnet.oecd.org/pgdexplorer/>

which were “poor” countries in 2000 are projected to attain an economic level close to that of “converging” countries such as Ghana and Mozambique. “Struggling” countries such as Egypt, Algeria, and Gabon will develop to a level just behind South Africa, Botswana, and Tunisia.

Figure 3-27 Distribution of GDP per capita* in 2030



*PPP, logarithmic display

Source: OECD

It is pointed out that countries need to adopt the following type of development strategy in order to realize development regardless of their classification in the year 2000.

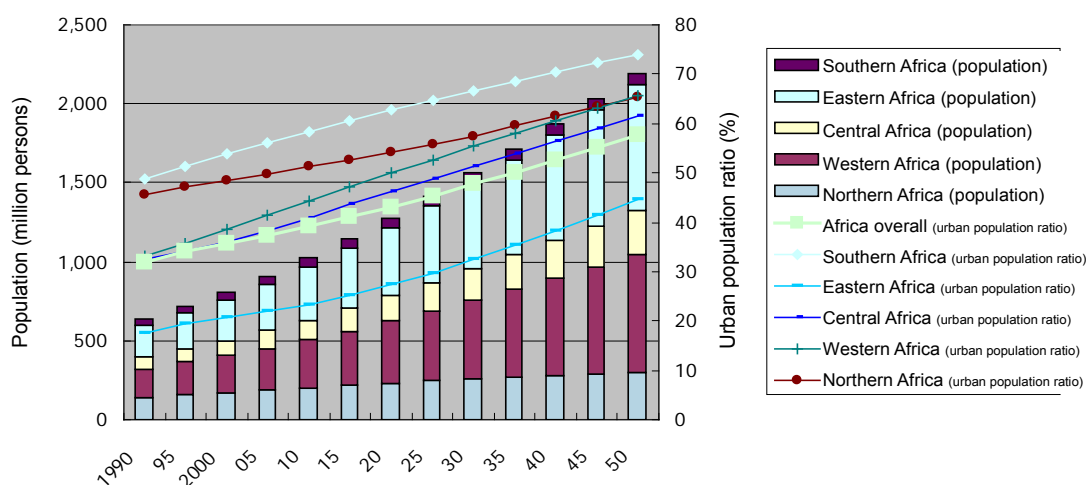
- Promote South-South foreign direct interments, learning the lessons from successful examples of clusters and export processing zones, and using investment links to achieve technological upgrading
- In resource-rich countries, ensure appropriate revenue management policies and channel the resources to promote growth and investment in the domestic economy
- Improve agricultural productivity to respond to the growing demand for agricultural exports

- Implement pro-poor growth policies focusing on providing more and better jobs and improving social protection
- Expand South-South peer learning to help design policy based on the successful experiences of developing countries.

3-2-3. UN Department of Economic and Social Affairs, Population Division, World Urbanization Prospects/UN-HABITAO, The State of African Cities 2010

Every two years, the Population Division of the Department of Economic and Social Affairs at the United Nations releases World Urbanization Prospects, a long-term estimate of urban and rural populations in countries around the world. According to the most recent data¹⁸, the population of Africa, which was 635.3 million as of 1990, will reach 2,191,600,000 in 2050, with the urban population ratio increasing from 32% to 58%. In this process, the population and the urban population ratio in 2030 will be 1.562 billion persons and 48%, respectively, meaning that nearly half of the population will live in cities.

Figure 3-28 Estimate of Population and Urban Population Ratio by Region



Source: Compiled using World Urbanization Prospects, 2011 Revision

Looking at the state of population growth by region, western Africa and eastern Africa, which each accounted for approximately 30% of Africa's total population in 2010, are steadily increasing. In 2030 and 2050, western Africa's population will have reached just under 500 million and 744 million, respectively, and eastern Africa's population will stand at 543 million and over 800 million, respectively. The former will grow from 32% of Africa's total population to 34%, and the latter from

¹⁸ World Urbanization Prospects, 2011 Revision (<http://esa.un.org/unup/index.html>)

35% to 37%. Meanwhile, in southern Africa where the population is the lowest, there will be a slight increase between 2010 and 2030, from 58 million to 64 million, and growth thereafter will slacken even more, standing only at 67 million by 2050. Due to this, southern Africa's share of the total African population will drop from 6% in 2010 to 4% in 2030 and further decline to 3% in 2050.

The progress of urbanization varies from that of population growth, with southern Africa being projected to maintain the highest urban population ratio consistently. Its urban population ratio in 2010, 2030, and 2050 is 58%, 67%, and 74%, respectively, revealing fast-paced urbanization. Meanwhile, in eastern Africa where the urban population ratio is the lowest, there will be an increase from 23% in 2010 to 32% in 2030 and 45% in 2050, with the pace expected to accelerate after 2025.

UN-HABITAT had conducted a detailed analysis of the socioeconomic impact that may be caused by the advancement of such urbanization and has suggested the following as examples of shared characteristics and responses in Africa overall¹⁹.

- Polarization and confrontation in cities will increase due to laissez-faire attitude toward rapid urbanization, and it may turn into a situation with islands of wealth floating in a oceans of poverty.
- On the other hand, urbanization must not necessarily be regarded as problematic. Urban planning and construction regulations should be designed that will also utilize the human energy and maintain the dynamism of the cities.
- African governments should consider the relocation of governmental functions from the capital city to a secondary city.
- Fiscal decentralization should be promoted to correspond to political decentralization in order to avoid the urban decay, deterioration of services, and proliferation of slums.
- Measures should be taken to cope with scarcity of food and water as urbanization progresses.

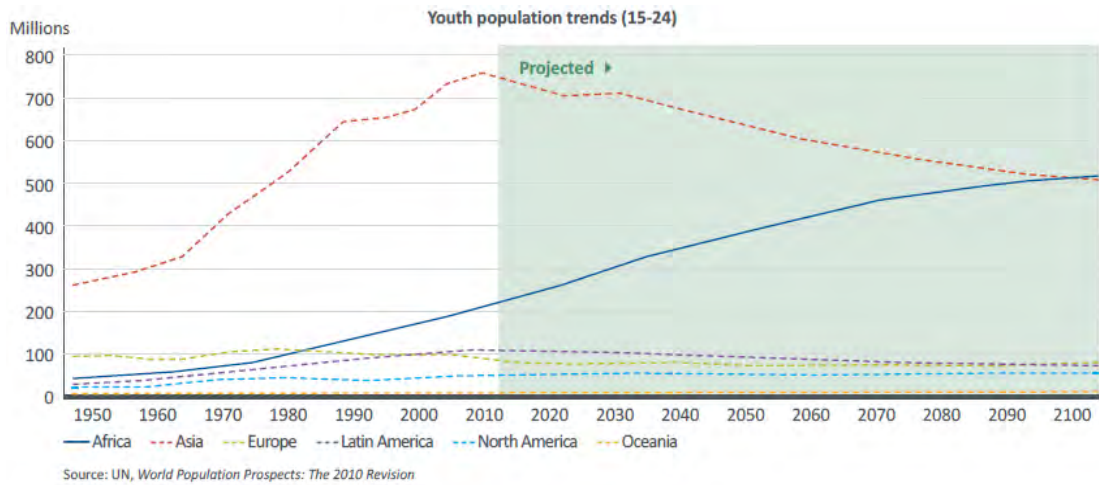
3-2-4. Mo Ibrahim Foundation, African Youth: Fulfilling the Potential

At the 2012 Ibrahim Forum held in Dakar in November 2012, the Mo Ibrahim Foundation reported on the uptrend in the youth population in Africa through the 21st century as well as the current situation and the problems of the youth²⁰. According to the report, Africa is the only region in the world where the youth population (15 to 24 years) will continue to increase until the end of the 21st century. This will result in an increase in Africa's youth population of 340 million between 2000 and 2100, and its share of the global youth population will rise to 31% in 2050 and 41% in 2100.

¹⁹ UN-HABITAT, *The State of African Cities 2010: Governance, Inequality and Urban Laned Markets*, November 2010.

²⁰ Mo Ibrahim Foundation, "African Youth: Fulfilling the Potential," November 2012.

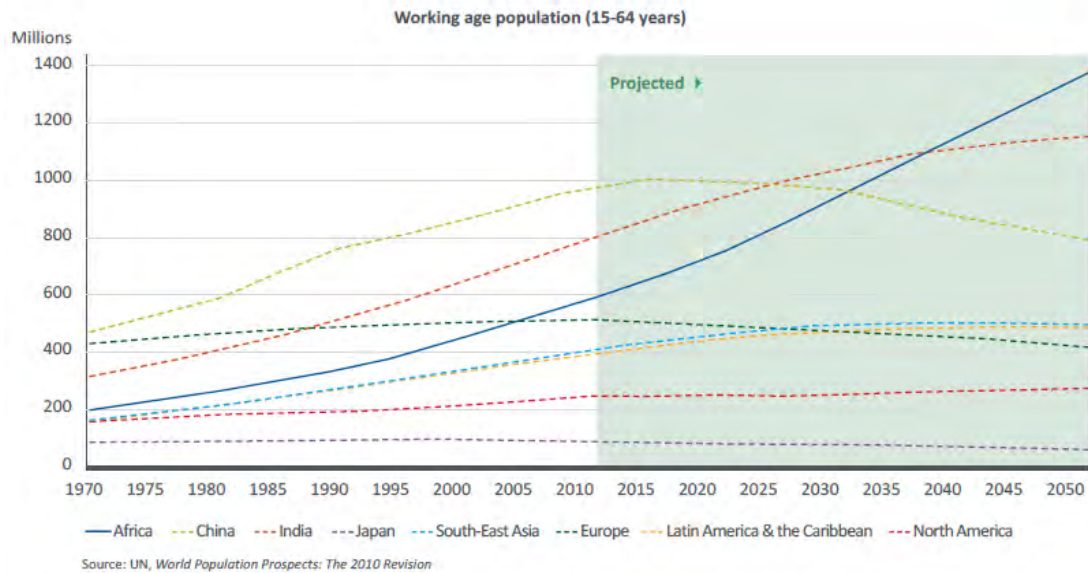
Figure 3-29 Predicted Increase in Youth Population (15 to 24 years)



Source: Mo Ibrahim Foundation (2012).

Accompanying this, the working age population (15 to 64 years) will expand. In 2050, this population will be three times that of Europe's, and Africa will account for one-quarter of the world's working age population.

Figure 3-30 Predicted Increase in Working Age Population (15 to 64 years)

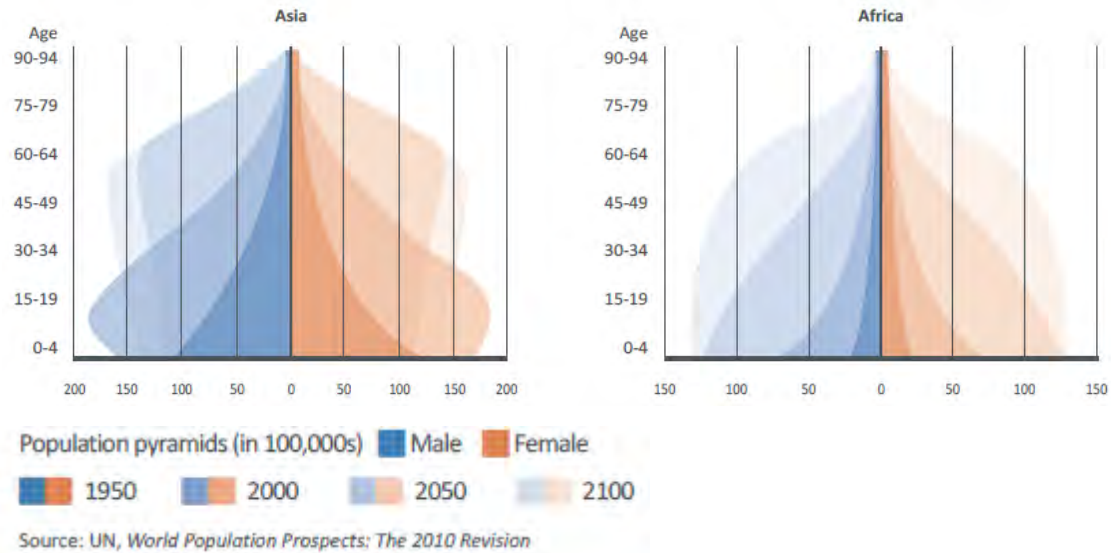


Source: Mo Ibrahim Foundation (2012).

Comparing changes in the population structure by age with Asia, a striking image of “aging Asia”

and “youthful Africa” is becoming clear.

Figure 3-31 Comparison of the Population Pyramid



Source: Mo Ibrahim Foundation (2012).

Meanwhile, the report proposes that employment should be created because it is decidedly lacking due to the growth of the youth segment; that policymakers should reflect the voice of the youth in policy decisions; and that dialogue between the generations should be promoted.

3-3. Summary

Given the changes seen in the African socioeconomy since 1993 until today, it can be said that African socioeconomy has been significantly improved in general. For example, the infant mortality rate, the maternal mortality ratio, and the malaria mortality rate have declined. As a result, the average life expectancy has grown. Both income and consumption have increased, and the diffusion of automobiles has grown significantly in the countries where the income level has reached a certain level. At the same time, the use of mobile phones has explosively increased in many countries. Furthermore, access to education (primary education) and improved water source have also been improved.

On the other hand, the regional and national gap has widened in some fields. In the Southern African countries, in particular, the HIV/AIDS prevalence rate has increased sharply, thus affected a rise in the death rate and to the shortening of the average life expectancy. There has also been a large gap between countries in terms of income and consumption. For example, as for the per capita gross national income, the disparity between countries is large, with a difference of about 90 times between the highest and the lowest. In terms of education, there has been an issue of gender

inequality as well. With regard to poverty, although the poverty ratio has declined, the lives of people who live under the poverty line have still been severe, and the domestic gap between the rich classes and the poor classes has been growing in central and eastern Africa. In countries with a high population growth rate, there is also a tendency of urban slum expansion.

Four forecast materials have been introduced in terms of African socioeconomy for the next 20 years, two of which are regarding economic growth. According to *Outlook for African Economy*, growth in sub-Saharan Africa overall is projected mainly in the agriculture sector. However, income per capita is not rising due to the high population growth rate, and poverty may become intensified. For this reason, the analysis states that it is necessary to restrain population growth, boost productivity in the non-agriculture sector, and create employment in that sector. Similarly, the growth forecast released by the OECD focuses on the difference in the growth speed among countries, indicating necessary development strategies for all the countries. The other two materials are regarding the issue of population. UN-HABITAT forecasts a rapid increase in population as well as an increase in the urban population ratio, indicating the socioeconomic impact and measures to be taken. Furthermore, the Mo Ibrahim Foundation focuses on the increase of the youth population and proposes that employment should be created and that the voice of the youth should be reflected in policy decisions.

4. Development assistance for Africa (including North Africa) provided by TICAD Co-organizers since 1993: performance, trends, and achievements

4-1. Development assistance from the Japanese government

Japanese assistance to Africa has centered on the promotion of the TICAD process. As mentioned above, in all the TICAD conferences since 1993 (TICAD I–V), Japan has worked with other partner organizations to provide an opportunity for the international community to re-engage with the issue of aid to Africa. This was particularly true around the time of TICAD I in 1993, when aid fatigue was setting in amongst developed nations. These efforts led to the adoption of the “Tokyo Declaration on African Development” at TICAD I. The results of the TICAD conferences were discussed in chapter 1, so this chapter will instead outline policies and trends related to Japanese assistance, including the various decisions reached at each TICAD conference¹.

4-1-1. Development assistance for Africa: policies, characteristic trends, and analysis

(1) Japanese assistance for African development: basic philosophy and trends

Japan’s basic philosophy with regards to African assistance (including TICAD) can be summarized as follows: the promotion of self-reliance within Africa (ownership), the support from the international community (partnership), Asian/African cooperation, human security, and respect for African diversity². In particular, in order to support African independence, Japan is currently pursuing measures that provide assistance for goals deemed important by the African actors themselves based on the following established themes; “poverty reduction through economic growth (support for economic growth by encouraging trade and investment, development of agriculture and rural communities)”; “human-centered development (support for projects that directly benefits humans, such as healthcare, education and food aid)” and “consolidation of peace (support for the preservation of sustainable peace, the cornerstone of any development)”³.

Japan has steadily provided assistance to Africa in a number of focused areas set for TICAD V, including (1) regional infrastructure, (2) farming and food aid, (3) promotion of trade and investment, (4) community development, (5) education and human resource development, (6) healthcare, (7) water, and (8) the “Cool Earth Partnership.”

For example, as part of its post-TICAD V (2008) follow-up initiatives, up until October 2009, Japan had conducted over 130 preparatory surveys in the eight areas mentioned above. With regards

¹ The following data was mainly obtained from the MOFA’s TICAD website.
<http://www.mofa.go.jp/mofaj/area/ticad/index.html>

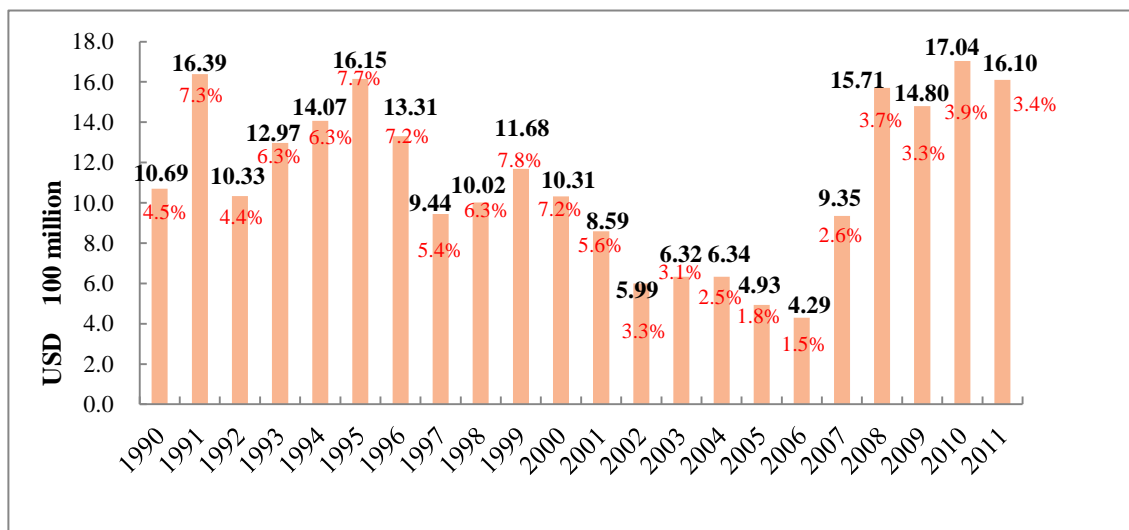
² MOFA website: http://www.mofa.go.jp/mofaj/area/africa/pdfs/k_seisaku05.pdf

³ MOFA website: http://www.mofa.go.jp/mofaj/area/africa/pdfs/k_seisaku05.pdf

to area (1) regional infrastructure, Japan has provided support for the establishment of 13 trade corridors and the harmonization of customs procedures at 14 locations (One Stop Borders) throughout Africa. As for (2) agriculture and food aid, Japan has pursued a number of initiatives including: the administration of the Coalition for African Rice Development (CARD); the provision of agricultural grants (11 cases), technical assistance (8 cases) and grants for grass-roots and human security projects (21 cases). In 2008-2009 Japan also disbursed: around 23.3 billion yen in food aid to 30 countries; around 20 billion yen on protecting human rights (via international institutions); and most of around US\$100 million on emergency food aid. The lion's share of this assistance went to Africa. With regards to (3) the promotion of trade and investment, as discussed in chapter 5, the Japanese government has provided yen loans to the private sector through: the JBIC's Facility for African Investment (US\$2.5 billion); public private initiatives aimed at promoting trade and investment (including the Fifth Africa-Asia Business Forum); and the African Development Bank (AfDB)⁴.

Figure 4-1 Japanese ODA disbursements to Africa

**(Upper figure: unit (\$100 million);
lower figure: Japanese ODA disbursements to Africa as a proportion of total
DAC-country spending)**



Note: Figure 4-1 does not include contribution to AfDB.

Source: Compiled using the OECD Stat Extracts database

⁴ Based on the MOFA's "TICAD IV Follow-up Meeting" http://www.mofa.go.jp/mofaj/area/ticad/tc4_gh.html

(2) Japanese assistance for African development: focused areas

The aforementioned commitments were incorporated into each focused area as follows⁵.

(i) Consolidation of peace

Armed conflict in Africa destroys economies, shatters lives and causes tremendous human suffering. For this reason, TICAD is involved in a wide range of initiatives aimed at alleviating this suffering. These include: providing assistance to refugees and internally-displaced people; the disarmament, demobilization and reintegration of former soldiers (DDR); the elimination of landmines; and the collection and decommissioning of small arms and light weapons (SALW). TICAD partners are also involved in the field of good governance and provide support for the “Africa Peer Review Mechanism (APRM), a NEPAD initiative.

On the other hand, Japan has identified peace building assistance as a new pillar of its international development initiatives. It provides support for Africa’s wide-ranging peace processes in the following three areas: the maintenance of security; the promotion of good governance and the transition to a market economy; and support for reconstruction and social/economic development.

Japan has also: contributed to the African Union (AU) Peace Fund; helped pay for peacekeeping operations (PKO); dispatched electoral observers to the Democratic Republic of the Congo; and contributed to the UN’s Peacebuilding Fund and the UN Trust Fund for Human Security (UNTFHS). (Japan contributed around \$200 million at the time of the Fund’s establishment.)

⁵ The following data is an abridged version of data obtained from the MOFA website.
(http://www.mofa.go.jp/mofaj/area/africa/pdfs/k_seisaku05.pdf)

Figure 4-2 Good examples of Japanese assistance in the peace building sector

■ Project for the Improvement of Basic Skills and Vocational Training in Southern Sudan



The North-South civil war in Sudan ended in 2005, leaving the land devastated and the people in extreme poverty, with almost no opportunity for education.

JICA launched a vocational training project in southern Sudan in 2006—one year and a half after the signing of a peace pact—to help the trainees, including returned refugees, improve their livelihoods by using the skills and techniques they have learned, and to ensure that the trained engineers contribute to rehabilitation and peace-building.

The project focused on the strengthening of capabilities of the Juba Multi-Service Training Centre—a prospective core institution for vocational training—as well as of non-formal training providers (NGOs, etc.) that offer short-term courses centered on the acquisition of skills that are directly linked to life improvement. Support included the provision of necessary materials and equipment and revamping of facilities. Based on the concept of “from Africans to Africans,” Ugandan instructors from the Nakawa Vocational Training Institute, a long-time partner of JICA’s cooperation, were invited to assist in the teaching of training methods and updating of teaching materials. The Program trained a total of 3,861 Sudanese in the fields of automotive mechanics and sheet-metal processing/welding, among others.

According to a follow-up survey, around 70% of ex-trainees found a job or started a business within six months after completing the training, and earned 138% more than before (as of 2008).

Source: Compiled using JICA websites: <http://www.jica.go.jp/activities/issues/peace/case.html> and http://www.jica.go.jp/project/south_sudan/0604444/news/general/081007.html

(ii) Human-centered development

In order to provide the human resource base necessary for sustainable development, Japan has provided the following support in four focused areas, namely (1) healthcare, (2) water and sanitation, (3) human resource development, and (4) food.

1) Healthcare


Japan announced a “Health and Development Initiative” and an “Action Plan to Combat Infectious Diseases in Africa” as part of efforts to achieve MDGs. Since then, Japan has: distributed mosquito nets to help combat malaria (as part of the “Quick Win Actions” initiative, by 2007 Japan had donated around 10 million mosquito nets treated with long-lasting insecticides); contributed to the Global Fund to Fight AIDS, Tuberculosis and Malaria; supported policies to tackle bird flu; and established the Hideyo Noguchi Africa Prize. Japan has also contributed to programs tackling

maternal and child health, family planning, information provision, female empowerment, and infectious disease prevention (such as HIV/AIDS).

In the healthcare sector, JICA has provided support to two important sub-sectors in particular; maternal and child healthcare; and infectious disease prevention. It has provided support for structure building in these sectors through the following three initiatives: improving the capacity of health administrations; enhancing the functions of health care centers and strengthening structural cooperation between these centers in order to improve the quality of healthcare services; and improving the quality of healthcare professionals⁶.

Figure 4-3 Good examples of Japanese assistance in the healthcare sector

■ Programme for Strengthening the Health Systems in Poverty-stricken Areas, Senegal



Tambacounda and Kedougou are among the poverty-stricken regions in Senegal. Health indicators in these regions are generally poorer than national average. For example, the under-5 mortality rate stood at 200 per 1,000 live births in 2007, which is nearly twice that of the national average.

JICA named these two regions as priority areas for its health sector cooperation and has been conducting a program to strengthen health systems aimed at improving the health status approximately 700,000 residents in the regions. Specific measures under this multi-sectoral assistance include:

- i) improving the utilization of maternal, newborn and child health care services such as community-based antenatal health check-up;
- ii) providing equipment and in-service training for local health professionals to ensure quality maternal and neonatal care services;
- iii) strengthening referral systems among local healthcare facilities;
- iv) contributing to the broader initiatives of health system strengthening at decentralized level through developing capacities of the regional health offices; and
- v) providing improved water source and building roads necessary for the health of the people.

⁶ “JICA’s Operations in the Health Sector—Present and Future,” pp. 5-8 (JICA 2010).
<http://www.jica.go.jp/activities/issues/health/pdf/positionpaper.pdf>

■ Capacity Development for Regional Referral Health Management, Tanzania



In Tanzania, where the decentralization of public services is under way, the development of capacities of the Regional Health Management Teams (RHMTs), as well as the building of a strong foundation for provision of health care services comprising the central, regional and district governments and health care institutions, are indispensable in order to create an enabling environments for high-quality decentralized health services.

Targeting all of 21 RHMTs in Tanzania, JICA started a program in 2008 to strengthen their capacity and to facilitate their independent development.

The Project enabled the Ministry of Health and Social Welfare to secure the budget for periodically monitoring RHMTs' operations. Reporting methods for RHMT monitoring was also improved, which led to a smoother collection of information at the national level. The Project also worked with the Ministry to create and distribute a package for disseminating policy information, to which all of 21 RHMTs responded with the submission of annual operational plans. RHMTs introduced a mechanism for periodical self-assessment of management capacity, which has been implemented to date.

■ HIV/AIDS and Tuberculosis Control Programme, Zambia

In Zambia, reducing the number of new HIV infections and AIDS-related deaths is one of the national development priorities, as the adult HIV infection rate remains as high as 14.3% (2007). The re-emergence of tuberculosis, which is fueled by the HIV epidemic, is also a serious health issue.



JICA started implementing the "HIV/AIDS and Tuberculosis Control Programme" in Zambia in 2006 in order to support the country's national responses to these diseases. The Programme works with the government of Zambia in various areas and levels of HIV-related intervention, from policy making to community-based provision of services. It is building clinical and diagnostic capacities among rural health workers, ensuring qualities of laboratory testing, supporting community-based activities for HIV prevention, and assisting income generation for people living with HIV, all in line with the national plans.

One of the milestones of the Programme was the pilot "Mobile Anti-Retroviral Treatment (ART) Services," which was jointly designed and implemented with the Ministry of Health. This initiative was designed to bring ART services to rural areas where human and financial resources are limited. This model of mobile ART services demonstrated a higher treatment continuation rate, owing to its easy accessibility for rural residents and quality of the services. The pilot project proved the ability of the Ministry to provide and expand treatment on its own. The service model developed from this pilot activity was adopted in national guidelines for mobile HIV services, and is to be expanded nationwide after 2010 in collaboration with other cooperating partners.

Source: Compiled using "JICA's Operations in the Health Sector—Present and Future," pp. 5, 7, 8 (JICA

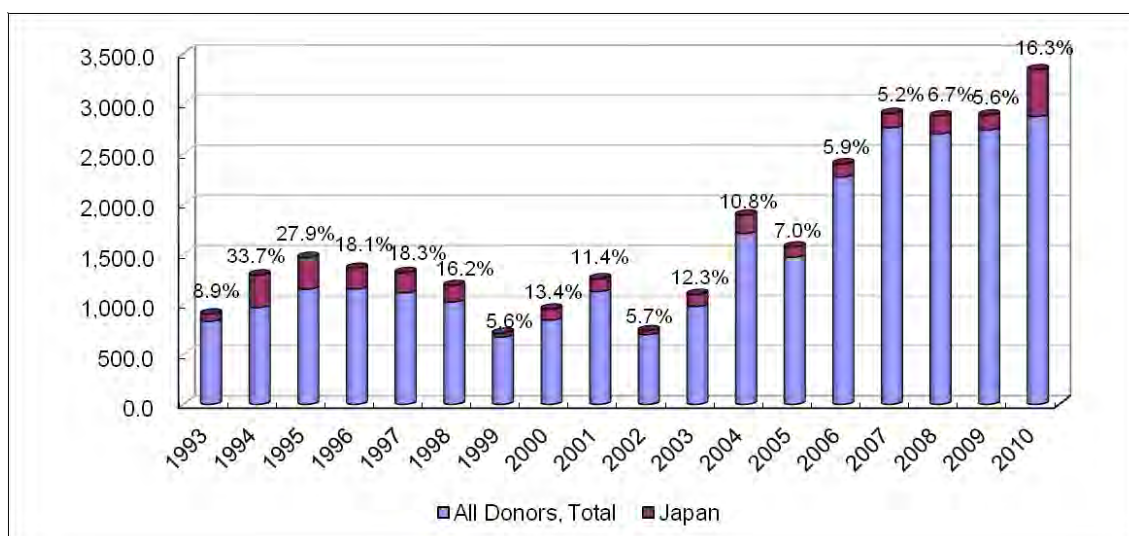
2) Water and sanitation

Japan has contributed greatly to water supply and sanitation projects in Africa. Japan accounted for around 10-30% of all ODA spending on water supply and sanitation projects in Africa during 1993-2010.

In 2006, Japan launched the Water and Sanitation Broad Partnership Initiative (WASABI). Since then, Japan has offered comprehensive support in the areas of water supply and sanitation in a manner that utilizes Japanese knowledge, experience and technical expertise; and implemented aid that encourages self-reliance and also takes into account the needs and development stage of each country.

Figure 4-4 Percentage of Japanese assistance in the water supply and sanitation sector

(1993-2010, Commitment based, Unit: %)



Source: Compiled using the OECD Stat Extracts database

Figure 4-5 provides a rough estimate of the extent to which Japanese assistance to the water supply sector has contributed to improving access to clean and safe water across Africa. The table outlines the increase in the number of people with access to safe water across Africa since TICAD began in 1993 until 2010. It also outlines what proportion of this increase was accounted for by JICA projects. According to these figures, JICA contributed to the increase particularly in Senegal (14.53%) and Tanzania (13.53%).

Figure 4-5 Estimate of Japanese contributions to the water supply and sanitation sector

| Country | Year | Total population (A) | Access rate (B) | Number of people with access to safe water (A)×(B)= (C) | Increase in the number of people with access to safe water 1993 (C) -2010 (C) | Number of beneficiaries of JICA projects | Contribution ratio |
|--------------|------|----------------------|-----------------|---|---|--|--------------------|
| Ethiopia | 1993 | 53,456,000 | 17% | 9,087,520 | 28,224,040 | 553,558 | 1.96% |
| | 2010 | 84,799,000 | 44% | 37,311,560 | | | |
| Kenya | 1993 | 26,304,000 | 46% | 12,099,840 | 11,347,940 | 433,500 | 3.82% |
| | 2010 | 39,742,000 | 59% | 23,447,780 | | | |
| Ghana | 1993 | 15,431,000 | 59% | 9,104,290 | 11,276,850 | 401,100 | 3.56% |
| | 2010 | 23,699,000 | 86% | 20,381,140 | | | |
| Mozambique | 1993 | 15,005,000 | 37% | 5,551,850 | 4,593,100 | 235,500 | 5.13% |
| | 2010 | 21,585,000 | 47% | 10,144,950 | | | |
| Senegal | 1993 | 7,956,000 | 62% | 4,932,720 | 4,019,760 | 583,986 | 14.53% |
| | 2010 | 12,434,000 | 72% | 8,952,480 | | | |
| South Africa | 1993 | 39,343,000 | 83% | 32,654,690 | 12,837,120 | 10,819 | 0.08% |
| | 2010 | 49,991,000 | 91% | 45,491,810 | | | |
| Tanzania | 1993 | 27,944,000 | 55% | 15,369,200 | 6,545,770 | 885,702 | 13.53% |
| | 2010 | 41,349,000 | 53% | 21,914,970 | | | |

Source:

Total population: IMF Website; <http://www.imf.org/external/pubs/ft/weo/2012/02/weodata/download.aspx>

Clean water access rate: World Bank Databank; <http://databank.worldbank.org/ddp/home.do?Step=1&id=4>

Number of beneficiaries of JICA projects: compiled by MURC using JICA's basic design survey reports on the water supply sector during 1993–2007

At TICAD IV, meanwhile, the Japanese government pledged a total of 30 billion yen to: train technicians in the areas of water and water supply systems; dispatch a Water Security Action Team (W-SAT), etc.⁷

3) Human resource development

At TICAD IV, Japan also pledged to build 1,000 elementary and junior high schools (around 5,500 classrooms) and train up 100,000 science and mathematics teachers. This initiative had recorded a number of successes up to October 2009. These include: the rolling-out of the “Strengthening of Mathematics and Science Education Project (SMASSE)” in 10 countries; the

⁷ MOFA (2010) “Development Cooperation in the Water and Sanitation Sector”

establishment of the SMASE-WECSA (Strengthening of Mathematics and Science Education in Western, Eastern, Central and Southern Africa) network at the heart of Kenya's SMASSE initiatives (33 countries and regions now participate and share knowledge through this network); the improvement of school management capacity of 10 thousand schools through the participation of local communities (the "School for All" model). Japan has also provided grant aid and technical assistance in the education and human resources development sectors. It has also provided grant aid to support initiatives involving security for humans and grass roots movements. Furthermore, Japan has actively conducted studies to implement projects in this sector (as of the end of March 2009, Japan had carried out 7 cases of grant aid, 5 cases of technical assistance, and 36 cases of grant aid for initiatives related to human security and grass roots movements)⁸.

Figure 4-6 provides a rough estimate of the extent to which Japanese assistance has contributed to education sector in Africa. Japan's contributions are quite negligible when it comes to boosting the number of school attendees through school building, though its contributions in Senegal account for around 4% of the total increase in attendees.

Figure 4-6 Estimate of Japanese contributions to the school education sector

| Country | Year | Number of elementary school attendees (A) | Number of junior high school attendees (B) | Number of elementary and junior high school attendees (A) + (B) = (C) | Increase in attendance numbers 2011 (C) - 2002 (C) | Number of beneficiaries of JICA projects (D) | Contribution rate (D)/(C) |
|------------|------|---|--|---|--|--|---------------------------|
| Ethiopia | 2002 | 7,213,043 | 1,695,955 | 8,908,998 | 9,559,247 | 32,000 | 0.33% |
| | 2011 | 14,297,969 | 4,170,276 | 18,468,245 | | | |
| Ghana | 2002 | 2,586,434 | 1,092,311 | 3,678,745 | 2,258,054 | 7,200 | 0.32% |
| | 2011 | 3,860,381 | 2,076,418 | 5,936,799 | | | |
| Mozambique | 2002 | 3,023,321 | 158,076 | 3,181,397 | 2,754,386 | 2,900 | 0.11% |
| | 2011 | 5,253,670 | 682,113 | 5,935,783 | | | |
| Senegal | 2002 | 1,197,081 | 285,366 | 1,482,447 | 1,039,850 | 41,050 | 3.95% |
| | 2011 | 1,725,839 | 796,458 | 2,522,297 | | | |

Source: Elementary and junior high school attendees - World Bank Databank; <http://databank.worldbank.org/ddp/home.do?Step=1&id=4>

Number of beneficiaries of JICA projects - compiled by MURC using JICA materials

4) Food aid

Japan has provided food aid to help eradicate hunger. Refer to the section 3) on "Development of

⁸ According to the MOFA's "TICAD IV Follow-up" (2009) http://www.mofa.go.jp/mofaj/area/ticad/pdfs/tc4_follow_up.pdf

agriculture and rural communities” in the section (iii) below (Poverty reduction through economic growth).

(iii) Poverty reduction through economic growth

In order to transmit its experiences in Asian development experience to Africa, Japan has offered support in the following three areas, which were seen as key to economic growth: (1) infrastructure development, (2) promotion of trade and investment, (3) development of agriculture and rural communities.

1) Infrastructure development

Until TICAD I–III (1993–January 2008), Japan had provided around US\$5 billion worth of infrastructure aid. It established the Enhanced Private Sector Assistance for Africa (EPSA for Africa) and met its pledge to extend yen loans to the tune of \$1 billion between 2005 and 2010⁹. It also offered support for One Stop Border Post and other infrastructure development projects based on the NEPAD Infrastructure Short Term Action Plan (STAP)¹⁰. Japan has achieved a number of successes with regards to its TICAD IV pledges on infrastructure development. These include: the development of regional road networks; support for the introduction of One Stop Border Post at 14 locations; ongoing grant aid and technical assistance to install electricity supply lines in order to facilitate the development of electricity infrastructure; and proactive surveys to implement projects (as of the end of March 2009, Japan had carried out 16 cases of grant aid, 4 cases of loan assistance, and 10 cases of technical assistance)¹¹.

2) Promotion of trade and investment

As mentioned in more detail in chapter 5, Japan convened the TICAD Asia-Africa Trade and Investment Conference (TICAD-AATIC) and the TICAD Africa-Asia Business Forum (AABF) to discuss policies aimed at the promotion of trade and investment between Africa and Asia. It also implemented “development initiatives” to carry out comprehensive support for trade and investment. These include: capacity building and infrastructure development for the production, distribution and purchasing stages; and the promotion, in principle, of open market access (quota free/duty free access). Japan has also promoted its own “One Village One Product movement.”

⁹ MOFA press release (May 22, 2012); http://www.mofa.go.jp/mofaj/press/release/24/5/0522_02.html

¹⁰ “Japan’s Initiative for Cooperation for Africa” (MOFA 2008); http://www.mofa.go.jp/mofaj/area/africa/pdfs/k_seisaku05.pdf

¹¹ According to the MOFA’s “TICAD IV Follow-up” (2009) http://www.mofa.go.jp/mofaj/area/ticad/pdfs/tc4_follow_up.pdf

3) Development of agriculture and rural communities

At a TICAD IV side event, Japan announced the “Coalition for African Rice Development (CARD),” an initiative aimed at doubling African rice production over a 10-year period using the “New Rice for Africa (NERICA)¹²,” a new variety of rice developed by crossing a high-yielding Asian strain with a indigenous West African strain that is highly resistant to disease and drought. Through CARD, Japan is working to support regional agricultural development in Africa by promoting rice cultivation.

Japan has also developed the “African Village Initiative (AVI),” a project based on the principle of “human security.” The AVI aims to support agricultural development and promote the self-sufficiency of local communities through the combination of a diverse range of programs that include: infrastructure development (building schools in rural communities and developing wells and water facilities on school grounds); capacity building of communities; and the introduction of a free school meals system. Japan also supports the “African Millennium Village (AMV)” project as a way to help strengthen capacity in poor rural communities throughout Africa.

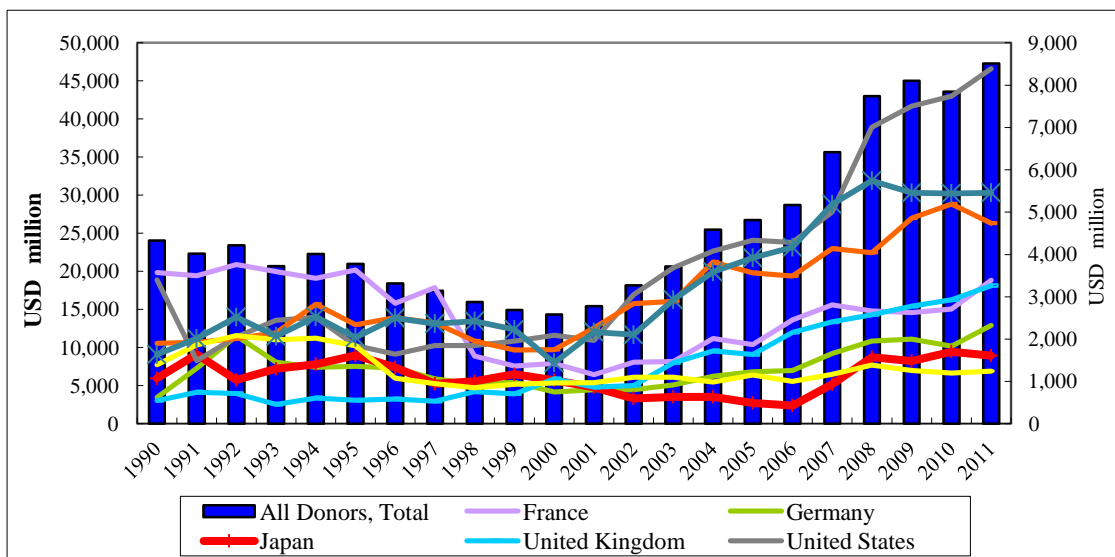
Japan continues to provide assistance based on the aforementioned three pillars. In order to support African independence, Japanese assistance focuses on areas deemed important by the African people themselves.

4-1-2. Japanese ODA to Africa: performance and trends

Figure 4-7 displays total ODA to Africa. According to Figure 4-7, though African ODA declined from 1990 to 2000, it began growing again from 2001 onwards. More than US\$40 billion a year is now spent on ODA to Africa. There are a number of factors behind the increase in providing from 2000 onwards, including: an increase in African ODA provided by the U.S., UK and France; an increase in World Bank assistance; and an increase in African ODA by Japan from 2005 onwards.

¹² NERICA rice was developed in West Africa through the coordinated support of Japan, the UNDP, the African Development Bank (AfDB), the United States Agency for International Development (USAID), the Food and Agriculture Organization of the United Nations (FAO), and the Rockefeller Foundation. NERICA rice is full of protein and has a strong resistance to weeds and pests. It also grows quicker than indigenous rice strains (it can be cultivated in 90 days whereas indigenous strains take 140 days).

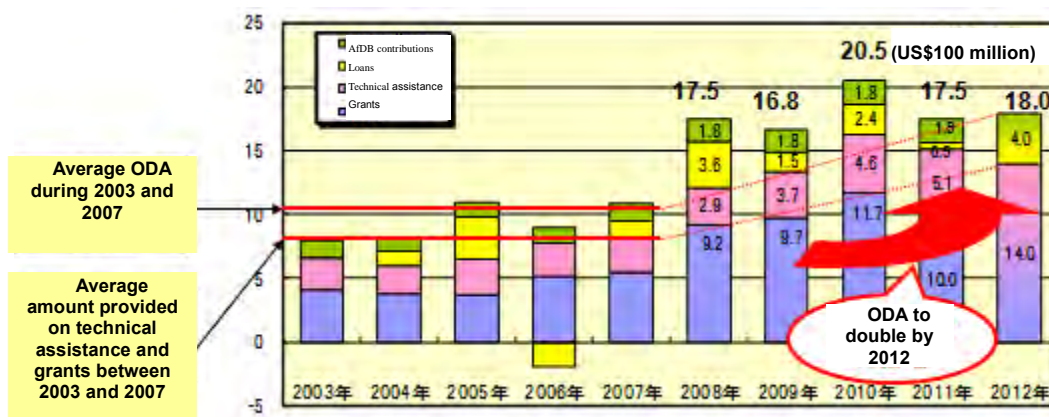
Figure 4-7 Total African ODA disbursements by major donors
 (Unit: US\$ million, net disbursement base,
 Left axis - total ODA amount; Right axis – ODA disbursements per donor)



Source: Compiled using the OECD Stat Extracts database

In the 1990s, Japan provided around US\$1 billion a year on ODA to Africa. This amount increased greatly from 2000 onwards in accordance with TICAD IV plans to double ODA to Africa, up from US\$1.2 billion in 2000 to US\$2.5 billion in 2006. 2010 spending stood at US\$1.8 billion. As outlined in figure 4-8, the plan to double ODA disbursements to Africa will probably be achieved by 2012¹³.

Figure 4-8 Japan's plan to double ODA disbursements to Africa



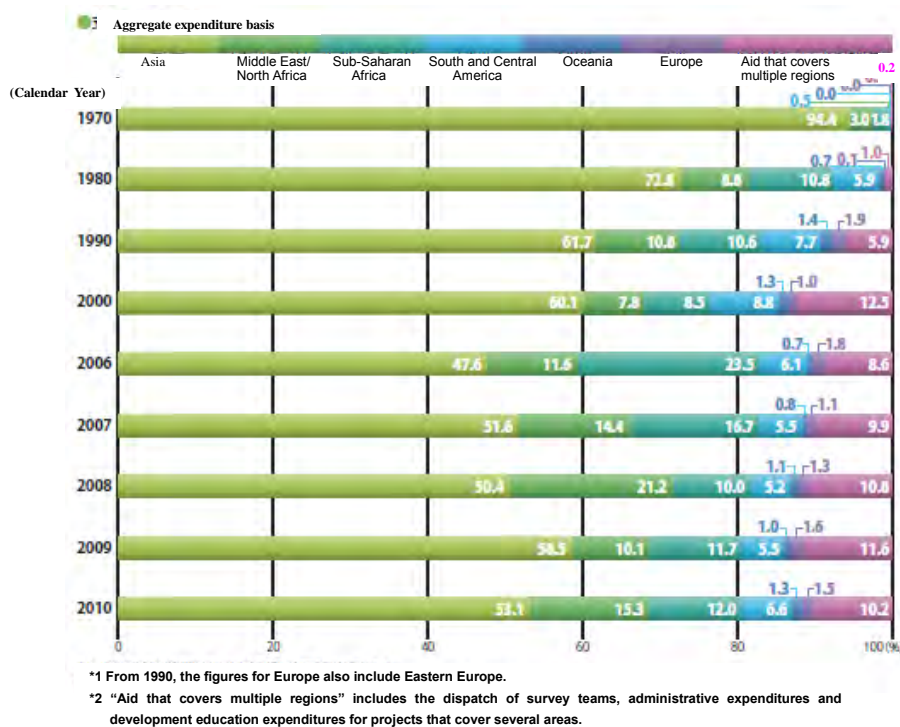
¹³ According to the MOFA's "TICAD IV Follow-up Meeting" http://www.mofa.go.jp/mofaj/area/ticad/tc4_gh.html

| | Base amount (average amount of ODA to Africa in 2003–2007) | Target amount (cumulative total) |
|--|--|----------------------------------|
| Bilateral grants | \$700 million | \$1.4 billion |
| Government loans (yen loans) | \$80 million | Over \$160 million |
| Contributions to the African Development Bank (AfDB) | \$120 million | \$240 million |
| Total ODA disbursement to Africa | \$900 million | \$1.8 billion |

Source: Compiled using JICA materials

As outlined in figure 4-9, this extra ODA to Africa (Sub-Saharan Africa) accounting for a higher proportion of ODA provided, from 7.8% in 2000 to 23.5% in 2006. The figure stood at 12% as of 2010.

Figure 4-9 Japanese ODA disbursement by region
(unit: US\$ million, %, net expenditure)



Source: MOFA (2011) "ODA White Paper 2011," page 50

Figure 4-10 outlines the top 10 recipients of Japanese ODA and Figure 4-11 outlines ODA for

major recipient countries from Japan.

The top positions are taken by middle income North African countries such as Egypt, Morocco, Tunisia, Kenya, Tanzania, Uganda and Ghana, which has mainly received yen loans.

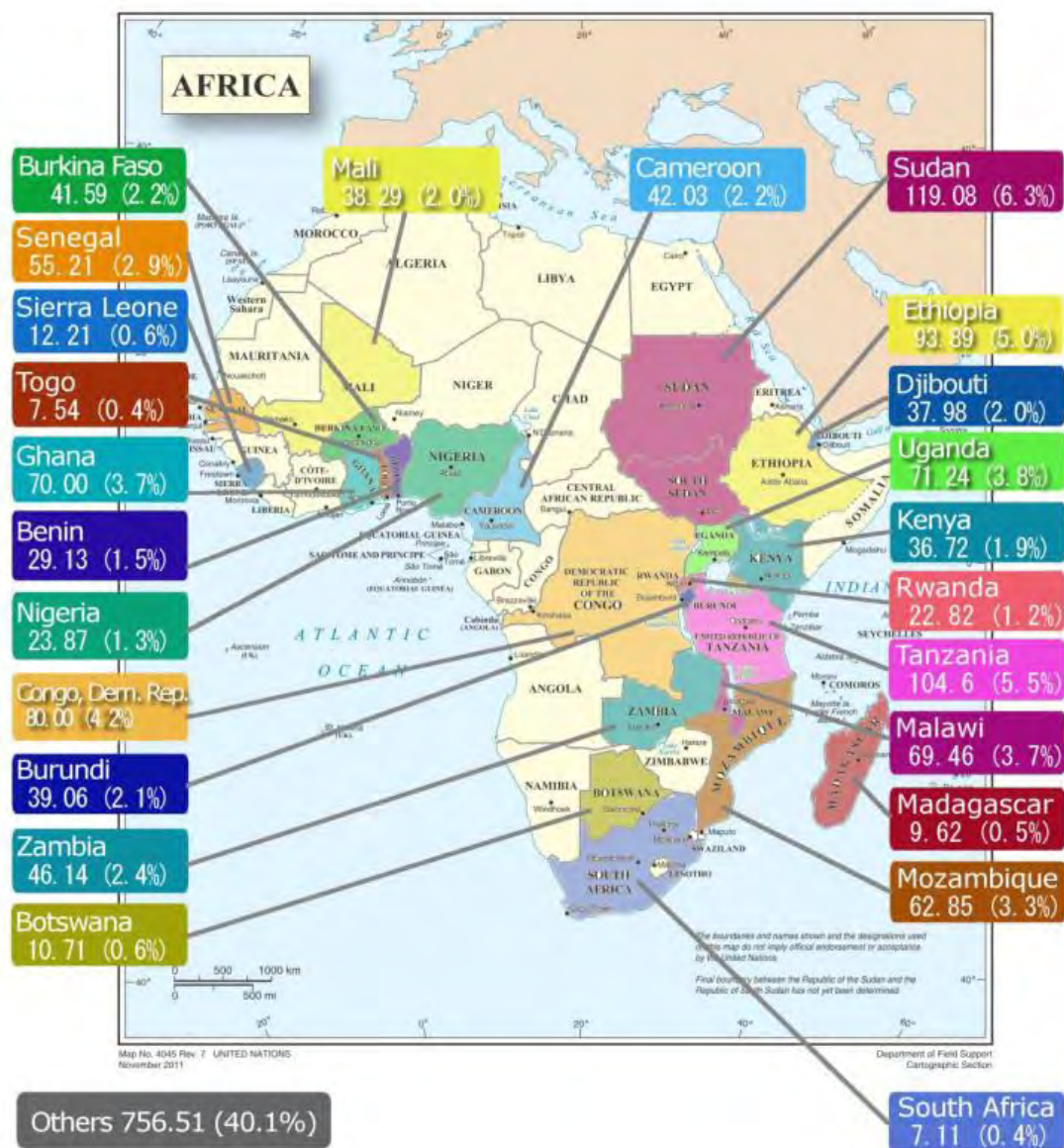
Figure 4-10 African countries receiving the most Japanese ODA disbursements
(Unit: US\$ million, net disbursement)

| | 1993 | | 1998 | | 2003 | | 2008 | | 2011 | |
|----|-------------|--------|-------------|--------|------------|--------|----------------------------------|--------|----------------------------------|--------|
| | Country | Amount | Country | Amount | Country | Amount | Country | Amount | Country | Amount |
| 1 | Egypt | 275.1 | Ghana | 149.0 | Tunisia | 85.5 | Sudan | 109.6 | Ethiopia | 119.7 |
| 2 | Kenya | 141.7 | Egypt | 85.3 | Tanzania | 67.6 | Morocco | 105.8 | Tanzania | 119.4 |
| 3 | Zambia | 90.9 | Tanzania | 53.9 | Morocco | 64.8 | Tanzania | 71.0 | Sudan | 96.7 |
| 4 | Tanzania | 88.8 | Kenya | 52.5 | Ethiopia | 56.5 | Uganda | 57.0 | Democratic Republic of the Congo | 92.5 |
| 5 | Ghana | 83.1 | Mozambique | 40.6 | Mozambique | 35.3 | Ghana | 54.0 | Senegal | 82.8 |
| 6 | Mauritania | 55.3 | Ivory Coast | 40.0 | Angola | 33.1 | Tunisia | 54.0 | Kenya | 79.7 |
| 7 | Ethiopia | 45.9 | Morocco | 39.4 | Ghana | 29.8 | Democratic Republic of the Congo | 51.2 | Uganda | 57.1 |
| 8 | Madagascar | 45.9 | Malawi | 34.7 | Senegal | 28.7 | Ethiopia | 47.1 | Somalia | 52.0 |
| 9 | Morocco | 40.8 | Zambia | 33.6 | Zambia | 25.4 | Zambia | 37.1 | Mozambique | 48.5 |
| 10 | Ivory Coast | 39.5 | Senegal | 39.4 | Mauritania | 20.6 | Mali | 34.5 | Zambia | 46.1 |

Source: Compiled using the OECD Stat Extracts database

Figure 4-11 Japanese ODA to key African nations

(2010, Unit: US\$ million, net disbursement)



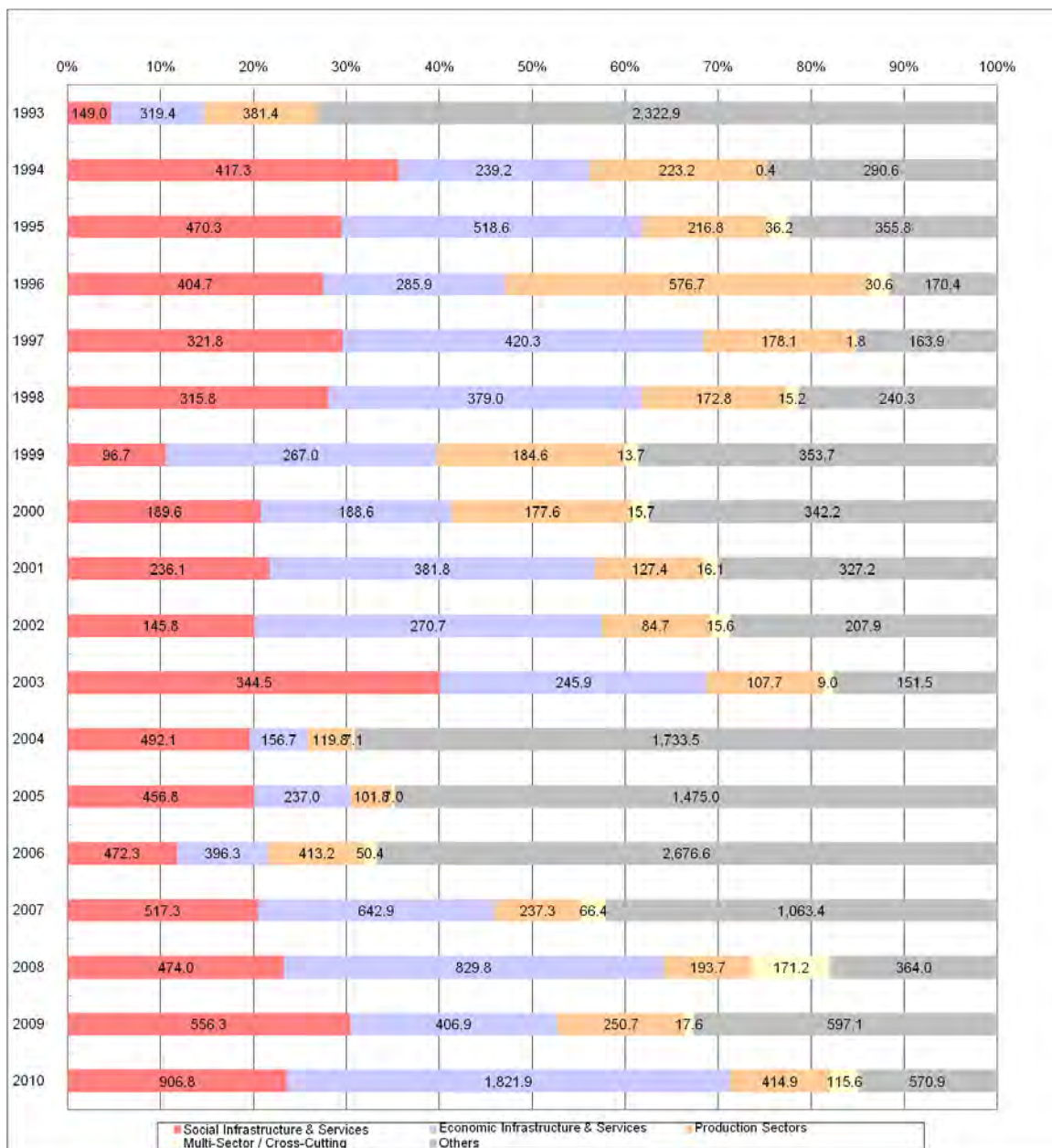
Source: Compiled using the OECD Stat Extracts database

(1) Performance and trends by sector

An examination of Japanese assistance to Africa by sector reveals that from 1990s to 2000s, most assistance was proffered in the areas of social infrastructure and services, and economic infrastructure and services.

Figure 4-12 Japanese ODA to Africa by sector: Total and breakdown

(Unit: US\$ million, Commitment based)



Source: Compiled using the OECD Stat Extracts database

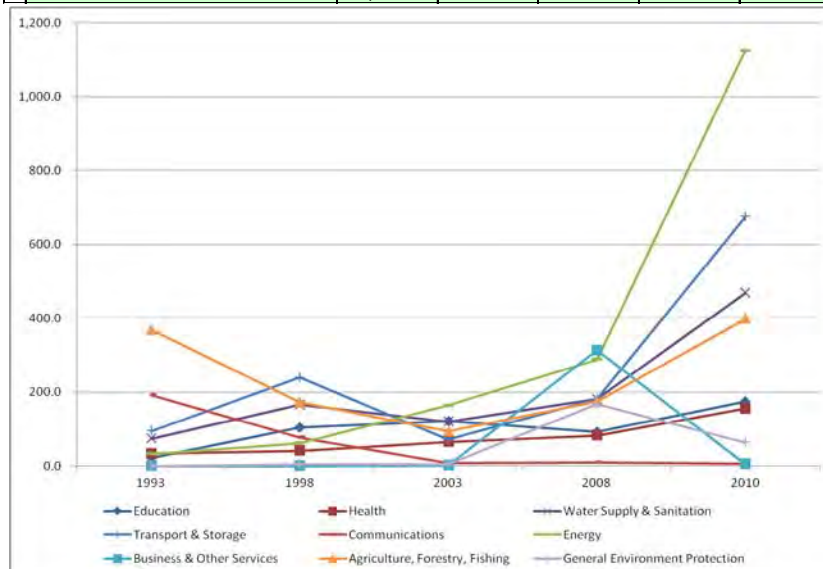
Japan provided a substantial amount of assistance to the production sector (agriculture, forestry and fisheries) and the economic infrastructure and services sectors in the 1990s. The amount of aid disbursed to the social infrastructure and services sector (education, water and health) has also increased from the late 1990s onwards. From the late 2000s onwards, assistance to the transportation

and energy sectors has also risen sharply.

Figure 4-13 Japanese ODA to Africa by sector: Key areas and its transition

(Unit: US\$ million, Commitment based)

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|---|----------------|--------------|--------------|----------------|----------------|
| ODA, Total | 3,172.7 | 1,123.2 | 858.6 | 2,032.7 | 3,830.2 |
| Total Sector Allocable | 849.8 | 882.8 | 707.1 | 1,668.7 | 3,259.2 |
| Social Infrastructure & Services | 149.0 | 315.8 | 344.5 | 474.0 | 906.8 |
| Education | 22.0 | 104.0 | 120.6 | 91.6 | 174.0 |
| Health | 33.3 | 41.3 | 65.4 | 82.7 | 155.7 |
| Population Pol./Progr. & Reproductive Health | 8.3 | 0.0 | 9.4 | 12.9 | 25.2 |
| Water Supply & Sanitation | 73.7 | 165.3 | 120.4 | 181.2 | 468.5 |
| Government & Civil Society | 11.2 | 0.0 | 15.1 | 83.7 | 45.8 |
| Other Social Infrastructure & Services | 0.4 | 5.3 | 13.7 | 22.0 | 37.5 |
| Economic Infrastructure & Services | 319.4 | 379.0 | 245.9 | 829.8 | 1,821.9 |
| Transport & Storage | 94.5 | 239.7 | 71.4 | 180.9 | 674.2 |
| Communications | 191.9 | 77.4 | 7.8 | 9.9 | 7.1 |
| Energy | 33.0 | 62.0 | 163.8 | 288.0 | 1,124.8 |
| Banking & Financial Services | 0.0 | 0.0 | 1.0 | 37.8 | 10.7 |
| Business & Other Services | 0.0 | 0.0 | 1.8 | 313.2 | 5.0 |
| Production Sectors | 381.4 | 172.8 | 107.7 | 193.7 | 414.9 |
| Agriculture, Forestry, Fishing | 368.1 | 172.8 | 93.4 | 174.4 | 398.5 |
| Industry, Mining, Construction | 13.3 | 0.0 | 12.5 | 12.2 | 11.8 |
| Trade Policies & Regulations | 0.0 | 0.0 | 1.3 | 5.6 | 3.6 |
| Tourism | 0.0 | 0.0 | 0.5 | 1.5 | 1.0 |
| Multi-Sector / Cross-Cutting | 0.0 | 15.2 | 9.0 | 171.2 | 115.6 |
| General Environment Protection | 0.0 | 5.4 | 4.0 | 167.6 | 63.3 |
| Other Multisector | 0.0 | 9.7 | 5.0 | 3.6 | 52.3 |
| Others | 2,322.9 | 240.3 | 151.5 | 364.0 | 570.9 |



Note: The figure below is a line graph depicting major sectors only.

Source: Compiled using the OECD Stat Extracts database

Assistance for environmental conversation, a crosscutting issue, has been increasing across the board. “Addressing issues of environmental and climate change” was adopted as a major TICAD theme at TICAD IV (2008). Japan is also working together with the UNDP to tackle this issue. Under the framework of the “Japan-UNDP Joint Framework for Building Partnership to Address Climate Change in Africa,” established together with the UNDP on the occasion of TICAD IV, Japan has resolved to implement a US\$92.19 million program to help 21 African countries adapt to climate change¹⁴.

(2) Performance and trends by assistance scheme

With regards to assistance schemes, Japan’s ODA programs, including those targeting Africa, emphasize “self-reliance,” human resource development” and “capacity building, so most aid projects do not involve budget support¹⁵.

Most assistance from European donors takes the form of budget support, but Japan provides budget support only to three countries: Tanzania (grant aid for poverty reduction strategies and yen loans to support poverty reduction (4th to 8th); Ghana (planning support for economic reforms and grant aid for poverty reduction strategies); and Zambia (grant aid for poverty reduction strategies).

One reason why Japan provides support for “project-type interventions” is because capacity building was adopted as crosscutting theme in TICAD II’s “African Development Towards the 21st Century: The Tokyo Agenda for Action.” In order to reinforce African countries’ ownership of their development strategies, the TICAD II initiative stresses the importance of strengthening the capacity of African countries with regards to the analysis, planning, implementation, management, and monitoring of development policies and programs¹⁶. The initiative also emphasizes the importance of promoting the transfer of technologies to African countries through technical assistance as part of the capacity building process.

Recognizing the importance of “human resource development” and “capacity building,” Japan accepts around 10,000 trainees each year, mainly to take part in JICA training programs¹⁷. One example of this is shown in figure 4-14, which outlines trends in JICA Third Country Training Programs. Asian participants used to make up the majority of third country trainees, but the chart shows how this proportion has been declining each year from the 1980s onwards, with the proportion of participants from Africa and the Middle East rising steadily from 2000 onwards. African participants actually outnumbered Asian participants in 2008 and over 30% of all trainees

¹⁴ http://www.mofa.go.jp/mofaj/press/release/h20/12/1185415_922.html

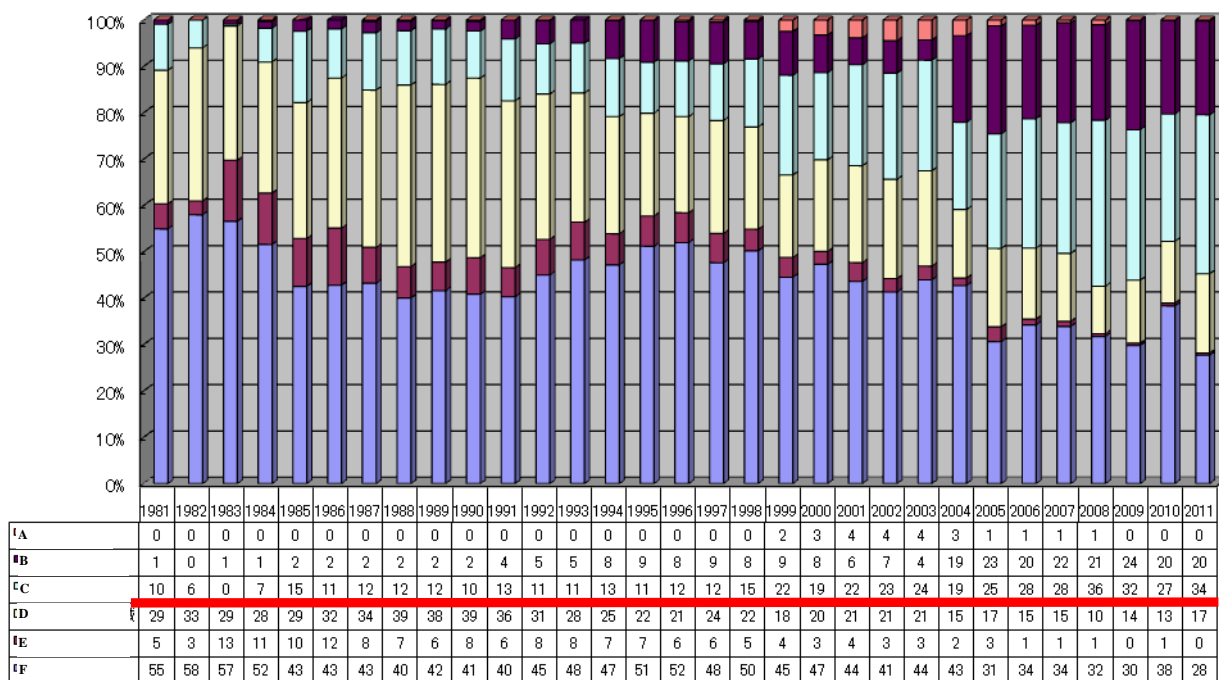
¹⁵ Japanese ODA disbursements mainly took the form of “administrative costs not included elsewhere” up until 2009. This is because the terminology of DAC Statistics Table 1 was revised in 2010 calendar year, with the definition of “project-type interventions” changing at this time.

¹⁶ MOFA website: http://www.mofa.go.jp/Mofaj/area/ticad/kodo_1.html

¹⁷ JICA website: http://www.jica.go.jp/activities/schemes/tr_japan/case.html

now come from the African region.

Figure 4-14 Japanese Third Country Training Program participants by region
(unit: %)



A: Europe, B: The Middle East, C: Africa, D: North America, Central and South America, E: Oceania, F: Asia

Source: Compiled using the JICA Knowledge Site

<http://gwweb.jica.go.jp/km/FSubject2101.nsf/B9EBD9A793E2456249256FCE001DF569/2EFA24027F28EB3549257558002D123E?OpenDocument>

(3) Support for regional cooperation, integration and tie-ups: performance and trends

In addition to ODA disbursements by sector and scheme, as outlined above, regional cooperation and integration have also become long-term issues for Africa, as mentioned in chapter 1. The TICAD IV Follow-up Meetings stressed the importance of expanding partnerships with Africa and also emphasized the need to deepen regional integration. The meetings particularly stressed the importance of encouraging “triangular cooperation, both in the context of intra-Africa and Asia-Africa cooperation, recognizing the important role of the AU/NEPAD and RECs.”¹⁸

With regards to the EAC, for example, Japan has contributed funds to the EAC Partnership Fund and has also dispatched Japanese experts to EAC offices in order to promote customs unions and

¹⁸ MOFA TICAD IV Follow-up Meeting website: <http://www.mofa.go.jp/mofaj/area/ticad/report/measures/5.html>

common markets¹⁹. As for NEPAD, the Yokohama Action Plan calls for assistance for “capacity building to improve economic and corporate governance,” so Japan has dispatched experts and also provides ongoing support for the NEPAD-OECD Africa Investment Initiative²⁰. From 1996 onwards, Japan has also dispatched five experts to SADC offices to provide assistance in areas such as regional infrastructure, trade and investment. It also convened the “SADC Summit” (trade fair) with JETRO as well as the “Southern Africa Forum” and the “Japan-SADC Infra Investment Seminar.”²¹ The Japanese government also contributes directly to ECOWAS and indirectly through contributions to international institutions (UNHCR, UNICEF, WFP²²). The West African Economic and Monetary Union (UEMOA) has played a leading role in promoting the introduction of One Stop Border Posts (OSBP) throughout West Africa. Since January 2011, Japan has dispatched infrastructure development advisors (experts in loan assistance) to the UEMOA and has: assisting in the collection of data pertaining to the selection of priority areas; examined the feasibility of aid to UEMOA projects; and enhanced the impact of cooperation by collaborating with other donors²³.

4-2. Assistance of Japanese NGOs to Africa

4-2-1. Trends in the assistance of Japanese NGOs to Africa

According to JANIC (2011), international cooperation activities by Japanese NGOs may be broken down into the following regions: Asia (80%), Africa (25%), Central and South America (14%), the Middle East (12%), Europe (7%), and Oceania (5%). Thus, although the greater part of Japanese NGO activities are geared toward assistance to Asia, Africa is the recipient of 25% of such activities (multiple answers allowed). Looking at Japanese NGO assistance to Africa by country, as indicated by Figure 4-15, Kenya receives 22% of such assistance, followed by Sudan (20%) and Zambia (16%).

A breakdown by sector reveals that the most common type of assistance is human resources (70%), followed by living assistance (55%), relief operations (45%), and community assistance (44%), etc., thus indicating that the majority of the NGOs are providing assistance toward achieving MDGs, namely the number two goal of education, the number one goal to eradicate poverty and hunger, and the number seven goal to ensure environmental sustainability.²⁴

¹⁹ MOFA website: http://www.mofa.go.jp/mofaj/gaiko/oda/shiryo/sonota/k_kikan_24/pdfs/155.pdf

²⁰ MOFA TICAD IV Follow-up Meeting website:
<http://www.mofa.go.jp/mofaj/area/ticad/report/status/PR000050.html>

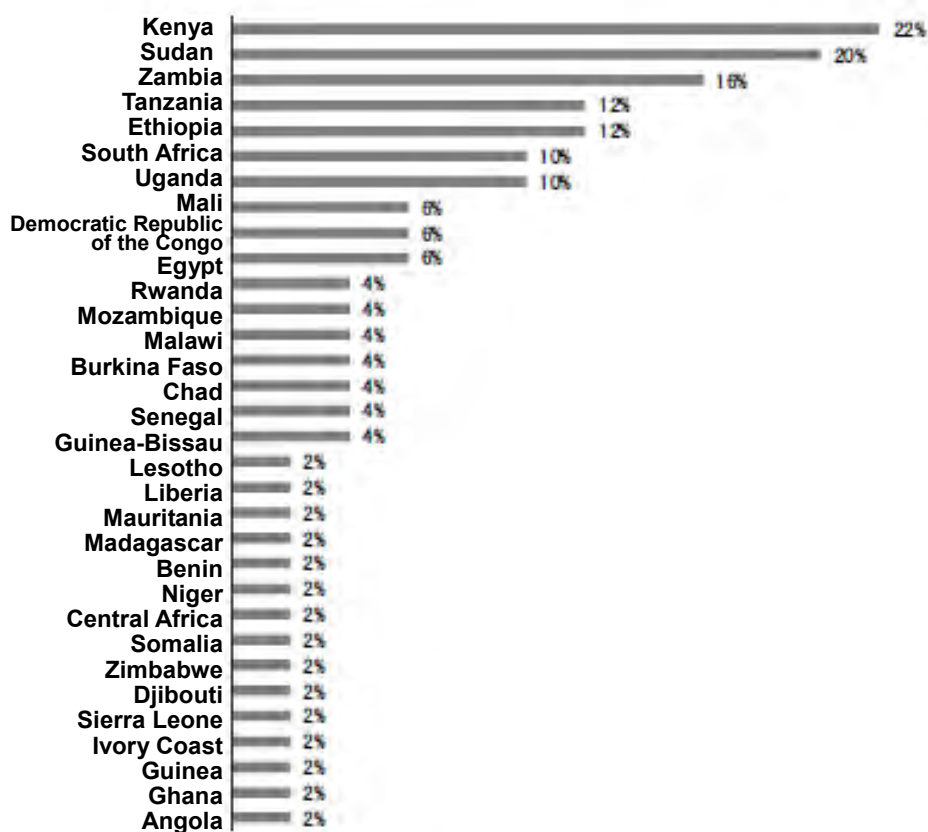
²¹ MOFA SADC summary website:
<http://www.mofa.go.jp/mofaj/area/africa/sadc/gaiyo.html>

²² MOFA ECOWAS summary website: <http://www.mofa.go.jp/mofaj/area/africa/ecowas.html>

²³ JICA website: http://partner.jica.go.jp/resource/TOR2012/20120316_149.html

²⁴ JANIC (2011) “NGO Data Book 2011,” page 28

Figure 4-15 Breakdown of African countries receiving assistance from Japanese NGOs (%)

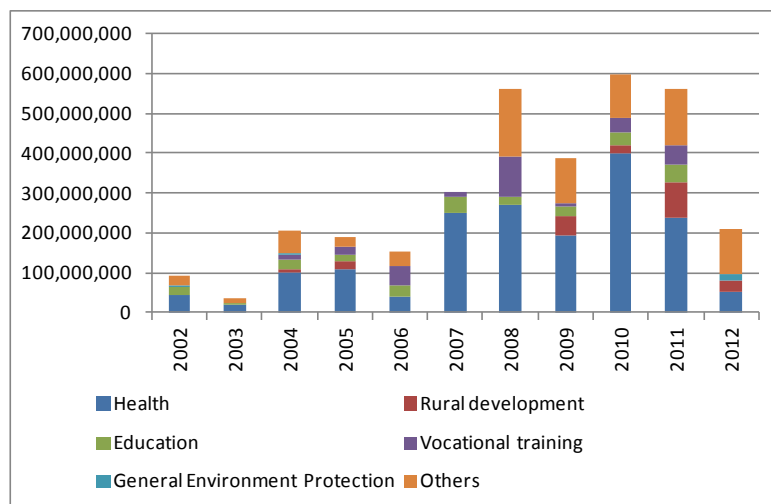


Source: JANIC (2011) “NGO Data Book 2011,” page 33

On the other hand, the Japanese Ministry of Foreign Affairs has become the main supporter of Japan’s NGOs through its Grant Aid for Japanese NGO’s Projects. The chart below reveals that although the amount of this assistance varies each fiscal year, it is increasing on the whole. Disbursements to the health and sanitation sectors are particularly high and account for 52% of the total aid amount. Next up is the vocational education and training sector.

Figure 4-16 Japanese ODA disbursements to Africa through NGOs receiving assistance from the MOFA's Grant Aid for Japanese NGO's Projects

(2002–2012, unit: yen)

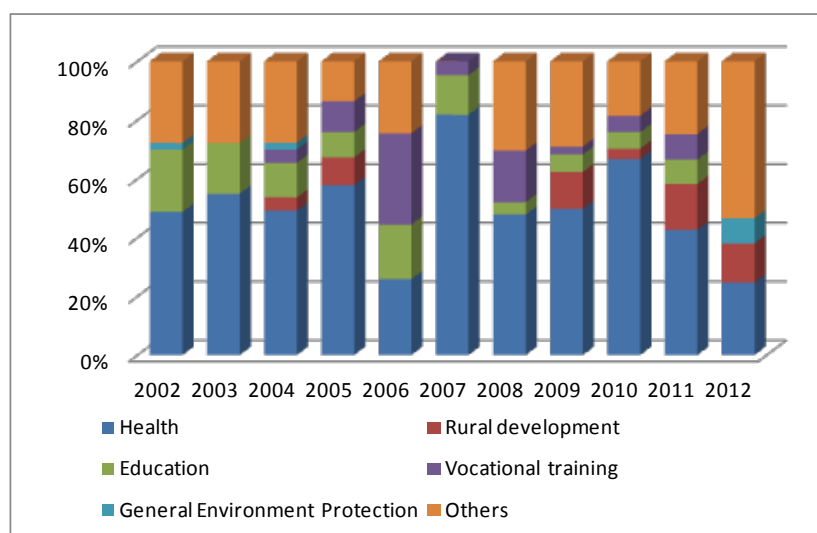


Source: Compiled using the MOFA's Compendium of Grant Aid for Japanese NGO's Projects

Figure 4-17 Types of sectors targeted for assistance by NGOs receiving assistance from the MOFA's Grant Aid for Japanese NGO's Projects;

% of aid allocated to each sector

(2002–2012, unit: upper figure–%; lower figure–amount (million yen))



Source: Compiled using the MOFA's Compendium of Grant Aid for Japanese NGO's Projects

4-3. Development assistance by the United Nations

4-3-1. African aid strategies of the United Nations Development Programme (UNDP)

The UNDP, which also plays a coordinating role for the UN Development Group (UNDG) has consistently supported the TICAD process as a co-organizer since TICAD I. The UNDP looks back and characterizes the decade beginning in 1993, the year in which TICAD I was held, as “a time of hope in the midst of steadily accelerating political and economic progress,” and indicates, “Many Africans now live under democratic governments, economic growth rates continue to edge upward, and more African countries are receiving the benefit of development outputs and outcomes²⁵.” However, the UNDP also points out, “These glimmers of good news don’t obscure the fact that Africa’s development challenges remain complex and large, from environmental degradation to the devastation of HIV/AIDS. If the current situation remains unchanged, the region as a whole will encounter difficulty in achieving the MDGs.”

At present, the UNDP is engaged in operations in 45 nations across Sub-Saharan Africa. It provides support for capacity development to help governments and regional communities realize the goal of sustainable human development. The UNDP will continue to work towards forging resilient nations and empowering the African people²⁶.

UNDP supports African nations to help them achieve people-centered growth by strengthening the private sector; expanding social protections; creating jobs for the poorest in society; and bolstering food security. In order to help African nations and societies become more resilient, the UNDP also supports initiatives aimed at preventing conflicts; building peace; and paving the way for long-term recovery. The UNDP also works to prevent human and physical losses by working to minimize the impact of natural or climate change-related disasters and helps societies recover from these incidents. The agency also supports efforts to utilize Africa’s natural wealth in a way that is economically, socially and environmentally sound. It works to ensure sustainable development by supporting a development process that is less carbon-dependent. Outlined below are the four pillars of the UNDP’s activities, namely: (1) Poverty reduction and the MDGs; (2) Democratic governance; (3) Environment and energy; and (4) Crisis prevention and recovery²⁷.

(1) Poverty reduction and the MDGs²⁸

The UNDP has been working with the UN community and other development partners to help African nations identify key drivers of progress and achieve MDGs. The agency helps African

²⁵ UNDP (2004) UNDP Annual Report 2004

²⁶ <http://web.undp.org/africa/documents/FF-UNDP-Africa.pdf>

²⁷ <http://www.undp.org/africa/>

²⁸ <http://www.undp.org/africa/poverty.shtml>

nations collect MDG-related data through its “country-level monitoring” initiative. It has already carried out MDG needs assessments in 39 countries across Sub-Saharan Africa, with the results used to formulate poverty reduction strategies for each country. As part of its “knowledge sharing and advocacy” initiative, the UNDP has put together an “International Assessment” which provides an eight-point action agenda to accelerate development progress over the next five years. Together with the African Union Commission (AUC), the African Development Bank (AfDB) and the UN Economic Commission for Africa, the UNDP also compiles an annual report titled “Assessing Progress in Africa Toward the Millennium Development Goals.” As part of its “Scaling up MDG intervention” initiative, the UNDP has developed the MDG Acceleration Framework. The Framework provides a systematic way for countries to identify bottlenecks and develop their own action plans to pursue their MDG priorities. As part of its “MDG-related Interventions” initiative, the UNDP works with other development partners to carry out assistance programs in several countries and regions including Ethiopia, Liberia, Tanzania and West Africa²⁹.

(2) Democratic governance³⁰

The UNDP provides assistance to help African people engage in decision-making processes, particularly women, the young, marginalized groups and the poor. In 2011 it helped to organize 19 elections across the region. It also works to improve the efficiency and accountability of public institutions. To this end, it provides technical assistance to 28 parliaments, supports the improvement of public administrations, and facilitates the introduction of results-based budgets. The UNDP also supports the integration of international and regional norms and principles of governance in relation to anti-corruption, human rights, women’s empowerment and equal opportunity for all. It also promotes the sharing of knowledge related to best governance practice³¹.

(3) Environment and energy³²

The UNDP helps developing countries expand access to reliable and modern energy sources in order to reduce poverty and improve the health of their citizens. For example, the agency helps connect communities in developing nations to safe and affordable off-grid electricity and it supports their efforts to develop renewable energy sources. It also helps them develop the necessary strategies, institutions and mechanisms to achieve development paths that are environmentally sustainable while at the same time promoting economic growth and poverty alleviation. Furthermore, the UNDP helps African countries and regional institutions to tackle climate change issues by strengthening the capacities of decision-makers and institutions. In addition, the UNDP also helps public institutions to

²⁹ http://web.undp.org/africa/documents/FF_MDG.pdf

³⁰ <http://www.undp.org/africa/governance.shtml>

³¹ http://web.undp.org/africa/documents/FF_governance.pdf

³² <http://www.undp.org/africa/environment.shtml>

incorporate adaptation in their development plans and helps communities to become resilient to climate change³³.

(4) Crisis prevention and recovery³⁴

The UNDP helps local communities and governments to avoid conflicts or disputes through inclusive participation and dialogue. It focuses particularly on women. Furthermore, in the aftermath of a conflict, the UNDP helps government authorities to provide essential public services such as security, access to justice and the rule of law. It also helps the authorities to embark on the recovery process as quickly as possible. The UNDP supports early recovery and helps people rebuild their lives by creating employment and promoting income-generating activities. The agency forms global partnerships with other development partners in order to promote conflict prevention and recovery³⁵.

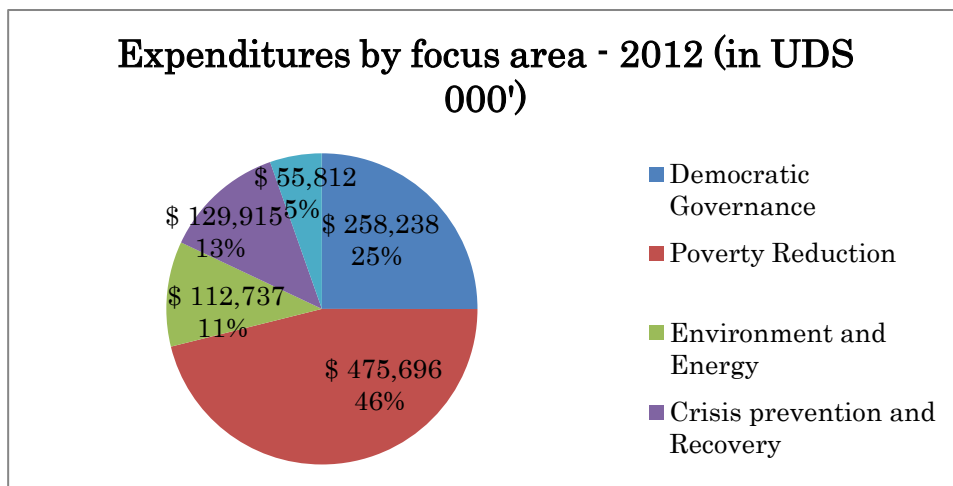
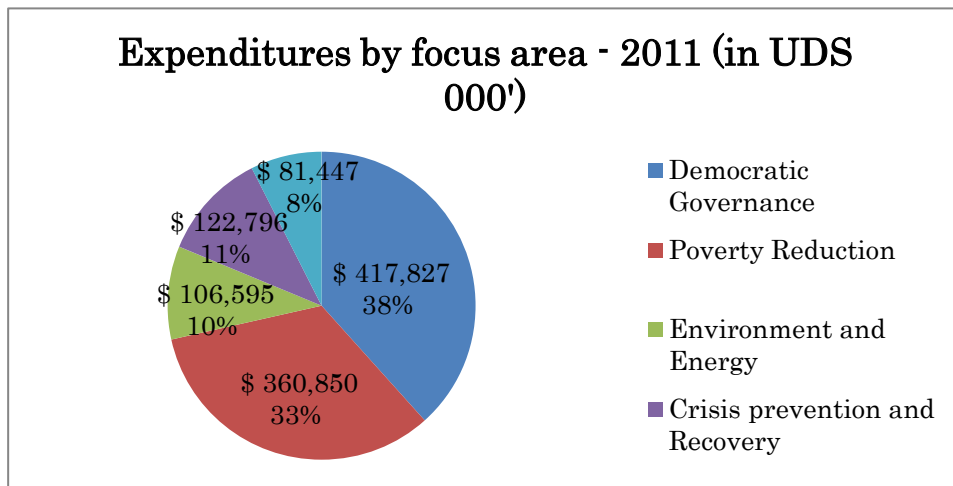
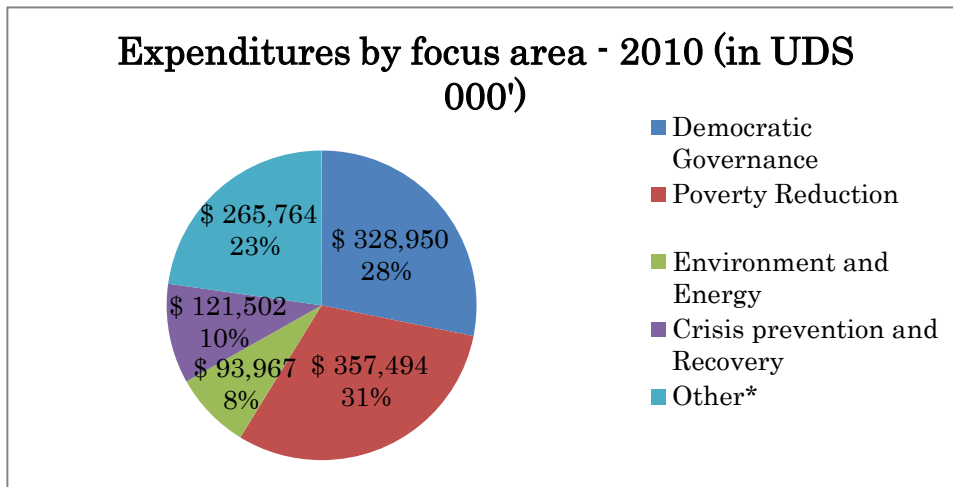
The table below outlines recent UNDP expenditures by sector. A glance at the figures for 2010–2012 reveals that 60–70% of total assistance was provided in two key sectors (poverty reduction and democratic governance).

³³ http://web.undp.org/africa/documents/FF_environment.pdf

³⁴ <http://www.undp.org/africa/crisis.shtml>

³⁵ http://web.undp.org/africa/documents/FF_crisis.pdf

Figure 4-18 UNDP expenditures by sector (gross)



Source: Information provided by the UNDP

In terms of south-south and triangular cooperation, which the TICAD process places emphasis on, the UNDP has created the Special Unit for South-South Cooperation (SU/SSC). This unit, which was established in 1978 within the UNDP based on the resolution of the United Nations General Assembly, aims to globally promote, coordinate, and assist south-south cooperation and triangular cooperation for development under the United Nations system. The role of the SU/SSC is as follows³⁶.

- Role as a promoter and host

The SU/SSC assists the United Nations General Assembly and high-level committees on south-south cooperation, as well as related government agencies, in order to make decisions based on south-south cooperation-related information. Additionally, it hosts the annual Global South-South Development Expo to promote the sharing of development experience among the developing countries.

- Role as a facilitator and mediator

In order to encourage the capacity enhancement for the implementation of south-south cooperation, SU/SSC helps development partners identify, create and disseminate development knowledge and experience, areas of specialization, and technical solutions of the developing nations. As one of the tools to realize this end, it conducts the “Global South-South Development Academy.” The Global South-South Development Academy provides a platform for development partners to identify, document, and catalogue development solutions, in addition to opportunities for networking and mutually learning from each other. The Global South-South Development Academy also supports research and studies.

- Role as an innovator and collaborator

The SU/SSC also engages in innovative forms of development in which partners are able to exchange knowledge, experience, areas of expertise, and technology on south-south development. For example, the “South-South Global Assets and Technology Exchange” is building a platform wherein partners are able to exchange or assist in the exchange of knowledge and technology between developing countries in the major areas of food security and public health, safe and renewable energy, and climate change, in addition to making investments in human development initiatives.

As the TICAD co-organizer, the UNDP contributes to TICAD process in wide ranging manners, including the substantive contribution to the formulation of the agenda for TICAD, concretization

³⁶ <http://www.undp.or.jp/undpandjapan/tcdc/>

and operationalization of TICAD agenda, as well as the monitoring of the progress of the international collaboration towards the attainment of TICAD goals. It also assists the substantive and operational preparation for TICAD meetings at various levels (e.g. technical, ministerial etc.) and works with other co-organizers in the advocacy activities for both Japanese and global audiences.

4-3-2. United Nations Development Program (UNDP) assistance to Africa; sample of UNDP projects in Africa in partnership with TICAD IV

The following initiatives are outlined below as examples of UNDP projects in Africa in partnership with TICAD IV: (1) African Peer Review Mechanism (APRM); (2) the Millennium Village Project (MVP); (3) the Africa Adaption Programme (AAP); and (4) Support to African PKO training centers.

(1) Africa Peer Review Mechanism (APRM)

The APRM is a mechanism whereby African nations can share experiences and mutually review progress in the areas of political, economic and corporate governance. APRM is an important pillar of NEPAD initiatives to improve governance. APRM is also garnering attention as a way for the international community to gauge NEPAD's progress and also as a mechanism for encouraging efforts to improve governance in Africa³⁷. The UNDP is an important partner of this initiative and has helped to develop peer-review methods for participating nations. The UNDP provided assistance to NEPAD through a \$3.5 million capacity building project aimed at building IT systems and strengthening budget system in order to promote democratic governance and achieve MDGs³⁸. Peer reviews have already been carried out or review processes introduced in several countries including Algeria, Benin, Burkina Faso, Ghana, Kenya, Lesotho, Malawi, Mali, Mozambique, Mauritius, Nigeria, Rwanda, South Africa, Tanzania, Togo and Uganda³⁹. The focus areas of the APRM process are outlined below⁴⁰.

- Economic governance and management

This area focuses on targets related to anti-corruption activities and the implementation of macro-economic and financial policies that support sustainable development and economic stability. These targets include: (1) the promotion of sound macro-economic management through inflation, fiscal deficit and public debt targets; (2) the implementation of anti-corruption drives and the promotion of sound public finance management by promoting the independence of central

³⁷ Source: Mofa data; <http://www.mofa.go.jp/mofaj/area/africa/aprm.html>

³⁸ UNDP Annual Report 2006

³⁹ <http://www.afrimap.org/ReportTheme/APRM>

⁴⁰ Source: Mofa data; <http://www.mofa.go.jp/mofaj/area/africa/aprm.html>

banks and auditing institutions; and (3) the implementation of transparent and predictable fiscal and financial policy.

- Democracy and good political governance

This area focuses on targets related to the promotion of the rule of law and the protection of individual freedom and equality before the law. These targets include: (1) the ratification and strict observance of international rules such as the AU Charter and other African charters related to human rights; (2) the implementation of fair domestic political and legal systems protected by a constitution; (3) the protection of socially-disadvantaged people and the participation of women in the political process; and (4) the introduction of effective systems to stamp out corruption.

- Corporate Governance

This area focuses on targets related to the promotion of private-sector investment. These targets include: (1) legal protection for contracts; (2) the adoption of international standards for accounting and auditing; (3) the establishment of a free market system based on international standards; and (4) the adoption of international safety, labor and environmental standards.

- Socio-economic development

This area focuses on targets related to poverty reduction and sustainable development. These targets include: (1) government initiatives to reduce poverty, develop human resources, and encourage the participation of women in society; (2) social indices related to health, education and poverty reduction; and (3) initiatives related to the Plan of Implementation of the World Summit on Sustainable Development (WSSD), which focuses on sustainable development and the achievement of MDGs.

(2) The Millennium Village Project (MVP)

The MVP is a joint initiative implemented from 2005 onwards by the UNDP, the Earth Institute at Columbia University, and the Millennium Promise (NGO). The initiative aims to strengthen the fight against poverty in Africa's poorest regions, where progress towards MDGs is not sufficient.

The MVP initiative started in Kenya and Ethiopia in 2005. A fully-fledged plan was rolled out as a 10-year plan from 2006. The initiative has so far been introduced in 79 villages across 10 countries (Ethiopia, Ghana, Kenya, Malawi, Mali, Nigeria, Rwanda, Senegal, Tanzania and Uganda), with 400,000 people covered by the project⁴¹. The project promotes human security by adopting a community planned and led development approach. The Japanese government supported the project

⁴¹ Earth Institute at Columbia University website: <http://www.earth.columbia.edu/articles/view/1799>

through the UN Trust Fund for Human Security and Community Development Grant Aid⁴².

“Harvests of Development in Rural Africa,” a mid-term report on the first phase of the MVP, was released in May 2010. According to this report, the MVP has made remarkable progress in its first three years. The details of this progress are outlined below⁴³.

- Corn harvests increased by around 3 times on average. Chronic malnutrition among children under 2 dropped by 30%.
- Malaria infection rates dropped by 60% on average. This is partly due to a sevenfold increase in the use of mosquito nets.
- More than 80% of all children received school meals. This helped to boost attendance rates and improve learning.
- The number of women giving birth under highly-trained midwives increased by 40% on average. Mother and child illness and fatality rates also fell.
- Access to improved water source increased by over 3 times on average, while access to enhanced sanitary facilities increased by more than 7 times.

There are calls for the private sector to get even more involved in the MVP. Business leaders across the world have engaged in vigorous debates about sustainable business models that contribute to the achievement of MDGs⁴⁴. The UNDP has teamed up with the private sector on several occasions to support the achievement of MVPs. Some examples are listed below⁴⁵.

- Ericsson: Developed the projects involving the spread of telecommunications and support for remote medical care.
- GlaxoSmithKline: Implemented the PHASE PROJECT in villages through Malawi and Senegal. This program is a global hygiene initiative carried out with NGOs. It involves the construction of toilets; the preparation and distribution of educational materials; and the distribution of sanitary products, etc.
- JM EAGLES: This U.S. company is the world’s largest manufacturer of pipes. It carried out its first project in villages through Senegal and has since expanded its operations into Ghana, Uganda, Kenya, Malawi, Mali, Rwanda and Tanzania.
- LENOVO: Planned to support the development of ICT to all villages.

⁴² Source: MOFA data; http://www.mofa.go.jp/mofaj/press/release/h20/3/1178535_904.html

⁴³ Source: Millennium Promise Japan’s “Millennium Village Project Interim Report” (February 2011)

⁴⁴ Source: UN Tokyo Office data; http://www.undp.or.jp/private_sector/seminar_20101019.shtml

⁴⁵ Source: UN Tokyo Office data; http://www.undp.or.jp/private_sector/seminar_20101019.shtml

- Sumitomo Chemical: Developed mosquito nets laced with insecticides (Olyset Net). Created local employment in Tanzania through the transfer of technology to local factories.
- Mitsui & Co.: Provided photovoltaic generators and pump-driven irrigation facilities to the MVP in Mozambique.
- Panasonic⁴⁶: Donated 1,000 solar lamps to the MVP in Tanzania as a way to use renewable energies to help improve the lives of people in areas with no electricity.

(3) Africa Adaptation Programme (AAP)

The AAP was established to support 20 African countries⁴⁷ to foster the long-term capacities needed to draw up and implement programs to adapt to and reduce the risks posed by climate change. The AAP is a strategic programme which aims to support each country's adaptation initiatives by utilizing information more effectively and by building the environment in which more appropriate adaptation decisions and practices can be undertaken. The AAP was established under the "Japan-UNDP Joint Framework for Building Partnerships to Address Climate Change in Africa," which was announced at TICAD IV in Yokohama in May 2008. The Japanese government provided funding to the tune of \$92 million. The Programme also works in partnership with the United Nations Children's Fund (UNICEF), the World Food Programme (WFP), and the United Nations Industrial Development Organization (UNIDO) and in close collaboration with other stakeholders. Some of the main activities of the AAP are outlined below⁴⁸.

- Enhancing the long-term planning capabilities to manage present and future risks posed by climate change.
- Building effective organizational frameworks and leaders necessary for the smooth coordination and integration of programs.
- Supporting the implementation of concrete adaptation measures.
- Developing the capacity to access of a wide-range of financing options necessary to carry out ongoing adaptation policies.
- Constructing knowledge management systems and promoting information and knowledge sharing.

⁴⁶ <http://www.undp.or.jp/news2/detail.php?id=7>

⁴⁷ Burkina Faso, Cameroon, Congo, Ethiopia, Gabon, Ghana, Kenya, Lesotho, Malawi, Mauritius, Morocco, Mozambique, Namibia, Niger, Nigeria, Rwanda, Sao Tomé and Príncipe, Senegal, Tanzania, Tunisia

⁴⁸ Source: UN Tokyo Office data; http://www.undp.or.jp/publications/pdf/1011_05.pdf

The AAP is currently involved in a number of development projects or initiatives aimed at mitigating the impacts of climate change.

(4) African PKO training centers

Though Africa has seen notable progress in reduction of conflicts in recent years, spots of instabilities remain. Japan and UNDP have supported the capacity development of PKO training centers in Africa to help strengthen Africa's leadership and capacity to prevent, mediate, resolve conflicts and consolidate peace. Since the Japanese government and the UNDP started assistance in 2008, a total of \$26 million has been provided to PKO training centers in 10 countries (Egypt, Ghana, Kenya, Mali, Rwanda, Benin, Nigeria, South Africa, Cameroon and Ethiopia)⁴⁹. The assistance was provided for the preparation and implementation of training courses, as well as the upgrading and renovation of facilities. Japanese resource persons (both civilian and military) have also been provided for these training courses. Trainees from this programme are contributing to national, regional and international efforts for the maintenance and consolidation of peace.

4-4. Development assistance by the World Bank Group

4-4-1. World Bank's assistance strategies to Africa

The World Bank Group is composed of five organizations: the International Bank for Reconstruction and Development (IBRD); the International Development Association (IDA); the International Finance Corporation (IFC); the International Centre for Settlement of Investment Disputes (ICSID); and the Multilateral Investment Guarantee Agency (MIGA). The development assistance initiatives to Africa outlined in this section primarily deals with the IDA assistance.

The World Bank has been participating in the TICAD process since the TICAD ministerial-level meeting in 2001. The World Bank considers Africa to be a highest-priority development assistance region, and the World Bank is the largest provider of development assistance to the African region. By addressing the priority issues facing Africa, the World Bank is helping Africa to ensure its footing in the rapidly expanding and changing global economy.

In "Can Africa Claim the 21st Century?" (World Bank, 2000), a report co-published with its African partners, the World Bank focuses on the four pillars of: (1) improving governance and resolving conflict; (2) investing in human resources; (3) increasing competitiveness and diversifying economies; and (4) reducing aid dependence and strengthening partnerships, as the framework for assistance to Africa, and stresses the importance of promoting economic growth, strengthening competitiveness and trade, and enhancing aid effectiveness. This framework is backed by the

⁴⁹ http://www.mofa.go.jp/mofaj/press/release/24/12/1214_06.html

“hopeful realism” expressed regarding Africa’s capacity toward realizing poverty reduction, and focuses on the vision exhibited in each of the following five areas.

1. Private-sector development
2. Increasing regional integration
3. Capacity-development
4. Doubling the assistance flow
5. Increasing Africa’s share in world trade

World Bank support for NEPAD is in line with NEPAD’s philosophy and development strategy. NEPAD is a revolutionary concept that re-examines Africa’s traditional dependence on aid from the industrialized nations and, through the initiative of the African leaders, approaches development with the principles of self-reliance and self-responsibility. NEPAD emphasizes peace, democracy, human rights, good governance, and a sound economy, and aims to raise Africa’s economic growth rate to 7% by 2015. Accordingly, the World Bank has also announced its goal of mobilizing development assistance from both the public and private sectors to raise Africa’s annual growth rate to 7% and to cooperate with each nation so that the benefits of economic growth will be shared widely by all⁵⁰.

The major components of the World Bank assistance to Africa are knowledge sharing, research and analysis, and policy advice. With regards to particular sectors for assistance, the World Bank supports NEPAD’s development goals and the initiative of the African nations in the areas of infrastructure, agriculture, regional trade, health, nutrition, population, education, community-led development, and capital flows. The assistance strategy is aligned with the priority areas and needs of African nations. Additionally, the World Bank has announced the policy to direct approximately half of the assistance by the IDA to Africa; and has been increasing its assistance for the improvement of water, health, transportation, and agriculture⁵¹. Additionally, the Africa Catalytic Growth Fund (ACGF) was launched in March 2006 in order to promote investments into infrastructure. The fund targets projects backed by the Infrastructure Consortium for Africa, which was formed in 2005 by the African Development Bank, the African Union, the Economic Community of West African States, NEPAD, the European Commission, the G8 countries, and the World Bank.

The World Bank is involved in other assistance initiatives in Africa besides the ones mentioned above. One example is the Africa Action Plan (AAP). The World Bank launched the AAP in 2005 to

⁵⁰ World Bank (2007), African Assistance Report (FY 2007).

⁵¹ Foundation for Advanced Studies on International Development (FASID), “Latest trends in development assistance: Book Review No. 33, The World Bank Annual Report 2003,” 2003.

pursue the overall goal of promoting economic growth that considers the need for poverty reduction at the same time. The AAP focused on the “expansion of shared growth” and has identified the following eight areas as important priority areas.

- Strengthen the African private sector.
- Enhance the empowerment of women.
- Build skills for competitiveness in the global economy.
- Raise agricultural productivity.
- Improve access to and the reliability of clean energy.
- Expand and upgrade road networks and transit corridors.
- Increase access to safe water and sanitation.
- Strengthen national health systems and combat malaria and HIV/AIDS.

The AAP was built on the concepts of the “expansion of shared growth,” “building capable states,” “results-oriented development,” and “strengthening development partnership.” The AAP sets out the following 25 initiatives as priority areas requiring specific action to be undertaken during the implementation period of the 14th replenishment of the IDA (IDA14) from 2006 to 2008, as well as a monitoring framework with quantitative targets, implementation responsibilities, and risks. Additionally, the AAP made specific commitments to investments in human resources and infrastructure and to working more effectively with other donors that provide this support⁵². In other words, the AAP provided a results-oriented framework that supported the African nations in implementing important policies and actions for the purpose of attaining specific goals, such as the MDGs.

Figure 4-19 The World Bank’s Africa Action Plan

| Objective | Action |
|--|--|
| Helping Countries Build Outcome-Driven National Development Strategies | <ol style="list-style-type: none"> 1. Increase analytical and advisory work – together with development partners – to support strengthened, results-oriented national strategies in all 29 countries undertaking a new or second Poverty Reduction Strategy Papers (PRSPs). 2. Assist all 29 Poverty Reduction Strategy (PRS) countries to develop and implement Monitoring and Evaluation Plans – including strengthening statistical systems – for their national strategies by the end of FY2008. |

⁵² World Bank (2006), The World Bank Annual Report 2006.

| | |
|--|--|
| Measuring and Reporting on Progress in Programs and Projects. | 3. Collect baseline and comparative information in 10 countries in key areas of public service delivery using targeted, purposive surveys of clients and service providers, including client scorecards. |
| Strengthen Capacity and Public Expenditure Management. | 4. Require every new Country Assistance Strategy (CAS) to have a systematic program for capacity-building based on the recommendations of the Task Force on Capacity Development and raise the total of such CASs from 15 to 25 in three years. 5. Assist 20 countries to strengthen the core elements of their Public Expenditure Management and Financial Accountability systems (e.g. accounting, cash management, commitment control, public procurement as well as the introduction of a consistent performance measurement framework, including the use of Public Expenditure Tracking Surveys). |
| Building the Capacity of Post-Conflict States to Deliver Essential Services. | 6. Working with development partners, develop tailor-made country strategies emphasizing community and local delivery of essential services and accountability in five post-conflict countries by 2007. |
| Identifying the Drivers of Growth. | 7. Develop concrete recommendations for policy reforms and public actions to accelerate growth based on economy-wide and sectoral growth diagnostics for at least twelve countries, including at least two in middle-income countries (4 in each of FY2006, FY2007 and FY2008.) |
| Developing an African Private Sector. | 8. Expand the IDA/IFC Africa Micro, Small and Medium Enterprises (MSME) initiative to reach 8 countries by FY2007. Focus on building the capacity and access to credit of women owned enterprises. 9. Support an increase in Investor Councils to develop concrete programs to remove critical constraints to private investment from 5 in FY2005 to 8 by FY2008 (1 additional council per fiscal year). Use results of Doing Business Surveys and Investment Climate Assessments as inputs for councils' deliberations. 10. Increase IFC Private Enterprise Partnership interventions, including agro-business, from 1 country in FY2005 to 10 countries in FY2008. |
| Creating an Export Push. | 11. With partners, support analysis and operations to identify and remove 'behind-the-border' constraints to export competitiveness and regional integration in 10 countries, 3 in FY2006, 3 in FY2007, and 4 in FY2008. 12. Increase support for 23 Sub-Saharan countries under the Trade Facilitation Initiative to about \$530 million (compared to about \$80 for FY2001-2003) by end-FY2006. |

| | |
|---|---|
| Closing the Infrastructure Gap. | <p>13. Substantially scale-up financing for Sub-Saharan African infrastructure to about US\$ 1.8 billion by FY2006, \$2 billion in FY2007, and \$2.4 billion in FY2008.</p> <p>14. Work as part of the Africa Infrastructure Consortium to mobilize additional donor support for infrastructure leading to about a \$2.5 billion increase by FY2008.</p> |
| Supporting Regional Integration. | <p>15. With partners, including the private sector, leverage World Bank Group support for regional investments in infrastructure and health of approximately \$1 billion per year through FY2008.</p> |
| Building Skills for Growth and Competitiveness. | <p>16. Develop and implement operational plans for IDA support to secondary education in 12 countries and for technical, tertiary, and research institutions, including agricultural education, in 8 countries by FY2008.</p> |
| Making Agriculture More Productive and Sustainable. | <p>17. Mobilize global programs (such as the Consultative Group on International Agricultural Research (CGIAR)) to expand investment in agriculture science and technology and strengthen national innovation systems in agriculture.</p> <p>18. Increase public and private investments to expand irrigated perimeter by 50 % over FY2005 base by end FY2008, with the Bank as lead financial partner.</p> |
| Connecting the Poor to Markets. | <p>19. Increase investments in rural roads, starting with feeder roads by 20 % p.a.</p> |
| Scaling Up Human Development. | <p>20. Expand the Malaria Booster program by 150 % in 17 countries by end-2008.</p> <p>21. Scale up non-lending support for HIV/AIDS programs and address funding gaps in 10 countries, including at least two middle-income countries, by 2007.</p> <p>22. Increase IDA support to primary education to at least 15 countries through the Education for All Fast Track Initiative (EFA-FTI).</p> <p>23. Accelerate progress to the rate required to reach the gender MDG goal through strengthened country systems in 10 countries by FY2008.</p> |
| Strengthen Partnerships at the Country Level. | <p>24. Revamp the Consultative Group mechanism to become annual “resources and results meetings,” raising the scope of these meetings and strengthening partnership on the MDG and harmonization agendas. Tighten the link between resources and results, and pursue more broadly the harmonization and alignment agenda at the country level. As part of these actions, the Bank will support independent evaluations of country-donor relations in 5 African countries.</p> <p>25. Use expanded menu of options to make the analytic and operational knowledge of the World Bank Group available to the development community as a public good. Allow donors to channel their scaled-up aid in partnership with IDA while retaining their identity.</p> |

Source: “Meeting the Challenge of Africa’s Development: A World Bank Group Action Plan Executive

Summary” (World Bank materials)

At the World Bank board of executive directors’ meeting held in March 2007, the assessment of the first 18 months of experience in implementing the AAP was discussed, and it was agreed that the status of progress had been broadly satisfactory. The World Bank, in fact, recognized the following as concrete results precipitated by the AAP⁵³.

- Provided 1.7 million people with access to clean water through projects funded by the World Bank
- Built systems to irrigate 15,524 hectares of farmland through programs supported by the World Bank
- Trained 86,116 teachers in countries receiving assistance
- Reached 173 million people with HIV prevention messages

While it was confirmed that initiatives involving private-sector development, closing the infrastructure gap, HIV/AIDS, and malaria were progressing faster than expected and that the plan had been broadly successful, it was pointed out that had the AAP been more selective in its goals and had sharpened its focus on results, it would have been more effective. In light of this experience, the World Bank declared that it would henceforth focus on the eight key project areas mentioned above⁵⁴.

In 2007, the board of executive directors of the World Bank set out guidelines for meeting the needs of fragile states (especially states that were recovering from conflicts). Specifically, the World Bank facilitated prompt responses for supporting any one of or multiple initiatives described below⁵⁵.

- Rebuilding and restoring physical assets
- Restoring means of production and economic activity
- Maintaining or resuming essential services
- Building and maintaining human capital, institutional capital, and social capital, including facilitating the return of fragile groups to economic activity
- Promoting peace-building

⁵³ World Bank (2007), African Assistance Report (FY 2007)

⁵⁴ World Bank (2007), The World Bank Annual Report 2007

⁵⁵ World Bank (2007), African Assistance Report (FY 2007)

- Supporting the crucial initial stage of capacity-building for long-term reconstruction, disaster management, risk reduction, etc.
- Supporting measures to mitigate or avert the potential effects of pressing or likely to become pressing matters/crises in high-risk countries

The IDA 15 replenishment (IDA 15) amounted to US\$41.6 billion in total, representing a 30% increase over IDA 14. In terms of assistance to African during the implementation period from 2008 to 2011, the World Bank increased its assistance to Sub-Saharan Africa and set forth policies with particular emphasis on broadband infrastructure assistance and regional integration projects. Specifically, nearly half of IDA 15 (approximately US\$20.0 billion) was allocated to Sub-Saharan Africa, out of which half (approximately US\$3.0 billion/year) was set aside for infrastructure development. Out of this amount, approximately 15% (approximately US\$450 million/year) was allocated to the development of broadband infrastructure. Additionally, in terms of regional integration projects, SDR400 million/year was allocated to regional integration projects (not subject to the results-based funding allocation system), and budgetary measures were taken that would lead to the formulation and implementation of regional integration projects, which tended to be neglected on a country-level. Additionally, *The World Bank Development Report (FY2009)*, which analyzed development in developing countries from the perspective of spatial economics, also noted that regional integration and Africa's Development Corridors were significant initiatives⁵⁶. Through these initiatives, the World Bank has positioned infrastructure development as a component of its growth assistance strategy, and has been providing such assistance in combination with industrial development and the development of trading/investment environments. Behind these developments is the movement toward re-evaluating the importance of infrastructure assistance in Africa among the international development community since the Gleneagles G8 Summit in 2005.

Empirical research has also been conducted supporting “the importance of growth strategies” that embraces this flow of “return to infrastructure in development.” In *Challenges of African Growth – Opportunities, Constraints and Strategic Directions* (World Bank 2007), an analytical report compiled mainly by long-time World Bank economist, Benno J. Ndulu, the World Bank offers a number of lessons derived from 45 years of growth experience in countries around the world, including Africa, and indicates the direction to be taken by growth strategies in that continent.

The report attempts to answer the three key issues of: (1) the opportunities and hence, options for growth available to the diverse range of African countries; (2) the major constraints to exploiting these opportunities; and (3) the strategic choices to be made by African governments as well as by

⁵⁶ GRIPS (2009), GRIPS Development Forum Discussion Paper No.18, “Discussion on Africa’s Growth Strategies and Initiatives by Japan,” (March 2009)

development partners, including the World Bank, in supporting actions taken by African countries. Based on the above analysis, growth strategies are expected to incorporate, among others, responses to external shocks, measures that help to raise the productivity of existing and new investment, an emphasis on policy and governance, and a departure from geographic isolation and fragmentation and a monoculture structure. In specific terms, the report points out that, going forward, policies characterized by the four “big Is”—investment, infrastructure, innovation and institution—will become key policies⁵⁷. Additionally, the report draws the following six lessons to be utilized in formulating cross-cutting growth strategies.

⁵⁷ GRIPS (2009), GRIPS Development Forum Discussion Paper No. 18 “Discussion on Africa’s Growth Strategies and Initiatives by Japan,” (March 2009)

Figure 4-20 Six lessons drawn from *Challenges of African Growth – Opportunities, Constraints and Strategic Directions*

The growth experiences of African countries are extremely varied and episodic. However, two challenges are peculiar to the region—the slow growth of large countries and the extreme instability of growth across a large number of African countries, making growth in large countries and the prudent management of the impact of shock as key themes in growth strategies in the region.

While lower levels of investment are important for explaining Africa's slower growth, it is the slower productivity growth that more sharply distinguishes African performance from the rest of the world. This situation clearly calls for looking beyond creating conditions for attracting new investors to more explicitly pursuing measures that help raise the productivity of existing and new investments.

Consistent with much of the cross-country growth analysis, evidence from the research reviewed in this report suggests that policy and governance matter a great deal for growth. Thus, while it is imperative that countries identify and address other binding constraints, sustaining recent gains in the improvement of the policy environment would be a desirable permanent feature of any growth strategy that a country adopts.

The evidence also suggests that overcoming disadvantages arising from geographic isolation and fragmentation, as well as natural resource dependence, will be necessary for Africa, in order to close the growth gap with other regions.

The results from the empirical analysis suggest a very powerful influence from the growth of the economies of trading partners, underscoring the importance of enhanced competitiveness and reduced barriers to trade, in order to take advantage of the opportunities offered by the global market.

Analysis points to the very large role played by the delayed demographic transition in Africa in explaining its relatively slower growth performance. This is an area that will need much more work to determine what would be helpful for accelerating demographic transition in Africa.

Source: *Challenges of African Growth – Opportunities, Constraints and Strategic Directions*⁵⁸

In *Africa's Future and the World Bank's Support to It*, published in March 2011, the World Bank outlines its strategies for assistance to Africa, identifies (1) competitiveness and employment, (2) vulnerability and resilience, and (3) governance and public-sector capacity as focused areas, and spells out its vision and assistance strategy for the next 10 years. These strategies clearly demonstrate the World Bank's stance of proactively engaging in growth assistance, which includes

⁵⁸ http://siteresources.worldbank.org/INTJAPANINJAPANESE/Resources/AFRFlagshipOverview_J_.pdf

infrastructure development and fostering private-sector growth. Specific strategies are as follows⁵⁹.

(1) Competitiveness and employment

- Improvement of infrastructure services (attracting private investments to close the infrastructure funding gap; reforms of infrastructure policies and institutions; sharing best practices for regulatory policy reforms and knowledge transfer relating to PPP; improvement of public spending; monitoring and assessment of infrastructure programs; policy harmonization for the development of wide-area infrastructure, etc.); among infrastructure services, the highest priority is given to energy, followed by transportation, water, and sanitation.
- Development of the overall investment climate to enable business activities (reforming labor and land regulations, relaxing constraints to free business activities; developing a mechanism for public-private sector dialogue; improving access to finance (micro-financing, long-term financing, financing to SMEs); fostering business capacity; empowerment of women; development of competitive growth poles, and SEZs, etc.)
- Fostering a healthy and skilled labor force (overall improvement of secondary and tertiary education based on expanded access to primary education; improvement of skills training; acquisition of more market-oriented skills; reinforcement of childrearing, including better nutrition; improving adult health; providing youth programs, etc.)
- Initiatives for shifting people's awareness of Africa (converting people's awareness from an image of "poverty, delayed growth, conflict, and disease" to a "frontier of development") (e.g. collaboration with the media)

(2) Vulnerability and resilience

- Responses to the adverse impact of climate change (providing better meteorological services; establishing early warning systems; adopting preparedness and emergency response plans; enforcing building codes; scaling up risk-measure mechanisms, etc.)
- Implementation of adaption measures for the sustainable management of water (storing water, improving the irrigation systems as well as developing better seeds, integrated hydropower and water-basin management, etc.)
- Containing greenhouse gases

⁵⁹ World Bank (2011) Africa's Future and the World Bank's Support to it (March 2011)

(3) Governance and public-sector capacity

- Increasing citizens' access to information, building and reinforcing statistical capacity, impact analysis, reinforcing the role of media, etc. (Given the sensitive nature of this field, the World Bank expects to draw from experiences in south-south cooperation.)
- Building public expenditure tracking systems and granting performance-based evaluation incentives (particularly in the health and education sectors); aim to scale up initiatives, including results-based financing in Rwanda and output-based assistance in Mauritius. (Initiatives will focus on the capacity development of legislatures and parliaments and the judiciary branches of the government.)

Developing sound market functions (improving the investment climate and increasing direct assistance to entities), expanding access to direct services (developing infrastructure and expanding social services), and promoting corporate social responsibility for the purpose of developing markets including the poor, are cited as key issues in private-sector development. The importance of integrating and promoting trade and finance centers is emphasized, and policies are proposed to support logistics and regional finance-sector projects, as well as to provide regional assistance to infrastructure development including electricity pools, transportation corridors, river basin management, broadband Internet, and private-sector growth corridors.

4-4-2. Size of assistance provided by the World Bank to Africa

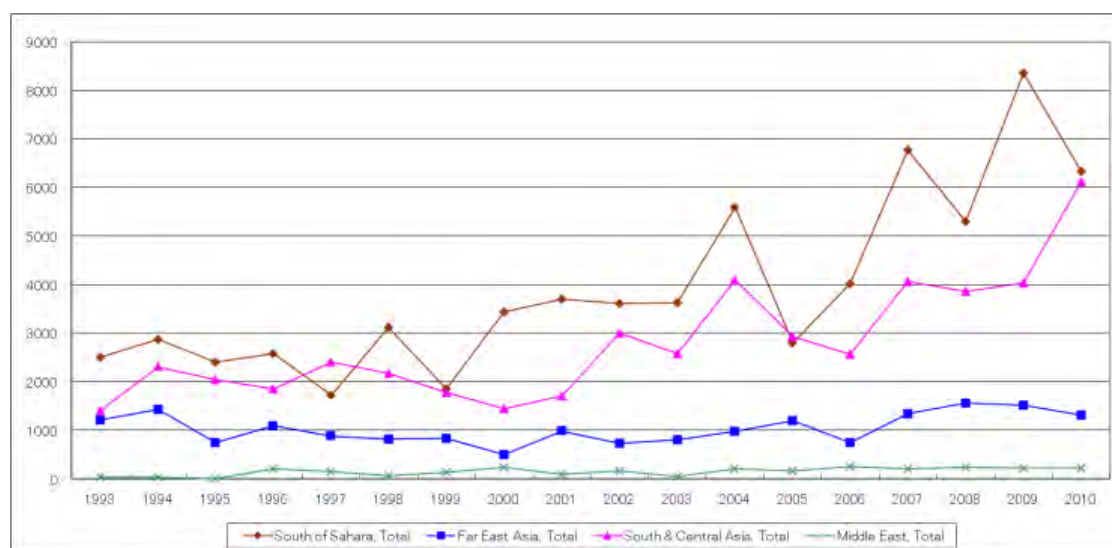
As outlined above, the major components of the World Bank assistance to Africa are knowledge sharing, research and analysis, and policy advice. This kind of support is often difficult to quantify in funding terms. This section, however, reviews and analyzes the World Bank assistance to Africa from funding perspective.

When looking at the IDA assistance by region (commitment base), we can see that although South and Central Asia were sometimes the highest recipients in past years, in general Africa has been the main recipient of the IDA assistance. Though the amount varies, assistance to Sub-Saharan Africa in 2010 stood at \$6.3334 billion, around 2.5 times higher than the amount in 1993 (\$2.5104 billion). As a percentage, Sub-Saharan Africa accounted for 43.3% of total assistance in 2010, with South and Central Asia receiving 41.8% (see figure below). The countries receiving the most assistance within Africa in 2010 were (1) Tanzania (15.8%), (2) Kenya (11.1%), (3) the Democratic Republic of Congo (9.3%), Ethiopia (8.8%), and (5) Ghana (7.4%) (see figure below).

Figure 4-21 IDA assistance by region

(Unit: US\$ million, proportion of total assistance received by developing region (%), Commitment based)

| | 1993 | | 1998 | | 2003 | | 2008 | | 2010 | |
|------------------------|---------|--------|---------|--------|---------|--------|----------|--------|----------|--------|
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| Total Amount | 5,701.2 | 100.0% | 7,038.4 | 100.0% | 7,602.5 | 100.0% | 11,404.7 | 100.0% | 14,610.5 | 100.0% |
| Overall Africa | 2,587.9 | 45.4% | 3,263.9 | 46.4% | 3,623.2 | 47.7% | 5,300.9 | 46.5% | 6,333.4 | 43.3% |
| Sub-Saharan Africa | 2,510.4 | 44.0% | 3,118.9 | 44.3% | 3,623.2 | 47.7% | 5,300.9 | 46.5% | 6,333.4 | 43.3% |
| Overall Asia | 2,636.7 | 46.2% | 3,052.3 | 43.4% | 3,423.8 | 45.0% | 5,640.9 | 49.5% | 7,646.3 | 52.3% |
| East Asia | 1,207.5 | 21.2% | 818.8 | 11.6% | 801.5 | 10.5% | 1,557.2 | 13.7% | 1,310.0 | 9.0% |
| South and Central Asia | 1,402.6 | 24.6% | 2,173.8 | 30.9% | 2,574.9 | 33.9% | 3,855.4 | 33.8% | 6,114.4 | 41.8% |
| Middle East | 26.6 | 0.5% | 59.8 | 0.8% | 47.4 | 0.6% | 228.3 | 2.0% | 222.0 | 1.5% |



Source: Prepared on the basis of the DAC Statistics Database (CSR)

* African countries are classified as Sub-Saharan African countries or Northern African countries, or as the African region as a whole (cross-country).

Figure 4-22 African countries receiving assistance from the IDA:

As a percentage of total African aid

(Unit: %, Commitment based)

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|---|------------------|----------------------|--------------------------|-------------------------|-------------------------|
| 1 | Ethiopia (14.3%) | Ethiopia (23.6%) | Congo, Dem. Rep. (14.2%) | Nigeria (18.5%) | Tanzania (15.8%) |
| 2 | Tanzania (13.3%) | Uganda (10.9%) | Tanzania (10.7%) | Ethiopia (12.3%) | Kenya (11.1%) |
| 3 | Ghana (10.4%) | Cote d'Ivoire (9.8%) | Uganda (8.8%) | Tanzania (8.5%) | Congo, Dem. Rep. (9.3%) |
| 4 | Uganda (7.4%) | Cameroon (6.7%) | Ghana (6.8%) | Cote d'Ivoire (8.0%) | Ethiopia (8.8%) |
| 5 | Zimbabwe (7.3%) | Malawi (6.5%) | Nigeria (6.4%) | Congo, Dem. Rep. (7.6%) | Ghana (7.4%) |

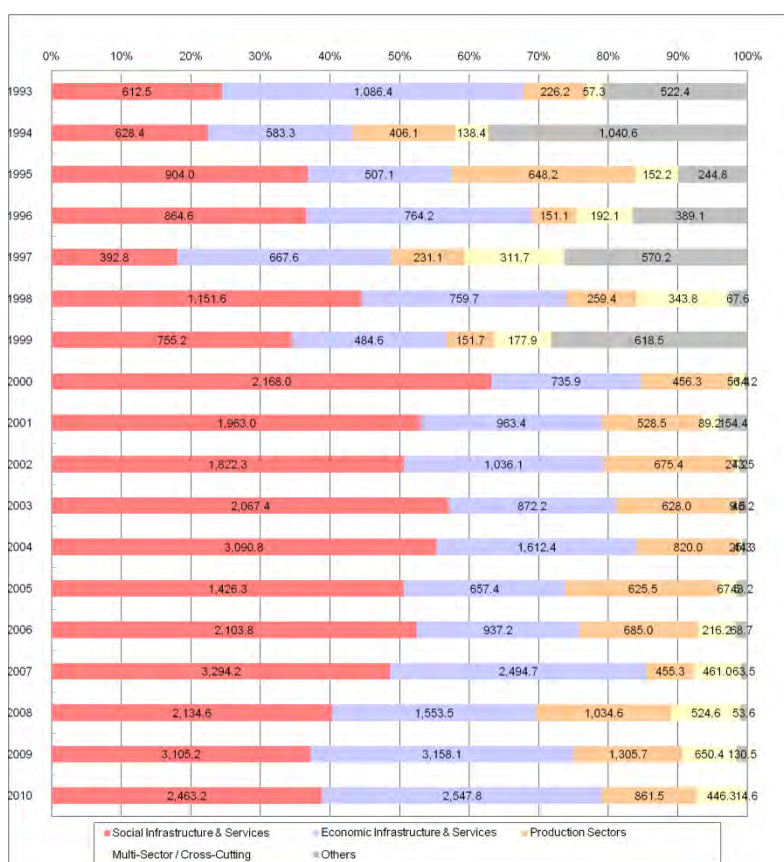
Source: Prepared on the basis of the DAC Statistics Database (CSR)

A glance at the IDA assistance to Africa by sector (commitment based) reveals that the proportion of assistance allocated to the social infrastructure and services sector have been slowly decreasing since 2000, while the proportion allocated to the economic infrastructure and services sector has been increasing. The proportion allocated to these two sectors switched in 2009 and the economic

infrastructure and services sector became the major sector of assistance in 2009 and 2010. In 2010, these two sectors accounted for just below 80% of total assistance. Next up was production sector followed by multisectors/cross-cutting sectors.

Figure 4-23 IDA assistance to Africa by sector
(Unit: US\$ million, Commitment based)

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|--|---------|---------|---------|---------|---------|
| Total All Sectors | 2,504.8 | 2,582.0 | 3,623.2 | 5,300.9 | 6,333.4 |
| Total Sector Allocable | 1,982.4 | 2,514.4 | 3,577.1 | 5,247.3 | 6,318.8 |
| Social Infrastructure & Services | 612.5 | 1,151.6 | 2,067.4 | 2,134.6 | 2,463.2 |
| Education | 329.1 | 375.5 | 359.8 | 246.5 | 313.5 |
| Health | 85.8 | 342.0 | 318.2 | 503.4 | 483.8 |
| Population & Reproductive Health | 0.0 | 27.2 | 178.9 | 89.1 | 166.5 |
| Water Supply & Sanitation | 67.3 | 36.0 | 225.6 | 284.2 | 422.2 |
| Government & Civil Society | 34.9 | 278.2 | 780.3 | 886.5 | 647.6 |
| Other Social Infrastructure & Services | 95.4 | 92.7 | 204.6 | 124.9 | 429.5 |
| Economic Infrastructure & Services | 1,086.4 | 759.7 | 872.2 | 1,553.5 | 2,547.8 |
| Transport & Storage | 386.2 | 516.8 | 503.2 | 909.4 | 1,240.5 |
| Communications | 97.1 | 0.0 | 29.3 | 24.8 | 37.4 |
| Energy | 306.0 | 180.3 | 166.1 | 321.6 | 997.2 |
| Banking & Financial Services | 297.2 | 5.0 | 52.5 | 158.8 | 86.8 |
| Business & Other Services | 0.0 | 57.6 | 121.2 | 138.8 | 185.9 |
| Production Sectors | 226.2 | 259.4 | 628.0 | 1,034.6 | 861.5 |
| Agriculture, Forestry, Fishing | 158.3 | 203.9 | 335.5 | 785.6 | 652.2 |
| Industry, Mining, Construction | 67.9 | 5.0 | 203.2 | 213.0 | 179.3 |
| Trade Policies & Regulations | 0.0 | 50.5 | 89.3 | 36.0 | 27.0 |
| Tourism | 0.0 | 0.0 | 0.0 | 0.0 | 3.0 |
| Multi-Sector / Cross-Cutting | 57.3 | 343.8 | 9.5 | 524.6 | 446.3 |
| General Environment Protection | 6.0 | 71.8 | 0.0 | 40.5 | 15.1 |
| Other Multisector | 51.3 | 272.0 | 9.5 | 484.2 | 431.3 |
| Others | 522.4 | 67.6 | 46.2 | 53.6 | 14.6 |



Source : Prepared on the basis of the DAC Statistics Database (CSR)

4-5. Development assistance by the emerging donors and NGOs⁶⁰

4-5-1. Trends and African strategies of China, South Korea, and India (emerging donors)

Although assistance to Africa by China, South Korea and India does not have connection with the TICAD process, the TICAD forums are open to other donors and institutions. In this regard, this section outlines initiatives carried out by these three countries as reference information.

(1) China

Assistance to Africa is considered to be a priority among China's foreign assistance program⁶¹. It has been pointed out that behind China's assistance is China's desire to secure African resources and the appeal that Africa has a market, and both the public and private sectors are working to strengthen China's relationship with Africa.

China's assistance to Africa began in 1956. Since that time to May 2006, it is said that more than 800 assistance projects were implemented and nearly 44.4 billion yuan (US\$5.7 billion) has flowed into Africa. Some have estimated that the amount of China's assistance to Sub-Saharan Africa during the period from 2004 to 2005 amounted to US\$1.0 to 1.5 billion⁶² (see figure below). According to materials of the Ministry of Foreign Affairs of Japan⁶³, until the end of 2009, China's contribution to African nations included (1) 884 full-set projects⁶⁴, (2) a total of 17,000 medical corps members, (3) 312 youth volunteers, (4) 26,488 trainees, and (5) 159 concessional loan projects to 39 countries, in addition to granting debt reduction to 35 African countries. At the 1st Ministerial Conference of the Forum on China-Africa Cooperation held in October 2000 in Beijing, the Chinese government pledged debt relief for 156 loans to Africa, for a total of 10.5 billion yuan (US\$1.3 billion). At the Beijing Summit (described below) held in November 2006, the Chinese government announced an additional 10.0 billion yuan (US\$1.3 billion) in debt reduction⁶⁵.

⁶⁰ This section represents the postscript added to the JICA Study, "Information Gathering and Confirmation Study on African Development Policies (Economic Development 1 [Macro-economics/Assistance Cooperation])" conducted by our company (Mitsubishi UFJ Research and Consulting) in 2011, based on the outputs thereof.

⁶¹ From materials of the *Japan's Official Development Assistance White Paper 2011* (Ministry of Foreign Affairs of Japan) http://www.mofa.go.jp/mofaj/gaiko/oda/shiryo/hakusyo/11_hakusho_sh/pdfs/s_all.pdf

⁶² "What Drives China's Growing Role in Africa?" IMF Working Paper (WP/07/211) 2007

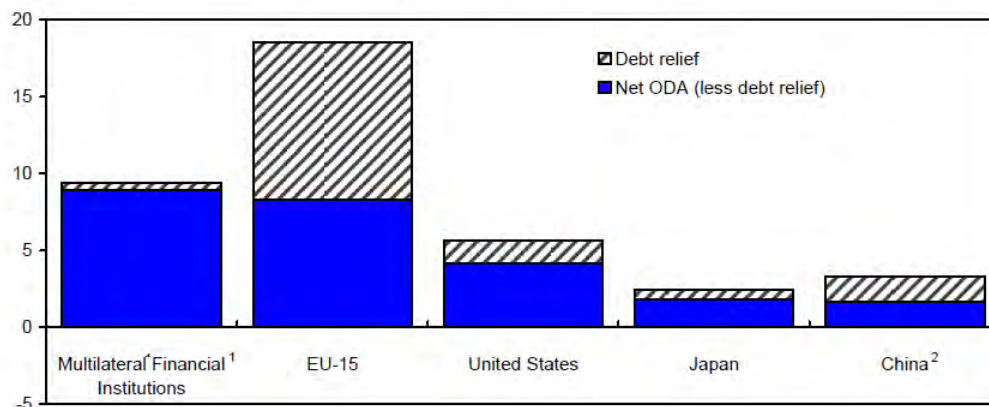
⁶³ From materials of the *Japan's Official Development Assistance White Paper 2010* (Ministry of Foreign Affairs of Japan) http://www.mofa.go.jp/mofaj/gaiko/oda/shiryo/hakusyo/10_hakusho_sh/pdfs/s3-2.pdf

⁶⁴ Full-set projects and full-package contracts in which China assumes full responsibility for the entire construction process from project design to implementation; provides all or a part of the facilities, construction materials and human resources, as well as construction/production instruction and onsite training of human resources. (Source: Materials of the *Japan's Official Development Assistance White Paper 2010* (Ministry of Foreign Affairs of Japan))

⁶⁵ "What Drives China's Growing Role in Africa?" IMF Working Paper (WP/07/211) 2007

**Figure 4-24 Official development assistance to Sub-Saharan Africa
by major donors (2006)**

Figure 5. Official Development Assistance to Sub-Saharan Africa by Major Donors, 2006
(Billions of US dollars)



Sources: OECD/DAC; and National Bureau of Statistics of China.

¹Multilateral institutions include the World Bank, the International Monetary Fund, and the African Development Bank. These institutions delivered significant debt relief in 2000–05.

²Author's estimate for 2005, assuming that 50 percent of the value of contracted projects is ODA (including technical assistance and aid in kind). Contracted projects reported by the National Bureau of Statistics of China include projects financed by the Chinese government under its foreign aid program. Debt relief includes all interest-free loans that had matured by the end of 2005, as announced by the Chinese government in November 2006.

Source: IMF (2007) *What Drives China's Growing Role in Africa?*, IMF Working Paper (WP/07/211)

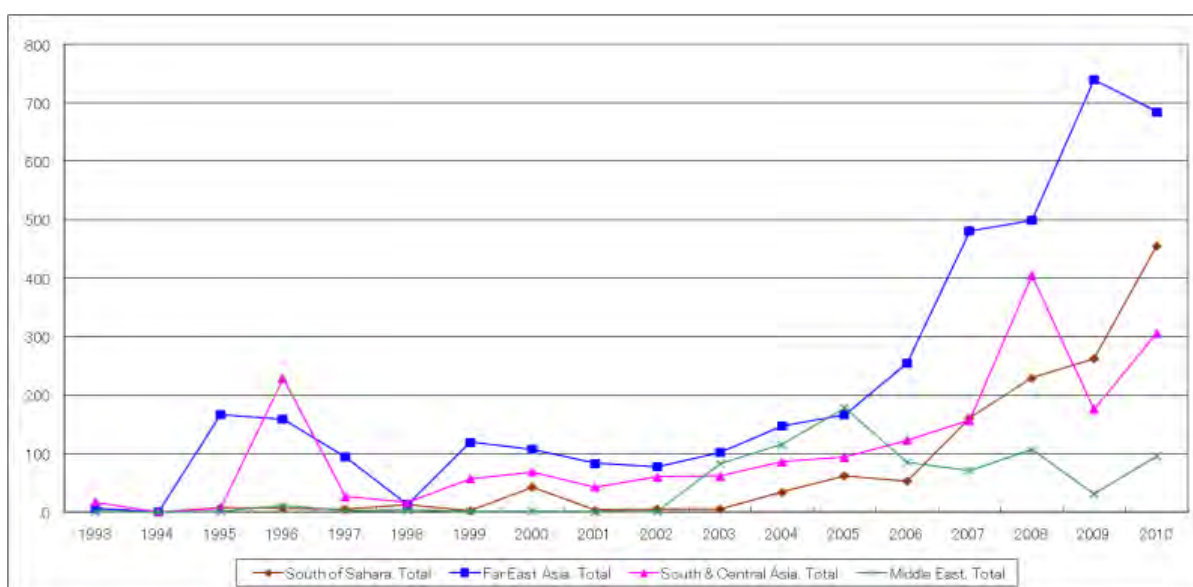
Refer to Chapter 2 for details on the “Forum on China-Africa Cooperation (FOCAC),” China’s cooperative framework for Africa.

(2) South Korea

Although the majority of South Korea’s assistance is directed to East Asia, Africa ranked second in 2009 and 2010. Until 2003, Africa only received a small amount of assistance from South Korea, but this figure has been increasing since 2004 and has grown particularly fast from 2006 onwards. In 2010, Sub-Saharan Africa accounted for 25.2% of total South Korean assistance (commitment based), with Africa as a whole receiving 26.7% (see figure below). In 2010, countries receiving major amounts of assistance from South Korea were, in descending order, (1) Angola 20.2%, (2) Tanzania 16.3%, (3) Ghana 13.0%, (4) Mozambique 12.6%, and (5) Senegal 11.9% (commitment based; see figure below).

Figure 4-25 Korea's assistance by region
(Unit: US\$ million, Commitment based)

| | 1993 | | 1998 | | 2003 | | 2008 | | 2010 | |
|------------------------|--------|--------|--------|--------|--------|--------|---------|--------|---------|--------|
| | Amount | % | Amount | % | Amount | % | Amount | % | Amount | % |
| Total Amount | 46.8 | 100.0% | 166.8 | 100.0% | 316.6 | 100.0% | 1,454.9 | 100.0% | 1,809.6 | 100.0% |
| Overall Africa | 6.2 | 13.2% | 14.2 | 8.5% | 9.0 | 2.8% | 255.0 | 17.5% | 484.1 | 26.7% |
| Sub-Saharan Africa | 5.5 | 11.7% | 12.0 | 7.2% | 5.2 | 1.6% | 229.4 | 15.8% | 455.6 | 25.2% |
| Overall Asia | 23.5 | 50.3% | 32.2 | 19.3% | 245.6 | 77.6% | 1,023.0 | 70.3% | 1,091.3 | 60.3% |
| East Asia | 6.0 | 12.8% | 13.1 | 7.9% | 101.9 | 32.2% | 499.0 | 34.3% | 684.6 | 37.8% |
| South and Central Asia | 16.8 | 35.8% | 16.2 | 9.7% | 61.1 | 19.3% | 405.0 | 27.8% | 305.7 | 16.9% |
| Middle East | 0.7 | 1.6% | 2.9 | 1.7% | 82.6 | 26.1% | 106.6 | 7.3% | 95.2 | 5.3% |



Source: Prepared on the basis of the DAC Statistics Database (CSR)

* African countries are classified as Sub-Saharan African countries or Northern African countries, or as the African region as a whole (cross-country).

Figure 4-26 Major countries receiving assistance from South Korea:
As a percentage of total assistance
(Unit: %, Commitment based)

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|---|---------------------|------------------------|--------------------|-----------------------|-----------------------|
| 1 | Egypt (7.0%) | Angola (58.7%) | Egypt (19.1%) | Mozambique (18.1%) | Angola (20.2%) |
| 2 | Cameroon (15.3%) | Tunisia (9.1%) | Algeria (12.9%) | Tanzania (15.3%) | Tanzania (16.%) |
| 3 | Tanzania (4.9%) | Egypt (5.3%) | Ethiopia (11.7%) | Cameroon (14.0%) | Ghana (13.0%) |
| 4 | Sudan (4.7%) | South Africa (3.8%) | Tanzania (8.7%) | Madagascar (11.9%) | Mozambique (12.6%) |
| 5 | Ethiopia (4.5%) | Ethiopia (3.7%) | Morocco (7.6%) | Liberia (4.1%) | Senegal (11.9%) |

Source: Prepared on the basis of the DAC Statistics Database (CSR)

In January 2010, South Korea became a member of the OECD Development Assistance Committee (DAC). In November of the same year, South Korea hosted the Seoul G20 Summit and succeeded in including development issues on the agenda, which had until then leaned toward financial matters, while taking the initiative to endorse the “Seoul Development Consensus,” which set out the principles for G20, including the promotion of a strong and responsible development partnership. The South Korean government announced that it would promote knowledge-sharing and south-south cooperation in the *Multi-Year Action Plan* outlined in the said consensus and set up a mechanism for pursuing the government’s priority “Knowledge Sharing Program (KSP)” on a global framework.

In this way, South Korea has placed ODA as its basic national strategy, and by leveraging its development experience as brand strength, has put up its policy to utilize ODA as a major tool of soft power and to promote intellectual ODA in a systematic manner⁶⁶. Additionally, in November 2011, the High Level Forum on Aid Effectiveness: HLF-4 was held successfully in Busan, and South Korea, as an emerging donor, has been serving as a bridge to connect the traditional development partners, making every effort to play a leading role in the discussions on development cooperation in the international community.

Refer to Chapter 2 for details on the “Korea Africa Economic Cooperation (KOAPEC),” South Korea’s cooperative framework for Africa.

(3) India

India prioritizes neighboring countries when selecting targets for assistance. In fiscal 2011, India allocated approximately 87% of its total assistance to neighboring countries such as Bhutan, Sri Lanka, Afghanistan, Myanmar, Nepal, and the Maldives⁶⁷. The remaining approximately 13% was granted to countries in Africa, Central Asia, and Central and South America⁶⁸.

Aggregated data from fiscal 2001 onwards reveals that Africa is usually the second or third highest recipient of Indian assistance. However, the proportion of total assistance remains low at 5.3% in fiscal 2009, 5.1% in fiscal 2010, and 4.9% in fiscal 2011, respectively. Though assistance to Africa is on the increase, in recent years Indian assistance to Myanmar has ballooned and actually outstripped assistance to Africa (budget basis) in 2011 (Myanmar–1.9 billion rupees; Africa–1.5 billion rupees) (see figure below). It should be noted that all Indian assistance to Africa takes the

⁶⁶ From “South Korea: The Spirited Emerging Donor” *International Development Journal* (April 2011 edition)

⁶⁷ Myanmar is classified under “Southeast Asia” in Figure 4-87. All aid to “Southeast Asia” goes to Myanmar.

⁶⁸ From materials of the *Japan’s Official Development Assistance White Paper 2011* (Ministry of Foreign Affairs of Japan)

http://www.mofa.go.jp/mofaj/gaiko/oda/shiryo/hakusyo/11_hakusho_sh/pdfs/s_all.pdf

form of grants.

**Figure 4-27 Regional allocation of third-country assistance
by the Indian government**

**(Unit: 10 million rupees, percentage of total assistance to developing countries [%],
lower figure - amount in US\$)**

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|--|--|--|--|--|--|--|--|--|--|--|
| 1 | South and Central Asia 807.7 (85.3%) USD171.2mil | South and Central Asia 917.0 (77.5%) USD188.9mil | South and Central Asia 1,105.3 (81.7%) USD237.6mil | South and Central Asia 1,164.0 (71.6%) USD257.2mil | South and Central Asia 1,296.3 (69.2%) USD294.3mil | South and Central Asia 880.5 (57.3%) USD194.6mil | South and Central Asia 1,392.5 (81.7%) USD337.0mil | South and Central Asia 2,296.9 (86.9%) USD530.6mil | South and Central Asia 1,846.2 (78.3%) USD390.3mil | South and Central Asia 2,317.0 (79.4%) USD505.1mil | South and Central Asia 2,463.0 (80.8%) USD524.6mil |
| 2 | Southeast Asia 16.8 (1.8%) USD3.6mil | Africa 8.0 (0.7%) USD1.6mil | Africa 71.6 (5.3%) USD15.4mil | Africa 106.8 (6.6%) USD23.6mil | Africa 61.0 (3.3%) USD13.8mil | Southeast Asia 44.6 (2.9%) USD9.9mil | Africa 50.0 (2.9%) USD 12.1mil | Africa 95.0 (3.6%) USD21.9mil | Africa 125.0 (5.3%) USD25.8mil | Africa 150.0 (5.1%) USD32.7mil | Southeast Asia 190.0 (6.2%) USD40.5mil |
| 3 | Africa 7.7 (0.8%) USD1.6mil | Southeast Asia 5.5 (0.5%) USD1.1mil | Southeast Asia 4.0 (0.3%) USD0.9mil | Southeast Asia 6.2 (0.4%) USD1.4mil | Southeast Asia 22.0 (1.2%) USD5.0mil | Africa 20.0 (1.3%) USD4.4mil | Southeast Asia 20.0 (1.2%) USD4.8mil | Southeast Asia 35.0 (1.3%) USD8.1mil | East Asia 125.0 (5.3%) USD25.8mil | Southeast Asia 90.0 (3.1%) USD19.6mil | Africa 150.0 (4.9%) USD32.0mil |

Note: The figures for 2001 and 2010 are adjusted estimated budgets, while the figures for 2011 are budget amounts.

Source: From the materials of Japan's Official Development Assistance White Paper 2011 (Ministry of Foreign Affairs of Japan)

The Indian Technical and Economic Cooperation Programme (ITEC) was launched in September 1964 as a bilateral program of assistance under the supervision of the Government of India Ministry of External Affairs, Technical Cooperation Division. In addition to offering bilateral cooperation, the program provides regional technical cooperation programs. In Africa, it has built cooperative relationships with the Economic Commission for Africa (ECA) and recently with the African Union (AU). The Indian government, under ITEC and the Special Commonwealth African Assistance Programme (SCAAP), has provided technical cooperation with 158 countries, including African countries, and has been endeavoring to share India's development experience in various fields. The technical cooperation has the following components⁶⁹:

- Training (training program) in India of nominees from ITEC partner countries;
- Project- and program- related activities such as feasibility studies and consultancy services;
- Dispatching Indian experts abroad;
- Study tours;
- Providing grants (in kind) at the request of ITEC partner countries; and
- Assistance for disaster relief.

In April 2008, the first India-Africa Summit was held in New Delhi with the participation of India,

⁶⁹ <http://www.itec.mea.gov.in/>

14 African nations, and the AU. At the Summit, Prime Minister Manmohan Singh unveiled plans for expanding India's relationships with Africa, by means of an additional US\$500 million in assistance to Africa, as well as priority assistance in the areas of human resource development, vocational training, tertiary education, the development of agricultural techniques, the research and development of renewable energy materials, and the support of information technology education. It has been pointed out that behind India's support is its desire to secure from Africa the energy resources necessary for India's economic growth and to enhance its relationship with Africa, which promises to become a major market⁷⁰.

Additionally, in May 2011 the 2nd India-Africa Summit was held in Addis Ababa under the theme, "Enhancing Partnerships: Shared Vision"⁷¹, and an agreement was reached to enhance economic cooperation and partnership in the fields of agriculture, trade/industry/investment, the development of small and medium-sized enterprises, and finance and regional integration, from the standpoint of the promotion of south-south cooperation. (See below for specific details⁷².) Trade and technology transfer are the main features of Indian assistance to Africa, and India is expected to reinforce its engagement in Africa in the future.

- Agriculture

Africa and India reaffirmed their commitment to cooperate towards the achievement of MDGs at the Summit. The importance of research and development to improve agricultural productivity was emphasized, as was the need for food security. From this standpoint, both parties agreed to work towards the implementation of the Comprehensive Africa Agricultural Development Programme (CAADP).

- Trade, industry and investment

Africa has highlighted the need for Indian private sector investment and financing to help achieve sustainable development, with this money earmarked for infrastructure development and export promotion. The already-established Duty Free Tariff Preference Scheme gives Africa's LDCs access to the Indian market and this scheme will continue to be utilized from hereon. India has also confirmed it will continue to provide support for human resource development to promote African industrialization and service industry. Both sides also agreed to work towards improving the legal and regulatory environment for public-private partnerships.

- The development of SMEs

⁷⁰ From reporting by NHK.

⁷¹ <http://www.au.int/en/summit/AfricaIndia>

⁷² <http://www.indiaafricasummit.nic.in//staticfile/framework-en.pdf>

India announced it will be assisting SME development in Africa through training and the establishment of vocational training centers. There was also remark of the Indian chamber of commerce contributing in this area. India expressed its particular desire to offer support to Africa's entrepreneurs.

- Finance

India announced it would encourage Indian funding to Africa in order to promote south-south cooperation. India also said it will continue to provide credit lines to Africa as well as grant aid, and that these will be augmented by direct private investment into Africa. Both sides reconfirmed their commitment to developing the African financial sector and enhancing engagement between African and Indian private-sector (commercial) financial institutions.

- Regional integration

India pledged to continue supporting regional economic integration across Africa.

4-5-2. Trends and African strategies of NGOs (including foundations)

As international coordination bodies, NGOs and foundations provide on-the-ground support in Africa. Though the size of support differs, NGOs and foundations provide substantial volumes of support to Africa. The size of cooperation by some organizations, like the Bill & Melinda Gates Foundation, is comparable to those of JICA's grant aid. The cooperation provided by these agencies takes many forms and covers many sectors, but as the following outline of NGO/foundation activity shows, substantial support is provided to health, including anti-HIV/AIDS measures.

(1) International NGO: Alliance for a Green Revolution in Africa (AGRA)

AGRA is an NGO, which was founded in 2006 through a partnership with the Rockefeller Foundation and the Bill & Melinda Gates Foundation, and which currently also receives contributions from the U.K. Department for International Development (DFID). AGRA focuses on the four countries of Ghana, Mali, Mozambique, and Tanzania, and promotes public- and private sector-cooperation to the end of dramatically improving agricultural productivity. In addition to the four focused countries, AGRA also operates in South Africa, Malawi, Zambia, Uganda, Kenya, Ethiopia, Rwanda, Nigeria, Niger, and Burkina Faso, and advocates the creation of a value chain in the agricultural field.

To instigate comprehensive reforms in Africa's agricultural system, AGRA has been implementing various programs, including the Program for Africa's Seed Systems, the Soil Health Program, the Market Access Program, the Policy & Partnerships Program, and the Programme for Rural Outreach of Financial Innovations and Technologies; in addition to supporting agricultural education and

efficient water management. Through these activities, AGRA aims to achieve the following three objectives by 2020⁷³:

- To reduce food insecurity by 50% in at least 20 African countries;
- To double the income of 20 million smallholder farmers in Africa; and
- To enable a sustainable African Green Revolution in at least 15 African countries (support of smallholder farmers, environmental protection and adaptation to climate change).

In June 2009, a memorandum of understanding (MOU) was signed between JICA and AGRA to reinforce the cooperation between the two organizations. The MOU was signed in order to ensure the implementation of the “Coalition for African Rice Development (CARD) Initiatives,” in which objectives were reflected in the Yokohama Action Plan, which was one of the main documents adopted at the 4th Tokyo International Conference on African Development (TICAD IV held in May 2008)⁷⁴.

(2) Bill & Melinda Gates Foundation

The Bill & Melinda Gates Foundation, which was established by Microsoft Corporation Chairman Bill Gates and his wife Melinda, is the biggest foundation in the world. As of March 31, 2012, the foundation’s total assets reached US\$35.6 billion and the number of employees was 1,025. Since its inception, the total support provided has reached approximately US\$23.46 billion, while the total support provided in 2010 and 2011 were US\$2.6 billion and US\$3.4 billion, respectively (see figure below). These amounts are comparable to the size of grant aid provided by JICA⁷⁵ (FY2010 results: JPY271.2 billion⁷⁶), and the foundation has grown in size such that it is equal to or greater than government assistance agencies.

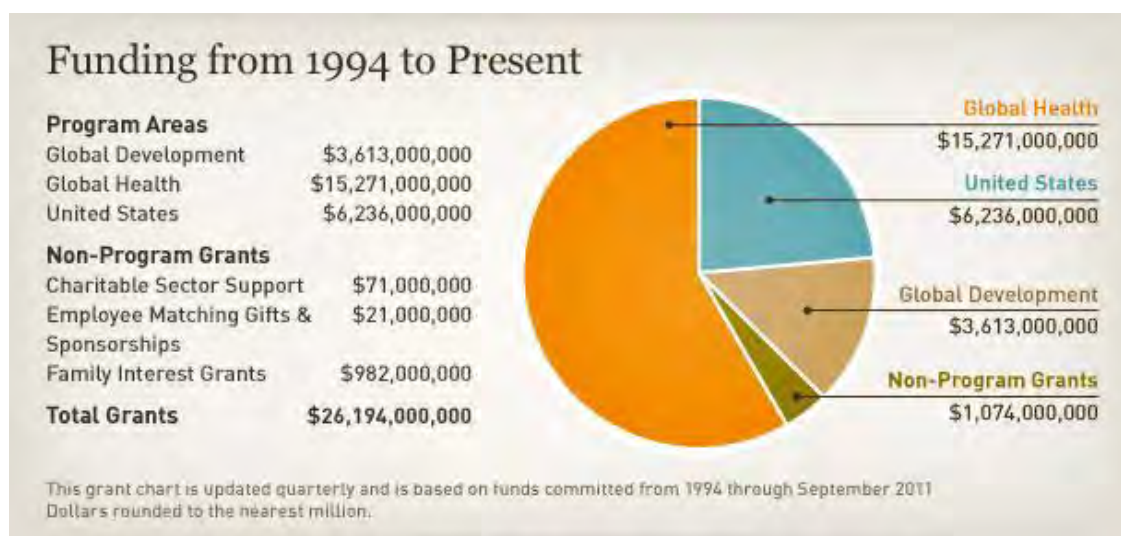
⁷³ <http://www.agra-alliance.org/>

⁷⁴ From a JICA press release (June 1, 2009) http://www.jica.go.jp/press/2009/20090601_02.html

⁷⁵ JICA (2011), JICA Annual Report 2011

⁷⁶ Total amount of JICA’s expenses involved in Technical Cooperation operations (Excluding funding cooperation and administrative expenses) and Grant Aid disbursed provided by JICA (Including newly concluded Grant Agreements [G/A] and G/A currently being implemented)

Figure 4-28 Breakdown of funding of the Bill & Melinda Gates Foundation



Source: Bill & Melinda Gates Foundation website

<http://www.gatesfoundation.org/about/Pages/foundation-fact-sheet.aspx>

Programs eligible for grants are: (1) the Global Development Program, (2) the Global Health Program, (3) Global Policy and Advocacy, and (4) the United States Program. The Global Development Program, which aims to increase opportunities for people in developing countries to overcome hunger and poverty, supports agricultural development, financial services for the poor, and programs for water, sanitation, and hygiene (subsidies). In agricultural development, the foundation, through subsidies to AGRA, aims to increase agricultural yield by 50 to 100% for 4.1 million farmers by 2013. The Global Health Program focuses on measures to fight and prevent infectious diseases such as enteric and diarrheal diseases, HIV/AIDS, malaria, pneumonia, tuberculosis, and other infectious diseases; in addition to making grants to the Global Fund to Fight AIDS, Tuberculosis, and Malaria. Global Policy and Advocacy has set up a team within the foundation responsible for advocacy, policy analysis, and liaising with government agencies, as well as offices in India, China, the U.K., and Washington D.C., to engage in foreign operations. The foundation going forward is considering establishing offices in Nigeria, Ethiopia, and South Africa. The United States Program engages in activities to provide educational and IT opportunities within the United States.

Major grantees and grant amounts provided by the foundation relating to assistance to Africa are as follows⁷⁷.

⁷⁷ <http://www.gatesfoundation.org/about/Pages/foundation-fact-sheet.aspx>

- GAVI Alliance: US\$1.5 billion (expanding childhood immunization)
- United Negro College Fund, Gates Millennium Scholars Program: US\$1.37 billion (scholarships)
- PATH Malaria Vaccine Initiative (MVI): US\$456 million (malaria vaccine development)
- Rotary International: US\$355 million (supporting polio eradication)
- Intensive Partnerships for Effective Teaching: US\$290 million (teacher training)
- Alliance for a Green Revolution in Africa (AGRA): US\$264 million (improving seeds and soil for African farmers)
- Save the Children: US\$112 million
- United Way of King County: US\$85 million
- World Food Programme (WFP): US\$66 million

(3) CARE International⁷⁸

CARE was originally established in 1945 when 22 U.S. organizations joined together to provide support for post-war Europe. It has now developed into a very prominent international organization with local offices in over 70 developing nations or war torn countries across Asia, Africa, the Middle East, and Central and South America. It has 15,000 staff members and annually helps 65 million people to become self-sufficient. CARE is comprised of 14 independent member nations, including Japan, with its Secretariat based in Geneva, Switzerland.

CARE's vision is to "seek a world of hope, tolerance and social justice, where poverty has been overcome and people live in dignity and security." Its mission is to "serve individuals and families in the poorest communities in the world." It promotes lasting change by:

- Strengthening capacity for self-help
- Providing economic opportunity
- Delivering relief in emergencies
- Influencing policy decisions at all levels
- Addressing discrimination in all its forms

⁷⁸ Compiled using information from CARE International's website: (<http://www.careintjp.org/>)

CARE spends up to 80 billion yen annually on projects. Its strength lies in its comprehensive, long-term approach to cooperation that tackles a wide range of areas such as income raising, education, self-sufficiency, health, water and sanitation, the environment, and community development. Furthermore, in times of conflict or disaster, CARE uses its global network to deliver immediate relief to affected communities across the world.

CARE has been involved in Africa for over 40 years and is active in 24 African countries. It focuses on the various issues facing the African continent, such as HIV/AIDS, agricultural issues, food shortages, unstable governments, or conflict. CARE recognizes the connection between HIV/AIDS and poverty. It works towards preventing the spread of HIV and also helps HIV-positive people to participate in the community and to live longer, better lives.

CARE works across East and Central Africa, particularly in the Great Lakes region in the Democratic Republic of Congo and Rwanda, to alleviate the harmful impact of conflict on women's social standing and treatment. CARE is also involved in educational activities for health issues such as reducing maternal mortality ratio in Tanzania. It also deals with the following issues as it seeks to tackle emergencies in countries throughout South and West Africa.

- Food crisis in South and West Africa with the occurrence of several complicated and multi-faceted emergencies due to long-term factors
- Emergencies related to conflict in the Ivory Coast
- Post-war recovery in Angola, Sierra Leone and the Democratic Republic of Congo
- Support for refugees from Sudan and Somalia

The mission of CARE International Japan is to tackle the roots of poverty by providing humanitarian support during emergencies in developing nations. Through its initiatives on "HIV/AIDS" and "women and children," it helps the most-disadvantaged communities to become self-sufficient.

(4) Oxfam International⁷⁹

Oxfam was established in 1942 when the city of Oxford began sending food and old clothes to Greek citizens in areas under attack from the Nazis. This international cooperation body is engaged in 92 countries across the world, helping people to overcome poverty and fighting to change the conditions that give rise to poverty.

Oxfam envisages a world based on fair rules, where all human beings are valued and live lives

⁷⁹ Compiled using information from Oxfam Japan's website: (<http://www.oxfam.jp/>)

that meet all the basic human requirements. It is a world where people can influence decisions which affect their lives. All of Oxfam's activities are geared towards achieving this "fairer world."

Oxfam is an international confederation of 17 independent and autonomous organizations which aim to tackle global poverty. Oxfam's activities are funded by approximately 56 billion yen it receives in contributions each year from nearly one million people. These activities are supported by an army of over 35,000 volunteers.

Oxfam carries out long-term and ongoing support for developing nations. It uses this experience to campaign on a global level, where it conducts educational activities and policy recommendations aimed at developed nations. Based on its long history of successful on-the-ground initiatives, Oxfam conducts surveys and research to determine the underlying causes of poverty. Based on the results of these activities, it then formulates and espouses policies it believes international agencies and the governments of developed nations should take. This is Oxfam's fundamental approach to tackling poverty and injustice.

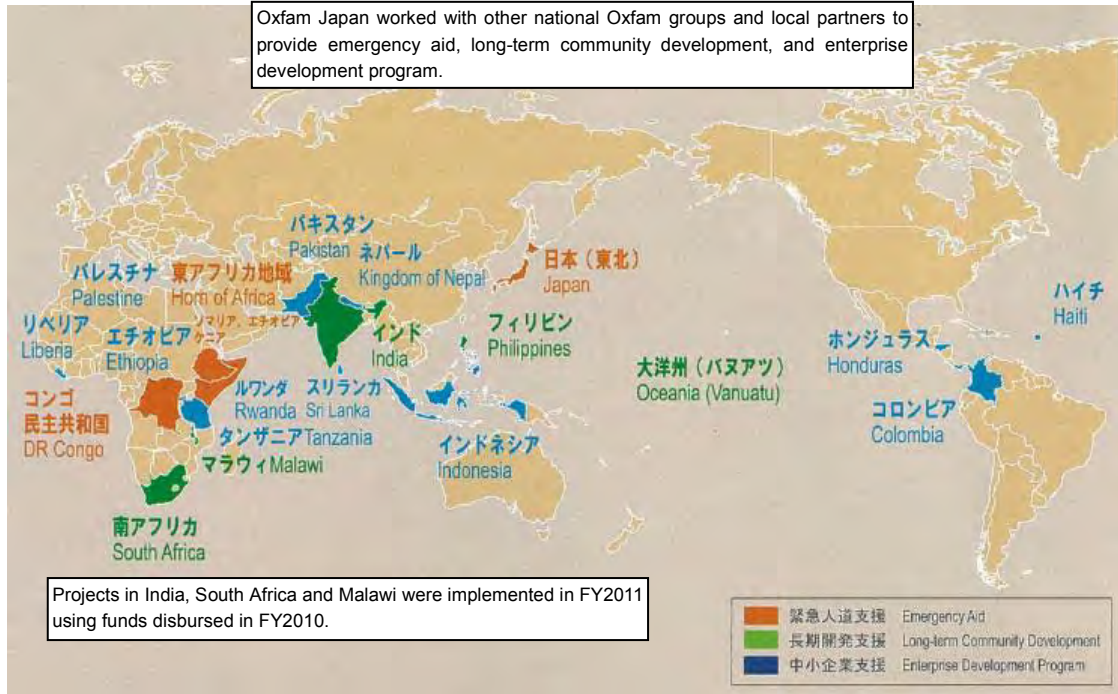
The four pillars of Oxfam Japan's activities are outlined below.

- **Advocacy and campaigning:** Advocacy involves working together with other domestic and international agencies to push governments and international bodies to introduce fair policies that benefit the poor. Campaigning involves gaining the public's support for these reforms.
- **Long-term development support:** Oxfam helps to build sustainable communities through: health and sanitation initiatives; basic education; HIV-AIDS countermeasures; agricultural, technical cooperation and industrial support; and disaster prevention measures. These initiatives focus on empowering local communities to build their own social infrastructure.
- **Emergency humanitarian support:** Oxfam provides relief to people whose lives have been disrupted by natural disasters or armed conflict. It also helps these people get their lives back together.
- **Domestic educational programs:** Oxfam devises and implements various methods to enable more people to get involved in reducing poverty.

Oxfam is involved in a number of initiatives in Africa. In the Democratic Republic of Congo, for example, Oxfam provides sanitation lessons or improved water source to refugee camps or villages whose numbers have been swollen by displaced people. In East Africa (Somalia, Ethiopia, Kenya), it provides emergency humanitarian support (food and water supply, protection against infectious diseases, livestock support) to people suffering serious food shortages due to drought. In South Africa and Malawi, meanwhile, Oxfam provides support to people infected with HIV/AIDS (home

care, counseling about prevention or treatment, and support to AIDS orphans)⁸⁰.

Figure 4-29 Areas where Oxfam Japan is active



Source: Oxfam Japan: “FY2011 Annual Report” (2011)

(5) World Vision

World Vision was established in Oregon in September 1950 by the U.S.-born Christian Reverend Bob Pierce. It operates as an international NGO. Japan and other member nations have their own independent general assemblies and board of directors. These are responsible for the running of World Vision in each of their respective countries. World Vision’s overarching policies, business plans and budgets are set by its International Board. This is composed of directors selected from the national offices. In fiscal 2011, World Vision had 44,000 staff members and was active in 97 countries, including several in Africa. 3.31 million children benefit from its Child Sponsorship program. It is also raising more money each year, from \$2.57 billion in fiscal 2008 to \$2.58 billion and \$2.61 billion in fiscal 2009 and 2010, respectively⁸¹.

⁸⁰ Oxfam Japan: “FY2011 Annual Report” (2011)

⁸¹ <http://www.worldvision.jp/>

Figure 4-30 Countries where World Vision is active



Source : World Vision Japan website: <http://www.worldvision.jp/>

World Vision's activities are composed of three pillars, as outlined below: (1) community development, (2) disaster relief and (3) advocacy⁸².

- **Community development:** In order to help children grow up healthily, World Vision focuses on promoting self-sustaining local development. It also offers support for community development through its Child Sponsorship program. It offers long-term support across a variety of sectors including education, health and sanitation, agricultural guidance, development of water resources, income raising, teacher training, and HIV/AIDS countermeasures. It is also actively involved in development projects that involve working with the UN or governmental institutions.
- **Disaster relief:** World Vision provides emergency relief when disasters occur and also provides humanitarian support during times of conflict. This involves the delivery of supplies such as food, clothes, blankets and tents. It also provides psychological counseling to people afflicted by these incidents. When the emergency has passed, World Vision supports people's efforts to get their lives back on track. This support includes rebuilding the basic necessities of life, such as: health and sanitation; education; agriculture; and housing.
- **Advocacy:** World Vision's advocacy activities focus on creating a stable and peaceful environment for the world's children to grow up in. It advocates for "children's rights" and tries to make this the central priority of international politics. For example, it conducts lobbying activities and signature collecting campaigns at the opening of G8 Summits.

In fiscal 2011 (October 2010–September 2011), World Vision Japan was engaged in 62 projects across 15 African countries. It works on the ground to carry out support in several areas including:

⁸² Ibid.

HIV/AIDS prevention and care of infected people, efforts to tackle tuberculosis, construction of elementary schools, programs to improve nutrition, food aid programs, support for the agriculture and dairy industries, community development programs, and emergency humanitarian relief⁸³.

4-6. Review of Japanese ODA to African region in surveyed countries with its data of TICAD Co-organizers

4-6-1. Review of Japanese ODA to African region in surveyed countries with its data of TICAD Co-organizers

A simple review of Japanese ODA to Africa from TICAD I to the present was undertaken. The ODA activities of Japan in each country's key sectors and its co-organizers (the World Bank, the UN) are outlined in more detail below. Surveyed countries include: South Africa, Tanzania and Kenya, three nations critical to the promotion of development cooperation in Africa; Mozambique, which is central to the development of the Southern Economic Corridor; Ethiopia, where the AU headquarters are located; and Senegal and Ghana, two of the largest recipients of Japanese ODA yen loans in West Africa. A review was conducted into the performance of Japanese assistance in each of these countries and ODA performance in those focused areas identified in Japan's rolling plans. Figure below provides a matrix of ODA performance in the focused areas of each country.

Figure 4-31 A matrix of survey and focused areas identified in Japan's rolling plans for (certain) African countries

| | Focused areas in country case studies undertaken for survey analysis | | | | | | |
|---|--|------------|----------|---------------------|-------|---------|-------|
| | South Africa | Mozambique | Ethiopia | Tanzania | Kenya | Senegal | Ghana |
| Transport (logistics) | | | ○ | ○ | ○ | ○ | ○ |
| Electric power | | | | ○ | ○ | ○ | ○ |
| Private sector development | | ○ | ○ | | ○ | | |
| Agricultural and rural development | | ○ | ○ | ○ | ○ | ○ | ○ |
| Fisheries promotion | | | | | | ○ | |
| Basic education | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| Higher education | ○ | ○ | | Secondary education | | | |
| Human resource development for industry | | | | | | ○ | △ |
| Prevention of infectious disease | ○ | | | | | | ○ |

⁸³ World Vision Japan: "FY2011 Annual Report" (2011)

| | Focused areas in country case studies undertaken for survey analysis | | | | | | |
|----------------------------------|--|------------|----------|----------|-------|---------|-------|
| | South Africa | Mozambique | Ethiopia | Tanzania | Kenya | Senegal | Ghana |
| Maternal and child health | ○ | ○ | ○ | ○ | ○ | ○ | ○ |
| Access to safe, clean water | ○ | | ○ | ○ | | | |
| Environmental and climate change | | ○ | ○ | | ○ | | |
| Peace building | | | | ○ | | | |
| South-south cooperation | ○ | | | ○ | | | |

Note: The shaded boxes represent sectors listed in this report as good examples of Japanese initiatives.

Source: Compiled by Mitsubishi UFJ Research & Consulting with reference to the respective MOFA rolling plans

Below is a summary of development plans and development assistance for the above seven countries. The ODA performance of Japan for each country's focused areas⁸⁴ is outlined together with the World Bank and the UN (both co-organizers).

A glance at Japanese ODA to each country reveals a tendency to focus mainly on education, health, water supply and infrastructure. This applies to all the countries surveyed. While other donors tend to select and focus on the same areas when offering assistance, Japan offers support in key areas in accordance with each country's development plans. Japan tries not to overly-focus on economic development and also provides ongoing support for social development.

⁸⁴ The summary of development plans and development assistance for each country was compiled with reference to the MOFA's "ODA Country Data Book."

(1) South Africa

Summary of development plans and development assistance in South Africa

Following the inauguration of the Zuma administration in May 2009, the President's Office launched the "Medium Term Strategic Framework for the Period 2009 to 2014 (MTSF) initiative," a national development plan based on electoral pledges made by the African National Congress (ANC). The initiative identifies the following ten priority development areas.

1. Speed up growth and transform the economy to create decent work and sustainable livelihoods
2. Massive programme to build economic and social infrastructure
3. Comprehensive rural development strategy linked to land and agrarian reform and food security
4. Strengthen the skills and human resource base
5. Improve the health profile of all South Africans
6. Intensify the fight against crime and corruption
7. Build cohesive, caring and sustainable communities
8. Pursue African advancement and enhanced international co-operation
9. Sustainable resource management and use
10. Build a developmental state including improvement of public services and strengthening democratic institutions

Furthermore, during a 2011 financial address, the ANC also announced its prioritizing of job creation, poverty reduction, infrastructure building and economic growth, with infrastructure building, the promotion of labor-intensive industries, the green economy and the intensification of

1) Performance of aid to South Africa

Japanese ODA to the Republic of South Africa began in early 1990 after the dismantlement of the Apartheid system. Japanese ODA initially took the form of trainee acceptance programs and grant assistance for grass roots and human security initiatives. Following the transition to democracy in 1994, Japan began to fully offer ODA in tandem with the implementation of the "Reconstruction and Development Programme (RDP)," a core policy aimed at improving the lot of the poor black population, and the "Growth, Employment And Redistribution GEAR, 1996)," a core policy aimed at the liberalization of South Africa's economy⁸⁵.

The Japanese government has also provided assistance in accordance with the "Accelerated and Shared Growth Initiative of South Africa (ASGISA, formulated in 2005),⁸⁶" which aims to half the unemployment rate by 2014 through infrastructure investment, industrial development and capacity building, and the "Joint Initiative on Priority Skills Acquisition (JIPSA, formulated in 2006), which focuses on developing the human resources needed to achieve the ASGISA.

Up until now, Japan has worked closely with the Republic of South Africa to identify three

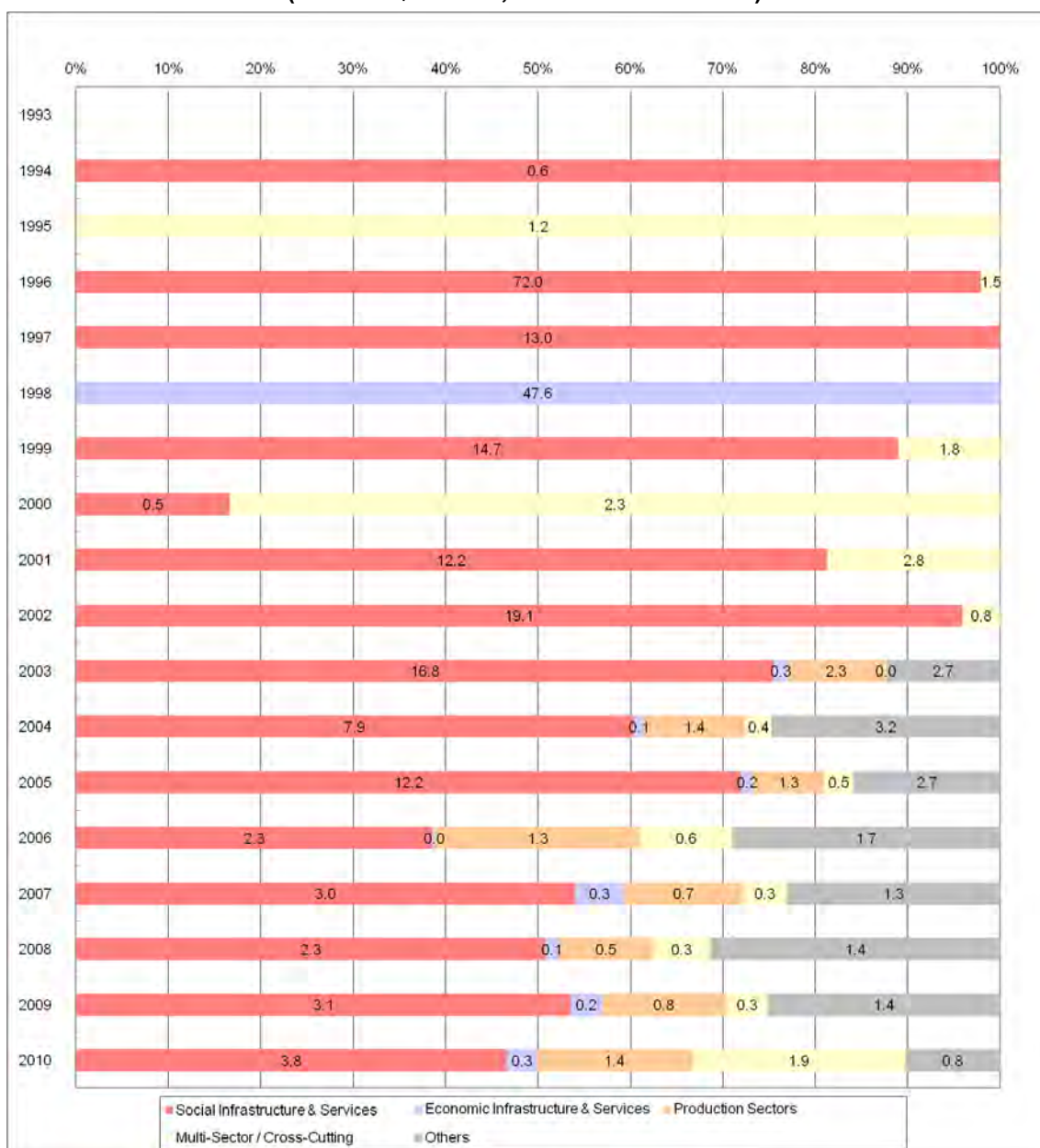
⁸⁵ MOFA (2011), page 651 and The Department of Finance 'Growth, Employment, And Redistribution: A macroeconomic strategies' <http://www.treasury.gov.za/publications/other/gear/all.pdf> (Accessed on 4th October 2012)

⁸⁶ The Presidency 'The Accelerated and Shared Growth Initiative of South Africa'

focused areas: (1) Human Resource Development and Industry Promotion for Economic Growth; (2) Improvement of Basic Human Needs; (3) South-South Cooperation Aligned with NEPAD and SADC initiatives (support for third party countries using South African resources). Based on South Africa's National Development Plan and on deliberations at the 11th Japan-South Africa Partnership Forum in 2011, Japan has outlined its intention to implement aid programs that may include yen loans in addition to the major technical assistance and schemes pursued up until now (trainee acceptance programs and grant assistance for grass roots and human security initiatives).

Total Japanese ODA to South Africa have steadily declined as South Africa makes the transition to a middle income country. As for assistance by sector, as outlined in figures below, apart from 1998, when the transportation sector received substantial funding, most aid has been disbursed to the social infrastructure and services sector, particularly education and health. Aid was also allocated to improving water supplies and sanitation up until 2005.

Figure 4-32 Japanese ODA to South Africa: Total and breakdown
(Unit: US\$ million, Commitment based)

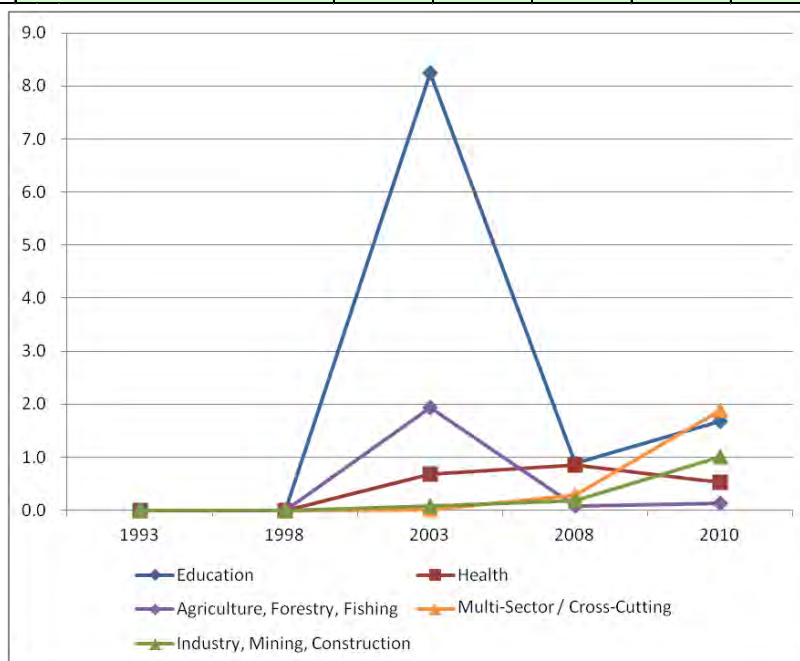


Source: Compiled using the OECD/DAC Statistics database

**Figure 4-33 Japanese ODA disbursements to South Africa:
Key areas and its transition**

(Unit: US\$ million, Commitment based)

| | 1994 | 1998 | 2003 | 2008 | 2010 |
|--|------|------|------|------|------|
| South Africa Total | 0.6 | 47.6 | 16.3 | 4.6 | 8.2 |
| Total Sector Allocable | 0.6 | 47.6 | 13.8 | 3.1 | 7.3 |
| Social Infrastructure & Services | 0.6 | 0.0 | 11.5 | 2.3 | 3.8 |
| Education | 0.0 | 0.0 | 8.2 | 0.9 | 1.7 |
| Health | 0.0 | 0.0 | 0.7 | 0.9 | 0.5 |
| Population Pol./Progr. & Reproductive Health | 0.0 | 0.0 | 0.0 | 0.0 | 0.9 |
| Water Supply & Sanitation | 0.0 | 0.0 | 2.0 | 0.1 | 0.2 |
| Government & Civil Society | 0.6 | 0.0 | 0.0 | 0.4 | 0.4 |
| Other Social Infrastructure & Services | 0.0 | 0.0 | 0.5 | 0.2 | 0.1 |
| Economic Infrastructure & Services | 0.0 | 47.6 | 0.0 | 0.1 | 0.3 |
| Transport & Storage | 0.0 | 47.6 | 0.0 | 0.0 | 0.0 |
| Communications | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 |
| Energy | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Banking & Financial Services | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 |
| Business & Other Services | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Production Sectors | 0.0 | 0.0 | 2.3 | 0.5 | 1.4 |
| Agriculture, Forestry, Fishing | 0.0 | 0.0 | 1.9 | 0.1 | 0.1 |
| Industry, Mining, Construction | 0.0 | 0.0 | 0.1 | 0.2 | 1.0 |
| Trade Policies & Regulations | 0.0 | 0.0 | 0.3 | 0.2 | 0.2 |
| Tourism | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Multi-Sector / Cross-Cutting | 0.0 | 0.0 | 0.0 | 0.3 | 1.9 |
| General Environment Protection | 0.0 | 0.0 | 0.0 | 0.1 | 0.4 |
| Other Multisector | 0.0 | 0.0 | 0.0 | 0.2 | 1.5 |
| Others | 0.0 | 0.0 | 2.4 | 1.4 | 0.8 |



Source: Compiled using the OECD/DAC Statistics database

Outlined below are the three focused areas from Japanese ODA, together with the data of TICAD Co-organizers in these areas⁸⁷.

(i) Human Resource Development and Industry Promotion for Economic Growth

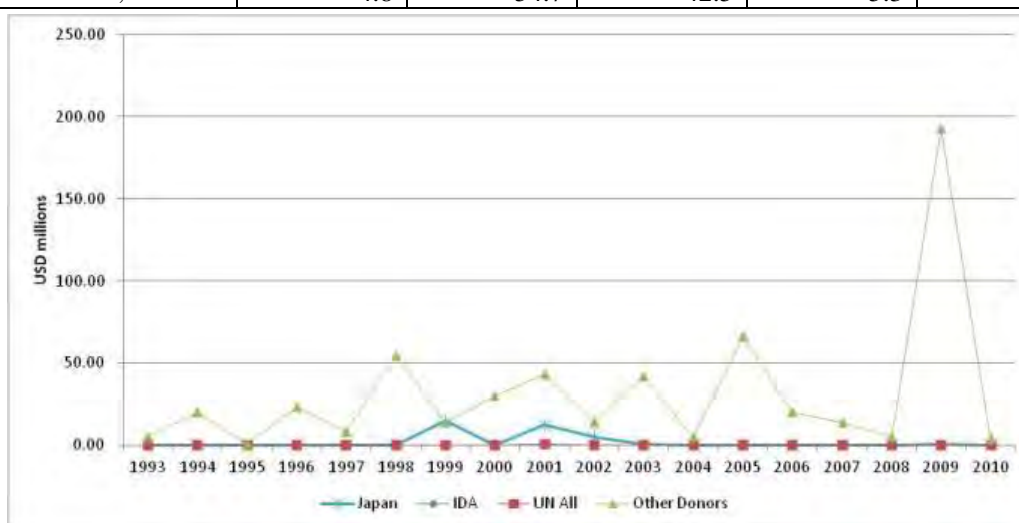
- Science and technology promotion and climate change program (dispatch of individual experts or JOCV, SATREPS's (Science and Technology Research Partnership for Sustainable Development) "Observational Studies in South African Mines to Mitigate Seismic Risks" program, etc.)
- Capacity development program (training in water services, etc.), industry promotion program (training with regards to intellectual property rights, support for small and medium enterprises (SMEs) through the UNDP Partnership Fund, etc.)

As outlined in figures below, Japanese assistance for education in South Africa had been very limited in nature and expenditures quite low.

The situation is much for the same for the World Bank (IDA) and UN institutions (co-organizers).

**Figure 4-34 ODA for basic education in South Africa
(Unit: US\$ million, Commitment based)**

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|-------------------|------|------|------|------|------|
| Japan | 0.0 | 0.0 | 0.4 | 0.0 | 0.2 |
| IDA | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| UN All | 0.0 | 0.0 | 0.1 | 0.1 | 0.0 |
| Other Donors | 4.8 | 54.7 | 42.1 | 5.2 | 3.9 |
| All Donors, Total | 4.8 | 54.7 | 42.5 | 5.3 | 4.2 |



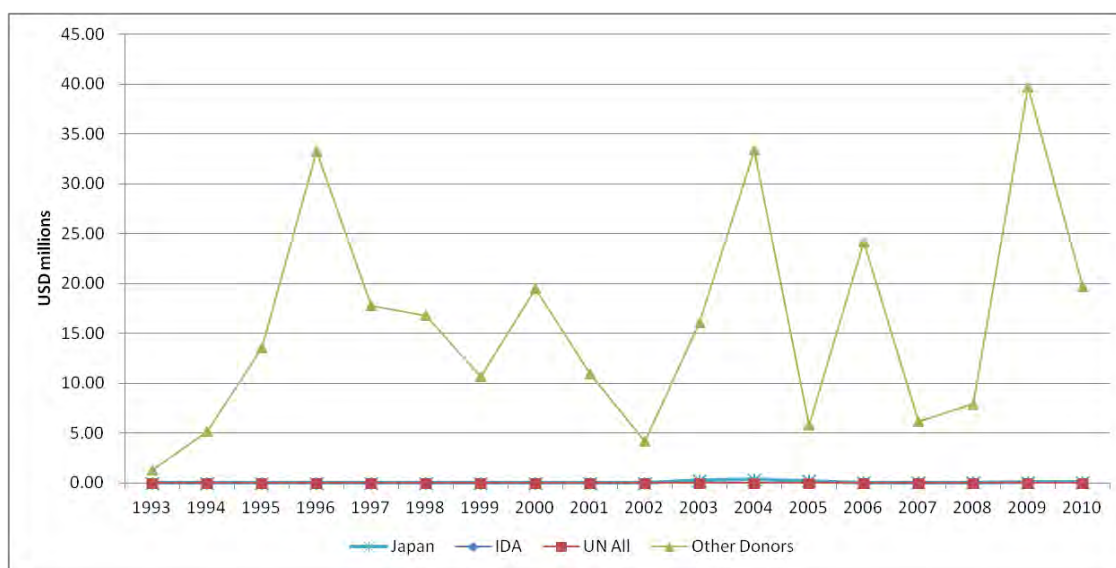
Source: Compiled using the OECD/DAC Statistics database

⁸⁷ MOFA (2011), page 651

Figure 4-35 ODA for higher education in South Africa

(Unit: US\$ million, Commitment based)

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|-------------------|------|------|------|------|------|
| Japan | 0.0 | 0.0 | 0.3 | 0.1 | 0.1 |
| IDA | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| UN All | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Donors | 1.3 | 16.8 | 16.1 | 7.9 | 19.7 |
| All Donors, Total | 1.3 | 16.8 | 16.4 | 8.0 | 19.8 |

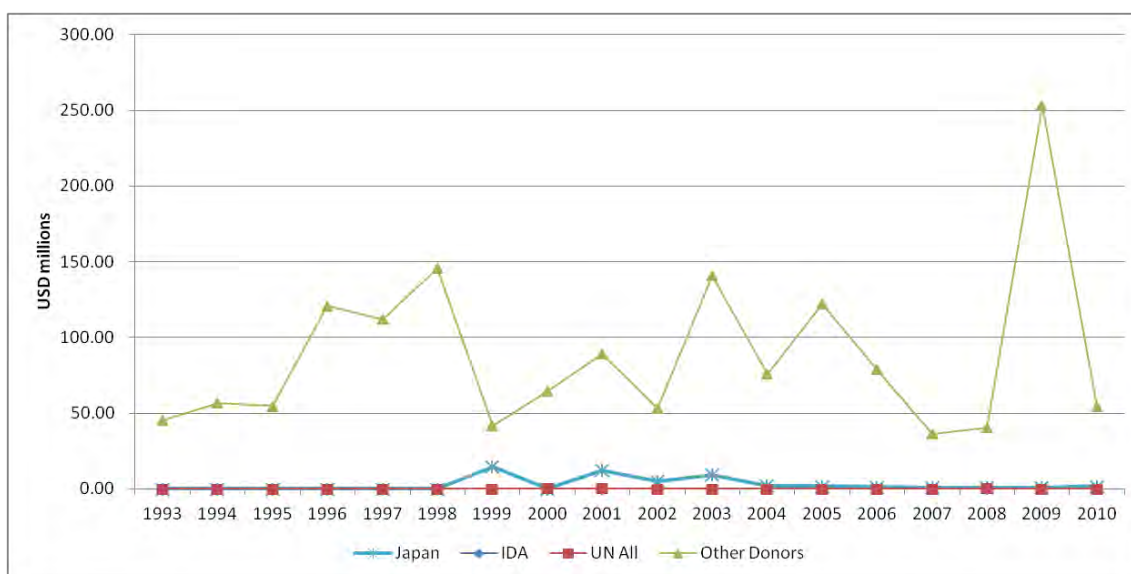


Source: Compiled using the OECD/DAC Statistics database

Figure 4-36 ODA for education in South Africa

(Unit: US\$ million, Commitment based)

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|-------------------|------|-------|-------|------|------|
| Japan | 0.0 | 0.0 | 9.3 | 0.9 | 1.7 |
| IDA | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| UN All | 0.0 | 0.0 | 0.1 | 0.1 | 0.0 |
| Other Donors | 45.3 | 145.5 | 140.8 | 40.4 | 54.2 |
| All Donors, Total | 45.3 | 145.5 | 150.2 | 41.4 | 55.9 |



Source: Compiled using the OECD/DAC Statistics database

(ii) Improvement of Basic Human Needs

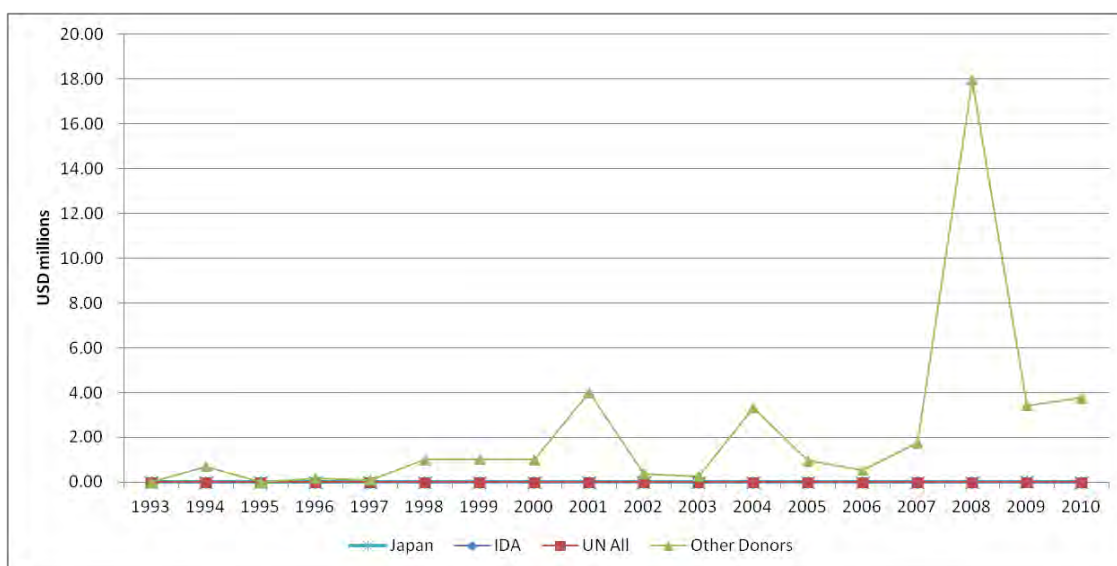
- Supporting poverty reduction and the improvement of basic social services, with a focus on capacity development in the health sector, including HIV/AIDS (strengthening of the monitoring and evaluation system for HIV/AIDS, the “Capacity building in Medical Equipment Maintenance and Management for Southern Africa” project, etc.)

Prevention of infectious disease, maternal and child healthcare, and water supply and sanitation are also becoming focused areas in South Africa. According to DAC statistics, Japanese, World Bank and UN assistance in these areas has been extremely limited in nature.

Figure 4-37 ODA for prevention of infectious disease in South Africa

(Unit: US\$ million, Commitment based)

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|-------------------|------|------|------|------|------|
| Japan | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| IDA | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| UN All | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Donors | 0.0 | 1.0 | 0.3 | 18.0 | 3.8 |
| All Donors, Total | 0.0 | 1.0 | 0.3 | 18.0 | 3.8 |

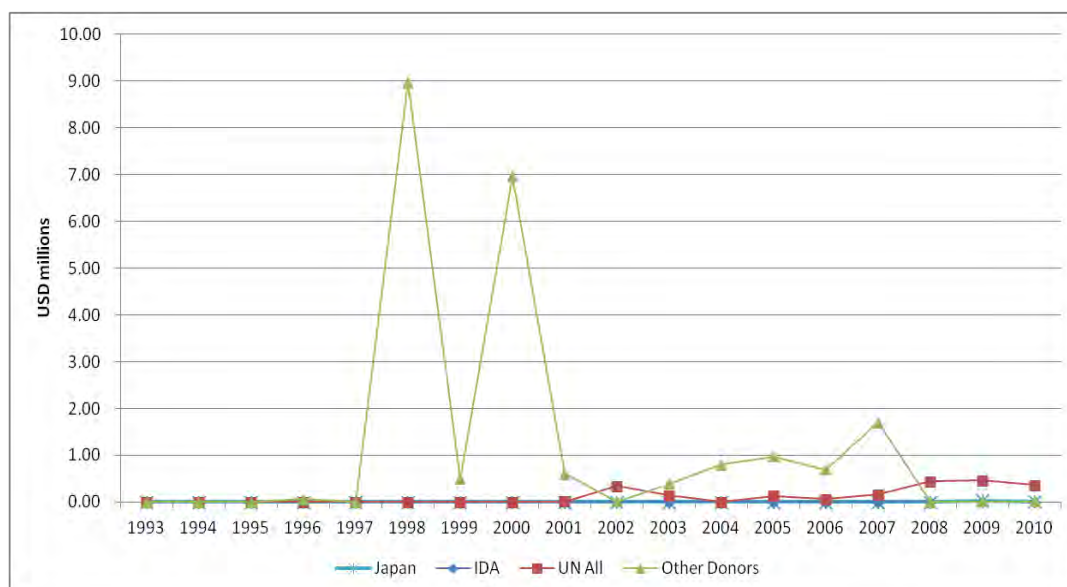


Source: Compiled using the OECD/DAC Statistics database

**Figure 4-38 ODA for maternal and child healthcare
in South Africa**

(Unit: US\$ million, Commitment based)

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|-------------------|------|------|------|------|------|
| Japan | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| IDA | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| UN All | 0.0 | 0.0 | 0.1 | 0.4 | 0.4 |
| Other Donors | 0.0 | 9.0 | 0.4 | 0.0 | 0.0 |
| All Donors, Total | 0.0 | 9.0 | 0.5 | 0.4 | 0.4 |

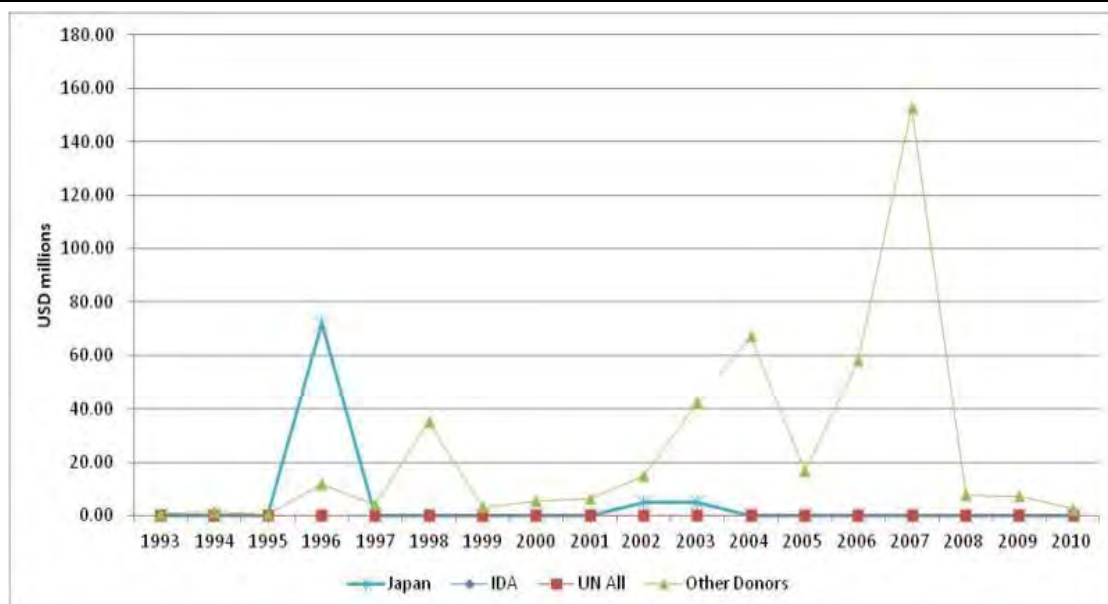


Source: Compiled using the OECD/DAC Statistics database

As the following figure reveals, though, ODA to the water supply and sanitation sectors stood at \$80 million in 1996, far higher than the aggregated amount of other donors. Japan also disbursed a certain amounts of assistance to this sector in 2002–2004.

Figure 4-39 ODA for water supply and sanitation in South Africa
(Unit: US\$ million Commitment based)

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|-------------------|------|------|------|------|------|
| Japan | 0.0 | 0.0 | 5.0 | 0.1 | 0.2 |
| IDA | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| UN All | 0.0 | 0.0 | 0.0 | 0.0 | 0.4 |
| Other Donors | 0.7 | 35.3 | 42.5 | 7.7 | 2.5 |
| All Donors, Total | 0.7 | 35.3 | 47.6 | 7.8 | 2.6 |



Source: Compiled using the OECD/DAC Statistics database

Figure below outlines the assistance to neighboring countries utilizing South African resources. As the figure reveals, several projects are being undertaken to support sustainable development throughout Africa. Regional development agencies based in South Africa have dispatched personnel abroad, for example, while third country cooperation is also being promoted to tackle shared regional issues within the healthcare sector.

JICA also provides assistance as part of the IBSA Group's (India, Brazil and South Africa) south-south cooperation mechanism.

Figure 4-40 Good examples of Japanese support in the areas of South-south cooperation and public-private partnerships

■ Aid to Neighboring Countries Using South African Resources



- South African experts and trainers are being sent to neighboring countries under region-wide cooperation (dispatch of TICAD Advisors to the Development Bank for Southern Africa <DBSA>, training programs related to capacity building for financial institutions in SADC region, etc.) and to support in regional health issues (dispatch of Monitoring and Evaluation Advisors <HIV/AIDS>, strengthening of monitoring and evaluation capacity for HIV/AIDS response program). These activities are aimed at promoting third country cooperation involving South African human resources and eventually assisting the sustainable development of Africa.

- JICA also held “Africa PPP Infrastructure Seminar” in Johannesburg in November 2012, jointly with the International Finance Corporation (IFC) and DBSA. The seminar served as a forum for discussion on PPP (Public Private Partnership) infrastructure projects—a form of public-private cooperation in which private businesses and the government brings together capital and know-how to build public infrastructure. JICA is actively engaged in promoting this form of public-private cooperation that is taking hold both in Japan and around the world, seeing this as a chance for Japanese firms to expand their business into Africa.

Source: Compiled using MOFA's “ODA Country Data Book for South Africa (2011) (http://www.mofa.go.jp/mofaj/gaiko/oda/shiryo/kuni/11_databook/pdfs/05-42.pdf) and JICA's website (http://www.jica.go.jp/topics/news/2012/20121122_01.html)

Turning to assistance by scheme, and South Africa is already a middle income country, so assistance mainly takes the form of technical assistance, with loans or grant aid hardly ever offered. In fiscal 2010, Japan provided grant aid worth 125 million yen (Exchange-of-Notes basis) and technical assistance worth 610 million yen (JICA disbursement basis). ODA up until fiscal 2010 totaled: 20.145 billion yen in yen loans; 13.196 billion yen in grant aid (Exchange-of-Notes basis); and 8.672 billion yen on technical assistance (JICA disbursement basis)⁸⁸.

⁸⁸ MOFA (2011), page 652, table 4

Figure 4-41 Japanese ODA disbursements to South Africa by scheme
(Unit: 100 million yen)

| FY | Yen Loan | Grant Aid | Technical Assistance |
|-------|----------|-----------|----------------------|
| 2006 | - | 0.69 | 5.35 |
| 2007 | - | 1.02 | 3.70 |
| 2008 | - | 0.94 | 4.88 |
| 2009 | - | 1.06 | 5.31 |
| 2010 | - | 1.25 | 6.10 |
| Total | 201.45 | 131.96 | 86.72 |

Source: MOFA (2011) "ODA Country Data Book 2011," page 652

(2) Mozambique

Summary of development plans and development assistance in Mozambique

In 2001 and 2006, the government of Mozambique announced the "Action Plan for the Reduction of Absolute Poverty (PARPA I, II) as an initiative to reduce poverty. The focused areas of the plan are: human capacity development through education and health; development of basic infrastructures and agriculture; rural development; and better macroeconomic and financial management. In May 2011, the Mozambique Council of Ministers approved the "Poverty Reduction Action Plan (PARP, 2011-2014)", a long-term national development plan. In order to promote a culture of work through inclusive economic growth and the reduction of poverty and vulnerability in the country, the plan sets down three macroeconomic goals: (1) reduce the food rate to 42% by 2014; (2) achieve an average inflation rate of 5.6%; and (3) achieve average economic growth of 7.7%.

The PARP outlines five focused development areas.

1. Boost production and productivity in agriculture and fisheries
2. Promote employment
3. Foster human and social development
4. Focus on governance
5. Focus on macroeconomic affairs and fiscal management

1) Performance of assistance to Mozambique

The Japanese government first provided assistance to Mozambique in 1975 for disaster relief. In the 1990s, after the end of Mozambique's civil war in 1992, Japan ODA mainly took the form of grant aid and technical assistance. Grants have been disbursed for food aid and to increase food production. Grants have also been disbursed in the fields of water supply, healthcare and transportation. Technical assistance, meanwhile, mainly takes the form of trainee acceptance programs or development-related surveys in the fields of healthcare, infrastructure, human resources,

and the agriculture, forestry and fisheries industries⁸⁹.

Japan continues to work actively to reduce poverty in Mozambique based on the PARP and policy consultations with the Mozambique government. Japan has worked to promote cooperation between ODA and the private sector in the areas of trade and investment, a policy espoused at TICAD IV. The Japanese government has also indicated its willingness to provide yen loans in a strategic manner for projects in focused sectors that promote trade and investment in Mozambique by Japanese companies. Based on the above, an agreement was reached at the 6th Japan-Mozambique Policy Dialogue to focus for the time being on the three areas outlined below⁹⁰.

(i) Stimulation of local economies

Japan is assisting in the development of an economic corridor and is also engaged in several projects aimed at promoting rural development and the stimulation of industry. The road leading to the port of Nacala plays an important role in connecting Mozambique's landlocked neighbors to the sea, so Japan is helping to develop the economic Nacala development corridor and the surrounding regions.

(ii) Environmental projects/climate change mitigation

Japan is implementing projects that contribute to the environment and climate change mitigation.

(iii) Administrative capacity development and the improvement of legal systems

Japan is implementing projects to develop human resources in the fields of education and healthcare.

In fiscal 2010, Japan provided the following assistance with regards to environment and climate change mitigation: forest conservation and water supply projects; support for human resource development in the areas of healthcare and education; and food aid. It also provided support to NGOs engaged in mine clearance. As for agriculture, Japan has teamed up with Brazil and Vietnam in triangular cooperation schemes aimed at rural development and technology transfers⁹¹

Figure below outlines the performance of Japanese ODA disbursements to Mozambique. Total ODA essentially doubled from 2002 to 2010, with aid topping the US\$100 million mark in 2006. As indicated by figure below, since TICAD I, Japanese ODA disbursements to Mozambique have also focused primarily on the social infrastructure and services sector, though the production sector (agriculture, industry and construction) also commanded a large slice of the assistance pie in the

⁸⁹ MOFA (2011), page 671

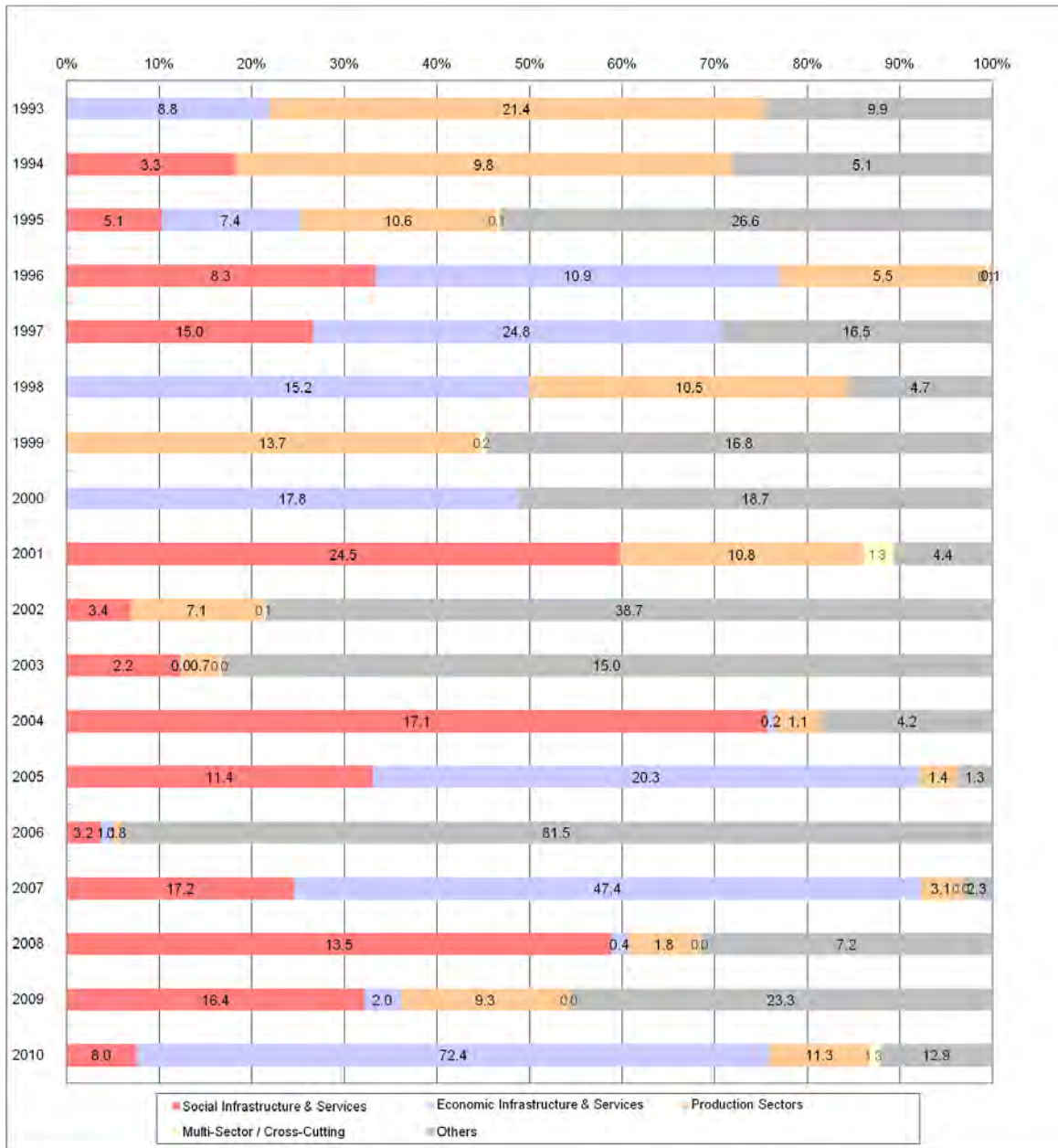
⁹⁰ MOFA (2011), page 671

⁹¹ MOFA (2011), page 672

1990s. In recent years, more assistance has been disbursed to the economic infrastructure and services sector (particularly transportation) and the agriculture sector.

Figure 4-42 Japanese ODA to Mozambique: Total and breakdown

(Unit: US\$ million Commitment based)

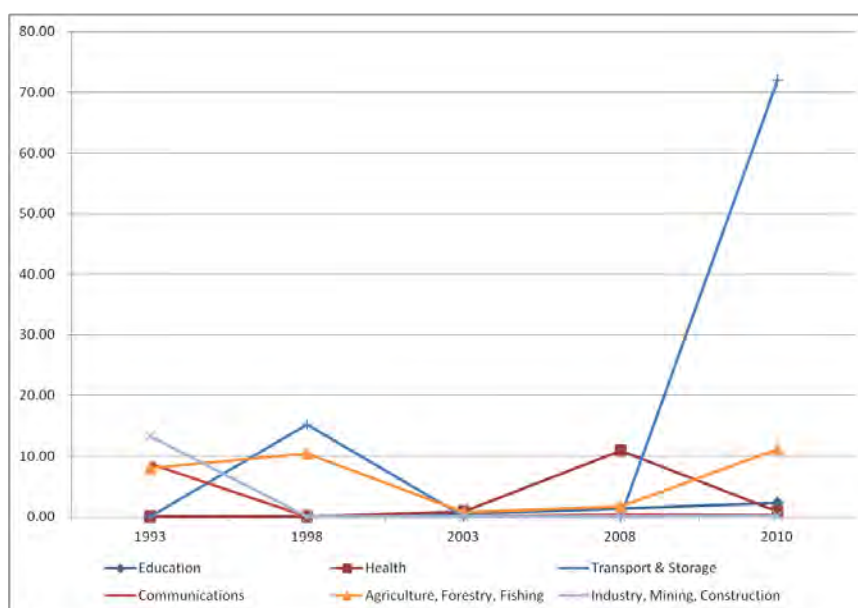


Source: Compiled using the OECD/DAC Statistics database

**Figure 4-43 Japanese ODA disbursements to Mozambique:
Key areas and its transition**

(Unit: US\$ million Commitment based)

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|--|------|------|------|------|-------|
| Mozambique Total | 40.0 | 30.4 | 18.0 | 23.0 | 105.9 |
| Total Sector Allocable | 30.2 | 25.7 | 3.0 | 15.8 | 93.1 |
| Social Infrastructure & Services | 0.0 | 0.0 | 2.2 | 13.5 | 8.0 |
| Education | 0.0 | 0.0 | 0.5 | 1.4 | 2.3 |
| Health | 0.0 | 0.0 | 0.9 | 10.9 | 0.8 |
| Population Pol./Progr. & Reproductive Health | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 |
| Water Supply & Sanitation | 0.0 | 0.0 | 0.1 | 0.6 | 1.1 |
| Government & Civil Society | 0.0 | 0.0 | 0.3 | 0.3 | 3.1 |
| Other Social Infrastructure & Services | 0.0 | 0.0 | 0.3 | 0.3 | 0.6 |
| Economic Infrastructure & Services | 8.8 | 15.2 | 0.0 | 0.4 | 72.4 |
| Transport & Storage | 0.0 | 15.2 | 0.0 | 0.1 | 72.0 |
| Communications | 8.8 | 0.0 | 0.0 | 0.3 | 0.3 |
| Energy | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 |
| Banking & Financial Services | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Business & Other Services | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Production Sectors | 21.4 | 10.5 | 0.7 | 1.8 | 11.3 |
| Agriculture, Forestry, Fishing | 8.1 | 10.5 | 0.7 | 1.7 | 11.2 |
| Industry, Mining, Construction | 13.3 | 0.0 | 0.0 | 0.0 | 0.1 |
| Trade Policies & Regulations | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 |
| Tourism | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 |
| Multi-Sector / Cross-Cutting | 0.0 | 0.0 | 0.0 | 0.0 | 1.3 |
| General Environment Protection | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Multisector | 0.0 | 0.0 | 0.0 | 0.0 | 1.3 |
| Others | 9.9 | 4.7 | 15.0 | 7.2 | 12.9 |



Source: Compiled using the OECD/DAC Statistics database

Agricultural and rural development is another focused area for development. A more detailed breakdown of results for this sector, based on DAC statistics, is outlined below in figures below. Mozambique’s Ministry of Agriculture believes the sustainable management of agricultural land and water supply is key to the development of the agricultural sector, particularly from a food security standpoint. The “Strategic Plan for Development of the Agrarian Sector (PEDSA) 2011–2019” also emphasizes food security and the need to increase income from agricultural products⁹².

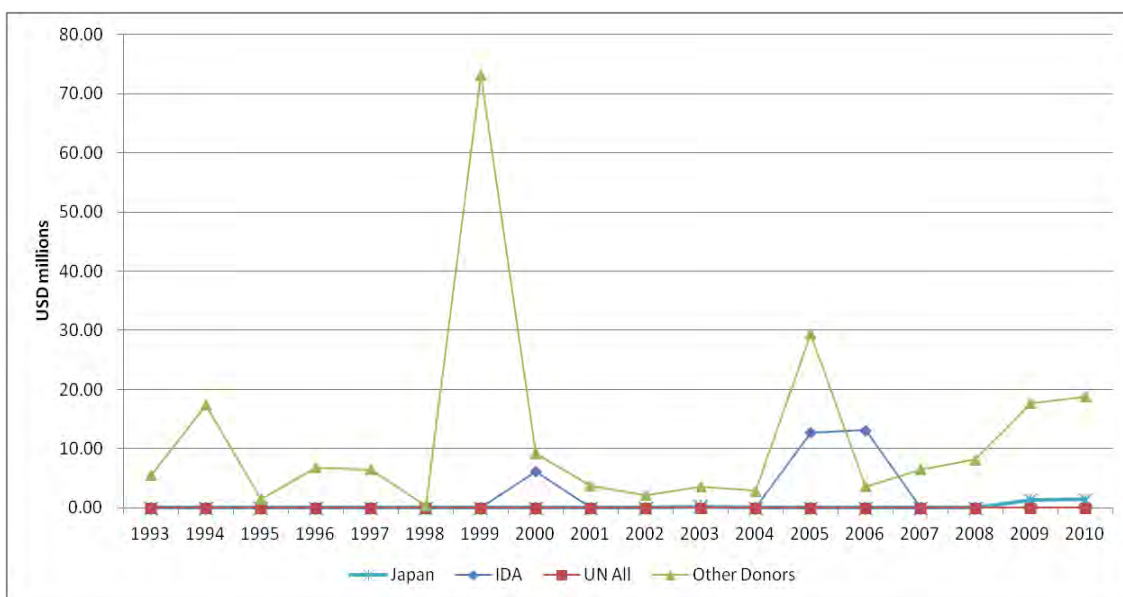
Japan now places more importance on supporting Mozambique's production sectors than on rural development, though both sectors receive substantial aid disbursements on the whole. Since TICAD I, Japan has been one of the main donors to the rural development sector (around the year 2000) and the agriculture sector (2005–2006). In the 1990s, Japan provided 10–20% of all assistance to these sectors, though this proportion has been falling since 2000.

Though the World Bank also provided almost a quarter of all agricultural assistance in 2008, in other years its contributions have been far more modest.

Figure 4-44 ODA for rural development in Mozambique
(Unit: US\$ million Commitment based)

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|-------------------|------|------|------|------|------|
| Japan | 0.0 | 0.0 | 0.3 | 0.0 | 1.4 |
| IDA | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| UN All | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Donors | 5.5 | 0.4 | 3.6 | 8.1 | 18.8 |
| All Donors, Total | 5.5 | 0.4 | 3.8 | 8.1 | 20.2 |

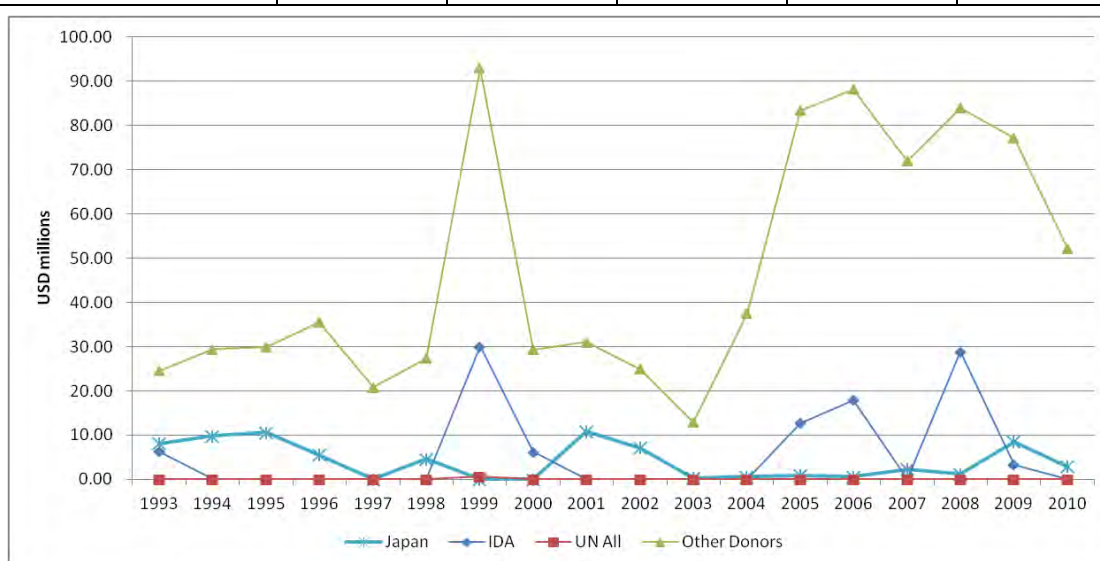
⁹² Ministry of Agriculture (2010) “The Strategic Plan for Development of the Agrarian Sector”



Source: Compiled using the OECD/DAC Statistics database

**Figure 4-45 ODA for Mozambique's agricultural sector
(Unit: US\$ million, Commitment based)**


| | 1993 | 1998 | 2003 | 2008 | 2010 |
|-------------------|------|------|------|-------|------|
| Japan | 8.1 | 4.6 | 0.3 | 1.2 | 2.9 |
| IDA | 6.3 | 0.0 | 0.0 | 28.8 | 0.0 |
| UN All | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Donors | 24.5 | 27.3 | 13.0 | 84.0 | 52.3 |
| All Donors, Total | 38.9 | 31.9 | 13.2 | 114.0 | 55.2 |



Source: Compiled using the OECD/DAC Statistics database

Mozambique is an agricultural country blessed with fertile soil and rich forestry resources. Up until now, Japan has provided a variety of assistance to Mozambique's agricultural sector. Some representative projects include those designed to raise agricultural productivity, including the "Project for Rehabilitation of Chokwe Irrigation Scheme" and the "Project for Improvement of techniques for increasing rice cultivation productivity in Nante, Maganja da Costa District, Zambezia Province." As outlined in figure below, Japan is also involved in the ProSAVANA project, a triangular partnership project in the agricultural sector, through Japan-Brazil collaboration to promote agricultural development in the tropical savannah in Mozambique. Brazil and Japan have previously worked together to develop Brazil's "Cerrado." By (1) utilizing the soil improvements techniques developed during this earlier project and (2) introducing better crop varieties, ProSAVANA aims to boost productivity in Mozambique's tropical savanna and improve the livelihoods of Mozambique's small farmers.

Figure 4-46 Good examples of Japanese support in the agriculture sector



■ Agricultural Development Cooperation in the Tropical Savannah in Mozambique through Japan-Brazil Collaboration (Known as ProSAVANA)

[Purpose]

- ProSAVANA is a project that draws on the experience of Brazil—a country that was vastly covered by uncultivated tropical savannah, similar to Mozambique today—in agricultural development (development of Cerrado, or savannah grasslands) since 1970s through cooperation with Japan. It aims to contribute to solving global food problem by utilizing Brazil’s knowledge and agricultural technology.
- The project also sets the goal beyond mere agricultural development to structure a model that allows co-existence of local small-scale farmers and investors entering agriculture development.

[Content of Cooperation]

- Developing the research capability of two agricultural experiment stations in Nacala Corridor (Nampula and Lichinga Stations) through the process of agricultural researchers from Mozambique, Brazil and Japan working together to study local agricultural environments such as climate and soil.
- Conducting multi-locational coordinated field experiments on combinations of high value-added commercial crops such as soybeans and traditional food crops such as maize and cassava, with the goal of establishing an “assistive model for decision making” to be used by farmers and extension organizations in choosing the optimal cropping system and agricultural technology for Nacala Corridor and its surrounding regions.
- Strengthening the technology transfer capability of experiment stations through demonstrative exhibitions held at pilot fields, where the “model” is put into practice, on new cropping systems and agricultural technologies best suited to local agricultural environments.

■ Date of signing:
February 21, 2011

■ Project sites:
Nampula, Nampula Province; Lichinga, Niassa Province

■ Project period:
April 2011-2016

■ ODA disbursements:
600 million yen (Japan),
430 million yen (Brazil)

■ Countries involved:
Japan, Brazil

Source: Compiled using information from JICA’s Knowledge Site and other websites

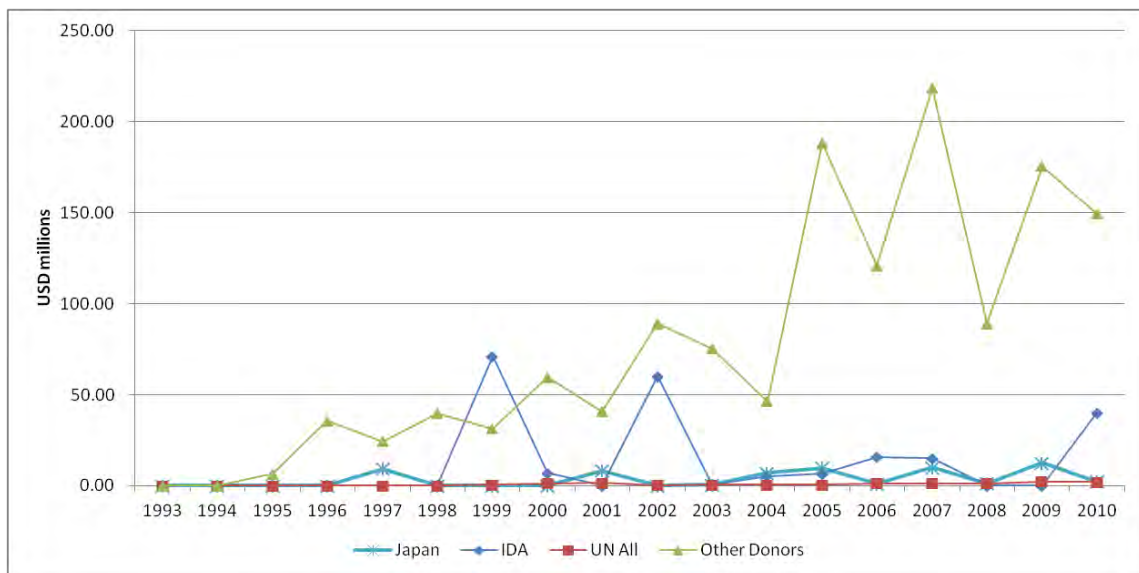
As outlined in figure below, total ODA to Mozambique’s education sector are on the increase. In particular, ODA nearly doubled between 2002 and 2003. Behind these trends is the “Basic Education for Growth Initiative (BEGIN),” an project jointly formulated by the United Nations Educational, Scientific and Cultural Organization (UNESCO), the World Bank and other international institutions in 2002 as part of the MDGs framework.

However, Japan’s presence in this sector is relatively low and Japan only contributed around 1% of total aid disbursements to the education sector in 2010.

World Bank (a TICAD Co-organizer) assistance to the education sector has been increasing from the late 1990s onwards, though this amount varies per fiscal year.

Figure 4-47 ODA for basic education in Mozambique
(Unit: US\$ million, Commitment based)

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|-------------------|------|------|------|------|-------|
| Japan | 0.0 | 0.0 | 0.5 | 1.4 | 2.3 |
| IDA | 0.0 | 0.0 | 0.5 | 0.0 | 40.0 |
| UN All | 0.0 | 0.0 | 0.4 | 1.3 | 1.9 |
| Other Donors | 0.0 | 39.7 | 75.3 | 89.0 | 149.3 |
| All Donors, Total | 0.0 | 39.7 | 76.7 | 91.7 | 193.5 |

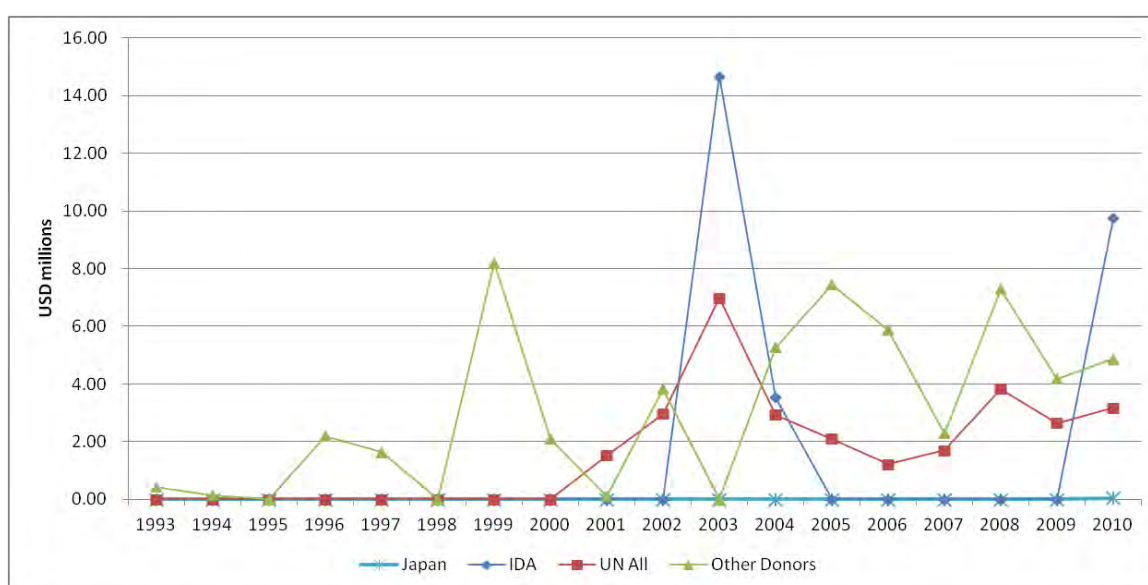


Source: Compiled using the OECD/DAC Statistics database

Though Japan's presence in the area of maternal and child healthcare is extremely muted, spending by the World Bank and UN (both TICAD Co-organizers) together accounts for half of all the assistance provided in this sector.

Figure 4-48 ODA for maternal and child healthcare in Mozambique
(Unit: US\$ million, Commitment based)

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|-------------------|------|------|------|------|------|
| Japan | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| IDA | 0.0 | 0.0 | 14.7 | 0.0 | 9.8 |
| UN All | 0.0 | 0.0 | 7.0 | 3.8 | 3.2 |
| Other Donors | 0.4 | 0.0 | 0.0 | 7.3 | 4.9 |
| All Donors, Total | 0.4 | 0.0 | 21.6 | 11.1 | 17.8 |



Source: Compiled using the OECD/DAC Statistics database

ODA to the environmental conservation and climate change sector have been on the increase since 2003. Japan's contribution in this sector is particularly limited, though Japan has dispatched experts to help frame and implement policies designed to tackle climate change and promote sustainable forestry management.

The World Bank (IFC) is also pursuing initiatives such as the "Developing Climate Resilience in the Agricultural and Peri-urban Water Sectors through Provision of Credit Lines from Mozambican Banks" project⁹³.

A glance at ODA by assistance scheme reveals that Japan provided yen loans in 2006 and 2009, while in fiscal 2010, Japan also provided grant aid worth 1.2 billion yen (Exchange-of-Notes basis)

⁹³ PPCR Sub-Committee "Climate Investment Fund – Strategic Programme for Climate Resilience Mozambique" page 52

and technical assistance worth 910 million yen (JICA disbursement basis). ODA up until fiscal 2010 totaled: 9.26 billion yen in yen loans; 86.84 billion yen in grant aid (Exchange-of-Notes basis); and 10.54 billion yen on technical assistance (JICA disbursement basis)⁹⁴. ODA has mainly focused on: grants for water and food provision: a project in Beira Port; and bridge construction projects in the Zambezia and Tete Provinces. However, Japan has also provided technical assistance in recent years through the dispatch of experts or trainee acceptance programs.

Figure 4-49 Japanese ODA to Mozambique by assistance scheme
(Unit: US\$ million)

| FY | Yen Loan | Grant Aid | Technical Assistance |
|-------|----------|-----------|----------------------|
| 2006 | 32.82 | 19.64 | 8.77 |
| 2007 | - | 16.38 | 9.14 |
| 2008 | - | 39.4 | 9.09 |
| 2009 | 59.78 | 47.35 | 10.82 |
| 2010 | - | 12.76 | 9.10 |
| Total | 92.60 | 868.43 | 105.46 |

Source: MOFA (2011) "ODA Country Data Book 2011," page 672

(3) Ethiopia

Summary of development plans and development assistance in Ethiopia

The Ethiopian government has positioned "Agricultural Development Led Industrialization (ADLI)" as a key development strategy. It also prioritizes private sector development as a pillar of economic growth. After Ethiopia was designated a Heavily Indebted Poor Country (HIPC) in 2002, the "Sustainable Development and Poverty Reduction Program (SDPRP)" was formulated in order to facilitate new aid programs. 2005 saw the announcement of the five-year "Plan for Accelerated and Sustainable Development to End Poverty (PASDEP)," a Poverty Reduction Strategy Paper (PRSP). The plan aimed to realize the achievement of MDGs by 2015.

In September 2010, the government announced the "Growth and Transformation Plan (GTP)", a new 5-year development plan. The new plan targeted economic growth based on the twin pillars of agriculture and industry. The new plan also called for the creation over the next five years of the foundations for an economic structure that prioritized industry as well as agriculture as a source of development. A major goal is to turn Ethiopia into a middle-income country by 2020–2030.

The core pillars of the plan are as follows.

1. Sustain faster and more equitable economic growth
2. Maintain agriculture as a major source of economic growth
3. Create favorable conditions for industry to play a key role in the economy
4. Enhance the expansion and quality of infrastructure development
5. Enhance the expansion and quality of social development
6. Develop capacity and deepen good governance
7. Promote women and youth empowerment and equality of opportunity

⁹⁴ MOFA (2011), page 672, table 4

1) Performance of assistance to Ethiopia

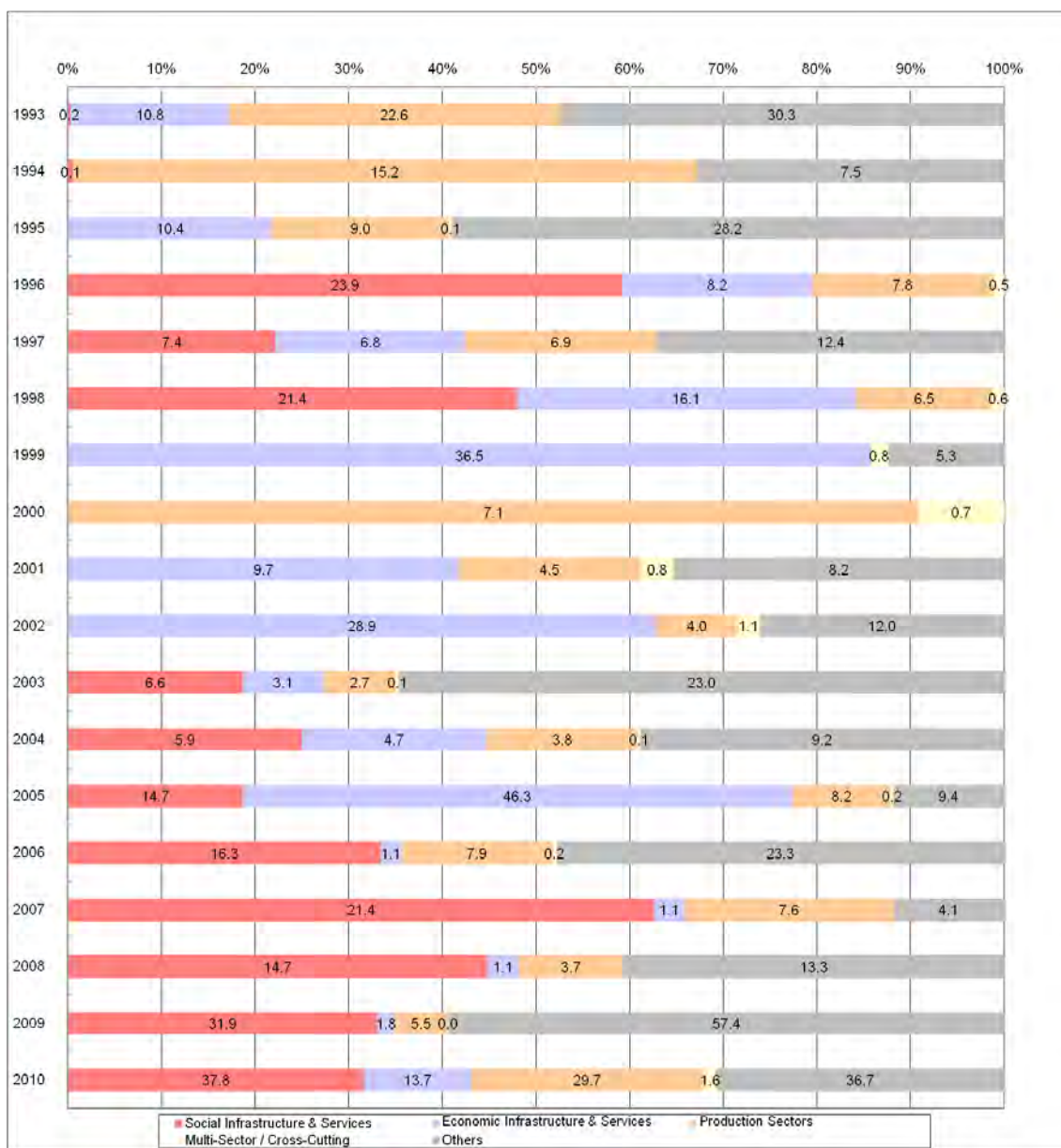
Japan's ODA policy for Ethiopia basically focuses on providing support for poverty reduction, a central plank of the government's goal of "ensuring food security"⁹⁵.

As outlined in figure below, most Japanese assistance to Ethiopia goes to the production sector and the economic infrastructure and services sector. From 2003 onwards, though, more assistance has been directed to the social infrastructure sector (particularly water supply and sanitation) and production sector (particularly agriculture).

⁹⁵ MOFA (2008)

Figure 4-50 Japanese ODA to Ethiopia: Total and breakdown

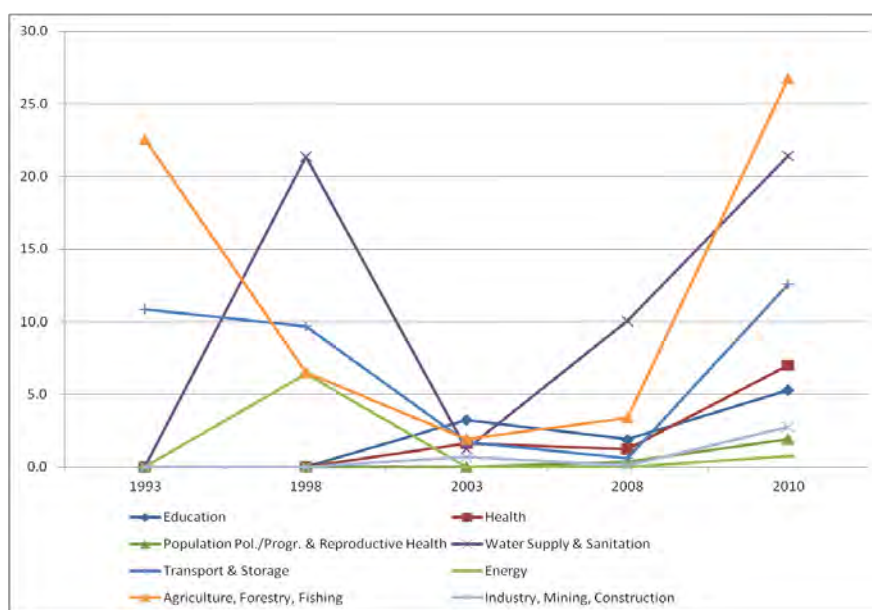
(Unit: US\$ million, Commitment based)



Source: Compiled using the OECD/DAC Statistics database

Figure 4-51 Japanese ODA to Ethiopia: Total and breakdown
(Unit: US\$ million, Commitment based)

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|--|------|------|------|------|-------|
| Ethiopia Total | 63.9 | 44.5 | 35.5 | 32.7 | 119.5 |
| Total Sector Allocable | 33.6 | 44.5 | 12.5 | 19.4 | 82.7 |
| Social Infrastructure & Services | 0.2 | 21.4 | 6.6 | 14.7 | 37.8 |
| Education | 0.0 | 0.0 | 3.2 | 1.9 | 5.3 |
| Health | 0.0 | 0.0 | 1.6 | 1.2 | 7.0 |
| Population Pol./Progr. & Reproductive Health | 0.0 | 0.0 | 0.0 | 0.4 | 1.9 |
| Water Supply & Sanitation | 0.0 | 21.4 | 1.2 | 10.1 | 21.4 |
| Government & Civil Society | 0.2 | 0.0 | 0.3 | 0.1 | 1.4 |
| Other Social Infrastructure & Services | 0.0 | 0.0 | 0.2 | 1.0 | 0.8 |
| Economic Infrastructure & Services | 10.8 | 16.1 | 3.1 | 1.1 | 13.7 |
| Transport & Storage | 10.8 | 9.7 | 1.7 | 0.6 | 12.6 |
| Communications | 0.0 | 0.0 | 1.2 | 0.4 | 0.1 |
| Energy | 0.0 | 6.4 | 0.0 | 0.0 | 0.8 |
| Banking & Financial Services | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| Business & Other Services | 0.0 | 0.0 | 0.1 | 0.1 | 0.0 |
| Production Sectors | 22.6 | 6.5 | 2.7 | 3.7 | 29.7 |
| Agriculture, Forestry, Fishing | 22.6 | 6.5 | 1.9 | 3.4 | 26.7 |
| Industry, Mining, Construction | 0.0 | 0.0 | 0.7 | 0.1 | 2.8 |
| Trade Policies & Regulations | 0.0 | 0.0 | 0.0 | 0.1 | 0.1 |
| Tourism | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 |
| Multi-Sector / Cross-Cutting | 0.0 | 0.6 | 0.1 | 0.0 | 1.6 |
| General Environment Protection | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 |
| Other Multisector | 0.0 | 0.6 | 0.0 | 0.0 | 1.6 |
| Others | 30.3 | 0.0 | 23.0 | 13.3 | 36.7 |



Source: Compiled using the OECD/DAC Statistics database

The six focused areas in Japan’s country assistance plan for Ethiopia are as follows.

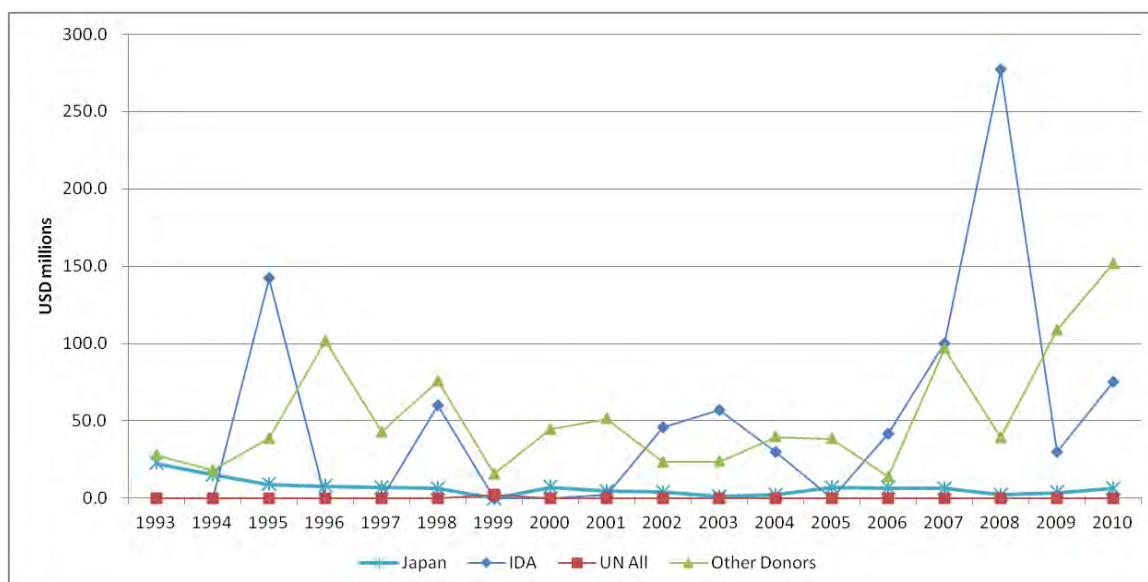
(i) Agricultural and rural development

In the first half of the 1990s, Japan contributed a very high proportion of total ODA to Ethiopia’s agricultural sector, but this proportion has been falling ever since. Japan is engaged in small initiatives aimed at improving access to food through market mechanisms and by boosting agricultural production.

On the other hand, the World Bank has provided over half the total aid amount disbursed to this sector since 1994. 2010 saw the launch of the large-scale “Agricultural Growth Project (AGP).” This project mainly targets women and children and aims to increase agricultural productivity and to improve market access to key crop and livestock products⁹⁶.

Figure 4-52 ODA for Ethiopia’s agricultural sector
(Unit: US\$ million, Commitment based)

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|-------------------|------|-------|------|-------|-------|
| Japan | 22.6 | 6.5 | 1.0 | 2.4 | 6.3 |
| IDA | 0.0 | 60.0 | 57.0 | 276.9 | 75.0 |
| UN All | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Donors | 27.8 | 75.7 | 23.7 | 39.3 | 151.7 |
| All Donors, Total | 50.4 | 142.1 | 81.7 | 318.5 | 233.0 |



Source: Compiled using the OECD/DAC Statistics database

⁹⁶ <http://www.worldbank.org/projects/P113032/agricultural-growth-program?lang=en>

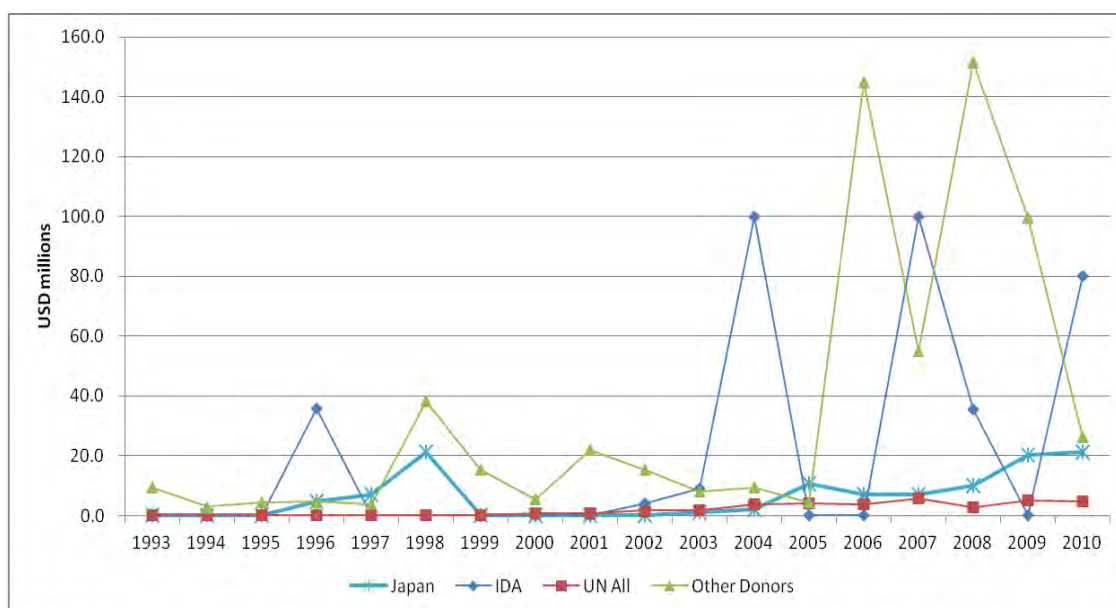
(ii) Management of water resources

Japan provides ongoing assistance to water-related projects in Ethiopia. In 2010, Japan provided over 10% of the total ODA amount provided to this sector. It is particularly active in capacity building and infrastructure development in the groundwater supply sector.

The World Bank has provided over half the total aid amount provided to this sector since 2002.

Figure 4-53 ODA for water supply and sanitation in Ethiopia
(Unit: US\$ million, Commitment based)

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|-------------------|------|------|------|-------|-------|
| Japan | 0.0 | 21.4 | 1.2 | 10.1 | 21.4 |
| IDA | 0.0 | 0.0 | 9.0 | 35.6 | 80.0 |
| UN All | 0.0 | 0.0 | 1.6 | 2.7 | 4.7 |
| Other Donors | 9.5 | 38.2 | 7.9 | 151.4 | 26.2 |
| All Donors, Total | 9.5 | 59.6 | 19.8 | 199.7 | 132.4 |



Source: Compiled using the OECD/DAC Statistics database

Access to improved water source is quite limited in Ethiopia and improved water supplies have become a significant issue. As a result, Japan has been implementing the “Ethiopian Water Technology Center Project Phase 1–3” since 1998. This is a project that involves training people in how to develop drainage systems and water supplies. The Ethiopian Water Technology Center (EWTEC), based in Addis Ababa, has now turned out around 1,900 graduates.

Figure 4-54 Good examples of Japanese support in the areas of water supply and sanitation

■Ethiopian Water Technology Center (EWTEC) Project



[Background]
The current rate of access to improved water source in the rural areas of Ethiopia is 34%, which is significantly lower than the 49% average in sub-Saharan Africa (UNICEF/WHO, 2010). The residents of rural areas, who account for 83% of the country's population, are spending enormous amount of time and energy to secure water for their household use. Meanwhile, as part of the decentralization process since 1994 under the current administration, the responsibility for rural water supply has been transferred to regional governments. Reform is under way to make Woreda (district) water offices the providers of water supply services, but the local governments are facing delay in securing budget and developing human resources for this. In order for the regional governments to provide water supply services on their own, the development of technical staff capability and adequate operational and management skills are urgently needed.

[Content of cooperation and output]
In Phase 1, a water sector training center was set up in Addis Ababa, and the center's function as a capacity building institution became established. During Phase 2, the center's functions were further enhanced, with its five basic courses now funded independently and international courses for trainees from other African countries being offered. The center also worked to develop its own training materials through research and development activities. As at the end of the project, a total of approximately 1,900 persons completed the courses, and the center became widely recognized among stake holders including the Ethiopian government, Regions and other donors as the key institution for capacity building in water resource development. The center was designated as a public institute in 2012.

[Other related projects]

- Development Study: Jarar Valley and Shebele Sub-basin Water Supply Development Plan and Emergency Water Supply Project
- Technical Cooperation Project: "Project to Improve Lives, Health, and Water Water Supply in Rural Areas, Ethiopia: Dissemination of Rope Pump for Drinking Water," "Water Sector Capacity Development Project for the Southern Nations, Nationalities and People's Regional State" (Structuring of models related to the dissemination of appropriate technologies and supply of spare parts)
- Grant Aid: "Project for Rural Water Supply in Amhara National Regional State," "Project for Rural Water Supply in Oromia Region," "Project for Rural Water Supply in Tigray Region," "Project for Water Supply in Southern Nations, Nationalities and People's Regional State," "Program for Emergency Water Supply (Program Grant Aid for Environment and Climate Change)"

■ Project site:
Addis Ababa

■ Project period:
1998-2003 (Phase 1),
2005-2008 (Phase 2),
2009-2013 (Phase 3)

■ ODA disbursements:
690 million yen
(Phase 1),
360 million yen
(Phase 2)

Source: Compiled using information from JICA's Knowledge Site, other JICA websites, and MOFA website (http://www.mofa.go.jp/mofaj/gaiko/oda/shiryo/hakusyo/10_hakusho/honbun/b3/s2_2_1_03.html)

(iii) Social and economic infrastructure

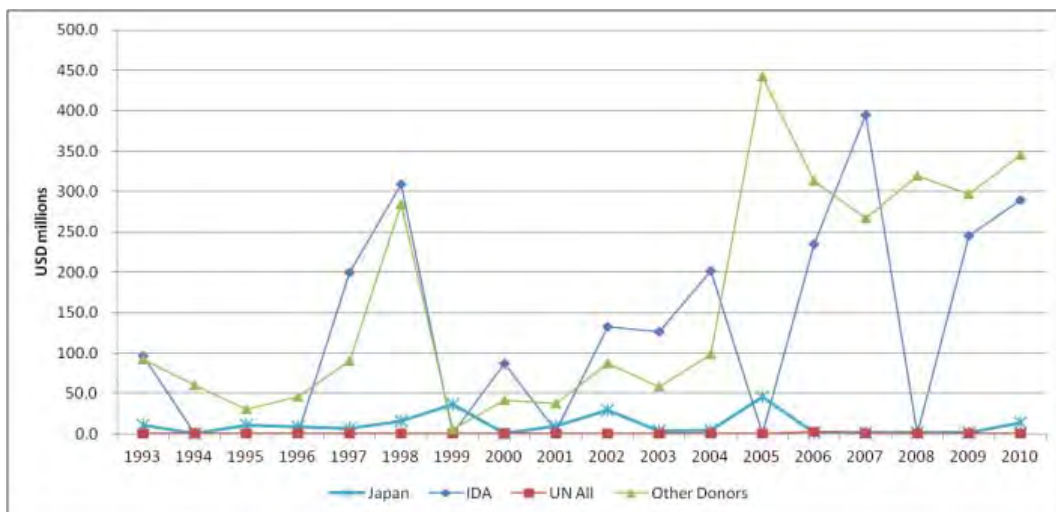
Though Japan's contribution in the economic infrastructure area is not that large, it has provided

grant aid for road and bridge improvements and to help establish administrative systems for road maintenance. In this way, Japan has helped to improve the market distribution network and has thus helped Ethiopia to improve food security.

The World Bank, on the other hand, has a strong presence in this area and has provided close to half the total ODA amount since 1993. The Bank continues to support several projects aimed at improving infrastructure.

Figure 4-55 ODA for economic infrastructure projects in Ethiopia
(Unit: US\$ million, Commitment based)

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|-------------------|-------|-------|-------|-------|-------|
| Japan | 10.8 | 16.1 | 3.1 | 1.1 | 13.7 |
| IDA | 96.0 | 309.2 | 126.8 | 0.0 | 290.0 |
| UN All | 0.0 | 0.0 | 0.0 | 0.6 | 0.7 |
| Other Donors | 92.5 | 284.7 | 58.6 | 319.3 | 345.4 |
| All Donors, Total | 199.4 | 610.0 | 188.5 | 321.0 | 649.9 |



Source: Compiled using the OECD/DAC Statistics database

(iv) Education

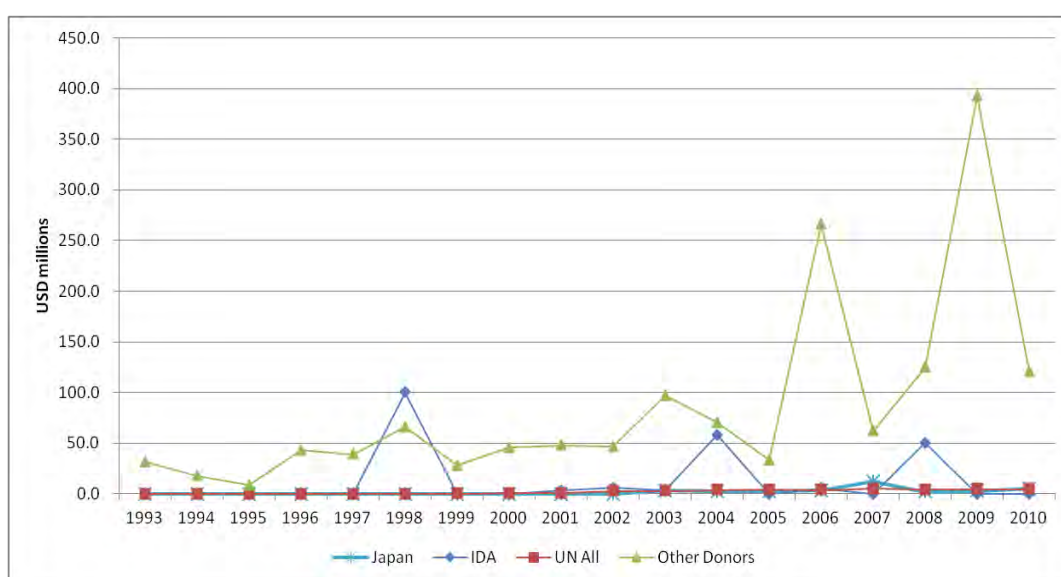
Japan's contribution to education in Ethiopia is also quite limited. However, Japan is engaged in initiatives aimed at improving the quality of education, such as: the Strengthening Mathematics, Science, and Technology Education Project (PREMST), a technical assistance project to improve access to education in remote rural areas in the Oromia Region; and projects to build schools and improve school administration through building capacity in local governments and encouraging citizen participation. Japan now aims to roll out its examples and experiences in Oromia across the rest of Ethiopia.

Though World Bank funding for education has been on the slide for several years from 2007

onwards, it still provides substantial assistance and ongoing support in this area.

Figure 4-56 ODA for education in Ethiopia
(Unit: US\$ million, Commitment based)

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|-------------------|------|-------|-------|-------|-------|
| Japan | 0.0 | 0.0 | 3.2 | 1.9 | 5.3 |
| IDA | 0.0 | 100.0 | 3.0 | 50.0 | 0.0 |
| UN All | 0.0 | 0.0 | 2.8 | 3.9 | 4.6 |
| Other Donors | 31.5 | 66.2 | 97.0 | 124.7 | 120.5 |
| All Donors, Total | 31.5 | 166.2 | 106.0 | 180.5 | 130.4 |



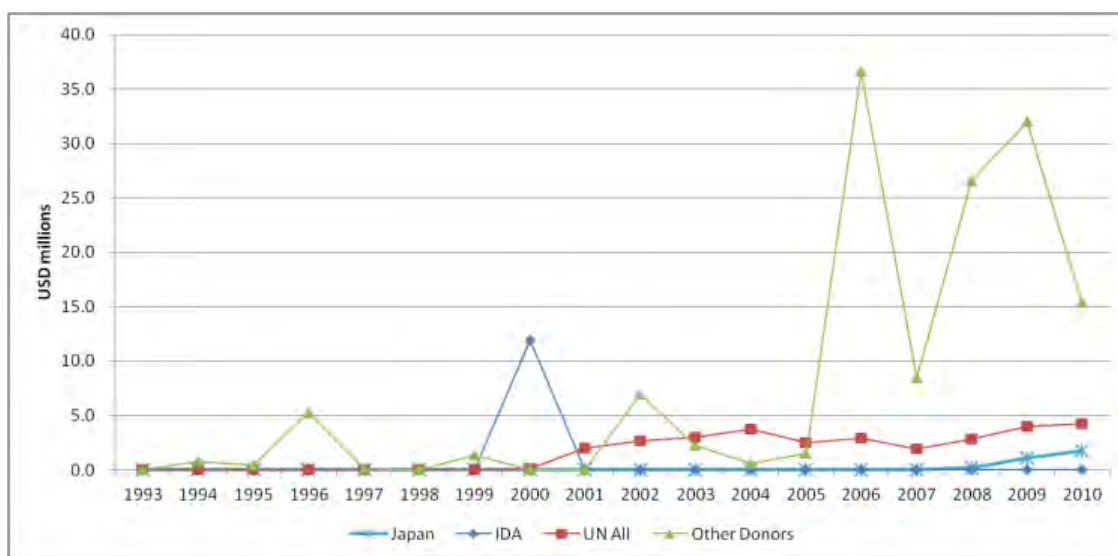
Source: Compiled using the OECD/DAC Statistics database

(v) Maternal and child health

Japan places great emphasis on developing administrative frameworks and developing the capacity to deal with infectious diseases in an appropriate manner. Japan is also considering the idea of providing assistance to regional health initiatives by offering nutritional advice to communities, for example. Japan has also provided support through international institutions and has disbursed grant aid for initiatives involving security for humans and grass roots movements. It also offers assistance to people who do not receive sufficient protection from the state. From 2008 onwards, for example, it has been involved in project targeting mother and child health, a focused area of Japan's rolling plan.

Figure 4-57 ODA for maternal and child healthcare in Ethiopia
(Unit: US\$ million, Commitment based)

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|-------------------|------|------|------|------|------|
| Japan | 0.0 | 0.0 | 0.0 | 0.2 | 1.8 |
| IDA | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| UN All | 0.0 | 0.0 | 3.0 | 2.9 | 4.3 |
| Other Donors | 0.0 | 0.0 | 2.2 | 26.5 | 15.4 |
| All Donors, Total | 0.0 | 0.0 | 5.3 | 29.6 | 21.4 |



Source: Compiled using the OECD/DAC Statistics database

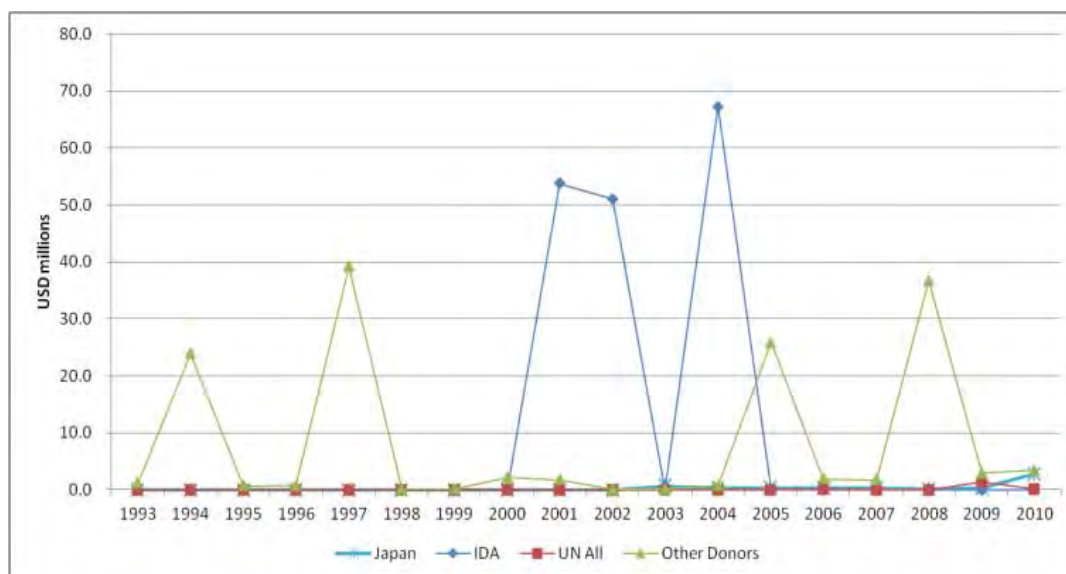
(vi) Industrial development

In industrial development in Ethiopia including private sector development, Japan has carried out high-level policy dialogue regarding industrial development based on its economic development experiences in Asia. Furthermore, based on its own experiences, Japan is also implementing the “Kaizen Project,” which aims to improve product quality and productive capacity in five key sectors, such as leather, metals, processing of agricultural products, textiles and garments and chemicals⁹⁷.

⁹⁷ MOFA (2011), pages 404-405

Figure 4-58 ODA for private sector development in Ethiopia
(Unit: US\$ million, Commitment based)

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|-------------------|------|------|------|------|------|
| Japan | 0.0 | 0.0 | 0.7 | 0.1 | 2.8 |
| IDA | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| UN All | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 |
| Other Donors | 1.2 | 0.1 | 0.1 | 36.7 | 3.4 |
| All Donors, Total | 1.2 | 0.1 | 0.8 | 36.9 | 6.2 |



Source: Compiled using the OECD/DAC Statistics database

A glance at ODA by scheme reveals that Japan provided 4.13 billion yen in grant aid (Exchange-of-Notes basis) and technical assistance worth 2.62 billion yen (JICA disbursement basis) in fiscal 2010. Up until fiscal 2010, Japan had disbursed 3.7 billion yen in loans, 97.323 billion yen in grant aid (Exchange-of-Notes basis), and 26.91 billion yen (JICA disbursement basis)⁹⁸ in technical assistance.

Figure 4-59 Japanese ODA disbursements to Ethiopia by scheme
(Unit: 100 million yen)

| FY | Yen Loan | Grant Aid | Technical Assistance |
|------|----------|-----------|----------------------|
| 2006 | - | 34.63 | 14.03 |
| 2007 | - | 43.79 | 13.24 |
| 2008 | - | 62.54 | 13.62 |
| 2009 | - | 71.07 | 20.67 |

⁹⁸ MOFA (2011), page 406

| FY | Yen Loan | Grant Aid | Technical Assistance |
|-------|----------|-----------|----------------------|
| 2010 | - | 41.31 | 26.22 |
| Total | 37.00 | 973.23 | 269.18 |

Source: MOFA (2011) "ODA Country Data Book 2011," page 406

(4) Tanzania

Summary of development plans and development assistance in Tanzania

The Tanzanian government formulated the "Poverty Eradication Policy" in 1997 and the "Tanzania Development Vision 2025" in 1999 as national development strategies. These policies outlined Tanzania's plans to reduce poverty and its strategy for development. Based on these national strategies, the government then formulated: the "Poverty Reduction Strategy (PRS)" in 2000; the "National Strategy for Growth and Reduction of Poverty" (the 2nd PRS, known by the acronym MKUKUTA) in July 2005; and the 3rd PRS (MKUKUTA II) in July 2010. Like its predecessor, the 3rd PRS is a comprehensive five-year policy framework aimed at poverty reduction and economic growth. The strategy outlines three clusters contributing to growth and poverty reduction, namely: growth and reduction of income poverty; quality of life and social well being; and governance and accountability.

Tanzania also saw the spread of donor coordination from the mid-1990s onwards. The government and the Development Partnership Group (DPG) approved the "Joint Assistance Strategy for Tanzania (JAST)" in 2006. The DPG also formulated a Joint Program Document (JPD) as a response to the 2nd PRS mechanism. A JAST Action Plan and a Monitoring Framework were also established. Financial support (such as GBS or common funds) is also being pursued as a way to strengthen the link between the government's finances and its major policies.

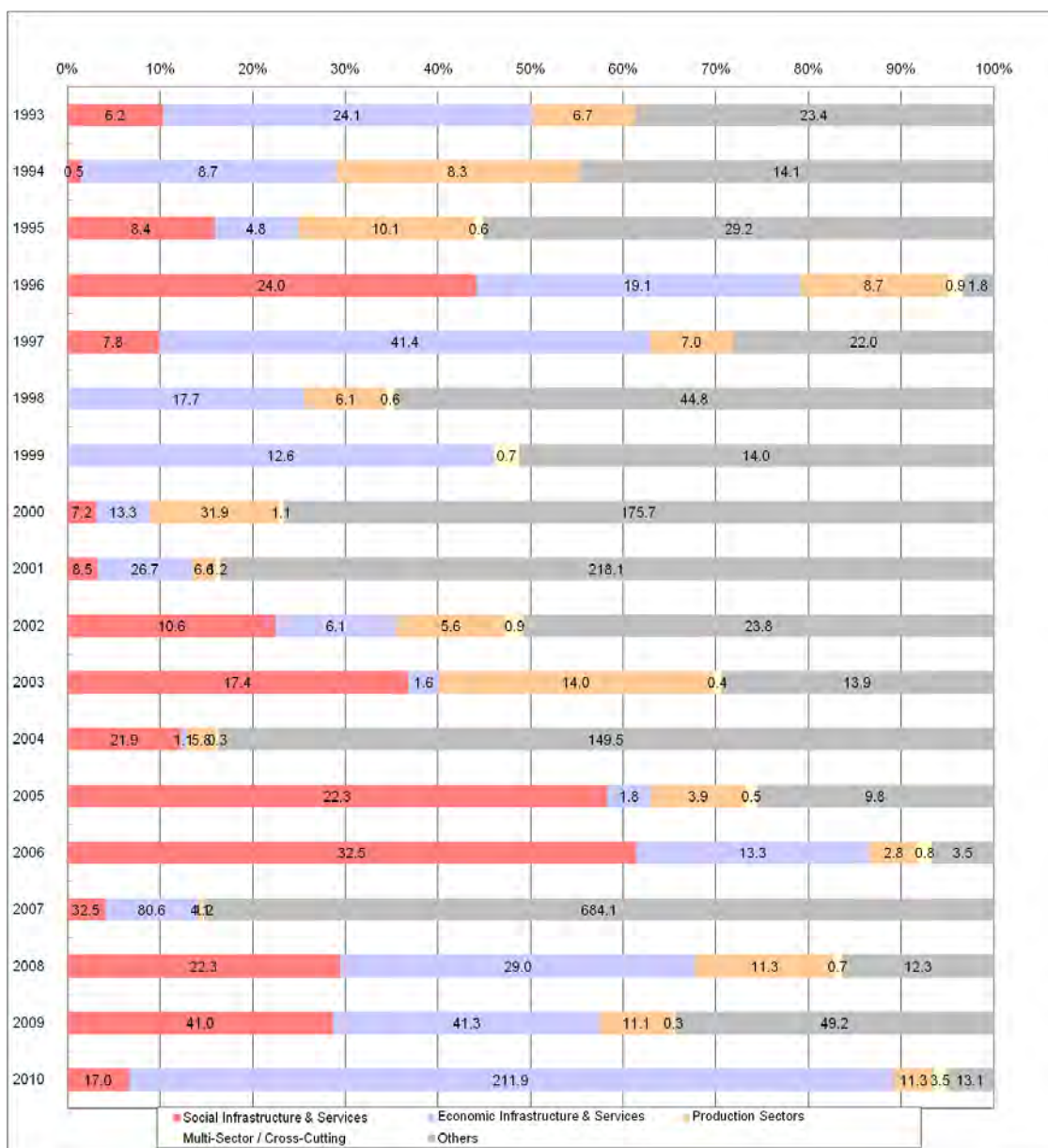
1) Performance of assistance to Tanzania

Japan's country assistance plan for Tanzania was formulated based on the MKUKUTA strategy and the MKUZA development strategy for Zanzibar. In accordance with its country assistance plan, the Japanese government has adopted "the creation and promotion of a virtuous cycle of sustained and stable growth and poverty reduction" as its main aid target and it offers assistance based on the KUKUTA II/MKUZA II policies formulated in 2010⁹⁹.

As outlined in figures below, in the 1990s Japan was responsible for a high proportion of ODA to Tanzania's economic infrastructure and services sector (particularly transportation) and production sector (mainly agriculture). From 2003 onwards, though, Japan has also disbursed a higher proportion of assistance to the social infrastructure and services sector (particularly health, water supply and sanitation).

⁹⁹ MOFA (2011), page 564

**Figure 4-60 Japanese ODA to Tanzania: Total and breakdown
(Unit: US\$ million, Commitment based)**

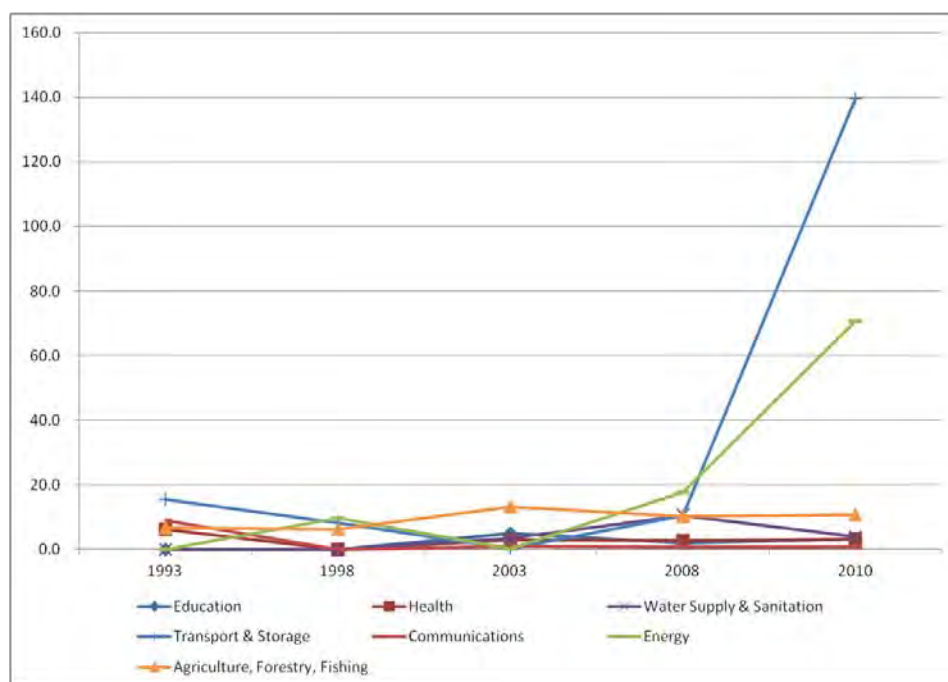


Source: Compiled using the OECD/DAC Statistics database

Figure 4-61 Japanese ODA to Tanzania: Key Areas and its transition

(Unit: US\$ million, Commitment based)

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|--|------|------|------|------|-------|
| Tanzania Total | 60.5 | 69.2 | 47.4 | 75.7 | 256.7 |
| Total Sector Allocable | 37.1 | 24.4 | 33.4 | 63.3 | 243.7 |
| Social Infrastructure & Services | 6.2 | 0.0 | 17.4 | 22.3 | 17.0 |
| Education | 0.0 | 0.0 | 4.8 | 2.0 | 3.2 |
| Health | 6.1 | 0.0 | 2.8 | 2.5 | 3.2 |
| Population Pol./Progr. & Reproductive Health | 0.0 | 0.0 | 4.3 | 3.4 | 2.0 |
| Water Supply & Sanitation | 0.0 | 0.0 | 3.4 | 10.5 | 4.0 |
| Government & Civil Society | 0.2 | 0.0 | 1.1 | 1.9 | 2.1 |
| Other Social Infrastructure & Services | 0.0 | 0.0 | 1.0 | 2.0 | 2.5 |
| Economic Infrastructure & Services | 24.1 | 17.7 | 1.6 | 29.0 | 211.9 |
| Transport & Storage | 15.3 | 8.2 | 0.1 | 10.4 | 139.5 |
| Communications | 8.8 | 0.0 | 1.0 | 0.7 | 0.6 |
| Energy | 0.0 | 9.6 | 0.2 | 17.6 | 70.5 |
| Banking & Financial Services | 0.0 | 0.0 | 0.2 | 0.3 | 1.3 |
| Business & Other Services | 0.0 | 0.0 | 0.1 | 0.0 | 0.1 |
| Production Sectors | 6.7 | 6.1 | 14.0 | 11.3 | 11.3 |
| Agriculture, Forestry, Fishing | 6.7 | 6.1 | 13.2 | 10.1 | 10.5 |
| Industry, Mining, Construction | 0.0 | 0.0 | 0.8 | 1.1 | 0.5 |
| Trade Policies & Regulations | 0.0 | 0.0 | 0.1 | 0.1 | 0.2 |
| Tourism | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Multi-Sector / Cross-Cutting | 0.0 | 0.6 | 0.4 | 0.7 | 3.5 |
| General Environment Protection | 0.0 | 0.0 | 0.2 | 0.3 | 0.9 |
| Other Multisector | 0.0 | 0.6 | 0.2 | 0.5 | 2.6 |
| Others | 23.4 | 44.8 | 13.9 | 12.3 | 13.1 |



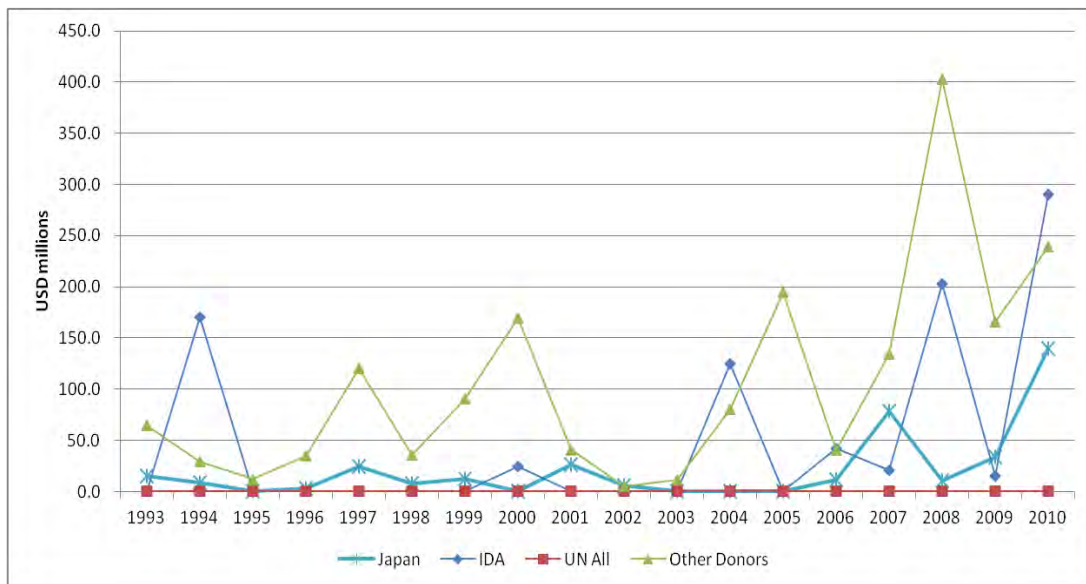
Source: Compiled using the OECD/DAC Statistics database

Japan has provided assistance to Tanzania’s transport sector (a focused area in its rolling plan), as outlined in figure below. The amount of this assistance changes year to year, but Japan provided 20% of total ODA to this sector in 2007 and 2010.

The World Bank, meanwhile, is a leading donor in this sector and provides a substantial proportion of the total aid amount.

Figure 4-62 ODA for transportation in Tanzania
(Unit: US\$ million, Commitment based)

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|-------------------|------|------|------|-------|-------|
| Japan | 15.3 | 8.2 | 0.1 | 10.4 | 139.5 |
| IDA | 0.0 | 0.0 | 0.1 | 202.8 | 289.9 |
| UN All | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Donors | 64.9 | 36.1 | 11.9 | 402.6 | 239.1 |
| All Donors, Total | 80.2 | 44.2 | 12.1 | 615.9 | 668.5 |

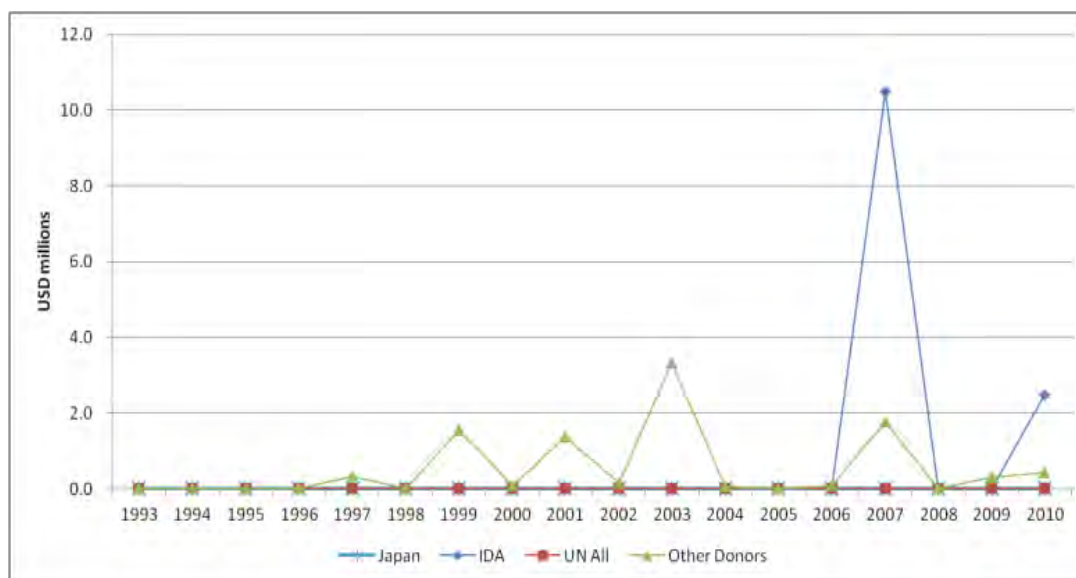


Source: Compiled using the OECD/DAC Statistics database

As outlined in figure below, Japan has not disbursed much assistance to the electricity generation and renewal energy sector, though the World Bank provides close to half the total ODA allocated to this sector.

**Figure 4-63 ODA for electricity generation (renewal energy) in Tanzania
(Unit: US\$ million, Commitment based)**

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|-------------------|------|------|------|------|------|
| Japan | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| IDA | 0.0 | 0.0 | 0.0 | 0.0 | 2.5 |
| UN All | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Donors | 0.0 | 0.0 | 3.3 | 0.0 | 0.4 |
| All Donors, Total | 0.0 | 0.0 | 3.3 | 0.0 | 2.9 |



Source: Compiled using the OECD/DAC Statistics database

Turning to agriculture and rural development, and most Japanese ODA to this sector has been allocated to the agriculture sector. Japan has disbursed aid for rural development in 2003 and from 2009 onwards. With assistance for rural development in Tanzania falling across the board, Japan has become one of the largest single-country donors in this sector.

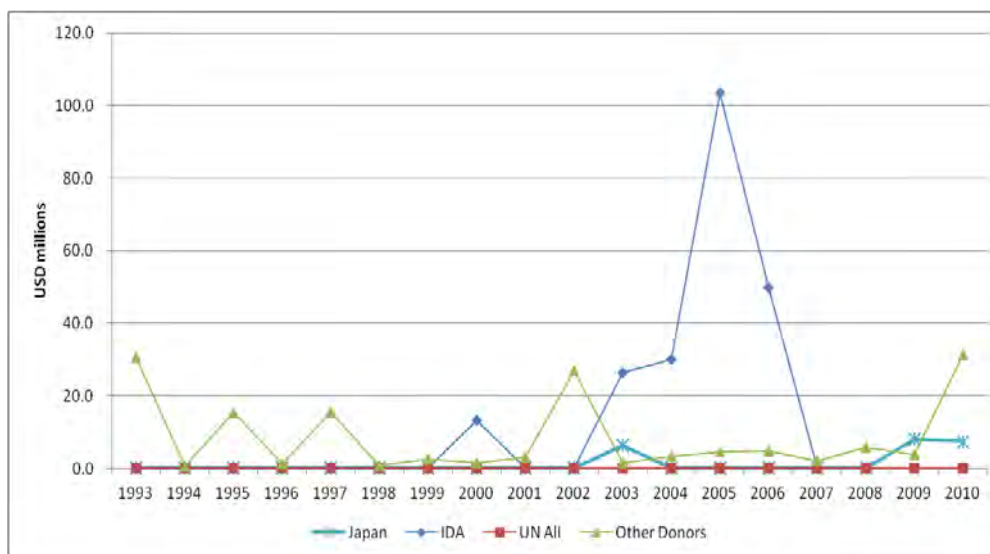
As outlined in figure below, Japan provides agricultural assistance to Tanzania through the “Agricultural Sector Development Program (ASDP),” an initiative rolled out by the Tanzanian government in 2006. Decentralization is quite advanced in Tanzania, so there is a particular need to strengthen the capacity of DADP-related government officials at a regional level. As a result, Japan offers technical assistance to help build the capacity of officials to implement, manage and monitor plans.

The World Bank remains the top donor when it comes to both agriculture and rural development with World Bank disbursements accounting for over half of all aid to this sector (see figures below).

Figure 4-64 ODA for rural development in Tanzania

(Unit: US\$ million, Commitment based)

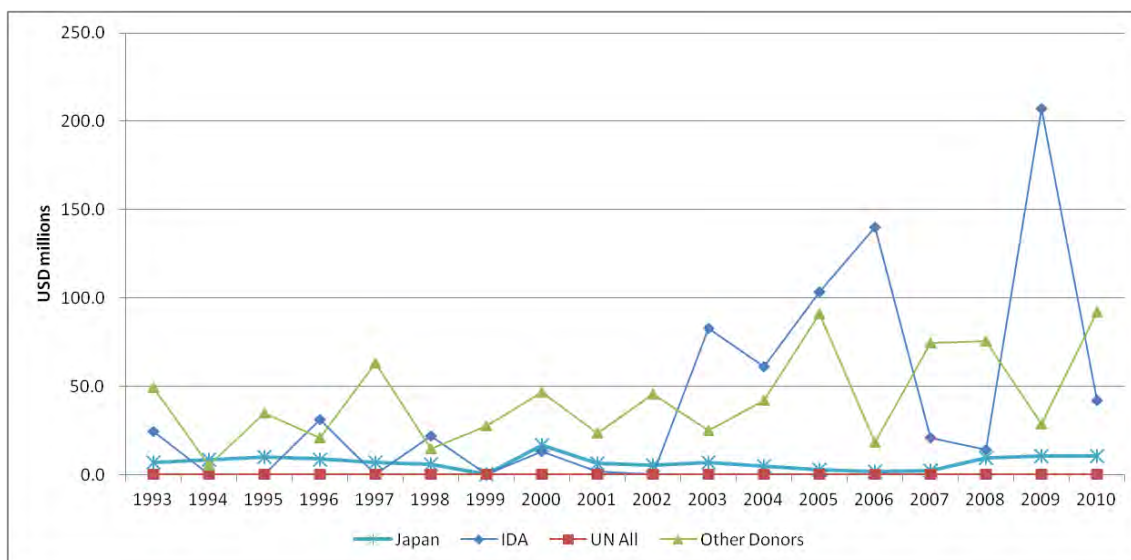
| | 1993 | 1998 | 2003 | 2008 | 2010 |
|-------------------|------|------|------|------|------|
| Japan | 0.0 | 0.0 | 6.4 | 0.0 | 7.4 |
| IDA | 0.0 | 0.0 | 26.4 | 0.0 | 0.0 |
| UN All | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Donors | 30.7 | 1.0 | 1.5 | 5.9 | 31.5 |
| All Donors, Total | 30.7 | 1.0 | 34.3 | 5.9 | 38.9 |



Source: Compiled using the OECD/DAC Statistics database

Figure 4-65 ODA to Tanzania's agricultural sector
(Unit: US\$ million, Commitment based)

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|-------------------|------|------|-------|------|-------|
| Japan | 6.7 | 6.1 | 7.0 | 9.7 | 10.4 |
| IDA | 24.5 | 21.8 | 83.0 | 14.4 | 41.9 |
| UN All | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Donors | 49.2 | 14.6 | 25.0 | 75.7 | 92.2 |
| All Donors, Total | 80.4 | 42.5 | 115.0 | 99.8 | 144.5 |



Source: Compiled using the OECD/DAC Statistics database

Figure 4-66 Good examples of Japanese support in the agriculture sector

■ Agricultural Support for the Agricultural Sector Development Program (ASDP) and the District Agricultural Development Plan (DADP)



- Project site: Nationwide (except Zanzibar)
- Project period:
ASDP Capacity Development Project:
2008-2011(Phase 1),
2011-2015 (Phase 2),
DADP Backstopping Capacities Project:
2009-2012 (Phase 1),
2012-2016 (Phase 2)
- ODA disbursements:
ASDP Capacity Development Project:
330 million yen (Phase 1),
DADP Backstopping Capacities Project:
230 million yen (Phase 1),
520 million yen (Phase 2)

[Objective]

The Agricultural Sector Development Program (ASDP) Basket Fund, set up under the Tanzanian government's ASDP initiative since 2006, allocates 75% of its budget for district-level agricultural development projects. Therefore, the capacity building of both central as well as local government staff involved in the District Agricultural Development Plan (DADP) is in need. Responding to this need, JICA offered a series of support activities under its Technical Cooperation Projects, the "Project for Capacity Development for the ASDP Monitoring and Evaluation System (Phase 1, 2)," and the "Project for Strengthening the Backstopping Capacities for the DADP Planning and Implementation under the ASDP (Phase 1, 2)."

[Content of cooperation and outcome]

- Phase 1 of the Project for Capacity Development for the ASDP Monitoring and Evaluation System offered assistance to the central government-level working group on DADP planning and implementation and the agriculture unit of the Prime Minister's Office-Regional Administration and Local Governments in developing and improving DADP formats and guidelines. The project also addressed issues such as the monitoring of budget implementation and DADP progress management, supported the entrenchment and quality improvement of DADP operation in each district and developed the relevant capability of central and local government officials.
- In Phase 1 of the Project for Strengthening the Backstopping Capacities for the DADP Planning and Implementation under the ASDP, a monitoring and evaluation (M&E) working group comprising officials of the Agriculture Sector Lead Ministries was created. With this working group as a counterpart, the Program worked to collect information on development indicators targeted in ASDP and on the trends of agricultural development, to analyze the current state of agricultural sector in each target district, and to assist in monitoring and evaluating the effects of infrastructure development and training.

Source: Compiled using information from JICA's Knowledge Site and other websites

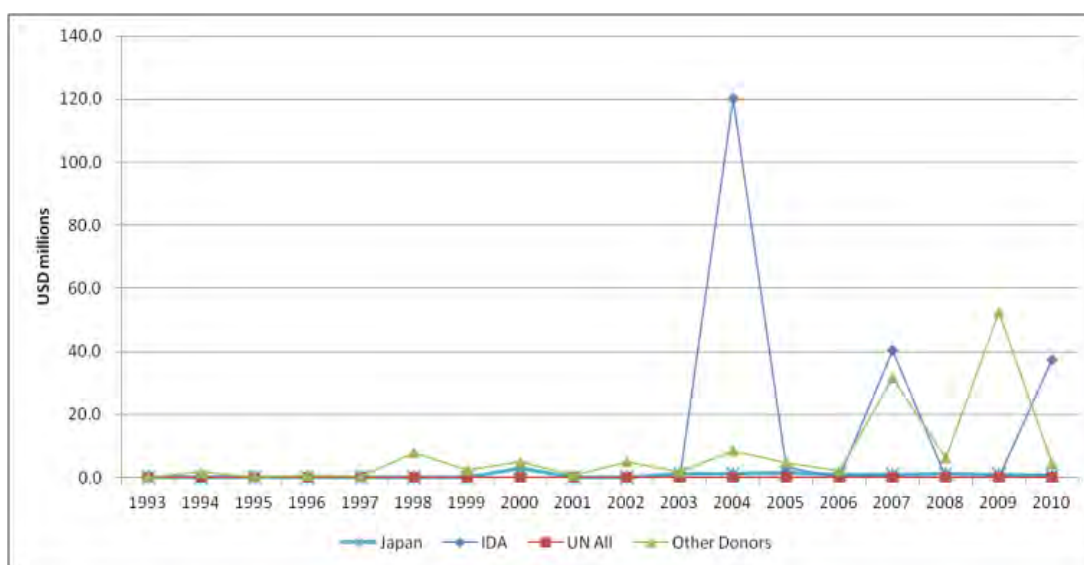
Though Japan's ODA contribution to Tanzania's education sector is small, it has contributed to mathematics and science education in Tanzania through the latter's participation in Kenya's Strengthening of Mathematics and Science Education Project (SMASE-WECSA, see below), a Japanese-supported initiative to promote educational knowledge and experience sharing among African nations.

The World Bank provides a large proportion of the total aid disbursed to Tanzania's education

sector, with the Bank accounting for over 90% of total aid disbursements to education aid in 2010.

Figure 4-67 ODA for secondary education in Tanzania
(Unit: US\$ million, Commitment based)

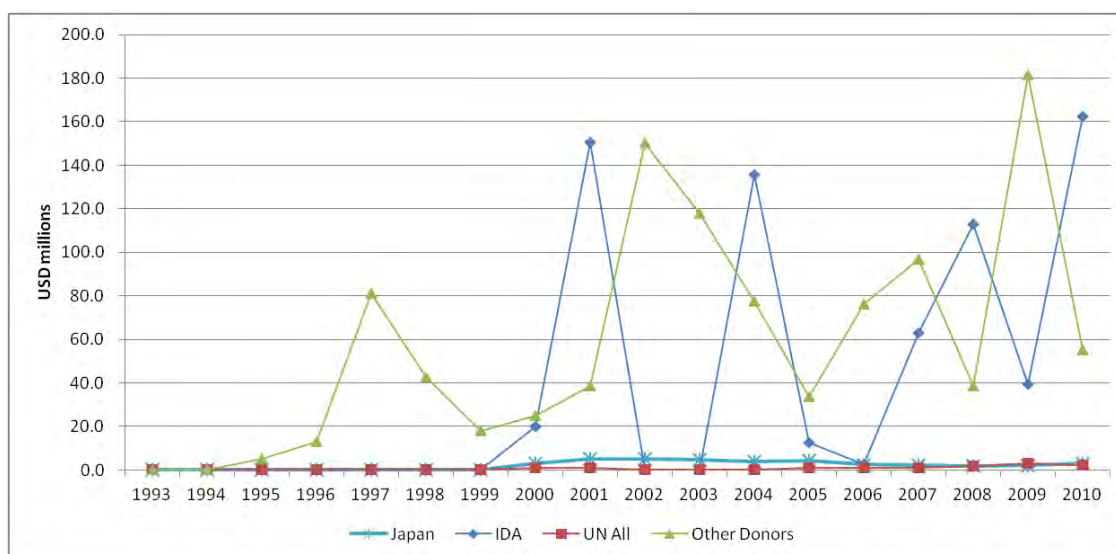
| | 1993 | 1998 | 2003 | 2008 | 2010 |
|-------------------|------|------|------|------|------|
| Japan | 0.0 | 0.0 | 1.4 | 1.2 | 0.7 |
| IDA | 0.0 | 0.0 | 0.0 | 0.0 | 37.5 |
| UN All | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Donors | 0.2 | 7.8 | 1.8 | 6.3 | 4.3 |
| All Donors, Total | 0.2 | 7.8 | 3.1 | 7.5 | 42.5 |



Source: Compiled using the OECD/DAC Statistics database

Figure 4-68 ODA for education in Tanzania
(Unit: US\$ million, Commitment based)

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|-------------------|------|------|-------|-------|-------|
| Japan | 0.0 | 0.0 | 4.8 | 2.0 | 3.2 |
| IDA | 0.0 | 0.0 | 0.0 | 112.8 | 162.7 |
| UN All | 0.0 | 0.0 | 0.0 | 1.7 | 2.4 |
| Other Donors | 0.0 | 42.6 | 117.7 | 38.5 | 55.2 |
| All Donors, Total | 0.0 | 42.6 | 122.5 | 155.0 | 223.4 |



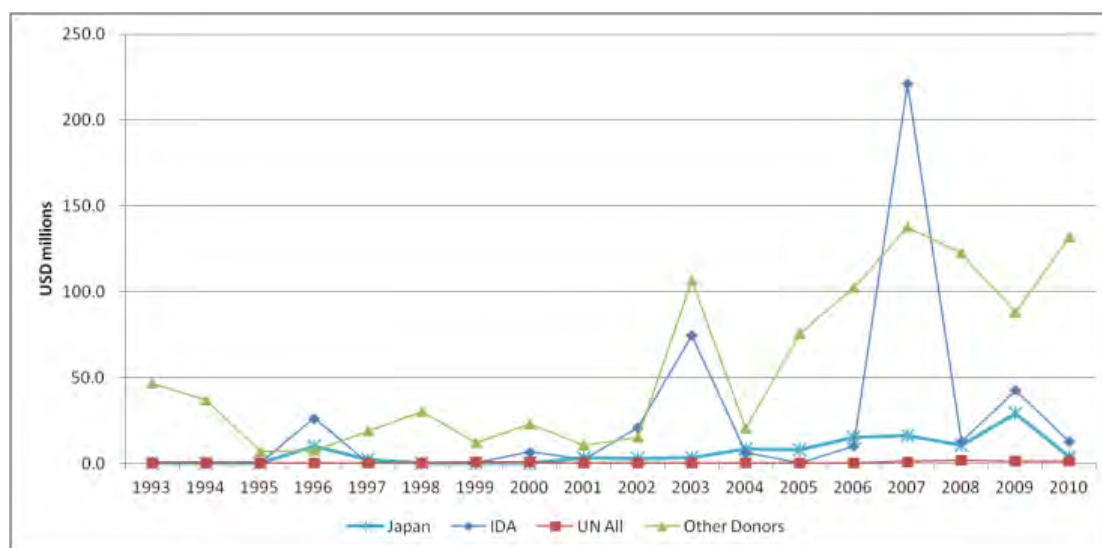
Source: Compiled using the OECD/DAC Statistics database

As a single country, Japan has contributed substantially to the water supply and sanitation sector. It has disbursed significant aid to water supply projects in particular.

The World Bank's contribution is also high and the Bank is the top donor in this area.

Figure 4-69 ODA for water supply and sanitation in Tanzania
(Unit: US\$ million, Commitment based)

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|-------------------|------|------|-------|-------|-------|
| Japan | 0.0 | 0.0 | 3.4 | 10.5 | 4.0 |
| IDA | 0.0 | 0.0 | 74.7 | 12.8 | 12.7 |
| UN All | 0.0 | 0.0 | 0.0 | 1.6 | 1.3 |
| Other Donors | 46.6 | 30.3 | 106.3 | 122.4 | 131.9 |
| All Donors, Total | 46.6 | 30.3 | 184.4 | 147.3 | 149.9 |



Source: Compiled using the OECD/DAC Statistics database

Japan is also helping to promote south-south cooperation. For example, Tanzania is an active participant in the CARD framework, and Indonesia and Malaysia (both participants in CARD as south-south cooperation partners) both recently announced they had started disbursing aid to Tanzania and Nigeria, with the aid money coming from their own budgets¹⁰⁰.

CARD is an international initiative jointly established in 2008 by JICA and the international NGO “Alliance for a Green Revolution in Africa (AGRA). 11 international agencies and NGOs participate in CARD, which focuses on 23 countries throughout Africa. While respecting the ownership of national governments, CARD provides technical assistance from its office in Nairobi, Kenya. Each country holds periodical meetings to (1) formulate National Rice Development Strategies (NRDS), (2) identify concrete issues to be tackled, and (3) devise projects to resolve these issues. One of CARD’s major goals is the doubling of rice production. CARD helps to deepen the ties between African governments while also developing the capacities needed to execute the rice policies

¹⁰⁰ JICA website: http://www.jica.go.jp/topics/2010/20100531_01.html

adopted by each nation¹⁰¹.

Japan is also involved in promoting triangular cooperation. For example, Tanzania is a participant in the “Clean Hospital Program,” part of the “Asia-Africa Knowledge Co-Creation Program (AAKCP),” which was launched as a forum to allow Asian and African countries to share experience/knowledge and help African countries develop strategies best suited to their particular needs. The “Clean Hospital Program” provides third country training programs in Sri Lanka and also spreads the Japanese “*kaizen*” philosophy throughout Africa¹⁰².

A glance at ODA by scheme, meanwhile, reveals that Tanzania has been the main recipient of Japanese ODA disbursements in Sub-Saharan Africa, mainly through grant aid and technical assistance. Japan had stopped providing yen loans to Tanzania in 1982 due to the latter’s debt problems, but Japan recommenced lending from 2006 onwards.

Furthermore, Japan has positioned Tanzania as a priority country under its donor coordination framework and has also implemented sector programs and budget support. Japan has played a particularly important role in Tanzania’s agricultural sector and, as a key donor, has played an active role in the launch and implementation of the ASDP. In fiscal 2001, Japan used a debt-relief grant aid scheme to begin making General Budget Support (GBS) contributions. Japan also began implementing GBS through non-project grant aid from 2004 to 2006. In FY2006, Japan began providing GBS through the World Bank’s “Poverty Reduction Support Credit (PRSC).” Japan has also participated in several common funds. For example, it contributed to: a poverty monitoring system (from fiscal 2003 to fiscal 2008); the ASDP secretariat budget (until fiscal 2005); the Public Financial Management Reform Programme (from fiscal 2005 onwards); and the ASDP itself (from fiscal 2006 onwards). It has also contributed to Local Government Development grants (from fiscal 2008 onwards) and the Local Government Reform Program (from fiscal 2009 onwards). Japan has also participated actively in policy discussions with the Tanzanian government. For instance, government-donor consultations identified three key focused areas (clusters) in the second PRS strategy. Working groups were established for each of these areas in order to review annual GBS from 2007 onwards. Japan is acting as co-chair on the donor side for the working group for the first cluster, “growth and reduction of income poverty.”¹⁰³

Japanese grant aid to Tanzania has taken the form of: assistance for infrastructure projects (roads, electricity and water); sector budget support (agriculture, governance) via common funds; and grant assistance for grass roots and human security initiatives (education, health, water, etc.) Japan has

¹⁰¹ JICA website: http://www.jica.go.jp/topics/news/2011/20111128_02.html

¹⁰² JICA website: <http://www.jica.go.jp/activities/issues/ssc/case/06.html>

¹⁰³ MOFA (2011), page 565, and MOFA (2008) “Country Assistance Program for the United Republic of Tanzania” <http://www.mofa.go.jp/mofaj/gaiko/oda/seisaku/enjyo/pdfs/tanza0806.pdf>

also provided technical assistance in the agriculture, infrastructure (roads, electricity and water), governance, health, education and industrial development sectors in accordance with the focused areas in its country assistance program. As for yen loans, Japan has provided general budget support with the fund managed by World Bank and provided yen loan to infrastructure projects together with the African Development Bank¹⁰⁴.

Figure 4-70 Japanese ODA disbursements to Tanzania by scheme
(Unit: 100 million yen)

| FY | Yen Loan | Grant Aid | Technical Assistance |
|-------|----------|-----------|----------------------|
| 2006 | 88.57 | 37.76 | 24.44 |
| 2007 | 20.00 | 57.05 | 22.03 |
| 2008 | 20.00 | 51.50 | 20.62 |
| 2009 | 91.19 | 44.44 | 23.25 |
| 2010 | 60.48 | 83.78 | 25.98 |
| Total | 486.51 | 1,586.57 | 699.45 |

Source: MOFA (2011) "ODA Country Data Book 2011," page 462

(5) Kenya

Summary of development plans and development assistance in Kenya

Kenya formulated the "Kenya Vision 2030" in 2008 as a blueprint to transform Kenya into a newly industrializing, middle-income country providing a high quality of life to all its citizens by 2030. The Vision outlines three economic, social and political pillars, namely: (1) achieve and maintain a 10% average annual growth rate until 2030; (2) build a just and cohesive society with social equity in a clean and secure environment; (3) realize a democratic political system founded on issue-based politics that respects the rule of law, and protects the rights and freedoms of every individual in Kenyan society.

The focused areas on development are the following 10 items.

1. Macroeconomic stability
2. Continuity in governance reforms
3. Enhanced equity and wealth creation opportunities for the poor
4. Infrastructure
5. Energy
6. Science, Technology and Innovation
7. Land reform
8. Human resources development
9. Security
10. Public sector reforms

¹⁰⁴ MOFA (2011) "ODA Country Data Book 2011", page 564
http://www.mofa.go.jp/mofaj/gaiko/oda/shiryo/kuni/11_databook/pdfs/05-12.pdf

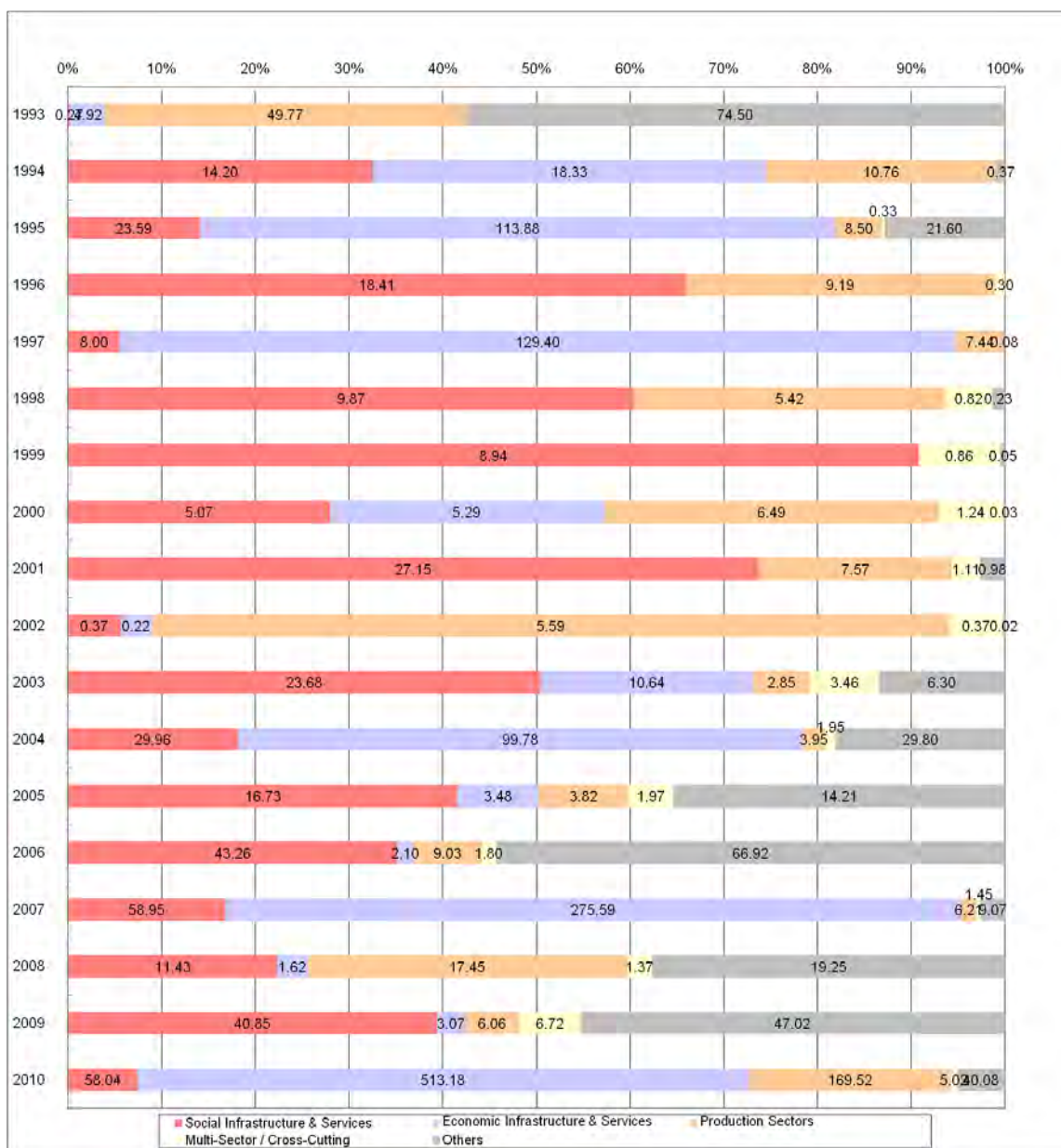
1) Performance of assistance to Kenya

Japanese economic assistance to Kenya began in 1963 with the acceptance of Kenyan trainees. Kenya is now one of the largest recipients of Japanese ODA disbursements in Sub-Saharan Africa. Kenya plays a leading political and economic role especially in East Africa through its contributions to regional peace and stability. It has one of the highest growth potentials of any Sub-Saharan nation and is actively engaged in democratic and economic reform. As a result, Japan disburses aid to Kenya on the basis of its strong potential with regards to the priority ODA areas of “poverty reduction” and “sustainable development.”^{105,}

Figures below outline Japanese assistance to Kenya as a total and by sector. Kenya has received substantial yen loans, so assistance amount in 2010 was more than four times the figure for 2008. By sector, since 1993, funding has consistently been allocated to the social infrastructure and services sector, particularly to the health, education, population and reproductive health sectors. Japan also provides ongoing assistance to Kenya’s transport and agriculture sectors.

¹⁰⁵ MOFA (2011), page 461

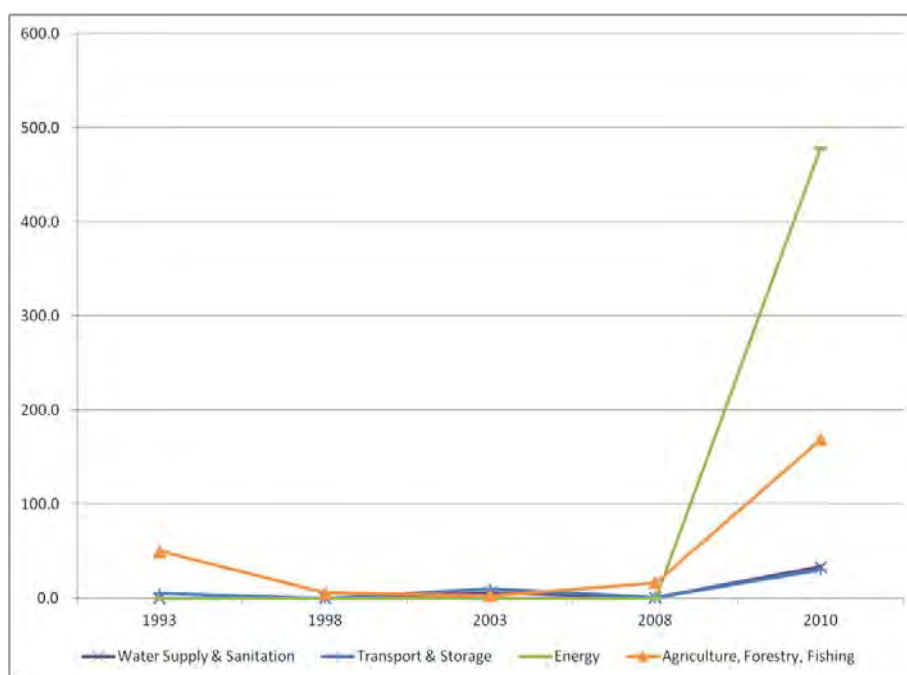
Figure 4-71 Japanese ODA to Kenya: Total and breakdown
(Unit: US\$ million, Commitment based)



Source: Compiled using the OECD/DAC Statistics database

Figure 4-72 Japanese ODA to Kenya:Key areas and its transition
(Unit: US\$ million, Commitment based)

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|--|-------|------|------|------|-------|
| Kenia Total | 129.5 | 16.3 | 46.9 | 51.1 | 785.9 |
| Total Sector Allocable | 55.0 | 16.1 | 40.6 | 31.9 | 745.8 |
| Social Infrastructure & Services | 0.3 | 9.9 | 23.7 | 11.4 | 58.0 |
| Education | 0.0 | 0.3 | 7.0 | 3.6 | 6.8 |
| Health | 0.0 | 9.2 | 6.3 | 1.6 | 10.6 |
| Population Pol./Progr. & Reproductive Health | 0.0 | 0.0 | 0.0 | 1.7 | 5.1 |
| Water Supply & Sanitation | 0.0 | 0.0 | 5.9 | 0.7 | 33.4 |
| Government & Civil Society | 0.3 | 0.0 | 3.9 | 2.2 | 1.1 |
| Other Social Infrastructure & Services | 0.0 | 0.4 | 0.6 | 1.6 | 1.0 |
| Economic Infrastructure & Services | 4.9 | 0.0 | 10.6 | 1.6 | 513.2 |
| Transport & Storage | 4.9 | 0.0 | 9.9 | 0.6 | 30.3 |
| Communications | 0.0 | 0.0 | 0.7 | 0.3 | 0.4 |
| Energy | 0.0 | 0.0 | 0.0 | 0.0 | 478.7 |
| Banking & Financial Services | 0.0 | 0.0 | 0.0 | 0.7 | 3.3 |
| Business & Other Services | 0.0 | 0.0 | 0.1 | 0.0 | 0.5 |
| Production Sectors | 49.8 | 5.4 | 2.8 | 17.5 | 169.5 |
| Agriculture, Forestry, Fishing | 49.8 | 5.4 | 2.5 | 16.4 | 168.4 |
| Industry, Mining, Construction | 0.0 | 0.0 | 0.3 | 0.7 | 0.6 |
| Trade Policies & Regulations | 0.0 | 0.0 | 0.1 | 0.3 | 0.5 |
| Tourism | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 |
| Multi-Sector / Cross-Cutting | 0.0 | 0.8 | 3.5 | 1.4 | 5.0 |
| General Environment Protection | 0.0 | 0.0 | 0.7 | 1.3 | 0.7 |
| Other Multisector | 0.0 | 0.8 | 2.7 | 0.0 | 4.3 |
| Others | 74.5 | 0.2 | 6.3 | 19.3 | 40.1 |



Source: Compiled using the OECD/DAC Statistics database

In order to encourage Kenyan self-sufficiency, Japan's basic aid policy is to provide assistance for poverty reduction and sustainable development. Japan provides assistance in six focused areas in accordance with its Country Assistance Program for Kenya, formulated in 2000. The details are outlined below¹⁰⁶.

(i) Human resource development

- Basic education: dispatch of experts and Japan Overseas Cooperation Volunteers (JOCV); initiatives and improve educational facilities and materials.
- Higher education and technical training: technical and business skills training for SMEs; support for the African Institute for Capacity Development as a regional organization to disseminate knowledge and skills to other countries.
- Assistance for human resource training through the acceptance of trainees and the dispatch of advisers/experts in order to improve administrative capabilities.
- Assistance for democratization through the dispatch of experts to help improve institutional capacity and the acceptance of trainees through invitations to democratization seminars and so on¹⁰⁷.

As outlined in figures below, Japan has a significant presence in the education sector. In 2010, it was responsible for around 14.5% of total aid disbursements to this sector. Though its contributions in the area of basic education are not so substantial, they have been increasing in recent years.

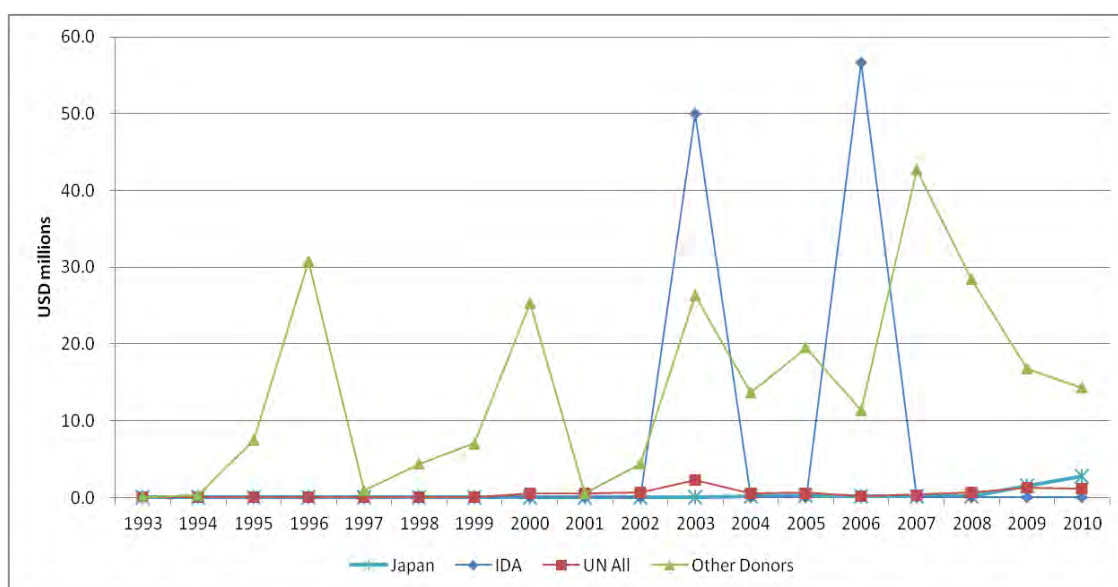
The World Bank contributed around half of all spending in this sector until 2006, though its contributions have been declining in recent years. The UN's contributions are also quite modest compared to the total amount, though it does provide ongoing support.

¹⁰⁶ MOFA (2011), page 461

¹⁰⁷ MOFA website: http://www.mofa.go.jp/mofaj/gaiko/oda/seisaku/enjyo/kenya_h.html

Figure 4-73 ODA for basic education in Kenya
(Unit: US\$ million, Commitment based)

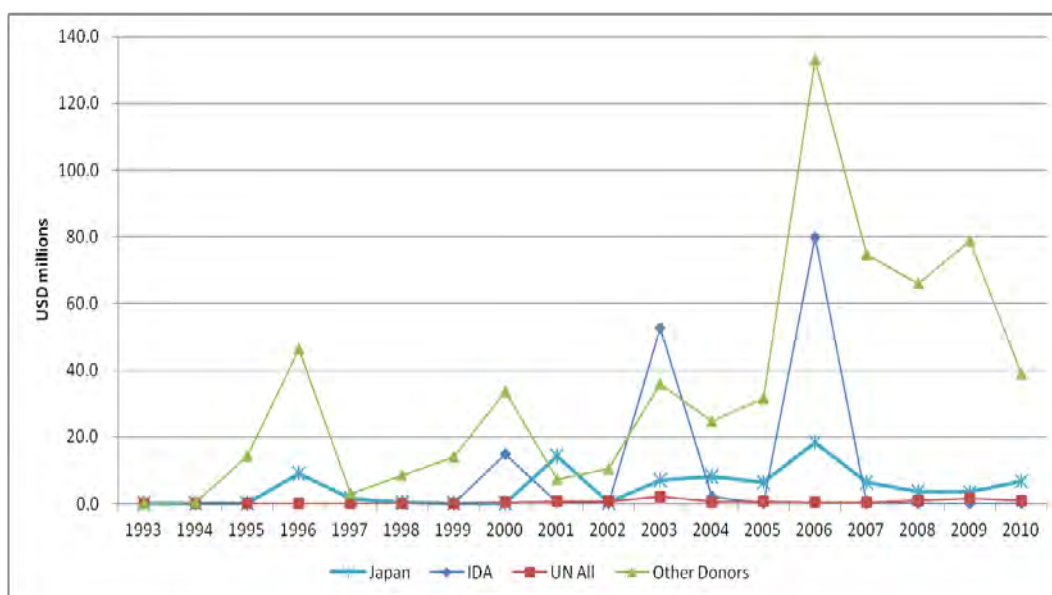
| | 1993 | 1998 | 2003 | 2008 | 2010 |
|-------------------|------|------|------|------|------|
| Japan | 0.0 | 0.0 | 0.0 | 0.2 | 2.8 |
| IDA | 0.0 | 0.0 | 50.0 | 0.0 | 0.0 |
| UN All | 0.0 | 0.0 | 2.3 | 0.6 | 1.1 |
| Other Donors | 0.0 | 4.4 | 26.3 | 28.4 | 14.3 |
| All Donors, Total | 0.0 | 4.4 | 78.6 | 29.3 | 18.2 |



Source: Compiled using the OECD/DAC Statistics database

**Figure 4-74 ODA for education in Kenya
(Unit: US\$ million, Commitment based)**

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|-------------------|------|------|------|------|------|
| Japan | 0.0 | 0.3 | 7.0 | 3.6 | 6.8 |
| IDA | 0.0 | 0.0 | 52.8 | 0.0 | 0.0 |
| UN All | 0.0 | 0.0 | 2.3 | 0.9 | 1.1 |
| Other Donors | 0.0 | 8.4 | 36.1 | 66.0 | 38.7 |
| All Donors, Total | 0.0 | 8.7 | 98.1 | 70.6 | 46.6 |




Source: Compiled using the OECD/DAC Statistics database

As outlined in figure 4-79 below, Japan is piloting an African regional cooperation scheme in Kenya through the JICA-backed “Strengthening of Mathematics and Science Education Project (SMASE-WECSA).” In order to ensure that the experiences, knowledge and results of this project are disseminated not just in Kenya but also throughout other neighboring countries that share similar challenges with mathematics and science education, Japan has: implemented third country training programs; held nine international conferences; helped each country to share examples of good practice; and provided technical advice and support for the establishment of trainee systems targeted at neighboring countries. The scheme is currently working with organizations such as the AU, ADEA and NEPAD. Member nations include Ethiopia, Ghana, Kenya, Mozambique, Senegal and Tanzania (all target nations for this survey), while South Africa participates as an observer¹⁰⁸.

¹⁰⁸ JICA website: <http://www.jica.go.jp/project/kenya/0800849/activities/index.html>

Figure 4-75 Good examples of Japanese support in the education sector



■ Strengthening Mathematics and Science Education (SMASE)

[Objective]

- Kenya is working to change the structure of its industries to a more growth oriented one by the year 2030, but for this to happen, the country needs to develop human resources capable of promoting industrialization, in view of the poor quality of mathematics and science education in schools.

[Content of cooperation]

- Japan offered assistance, starting in 1998, to develop the capability of teachers who play a key role in the strengthening of secondary-level math and science education in Kenya. The project included the introduction of an in-service education and training (INSET) system for teachers, which proved highly effective, and the support in implementing the project's approach for improving classroom lessons. In Phase 2, Kenya's experience and achievements in SMASE was shared with other African countries that have similar problems.

[Outcome]

- In Kenya, the training system for district trainers at the National INSET center was strengthened, and the system of INSET was established in districts throughout the country. The role of national and district INSET centers as resource centers was strengthened.
- In terms of intraregional cooperation, the teaching methods and systems of SMASE were disseminated among other African countries that share the same problem and wish to learn from Kenya's experience, knowledge and achievements gained through the project (SMASSE-WACSA members).

- Signing date:
1998 (Phase 1),
2003 (Phase 2)
- Project site:
Nationwide including
Nairobi, other African
countries
- Project period:
July 1998-June 2002
(Phase 1),
2003-2008 (Phase 2)
- ODA disbursements:
860 million yen
(Phase 1),
1.3 billion yen (Phase 3)

(ii) Rural development

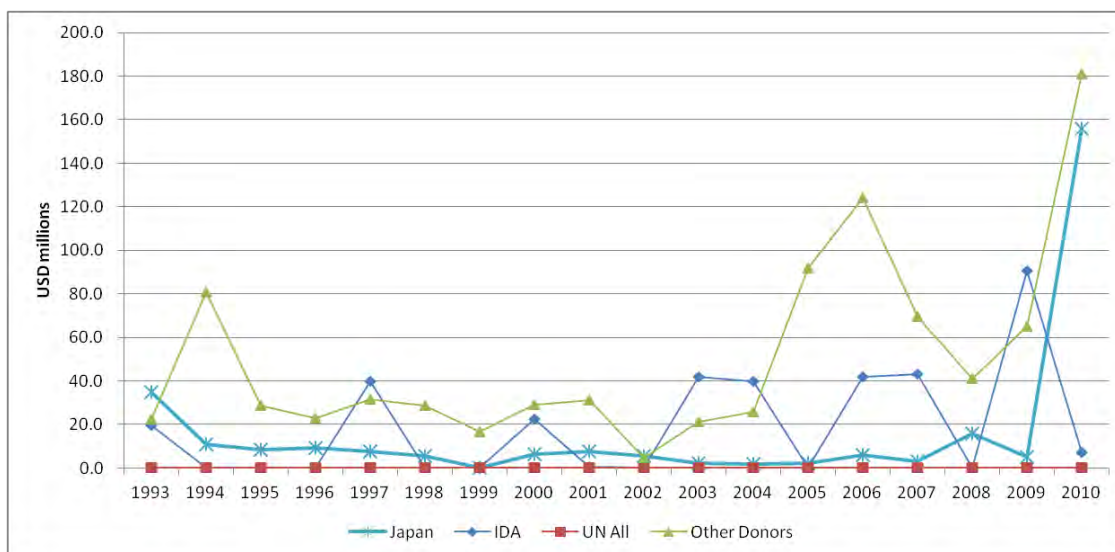
Japanese ODA to the rural sector centers on small-scale agricultural promotion projects aimed at smallholder farmers. These include support for: the improvement of productivity; the development of irrigation technologies; the rehabilitation and expansion of facilities; the strengthening of farmer's organizations; and the improvement of market access¹⁰⁹. As outlined in figure below, since 2000 onwards, Japan has been a major contributor to this sector and in 2010 it accounted for half of all assistance disbursed to rural development projects.

The World Bank also has a strong presence in this sector and offers substantial support.

¹⁰⁹ MOFA website: http://www.mofa.go.jp/mofaj/gaiko/oda/seisaku/enjyo/kenya_h.html

Figure 4-76 ODA to Kenya's agricultural sector
(Unit: US\$ million, Commitment based)

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|-------------------|------|------|------|------|-------|
| Japan | 35.0 | 5.4 | 2.1 | 15.8 | 155.7 |
| IDA | 19.4 | 0.0 | 42.1 | 0.0 | 7.4 |
| UN All | 0.0 | 0.0 | 0.0 | 0.0 | 0.1 |
| Other Donors | 22.5 | 28.5 | 21.4 | 40.9 | 181.1 |
| All Donors, Total | 76.9 | 33.9 | 65.6 | 56.7 | 344.3 |



Source: Compiled using the OECD/DAC Statistics database

(iii) Economic infrastructure development

Japan has offered concrete support for infrastructure development in areas where investment seems likely to bear fruit. These include: the development and rehabilitation of transportation infrastructure; the development of eco-friendly energy resources to ease electricity supply shortages; and the improvement of the telecommunications network¹¹⁰.

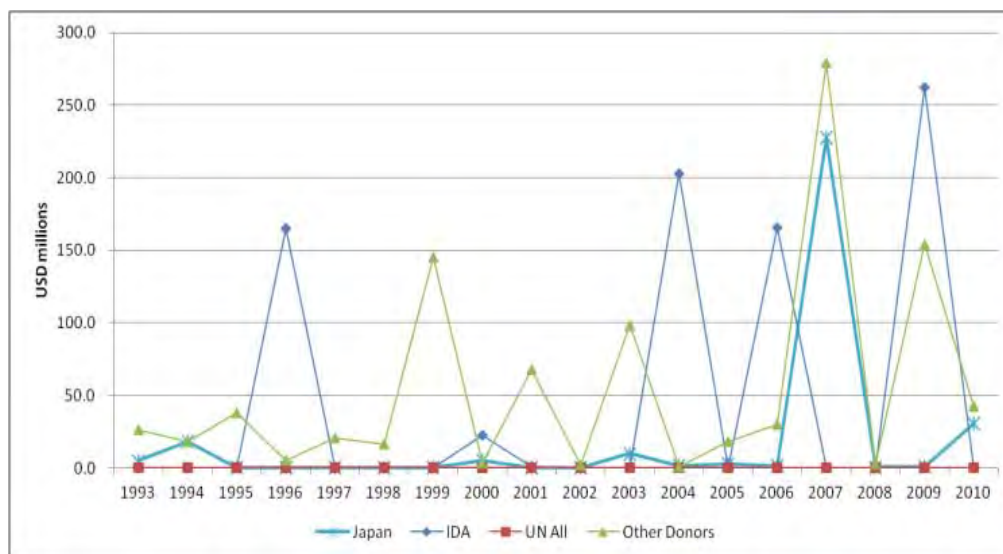
As outlined below, Japan has consistently provided assistance to the transport and logistics section since 1993, though the amount differs from year to year. In 2010, Japan was responsible for nearly half the total aid amount to this sector. This was mainly due to yen loans disbursed for a geothermal power generation project.

World Bank aid to this sector varies from year to year, but in fiscal years when it does disburse aid, this amount is quite substantial.

¹¹⁰ MOFA website: http://www.mofa.go.jp/mofaj/gaiko/oda/seisaku/enjyo/kenya_h.html

Figure 4-77 ODA to Kenya's transportation sector
(Unit: US\$ million, Commitment based)

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|-------------------|------|------|-------|------|------|
| Japan | 4.9 | 0.0 | 9.9 | 0.6 | 30.3 |
| IDA | 0.0 | 0.0 | 0.1 | 0.0 | 0.0 |
| UN All | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Donors | 26.2 | 16.4 | 98.4 | 2.5 | 42.6 |
| All Donors, Total | 31.1 | 16.4 | 108.4 | 3.0 | 73.0 |



Source: Compiled using the OECD/DAC Statistics database

(iv) Healthcare

Japan has provided ODA to for healthcare projects such as: family planning to restrain population growth; the improvement of maternal and child healthcare services; and population education. To help tackle AIDS, a deepening social problem in recent years, Japan has also provided assistance to: expand healthcare for AIDS patients; increase preventative AIDS education and awareness; and increase the availability of contraceptives. Japan has also helped improve access to safe, clean water, a key step to improving healthcare¹¹¹.

Though Japan's proportion of the total spending on maternal and child healthcare is quite small, the UN provides ongoing supporting in this area, as it does in other countries.

(v) Environmental conservation

Japan has offered concrete support for environmental conservation in the following areas: the

¹¹¹ MOFA website: http://www.mofa.go.jp/mofaj/gaiko/oda/seisaku/enjyo/kenya_h.html

conservation of the ecosystem, including wildlife protection: the conservation and planting of forests and the conservation of agricultural land in order to prevent the spread of arid and semi-arid areas; the improvement of sanitation in urban areas; and the improvement of water and sewage systems in order to control water quality¹¹².

The contributions of Japan, the World Bank and the UN are quite limited in this sector.

(vi) Peace building and consolidation

Japan has offered the following support for peace building and consolidation in Kenya: humanitarian assistance for victims of post-election violence; support for the election process; help to deal with food crises; support for regional peace building through PKO and so on¹¹³.

A glance at ODA by scheme reveals that, as outlined in figure below, as well as providing yen loans, Japan has also offered a lot of grant aid and technical assistance to Kenya.

Figure 4-78 Japanese ODA disbursements to Kenya by scheme
(Unit: 100 million yen)

| FY | Yen Loan | Grant Aid | Technical Assistance |
|-------|----------|-----------|----------------------|
| 2006 | 56.20 | 37.54 | 30.80 |
| 2007 | 267.11 | 44.59 | 24.47 |
| 2008 | - | 60.65 | 22.72 |
| 2009 | 295.16 | 71.94 | 27.11 |
| 2010 | 255.88 | 53.65 | 29.70 |
| Total | 2,708.22 | 1,150.14 | 964.14 |

Source: Compiled based on MOFA (2011) "ODA Country Data Book 2011," page 462

(vii) The presence of Japan and Japanese Assistance in Africa

An analysis of the presence of Japan and Japanese assistance in the African countries has been undertaken in the country assistance evaluation conducted by the Ministry of Foreign Affairs of Japan.

In the evaluation of Mozambique (2008), NGOs that were given Grant Assistance for Grassroots Human Security Projects were asked to give their opinions of Japan and Japanese assistance. Responses included, "Rated highly because humanitarian needs are emphasized and there is little political agenda," "Provides support that takes into account the needs of the NGO," and "It is easy to prepare a cash flow plan, as finances are provided immediately after approval is granted."

¹¹² MOFA website: http://www.mofa.go.jp/mofaj/gaiko/oda/seisaku/enjyo/kenya_h.html

¹¹³ MOFA (2011), page 462

Additionally, in the country assistance evaluation of Kenya (2005), 1,200 Kenyans were surveyed on their perception of Japan's ODA. The respondents replied that Japan's assistance was effective in the areas of education and health, and that going forward they hoped for assistance in the areas of water, roads, and infrastructure.

Figure 4-79 Perception of Kenyans regarding Japan's ODA

- All respondents knew about Japan as a country.
- A total of 83.63% of the respondents knew about specific Japanese ODA projects in Kenya. Among the specific projects, the "Jomo Kenyatta University of Agriculture and Technology (JKUAT)" was the most well-known, with 38.2%, followed by the "Sondu-Miriu Hydroelectric Project" with 28.9%. "KEMRI" and "Road construction" followed with 6.2%, respectively. When asked which projects they considered to be good Japanese ODA projects, similar replies as the above were given.
- A total of 21.6% of the respondents replied that they were "directly benefiting" from Japanese ODA to Kenya.
- When asked how Japanese ODA projects had been beneficial to Kenya, respondents cited benefits in education (33.3%), in health (20.0%), contributed to making Kenya dependable (20.0%), and national development (13.3%).
- Finally, when respondents were asked what initiatives they expected from Japan in the future, replies included initiatives in the areas of water (18.4%), education (18.4%), roads/infrastructure (17.0%), and health (11.3%).
- When asked which country was the best donor to Kenya, 33% replied "U.K.," followed by 30% "U.S." and 24% "Japan."

Source: Country Assistance Evaluation of Kenya (2005)

(6) Senegal

Summary of development plans and development assistance in Senegal

In 2006, the Senegalese government released the revised Poverty Reduction Strategy Paper II (PRSP II: 2006–2010). This plan sets down four priority targets for reducing poverty, namely: (1) Wealth creation; (2) Access to basic social services; (3) Social protection, prevention and management of risks and disasters; (4) Good governance and decentralized development. Led by the Prime Minister's Office, the Senegalese government subsequently introduced the "Stratégie de Croissance Accélérée (SCA)." This indicated the government's strong desire for economic growth-led development. Furthermore, Senegal has shown initiative in formulating the NEPAD project and is also a proponent of large-scale economic infrastructure developments.

The Senegalese government and its development partnership both regard PRSP and PRSP II as the basic framework of Senegal's development strategy. A number of consistent policies have been formulated for each key sector. These include: the "Programme Triennal d'Investissements Publics (PTIP)"; and the "Cadre de Dépenses à Moyen Terme (CDSMT)", which deals with the environment, judiciary, education and health.

Donor coordination is also common and a number of bodies have been established as forums to exchange information about donor coordination and to lay the grounds for talks with the Senegalese government. These include: the conference of development partnership; the consultative committee of financial and technical cooperation partnership; and working groups for sectors such as agriculture, education, healthcare, water supply and governance.

1) Performance of assistance to Senegal

Japan first extended economic assistance to Senegal in 1976 and has continued to provide support for sectors such as basic social services (healthcare, education, water), tree planting, agriculture, fisheries, and infrastructure. Japan has been offering technical assistance since 1979, when it first dispatched JOCV.

Based on PRSP II and other Senegalese development plans, and after taking into account the "Yokohama Declaration" and "Yokohama Action Plan" adopted at TICAD IV and the Follow-up Mechanism, the Japanese government formulated grand goals for Senegal: "Building a nation that balances social development against economic development" (providing assistance that looks forward to sustainable economic development while placing emphasis on social development). Japan is trying to pursue policies that gradually expand to provide assistance for sustainable economic development whilst prioritizing social development too¹¹⁴.

The performance of Japanese ODA to Senegal is outlined in figures below. Total ODA disbursements to Senegal doubled from 2008 to 2010 (not including 2004, when the country received debt relief). The social infrastructure and services sector (particularly education, healthcare, water supply and sanitation) and production sector (particularly agriculture) have received

¹¹⁴ MOFA (2011), page 552

substantial support.

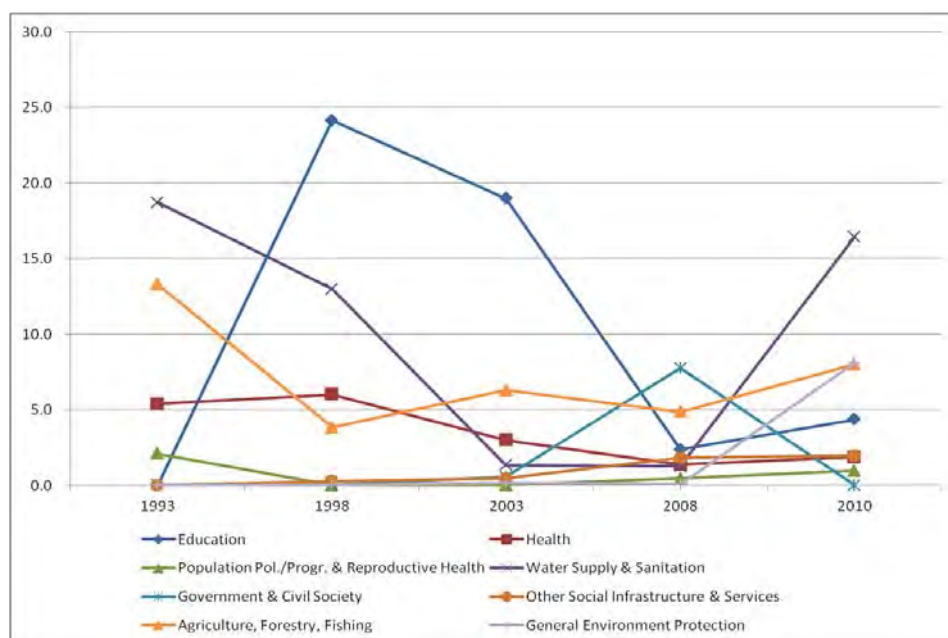
**Figure 4-80 Japanese ODA to Senegal: Total and breakdown
(Unit: US\$ million, Commitment based)**



Source: Compiled using the OECD/DAC Statistics database

Figure 4-81 Japanese ODA to Senegal: Key areas and its transition
(Unit: US\$ million, Commitment based)

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|--|------|------|------|------|------|
| Senegal Total | 40.9 | 49.8 | 35.1 | 21.9 | 55.6 |
| Total Sector Allocable | 39.6 | 47.3 | 31.4 | 20.4 | 45.2 |
| Social Infrastructure & Services | 26.3 | 43.4 | 24.4 | 15.0 | 25.7 |
| Education | 0.0 | 24.1 | 19.0 | 2.4 | 4.4 |
| Health | 5.4 | 6.0 | 3.0 | 1.4 | 1.9 |
| Population Pol./Progr. & Reproductive Health | 2.1 | 0.0 | 0.0 | 0.5 | 1.0 |
| Water Supply & Sanitation | 18.7 | 13.0 | 1.3 | 1.3 | 16.4 |
| Government & Civil Society | 0.0 | 0.0 | 0.6 | 7.7 | 0.0 |
| Other Social Infrastructure & Services | 0.0 | 0.3 | 0.5 | 1.8 | 2.0 |
| Economic Infrastructure & Services | 0.0 | 0.0 | 0.2 | 0.2 | 0.5 |
| Transport & Storage | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| Communications | 0.0 | 0.0 | 0.2 | 0.1 | 0.1 |
| Energy | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Banking & Financial Services | 0.0 | 0.0 | 0.1 | 0.0 | 0.1 |
| Business & Other Services | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Production Sectors | 13.3 | 3.8 | 6.4 | 5.1 | 8.4 |
| Agriculture, Forestry, Fishing | 13.3 | 3.8 | 6.3 | 4.9 | 8.0 |
| Industry, Mining, Construction | 0.0 | 0.0 | 0.1 | 0.2 | 0.3 |
| Trade Policies & Regulations | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 |
| Tourism | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Multi-Sector / Cross-Cutting | 0.0 | 0.1 | 0.4 | 0.0 | 10.8 |
| General Environment Protection | 0.0 | 0.0 | 0.2 | 0.0 | 8.1 |
| Other Multisector | 0.0 | 0.1 | 0.2 | 0.0 | 2.7 |
| Others | 1.3 | 2.4 | 3.7 | 1.5 | 10.4 |



Source: Compiled using the OECD/DAC Statistics database

In order to support the realization of the Senegalese basic policy of “Building a nation that

balances social development against economic development,” the Japanese government has formulated two medium goals to guide its ODA policy for Senegal. These are: “Improvement in the quality of life of the poor in rural areas”; and “Establishment of the foundation for sustainable economic development”¹¹⁵.” The concrete details of respective ODA policies are outlined below alongside a comparison of results based on DAC statistics.

(i) Improvement in the quality of life of the poor in rural areas

Japan has positioned “Rural development” and “Enhancement of basic social services” as goals in its assistance plan for Senegal. It aims to implement social development initiatives that: actively involve the local population in the management of basic social services; reduce poverty in rural areas; avoid rapid urbanization; and create an environment conducive to economic growth.

As DAC statistics for this sector reveal that Japan has been providing assistance to Senegal’s water supply and sanitation sectors for many years. Figure below provides a simple estimate of Japan’s contribution to improving access to improved water source in Senegal. In the 20 years between 1990 and 2010, it is estimated that the number of people with access to improved water source grew by around 4.03 million. Of these, it is estimated that 750,000 people, or around 18.6% of the total figure, could be benefited by JICA projects for their improved water source. These projects include initiatives to build or repair water facilities that utilize deep wells, and initiatives to strengthen community-led management, maintenance activities through technical assistance.

Figure 4-82 Japanese contribution with regards to access to improved water source in Senegal (Estimate)

| Year | Total population (A) | Number of people with access to improved water source (B) | Access rate (B/A) | Increase in the number of people with access to improved water source C= (B(1990)-B(2010)) | Number of beneficiaries of JICA projects (D) | Contribution ratio (D/C) |
|------|----------------------|---|-------------------|--|--|--------------------------|
| 1990 | 7.24 million | 3.5476 million | 49% | - | - | - |
| 2010 | 12.43 million | 7.5823 million | 61% | 4.0347 million | 750,000 | 18.6% |

Source: Change of Senegal’s total population and number of access to improved water source:

World Bank “World Development Indicators”

(<http://data.worldbank.org/data-catalog/world-development-indicators>)

Number of beneficiaries of JICA projects: compiled using the data about deep wells contained in “Performance of Water Supply Projects” (Water Resources and Disaster Management Group, Global Environment Department of JICA, 2010)

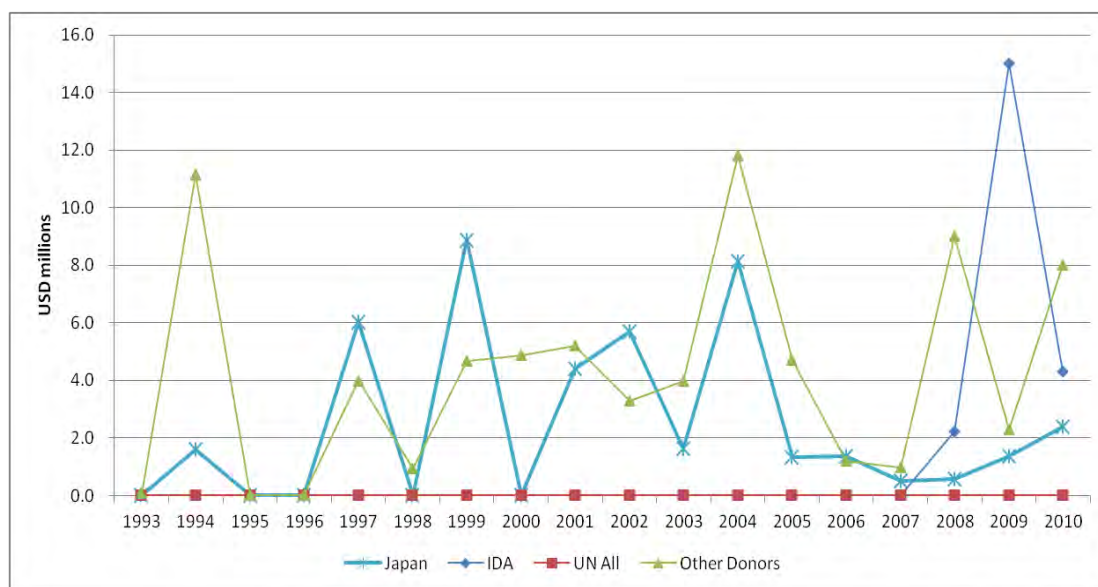
(http://www.jica.go.jp/activities/issues/water_disaster/pdf/summary01.pdf)

¹¹⁵ MOFA (2011), pages 552-553

Japanese ODA to the agriculture sector has been on the increase in recent years. Though Japan's contributions are relatively small, it does make the lion's share of ODA to the fisheries sector and is now the leading donor in this area (apart from 2010, when the World Bank significantly increased assistance to the sector) (see figure below). A good example of Japanese assistance to the fisheries sector is outlined below. In order to promote the efficient management of marine resources, Japan has pursued initiatives that promote the joint management of these resources by fishers and governmental agencies. These include: helping small fishers to organize; creating systems for resource management; and providing technical assistance to promote sustainable activities and autonomous development.


Figure 4-83 ODA to Senegal's agricultural sector
(Unit: US\$ million, Commitment based)

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|-------------------|------|------|------|------|------|
| Japan | 0.0 | 0.0 | 1.6 | 0.6 | 2.4 |
| IDA | 0.0 | 0.0 | 0.0 | 2.2 | 4.3 |
| UN All | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Donors | 0.1 | 0.9 | 4.0 | 9.0 | 8.0 |
| All Donors, Total | 0.1 | 0.9 | 5.6 | 11.8 | 14.7 |



Source: Compiled using the OECD/DAC Statistics database

Figure 4-84 Good examples of Japanese support for Senegal's fisheries sector

| | |
|---|--|
|  | ■Project on the Capacity Building for the Artisanal Fisheries Organization and the Leaders in Fisheries Villages |
| <ul style="list-style-type: none">■ Date of signing: March 27, 2009■ Project site: Dakar and related fishery villages (Saint-Louis, Mbour, etc.)■ Project period: June 2009-March 2013■ ODA disbursements: 399 million yen | <p>[Objective]</p> <ul style="list-style-type: none">● Senegal depends on marine products for 32% of its exports and 70% of the people's total animal protein intake. Fisheries generates direct and indirect employment for 17% of the country's total working population or about 600,000 people, a majority of who are engaged in artisanal fisheries and fish processing. This important industry, however, is faced with the problem of marine resource depletion. <p>[Content of cooperation]</p> <ul style="list-style-type: none">●The Program promoted the "<i>Co-gestion</i>" (co-management) of fisheries by fishermen and the government, in parallel with the capacity building of artisanal fisheries organizations responsible for marine resource management, namely the Local Council of Small-scale Fishing (<i>CLPA</i>) and local fisheries committees (<i>CLV</i>), with the aim of securing the sustainability and independent development of aquatic resource management system and activities. |

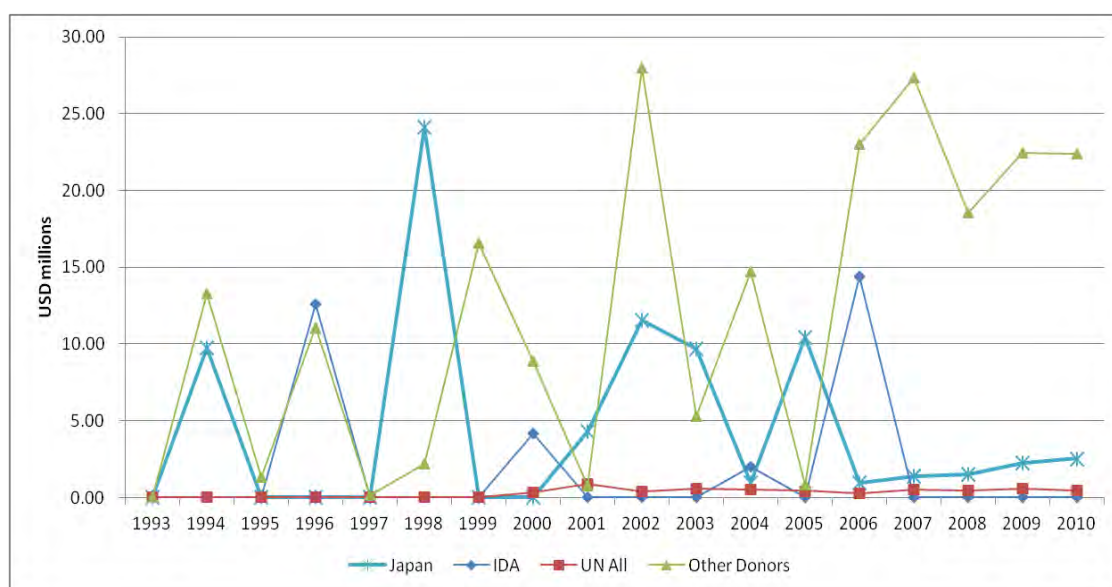
Source: Compiled using JICA websites

Japan contributed substantially to basic education in Senegal from 1990s to around 2005. However, this amount has been sliding in recent years.

The World Bank and the UN agency also provide ongoing support to this sector, though they could hardly be classed as major donors.

Figure 4-85 ODA for basic education in Senegal
(Unit: US\$ million, Commitment based)

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|-------------------|------|------|------|------|------|
| Japan | 0.0 | 24.1 | 9.7 | 1.5 | 2.5 |
| IDA | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| UN All | 0.0 | 0.0 | 0.6 | 0.5 | 0.4 |
| Other Donors | 0.0 | 2.2 | 5.3 | 18.5 | 22.4 |
| All Donors, Total | 0.0 | 26.3 | 15.6 | 20.5 | 25.4 |



Source: Compiled using the OECD/DAC Statistics database

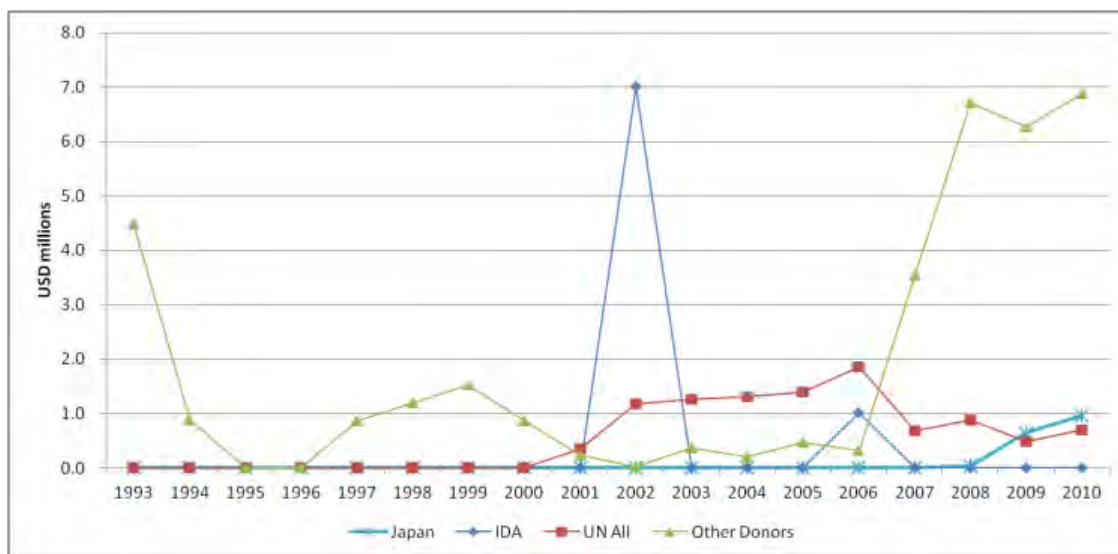
Japan provided slight assistance to the maternal and child health sector for a long time before finally offering assistance from 2008 onwards. In the Tambacounda Region, Japan is implementing a multifaceted and comprehensive approach to strengthening communities and healthcare facilities¹¹⁶.

The World Bank and the UN both provided substantial assistance to this sector from 2002 onwards, though the proportion of total aid they provide has decreased following an overall increase in aid to the sector from 2009 onwards.

¹¹⁶ MOFA (2011), page 553

Figure 4-86 ODA for maternal and child healthcare in Senegal
(Unit: US\$ million, Commitment based)

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|-------------------|------|------|------|------|------|
| Japan | 0.0 | 0.0 | 0.0 | 0.0 | 1.0 |
| IDA | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| UN All | 0.0 | 0.0 | 1.3 | 0.9 | 0.7 |
| Other Donors | 4.5 | 1.2 | 0.4 | 6.7 | 6.9 |
| All Donors, Total | 4.5 | 1.2 | 1.6 | 7.6 | 8.5 |



Source: Compiled using the OECD/DAC Statistics database

(ii) Establishment of the foundation for sustainable economic development

Japan has positioned “Promoting local industries and improving their infrastructure” and “Human resource development for industry” as goals in its assistance plan for Senegal. Its stated goals are to: promote local industries with the potential to create jobs for the poor and increase their income; develop human resources; improve regional market access for rural villages; and improve basic infrastructure¹¹⁷.

Japan contributed significantly to human resource development for industry sector in Senegal until 2005, though its contributions decreased from 2006 onwards.

The World Bank and UN offer little assistance in this field.

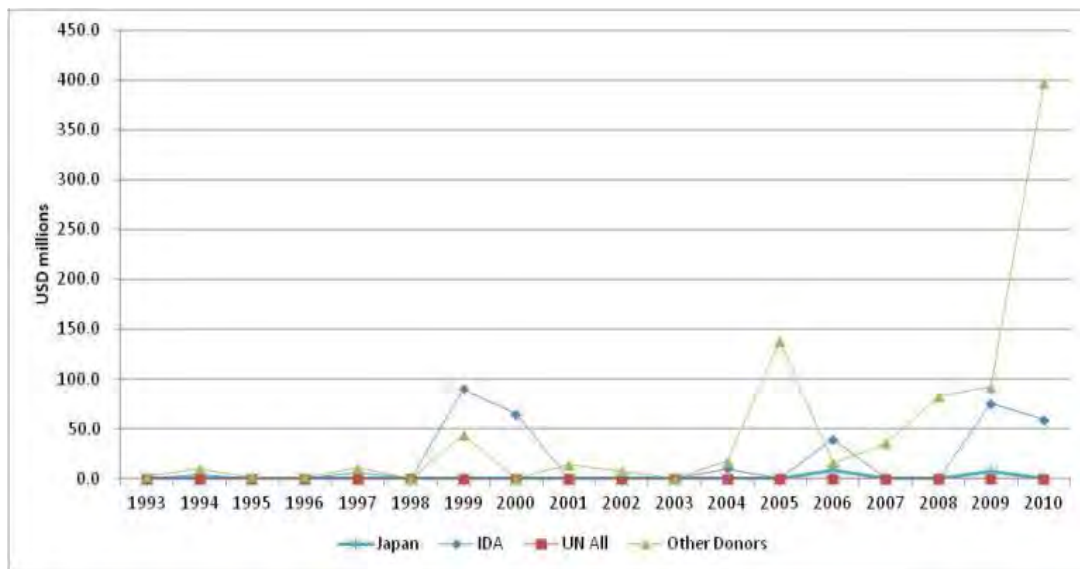
As outlined in figure below, in recent years Japan has stepped up its support for initiatives to improve infrastructure and market access.

¹¹⁷ MOFA (2011), page 553; MOFA (2009)

The World Bank has provided consistently strong support for transport and infrastructure. Since 2008, the contributions of other donors have also grown in line with an overall increase in aid to the sector.

Figure 4-87 ODA for transport and infrastructure in Senegal
(Unit: US\$ million, Commitment based)

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|-------------------|------|------|------|------|-------|
| Japan | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| IDA | 0.0 | 0.0 | 0.0 | 0.0 | 59.3 |
| UN All | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Donors | 2.0 | 0.3 | 0.4 | 82.6 | 397.3 |
| All Donors, Total | 2.0 | 0.3 | 0.4 | 82.6 | 456.8 |



Source: Compiled using the OECD/DAC Statistics database

Most Japanese assistance to Senegal has taken the form of grant aid, though there have also been cases of technical assistance. Japan wrote off yen loans to Senegal worth around 9.80 billion yen in 2004 when the country reached the Completion Point of the Enhanced HIPC Initiative. Then Japan granted new yen loans in 2005 through regional infrastructure projects under a joint initiative with the African Development Bank¹¹⁸. In fiscal 2010, Japan provided 4.4 billion yen in grant aid (Exchange-of-Notes basis) and technical assistance worth 1.96 billion yen (JICA disbursement basis). Up until fiscal 2010, Japan had disbursed 15.52 billion yen in loans, 103.71 billion yen in grant aid (Exchange-of-Notes basis), and technical assistance worth 34.38 billion yen (JICA disbursement basis)¹¹⁹.

¹¹⁸ MOFA (2011), page 552

¹¹⁹ MOFA (2011), page 554

Figure 4-88 Japanese ODA disbursements to Senegal by scheme
(Unit: 100 million yen)

| FY | Yen Loan | Grant Aid | Technical Assistance |
|-------|----------|-----------|----------------------|
| 2006 | - | 18.73 | 15.89 |
| 2007 | - | 8.20 | 13.77 |
| 2008 | - | 23.50 | 14.73 |
| 2009 | - | 39.26 | 18.47 |
| 2010 | - | 44.02 | 19.62 |
| Total | 155.20 | 1037.19 | 343.86 |

Source: MOFA (2011) "ODA Country Data Book 2011," page 554

Public-private partnerships have also contributed to sustainable economic development in Senegal. Japan has collaborated with Japanese companies in projects such as: preparatory surveys with regards to Base of the Pyramid (BOP) business; and grant aid for initiatives involving security for humans and grass roots movements. Since 2010, Japan has also strengthened multilateral and bilateral cooperation through the effective implementation of bilateral aid and support for international institutions. Japanese technical assistance to Senegal has progressed more smoothly since the signing of the Japan-Senegal Technical Cooperation Agreement in May 2011¹²⁰.

(7) Ghana

Summary of development plans and development assistance in Ghana

The Ghanaian government formulated the "Ghana Shared Growth and Development Agenda 2010-2013 (GSGDA)" in 2010 as a medium-term development plan. The main goal of GSGDA is the promotion of economic growth that contributes to the development of the whole country without any geographical, societal or class-based discrimination. It positions the "Enhanced competitiveness of Ghana's private sector" as a focused area and presents various policies aimed at improving the business (investment) environment. The government has also put together related policies in focused areas such as agricultural modernization, natural resource management, resource management in the oil and gas sector (a particular focus in recent times), and infrastructure development.

Ghana pushed forward with donor coordination in the latter half of the 1990s with the introduction of Sector-Wide Approaches (SWAPs) in the healthcare sector. Since then, SWAPs have also been introduced for education and agriculture too.

Following the implementation of the Ghana Poverty Reduction Strategy in 2002, Ghana has started to receive general budget support, with Japan also participating. The total amount stood at around US\$400 million in 2010, with the Ghanaian government receiving around 25% of this.

¹²⁰ MOFA (2011), page 553

1) Performance of assistance to Ghana

Japanese economic cooperation to Ghana first began with technical assistance in 1963. Since then, a large number of technical assistance initiatives have been implemented, as epitomized by projects involving the Noguchi Memorial Institute for Medical Research (named after Dr. Hideyo Noguchi). Grant aid, meanwhile, was first disbursed as food aid in 1973.

Figure below outlines ODA to Ghana as a total and by sector. Apart from when the country received debt relief in 2004, assistance to Ghana has increased every year. Transportation and energy sectors (part of economic infrastructure and services sector) have received substantial assistance throughout the entire period, with these sectors receiving the most aid in 2010. Other sectors receiving a relatively high slice of the aid pie include social infrastructure and services (particularly education and health), production (particularly agriculture), and recently environmental conservation.

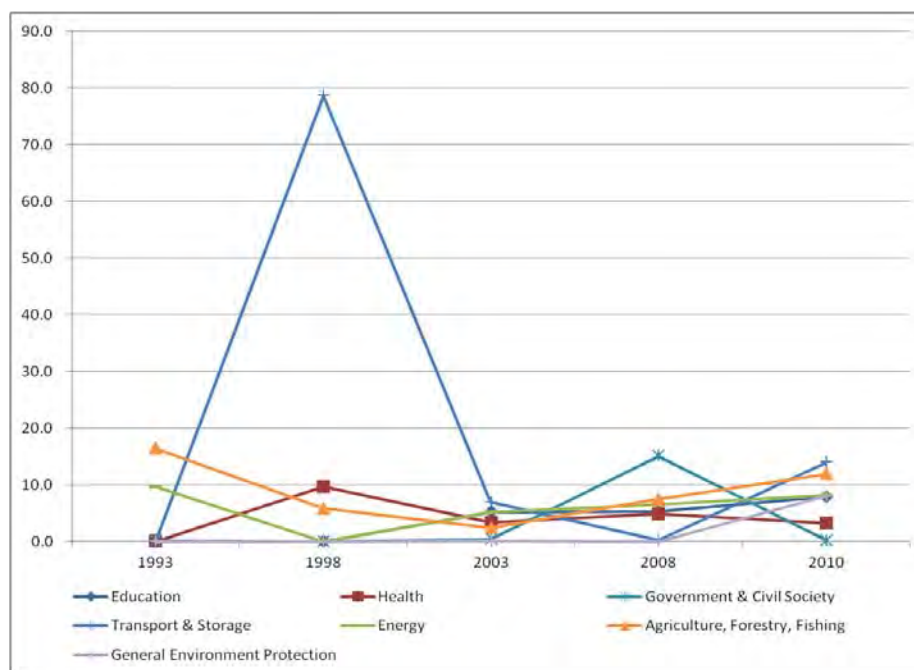
**Figure 4-89 Japanese ODA to Ghana: Total and breakdown
(Unit: US\$ million, Commitment based)**



Source: Compiled using the OECD/DAC Statistics database

Figure 4-90 Japanese ODA to Ghana:Key areas and its transition
(Unit: US\$ million, Commitment based)

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|--|------|------|------|------|------|
| Ghana Total | 27.5 | 94.4 | 29.8 | 54.0 | 70.0 |
| Total Sector Allocable | 26.2 | 94.4 | 25.2 | 43.2 | 60.9 |
| Social Infrastructure & Services | 0.1 | 9.6 | 9.5 | 26.7 | 14.1 |
| Education | 0.0 | 0.0 | 5.2 | 5.3 | 7.9 |
| Health | 0.0 | 9.6 | 3.3 | 4.9 | 3.2 |
| Population Pol./Progr. & Reproductive Health | 0.0 | 0.0 | 0.0 | 0.6 | 0.8 |
| Water Supply & Sanitation | 0.0 | 0.0 | 0.0 | 0.0 | 0.3 |
| Government & Civil Society | 0.1 | 0.0 | 0.4 | 15.0 | 0.2 |
| Other Social Infrastructure & Services | 0.0 | 0.0 | 0.6 | 0.8 | 1.7 |
| Economic Infrastructure & Services | 9.6 | 78.6 | 12.4 | 7.9 | 24.4 |
| Transport & Storage | 0.0 | 78.6 | 6.9 | 0.2 | 13.9 |
| Communications | 0.0 | 0.0 | 0.3 | 0.2 | 0.1 |
| Energy | 9.6 | 0.0 | 5.2 | 6.5 | 8.1 |
| Banking & Financial Services | 0.0 | 0.0 | 0.0 | 0.0 | 1.3 |
| Business & Other Services | 0.0 | 0.0 | 0.0 | 1.0 | 0.9 |
| Production Sectors | 16.4 | 5.8 | 2.7 | 8.6 | 12.3 |
| Agriculture, Forestry, Fishing | 16.4 | 5.8 | 2.4 | 7.5 | 11.9 |
| Industry, Mining, Construction | 0.0 | 0.0 | 0.3 | 0.3 | 0.2 |
| Trade Policies & Regulations | 0.0 | 0.0 | 0.0 | 0.1 | 0.0 |
| Tourism | 0.0 | 0.0 | 0.0 | 0.7 | 0.1 |
| Multi-Sector / Cross-Cutting | 0.0 | 0.3 | 0.5 | 0.0 | 10.2 |
| General Environment Protection | 0.0 | 0.0 | 0.1 | 0.0 | 8.0 |
| Other Multisector | 0.0 | 0.3 | 0.4 | 0.0 | 2.2 |
| Others | 1.3 | 0.0 | 4.6 | 10.8 | 9.1 |



Source: Compiled using the OECD/DAC Statistics database

Japan has adopted, as its basic guideline for assistance to Ghana, “the promotion of economic growth that contributes to the development of the whole country,” along the main goal of the GSGSA. To this end, Japan has set the three issues below as focused areas in its assistance program¹²¹.

(i) Accelerating rural development

The aim of Japan’s assistance in this area is particularly to strengthen basic social services for small farmers and increase their income. To this end, Japan supports agricultural development programs that focus on: improving the productivity of agriculture and rural infrastructure; promoting the processing and marketing of agricultural products. In addition, Japan also pursues assistance that strengthens the linkages between agriculture and industry in a way that considers the goal of industrial development, as mentioned below. Japan also supports programs (particularly in the poor northern region) aimed at improving basic social services, especially healthcare and education, the key components for economic growth and the elimination of poverty.

Japan has provided a constant support related to agriculture for years as outlined in figure below. Japan has also pursued pioneering programs and approaches in the healthcare sector while implementing intensive aid programs in concert with international institutions and others, with a particular focus on maternal and child healthcare. In this way, Japan is aiming to contribute to the achievement of the Ghanaian government’s development goals in the healthcare sector.

The World Bank, though, provides a large proportion of total aid in the areas of agriculture and basic education, while the UN traditionally provides a relatively large portion of total aid disbursements to the maternal and child healthcare sector.

(ii) Promoting industrial development

Japan specifically aims to promote economic growth and sustainable poverty reduction through job creation and raising incomes. Japan’s rolling plan in this respect involves: supporting micro, small and medium enterprises under the aegis of private sector development programs; improving the business environment and economic infrastructure; and supporting private sector-led initiatives to strengthen industrial competitiveness, with an aim to compete in regional and international markets.

In order to develop the human resources needed for industrial development, Japan is also engaged in human resource development for industry programs that support primary and secondary science and mathematics education, for example, or technical and vocational education and training.

¹²¹ MOFA (2011), page 418; MOFA (2006) “Country Assistance Program for the Republic of Ghana” <http://www.mofa.go.jp/mofaj/gaiko/oda/seisaku/enjyo/pdfs/ghana0609.pdf>

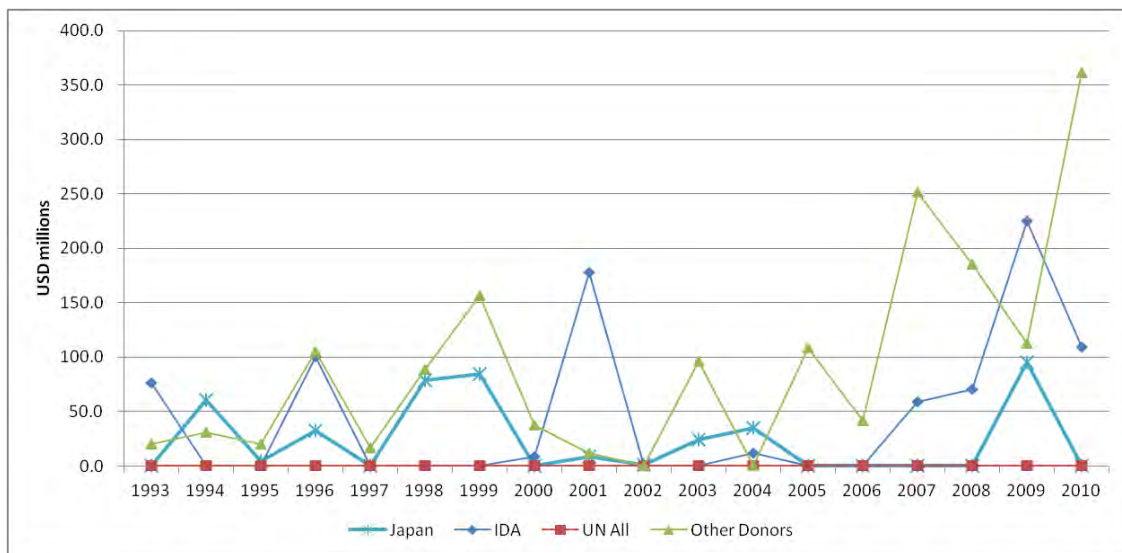
In recent years, Ghana has enjoyed economic growth on the back of its abundant natural resources, stable, democratic politics, and peaceful environment. This has given rise to business opportunities related to natural resources and the Base of the Pyramid (BOP). Japanese companies are also taking note, so Japan is actively working together with these companies to offer assistance to Ghana. There are hopes these initiatives can contribute to the achievement of TICAD, MDGs and Japan's climate change commitments¹²².

As outlined in figures below, Japan's contributions have been comparatively high in both the transport sector and the human resource development for industry sector (assistance to the latter sector began recently).

The World Bank also provides a large proportion of the total aid offered to the transport and infrastructure sectors.

**Figure 4-91 ODA for transport in Ghana
(Unit: US\$ million, Commitment based)**

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|-------------------|------|-------|-------|-------|-------|
| Japan | 0.0 | 78.6 | 24.3 | 0.2 | 0.5 |
| IDA | 76.2 | 0.0 | 0.0 | 70.3 | 109.2 |
| UN All | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Donors | 20.5 | 88.5 | 96.1 | 185.4 | 361.7 |
| All Donors, Total | 96.7 | 167.1 | 120.4 | 255.9 | 471.4 |



Source: Compiled using the OECD/DAC Statistics database

¹²² MOFA (2011), page 419

Figure 4-92 Good examples of Japanese support for Ghana's health sector


■ Project for the Scaling up of CHPS Implementation in the Upper West Region

[Objective]

- The project aimed to eliminate disparities in access to health services in the Upper West Region in northern Ghana, where health indicators are particularly poor, by improving and expanding the provision of basic health services by resident health officers (Community-based Health Planning and Services, CHPS) and thereby improving access to “basic medical services” in impoverished regions.

[Content of cooperation]

- The project included the introduction of a facilitative supervision system for CHPS activities, improvement of relevant knowledge and skills among community health officers (CHO), establishment of a referral system among CHPS, health centers and hospitals, and also the improvement of procedures for promoting the participation of community residents in the project, with the aim of disseminating good practice of CHPS to all regions of Ghana. Through these efforts, a total of 18 training courses targeting regional, district and sub-district administrations and CHOs were implemented, producing 140 trained CHOs. Moreover, the health administrators of the region became capable of training CHOs on their own, while local communities have started working on the “Community Health Activity Plans (CHAP)” and have set up funds for CHO support and emergency transport, which suggests an increased awareness for better public health among the communities. The Program was strategically structured—incorporating grant aid and the Japan Overseas Cooperation Volunteer program—to allow smooth provision of equipment and create a synergy with grassroots activities.



■ Signing date of R/D: December 2005

■ Project site: Northern part of Upper West Region

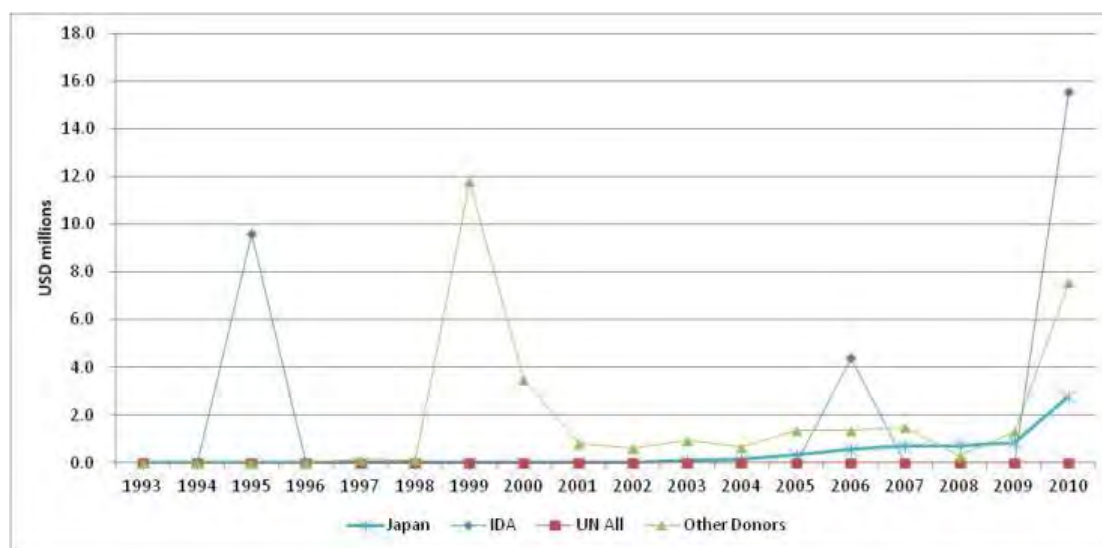
■ Project period: 2006-2008

■ ODA disbursements: 203 million yen

Source: Compiled using JICA websites

Figure 4-93 ODA for human resource development for industry in Ghana
(Unit: US\$ million, Commitment based)

| | 1993 | 1998 | 2003 | 2008 | 2010 |
|-------------------|------|------|------|------|------|
| Japan | 0.0 | 0.0 | 0.1 | 0.7 | 2.8 |
| IDA | 0.0 | 0.0 | 0.0 | 0.0 | 15.6 |
| UN All | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Other Donors | 0.0 | 0.1 | 0.9 | 0.3 | 7.6 |
| All Donors, Total | 0.0 | 0.1 | 1.0 | 1.0 | 25.9 |



Source: Compiled using the OECD/DAC Statistics database

(iii) Administrative capacity development and institutional development

In order to support the aforementioned pillars (i) and (ii) and ensure the sustainability of their achievements, it is extremely important to build and strengthen Ghanaian public sector institutions, both locally and nationally. Japan offers support, mainly in the form of technical assistance, for capacity building initiatives¹²³.

A glance at ODA by assistance scheme reveals that, as outlined in figure below, Japan provided 3.43 billion yen in grant aid (Exchange-of-Notes basis) and technical assistance¹²⁴ worth 1.96 billion yen (JICA disbursement basis) in fiscal 2010. Up until fiscal 2010, Japan had disbursed 125.09 billion yen in loans, 88.69 billion yen in grant aid (Exchange-of-Notes basis), and technical assistance worth 44.054 billion yen (JICA disbursement basis)¹²⁵. Japan wrote off yen loans to

¹²³ MOFA (2011), page 419

¹²⁴ Japan also supports human resources development initiatives through In-Service Training (INSET), civil service training, and vocational education/training and contributes to human resources development at the grass roots level through the dispatch of an average of 60 to 80 JOCV each year. (MOFA (2011), page 419).

¹²⁵ MOFA (2011), page 420, table 4

Ghana and placed a moratorium on further loans when the country reached the Completion Point of the Enhanced HIPC Initiative in 2004. However, Japan is now considering extending loans once more as part of the TICAD IV Follow-up. Furthermore, Japan also offered budget support to Ghana's healthcare sector for the first time in 2010.

Figure 4-94 Japanese ODA disbursements to Ghana by assistance scheme
(Unit: 100 million yen)

| FY | Yen Loan | Grant Aid | Technical Assistance |
|-------|----------|-----------|----------------------|
| 2006 | - | 40.26 | 23.33 |
| 2007 | - | 34.43 | 20.56 |
| 2008 | - | 24.57 | 20.21 |
| 2009 | - | 47.49 | 18.01 |
| 2010 | - | 34.33 | 19.63 |
| Total | 1,250.91 | 886.93 | 440.54 |

Source: MOFA (2011), "ODA Country Data Book 2011," page 420

4-7. Summary

This chapter discussed the policies, performance, trends and achievements of the development assistance offered by Japan and its TICAD co-organizers (the United Nations and the World Bank) as part of the TICAD process. When it came to co-organizers, the chapter mainly focused on the activities of the UNDP and IDA. In view of the fact that TICAD holds an open forum to discuss African development, the chapter also reviewed trends related to new development donors (China, South Korea and India) as well as NGOs and foundations.

In all the TICAD conferences since 1993 (TICAD I–IV), Japan has worked with other partner organizations to provide an opportunity for the international community to re-engage with the issue of aid to Africa. This was particularly true around the time of TICAD I in 1993, when aid fatigue was setting in amongst developed nations.

Japan has provided assistance to Africa in a variety of sectors in accordance with TICAD's basic philosophy. When TICAD first began in the 1990s, most Japanese assistance was directed to the economic infrastructure and services sector and the production sector (agriculture, forestry and fisheries), but from the late 1990s to the early 2000s, aid to the social infrastructure and services sector (education, water, health) increased in line with a growing focus on MDGs. Furthermore, in the late 2000s Japan provided more assistance to the transport and energy sectors. It is clear that Japan now focuses on providing aid for infrastructure initiatives.

In particular, Japan has steadily provided aid to Africa in a number of focused areas for TICAD V,

including (1) regional infrastructure, (2) agriculture and food aid, (3) promotion of trade and investment, (4) community development, (5) education and human resource development, (6) healthcare, (7) water, and (8) the “Cool Earth Partnership.” With regards to (7) water, Japan has contributed greatly to improving access to improved water source across Africa. It also expects to achieve by 2012 its pledge to double aid to Africa from 2005 onwards.

Turning to Japanese NGOs and their assistance to Africa, and as interest in international cooperation grew in Japan from the 1990s onwards, a number of international cooperation NGOs and foundations were established, with NGO assistance to Africa subsequently increasing. Though the majority of NGO assistance is proffered to the Asian region, in 2011 25% of all Japanese NGO assistance was disbursed to Africa in sectors such as human resource development, life support, disaster relief, and community building.

UNDP initiatives are geared towards the realization of sustainable human development and people-centered growth. The four pillars of UNDP’s activities are: (1) Poverty reduction and MDGs; (2) Democratic governance; (3) Environment and energy; and (4) Crisis prevention and recovery. The agency works to strengthen capacity through knowledge sharing, analysis and advocacy. The expenditure for “poverty reduction” is on the increase and the UNDP appears to be concentrating its resources on this area in order to achieve the 2015 MDGs. Examples of UNDP best practices in Africa include: (1) the Africa Peer Review Mechanism (APRM); (2) the Millennium Village Project (MVP); (3) the Africa Adaptation Programme (AAP); and (4) African PKO training centers.

The IDA considers Africa to be a top-priority development region. The major components of IDA aid to Africa are knowledge sharing, research and analysis, and policy advice. A lot of IDA assistance to Africa is of the kind that cannot always be reflected in monetary terms. A glance at aid by amount reveals that the economic infrastructure and services sector has received the most aid in recent years. It is clear that the IDA actively supports growth in Africa, including infrastructure and private sector development.

Newly development donors such as China, South Korea and India have also become more involved in aid and business activities in Africa, with each country developing its own framework for cooperation and dialogue with region. NGOs and foundations are also contributing to African development based on their own respective assistance policies and forms.

As various actors deepen their contributions to African aid, from hereon TICAD is expected to become even more of an international development forum that promotes global partnerships.

5. The performance, trends, and achievements of private-sector trade and investment assistance in Africa since 1993 (including northern Africa)

The Japanese government established its concrete project to assist private-sector trade and investment in Africa after the TICAD Asia-Africa Trade and Investment Conference (AATIC) in 2004, 10 years after TICAD I in 1993.

Although private-sector trade and investment assistance is relatively a new framework within the TICAD process, in order to analyze the TICAD process, this chapter will investigate fields related to assistance in the 17 items raised in the Yokohama Action Plan announced at TICAD IV in 2008 as measures to be taken within the next five years in order to promote and expand trade.

The private-sector trade and investment referred to in this survey covers a wide range of projects including not only financial assistance involving export finance, import finance, investment, guarantees, and trade insurance, but also exhibitions and seminars, information assistance through publications and websites, as well as advisory services to support for those entering the local market and the dispatch of business missions.

Section 5-1 describes the history of the trade and investment assistance for Africa as part of the TICAD process up to 2008 when the Yokohama Action Plan was established. Section 5-2 discusses private-sector trade and investment assistance for Africa provided by the Japanese government and related agencies with the key points in private-sector trade and investment assistance for Africa in Japan shown in Section 5-2-1 and the details of the progress in 17 items included in the Yokohama Action Plan shown in Section 5-2-2. Section 5-3 discusses the assistance and its trend provided by the United Nations as well as the World Bank related to the 17 items in the Yokohama Action Plan.

Section 5-4 examines the possibilities for TICAD V instead of analyzing the TICAD process, discussing the position of African countries in the global framework of international trading in Section 5-4-1 and the trend in investment in Africa in Section 5-4-2. Section 5-5 discusses the trend in private-sector trade and investment targeting Africa by Japanese companies that has been developed mainly in the field related to natural resources, as well as the recent trends in business developed jointly by private and public institutions.

5-1. The position of private-sector trade and investment assistance in the TICAD process

The very first discussion of private-sector trade and investment assistance for Africa started at TICAD I in 1993 under the Tokyo Declaration which recognized the importance of economic growth driven by the private-sector activities. Private-sector trade and investment assistance for Africa as

past of the TICAD process includes “economic development” mentioned as one of the fields to be targeted in the assistance described in “Tokyo Action Plan” established at TICAD II in 1998. Within the framework of “economic development”, the organization of the “Asia Africa Business Forum” was suggested in order to promote trade and investment between Asia and Africa, which was the beginning of private-sector assistance. In 1999, after TICAD II, the Asia Africa Investment and Technology Promotion Center (AAITPC) was established in order to strengthen business relations between Asia and Africa. The Japanese government has been assisting the promotion of Asian countries’ investment in African countries as well as technology transfer through financial assistance to the United Nations Industrial Development Organization (UNIDO).

Furthermore, in the “TICAD Tenth Anniversary Declaration” issued at TICAD III in 2003, basic principles were introduced in order to promote and develop both trade and investment for “assistance through economic growth”, which is one of the three main pillars of African development. The “Asia Africa trade and investment promotion initiative” was also proposed as part of “South-South cooperation”.

Following this trend, at the “Asia Africa Trade and Investment Conference” (AATIC) held in Tokyo on November 1 and 2, 2004 as a follow-up meeting of TICAD III, the Japanese government proposed detailed plans for private-sector trade and investment assistance for African industry.

The AATIC focused on “poverty reduction through economic growth”, which is one of the three pillars in the Japanese cooperation with Africa as well as “cooperation between Asia and Africa”, which is one of the characteristics of the TICAD process. At the conference, policy measures were discussed in order to develop Africa through promotion and trade and investment between Asia and Africa—all rapidly growing. The chairman’s statement indicated future principles such as 1) the shared basic principle of poverty reduction through economic growth, 2) possibility in trade and investment between Asia and Africa, 3) the identification of problems related to trade and investment, 4) the identification of the role for governments in developing a trade and investment environment, and 5) strengthening the link between private and public sectors through the TICAD process, among others.

Based on such principles, the Japanese government proposed four concepts to develop African trade and investment based on its experience with Asian countries, which are: “appropriate policies”, “product development”, “the development of small and medium sized enterprises”, and “the social contribution of private companies”, as “Japan’s proposal for promoting Asia-Africa trade and investment”¹. “Appropriate policy” refers to the drafting and administrating of industrial policies in

¹ At the AATIC, the “TICAD-NEPAD Joint Policy Framework for the Promotion of Trade and Investment between Africa and Asia” was proposed in order to show the importance in strengthening private-public partnerships to promote trade and investment between Asia and Africa.

order to identify and develop the strength of each country. In order to develop strength, it is essential to “develop products” to enhance the country’s international competitiveness, as well as to “develop local small and medium-sized enterprises” to develop the entire country through the participation of the domestic private sector. Based on this idea, the above four concepts have been proposed. Furthermore, the importance of the “promotion of social contribution by private companies” has also been pointed out so that private economic activities can lead to the social development of the country.

At TICAD IV held in Yokohama in 2008, the Yokohama Action Plan was established by collecting detailed assistance measures in various fields. The five main pillars of the Action Plan include: 1) the acceleration of growth, 2) the achievement of MDGs, 3) the consolidation of peace and good governance, 4) issues related to environment and climate change, and 5) the expansion of partnership. Among them, the “acceleration of growth” consists of “infrastructure”, “trade, investment, and tourism” and “agriculture and agricultural development”; and among these, for the “trade, investment and tourism” section, 17 action plans have been proposed regarding: 1) the promotion and expansion of trade, 2) the encouragement of foreign investment, 3) private-sector development assistance, and 4) the promotion of tourism.

Figure 5-1 History of private-sector trade and investment assistance in the TICAD process

| Year | The TICAD process | Measures related to private-sector trade and investment |
|------|---|--|
| 1993 | TICAD I | “Economic Development through Activities of the Private Sector” was referred in the declaration |
| 1998 | TICAD II “Tokyo Action Plan” | “Private-sector assistance” was mentioned in the section on economic development. |
| 2003 | TICAD III “TICAD Tenth Anniversary Declaration” | The promotion of trade and investment was mentioned in the section on “poverty reduction through economic growth”—an area of focus in development. |
| 2004 | TICAD Asia-Africa Trade and Investment Conference (AATIC) | Four concepts were proposed as part of “Japan’s proposal for promoting Asia-Africa trade and investment” to develop African industry (“appropriate policy”, “product development”, “the development of small and medium sized enterprises”, and “social contribution by private companies”). |

| | | |
|------|--------------------------------------|--|
| | | Strengthening of private-public dialogue and partnership was emphasized in order to promote trade and investment between Asia and Africa as a “TICAD-NEPAD Joint Policy Framework for the Promotion of Trade and Investment between Africa and Asia”. |
| 2008 | <u>TICAD IV Yokohama Action Plan</u> | The “trade, investment, and tourism” section was included within “the acceleration of growth”—one of the five pillars in the Action Plan. The following frameworks were raised as focus areas: <u>Promotion and expansion of trade;</u> <u>Encouragement of foreign investment;</u> <u>Private-sector development assistance; and</u> <u>Promotion of tourism.</u> |
| 2013 | TICAD V (planned) | Three pillars in assistance for Africa: “Contribution to peace and stability” <u>“Developing assistance and the expanding of trade and investment”</u> “Responding to global challenges” |

Source: Compiled by Mitsubishi Research and Consulting Co., Ltd. based on the Follow-up to TICAD IV Annual Progress Report issued by the Ministry of Foreign Affairs²

5-2. Summary of private-sector trade and investment assistance provided by the Japanese government

In the Yokohama Action Plan established in 2008, 17 items are identified as measures of private-sector trade and development assistance for Africa, and among them, the Japanese government has taken some assistance measures related to 15 items. These measures are introduced in Section 5-3, and the key points in the measures taken by the Japanese government are summarized in Section 5-2-1 regarding the measures to promote trade with Africa taken by the Japanese government as well as in Section 5-2-2 on the measures to assist investment in Africa taken by the Japanese government.

5-2-1. Characteristics of the measures to promote African trade and investment

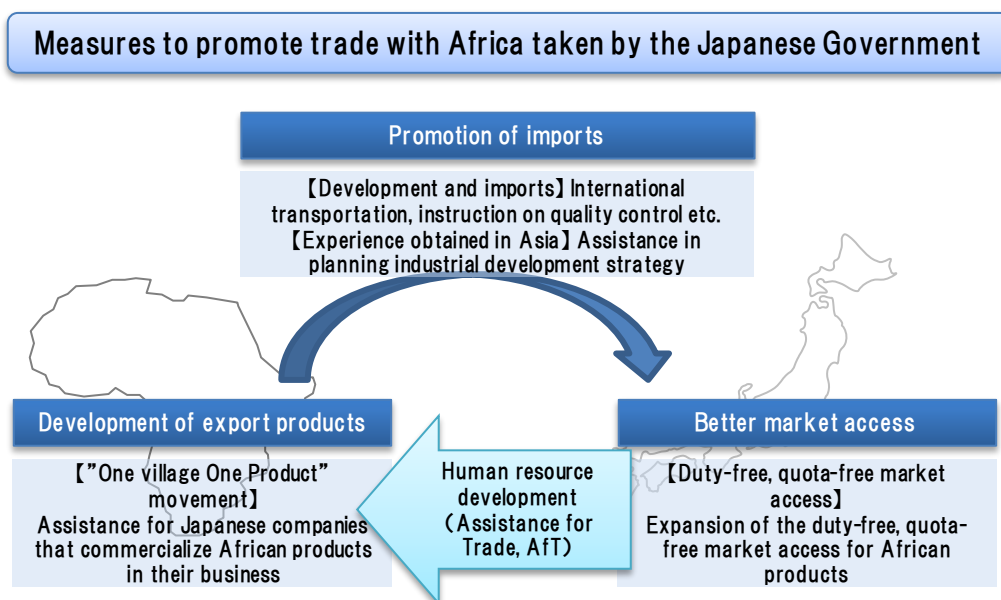
² <http://www.mofa.go.jp/region/africa/ticad/ticadfollow-up/report/index.html>

taken by the Japanese government

(1) Characteristics of the measures to promote trade with Africa taken by the Japanese government

Out of the 15 items that have been dealt with by the Japanese government in its measures to promote trade and investment in the Yokohama Action Plan, the progress of the measures to promote and expand trade in six items have been released (see Figure 5-4). Among these assistance measures, the summary of the framework contributing to the promotion of trade with Africa is shown in the figure below.

Figure 5-2 Trade and investment assistance provided by the Japanese government



Source: Compiled by Mitsubishi UFJ Research and Consulting Co., Ltd.

At the Asia Africa Trade and Investment Conference (AATIC), held as a follow-up of TICAD III, the Japanese government proposed “product development” as well as the “development of small and medium-sized enterprises” as part of their measures to promote trade and investment between Asia and Africa. As can be seen from its proposal, the Japanese government focuses on the model in which various African countries identify their own strength and develop a specific area with industrial policies. Therefore, the Japanese government has provided assistance to multiple cases, such as the launch of projects to disseminate the “Kaizen” practices, a Japanese way to improve quality and productivity to Small and Medium Enterprises, “Industrial Policy Dialogue,” and the “One Village One Product” movement, as part of its measures to assist the development of export products for small and medium-sized enterprises in Africa, as proposed in the TICAD IV.

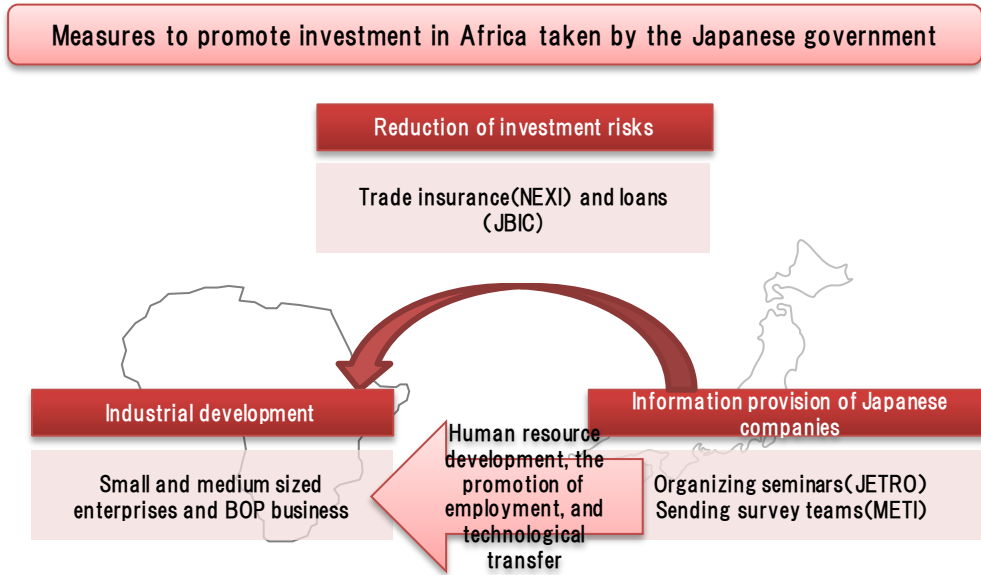
The “One Village One Product” movement is a measure applied to Asian countries based on a successful case of a regional vitalization project in Oita Prefecture, Japan proposed in 1979, in which the special products of each town and village were identified and developed into products to be sold globally. As part of African assistance, there have been small-scale projects based on local communities to develop Shea butter soap, and Pu-erh tea (see Section 5-2-2, item 3)). Measures to assist human resource development include “Assistance for Trade” (AfT) (see Section 5-2-2, item 2)).

At the same time, in order to create a system to import such products to Japan, there have also been development and import schemes to take charge of international transportation and quality control training (see Section 5-2-2, item 3)). In Japan, there is a widespread framework to display a portrait photo of the producer of agricultural products in order to respond to the growing interest in food safety. Major department stores in Japan have also begun focusing on social consumption. As part of CSR, there has been an growing interest in BOP business (see Section 5-5), and the Japanese government has offered duty-free, quota-free market access in principle to all products produced in less-developed countries (LDCs) since April 1, 2007 - in order to assist constant export from these countries to Japan (see Section 5-2-2, item 1)).

(2) Characteristics of the measures to promote investment in Africa taken by the Japanese government

Among the 15 items in the Yokohama Action Plan that have been carried out by the Japanese government as part of its measures to promote trade and investment, the process of measures for five items has been publicized as measures to encourage foreign investment (see Figure 5-6). Among these measures, the summary of the frameworks to promote investment in Africa is shown in the figure below.

Figure 5-3 Assistance measures for trade and investment taken by the Japanese government



Source: Compiled by Mitsubishi UFJ Research and Consulting Co., Ltd.

As is the case with measures to promote trade, the Japanese government has been focusing on the development of small and medium sized enterprises in Africa in its measures to promote investment between Asia and Africa. In the Yokohama Action Plan established at TICAD IV as well, measures have been taken to promote investment mainly to support small and medium-sized enterprises and BOP businesses along with a number of seminars and trainings to promote employment through human resource development and technological transfer (see Section 5-2-2, item 2)).

There have also been trade insurance programs and loans to reduce investment risks and support Japanese corporate investment in Africa (see Section 5-2-2, item 3)). Furthermore, there have been seminars organized for companies and survey teams sent in order to provide Japanese companies with a wide range of information related to Africa (see Section 5-2-2, item 2)).

In Japan, there has been an increasing number of seminars related to Africa targeting Japanese companies in preparation for TICAD V. In the time ahead, investment in Africa is expected to be promoted in large-scale projects such as development assistance for infrastructure such as electricity, water, and railways, the demand for which is likely to increase as the middle class grows in Africa, as well as in fields related to the use of environmental technology as well as growing cooperation in the area of renewable energy development.

5-2-2. The performance and achievements of the Japanese government in the Yokohama Action Plan

(1) Promotion and expansion of trade

Figure 5-4 summarizes measures proposed by the Japanese government and related agencies in order to support the promotion and expansion of trade included in the “acceleration of growth: trade, investment, and tourism”—one of the five pillars in the Yokohama Action Plan. The achievements of these measures are introduced in detail in the following items 1) – 4).

Figure 5-4 Assistance measures for trade and investment taken by the Japanese government

| | Yokohama Action Plan | Responsible organization(s) | Assistance measure proposed |
|---|---|--|---|
| 1 | To offer duty-free, quota-free market access to all products produced in less developed countries | Japanese government | — |
| 2 | To promote trade in African countries as well as “Assistance for Trade” (AfT) | Japanese government (Ministry of Foreign Affairs) | <ul style="list-style-type: none"> • To promote trade in African countries as well as “Assistance for Trade” (AfT) through the experience obtained in Asian countries as well as technical cooperation. |
| 3 | “One Village One Product” (OVOP) movement | Japanese government (Ministry of Economy, Trade, and Industry / JETRO) | <ul style="list-style-type: none"> • To promote the “One Village One Product” initiative based on the “development initiative for trade”. • To expand the “development and import demonstration scheme” in order to assist Japanese companies that commercialize African products for their business. |
| | | Japanese government (Ministry of Foreign Affairs) / UNIDO) | <ul style="list-style-type: none"> • To develop and apply the “one village industry cluster”, a new technical support program as a means of economic growth and poverty reduction. |
| 4 | Others | Japanese government (Ministry of Foreign Affairs) / UNDP / International Training Institute for the Advancement of Women (INSTRAW) | <ul style="list-style-type: none"> • To support research capacity-building related to gender and remittances in order to promote effective use of remittances for regional development. • To support regional development in harmony with gender equality through the UNDP and the Japan WID (Women in Development) fund. |

Source: Compiled by Mitsubishi Research and Consulting Co., Ltd. based on the Follow-up to TICAD IV Annual Progress Report issued by the Ministry of Foreign Affairs.

1) Provision of a duty-free, quota-free market access for all products produced in less-developed countries

In the Hong Kong Ministerial Declaration (adopted at the sixth WTO Ministerial Conference in December 2005), there was an agreement to offer duty-free, quota-free market access to 97% or

more tariff lines of products produced in all less-developed countries (LDCs). Following this agreement, the Japanese government expanded the special treatment of LDCs in the tax reform in FY 2007.

As a result, in principle all products from LDCs are entitled to duty-free, quota-free market access as of April 1, 2007, and the agreed ratio of the products included in the treatment increased from around 86% to around 98%, above the level agreed in the Hong Kong Ministerial Declaration³.

2) To encourage trade in African countries as well as “Assistance for Trade (AFT)”

i) African Inspired Project

The Ministry of Foreign Affairs encourages trade in African countries and the expansion of “Assistance for Trade” (AFT) including the use of experience obtained in Asian countries as well as technical cooperation. In 2008, the Japanese government contributed around 68,000 U.S. dollars, an equivalent of around 5.4 million yen⁴ (in addition to a new contribution of around 66,000 U.S. dollars, an equivalent of around 5.4 million yen) to the “African Inspired Project”, run by the International Trade Center (ITC⁵) as a means of financial assistance for technological projects related to trade. The contribution has been allocated to projects for Africa.

The Japanese government continued contributing to the African Inspired Project in 2009 (around 66,000 U.S. dollars, an equivalent of around 5.2 million yen) and the new voluntary contribution to the ITC was around 67,000 U.S. dollars, an equivalent of around 5.3 million yen, which is to be allocated to projects for Africa⁶.

ii) The number of human resources developed in Africa in the area of trade to increase 10 times

JICA has set a goal to increase by 10 times the number of human resources developed in Africa in the area of trade. In 2008, a total of 68 people participated in various trainings and seminars in the

³ The product lines that were included in the scheme as a result of the expansion include big eye tuna, kerosene, beans (excluding soy beans), peanuts, green beans, yellow fin tuna, bonitos, and common cuttlefish, etc. Exceptional items that account for the remaining 2% include rice and rice products and certain fishery products (such as sardines), etc. Website of customs: <http://www.customs.go.jp/tetsuzuki/c-answer/pdf/FAX1508.pdf>

⁴ Budget of the Ministry of Foreign Affairs for FY2007: 7,864,000 yen (an equivalent of 6,800 U.S. dollars, 1 U.S. dollar = 116 yen)

http://www.mofa.go.jp/mofaj/gaiko/oda/shiryo/sonota/k_kikan_21/pdfs/064.pdf

⁵ The International Trade Center is an organization officially established on May 1, 1964 as a result of the decision made by GATT in 1964 to establish the GATT Trade Center, and its purpose is to provide technical assistance for the promotion of exports from developing countries. With the establishment of the WTO, the institution has been renamed the “International Trade Center UNCTAD/WTO.”

Website for the Ministry of Foreign Affairs: <http://www.mofa.go.jp/mofaj/gaiko/itc/index.html>

⁶ <http://www.mofa.go.jp/region/africa/ticad/ticadfollow-up/report/status/PR000030.html>

area of trade organized by JICA (including both trainings in Japan and in a third country). In 2009, a total of 128 people participated in, and in 2010, 66 people attended various trainings and seminars in the area of trade organized by JICA including both trainings in Japan and in a third country⁷. In total JICA accepted 1,848 personnel for training course which exceed their target number of 900 people.

3) Kaizen Project and Industrial Policy Dialogue

JICA is carrying out a survey for the amelioration of quality and productivity (Kaizen Project) through the framework of *kaizen*, which has been adopted in the manufacturing industry in Japan in order to enhance work efficiency and morale, for the purpose of strengthening the international competitiveness of African products by improving the competence of the manufacturing industry in African countries.

The Kaizen Project was first carried out in Tunisia in 2006. Through this project, 60% of the 29 companies that participated in this project were able to improve their productivity by identifying the challenges regarding the improvement of quality and productivity faced by the companies in the food processing sector and the electric industrial sector in this country.⁸

Given the success in Tunisia, the Kaizen Project was also introduced in Ethiopia in October 2009. In May 2010, the workers from the “Kaizen Office” in Ethiopia and people related to the companies participating in the project came to Japan to participate in the training for the project, attend seminars, and visit Japanese companies. The Kaizen Project was carried out in more than 70 companies by October 2012, and some companies increased their productivity by 50% while other companies increased their annual revenues by 30,000 dollars, on average, by reducing the ratio of defective products to half.⁹ After the success in Ethiopia, many countries have requested the introduction of the “Kaizen Project,” and JICA, the organizer of this project, plans to expand this assistance to various other countries in Africa in the times ahead.

In Ethiopia, “Industrial Policy Dialogue” was held in addition to the “Kaizen Project.” The purpose of this dialogue is to make recommendations regarding the development strategies and action plans in Ethiopia by evaluating the achievement in key industries in Ethiopia and analyzing the existing national plans and survey reports. Industrial Policy Dialogue has been led by JICA and

⁷ <http://www.mofa.go.jp/region/africa/ticad/ticadfollow-up/report/status/PR000031.html>

⁸ Website of JICA:

<http://gwwweb.jica.go.jp/km/ProjectView.nsf/VIEWParentSearch/DF4F3B92577A87E8492575D10035D0D5?OpenDocument&pv=VW02040104>

Website of JICA:

http://www.jica.go.jp/topics/2010/20100528_01.html

⁹ Website of JICA:

http://www.jica.go.jp/topics/news/2012/20120423_02.html

the Graduate Institute for Policy Studies (GRIPS), and eight sessions have been held in the two years since 2009.¹⁰

4) The One Village One Product Movement

i) The One Village One Product (OVOP) initiative (Ministry of Economy, Trade, and Industry / JETRO)

The Ministry of Economy, Trade, and Industry and JETRO have been promoting the “One Village One Product” initiative based on the “development initiative for trade” and taking the following measures in order to give African products better market access to Japan.

- Providing consultations regarding African products
- Sending experts from Japan to Africa
- Inviting officials related to Africa in order to conduct market surveys
- Organizing business seminars
- Supporting African companies participating specialized trade fairs in Japan

In 2008, a new comprehensive framework, the “Access Japan Mechanism”, was established for African products to enter the Japanese market. Under this framework, the evaluation service for African products was implemented to survey the potentiality of African products in the Japanese market in 2009¹¹. The experts evaluated 392 products from 22 African countries based on their potential for export to Japan. Glass products, essential oils and natural cosmetic products, herbs and spices, dried fruits and other natural products received the highest marks. The evaluation results were fed back to each submitting country and the possible provision of assistance were served under JETRO projects for high-potential products.

In addition, a “JETRO Africa Business Seminar” was organized on November 21, 2008, regarding South Africa, Kenya and Nigeria as part of PR activities. Furthermore, a “One Village One Product” market was opened at the Narita International Airport and Kansai International Airport, and products of the “One Village One Product” initiative have been displayed at the Ministry of Economy, Trade and Industry and the Ministry of Foreign Affairs. These products have also been sold in convenience stores and there have been trainings on the products as well as assistance in taking them to FOODEX¹², one of the largest food & beverage trade show in the Asia-Pacific region. JETRO

¹⁰ Website of JICA:

<http://www.jica.go.jp/project/ethiopia/002/index.html>

¹¹ http://www.jetro.go.jp/en/african_business/ticad4_followup/project_01.html

¹² <http://www.jetro.go.jp/en/foodex2012>

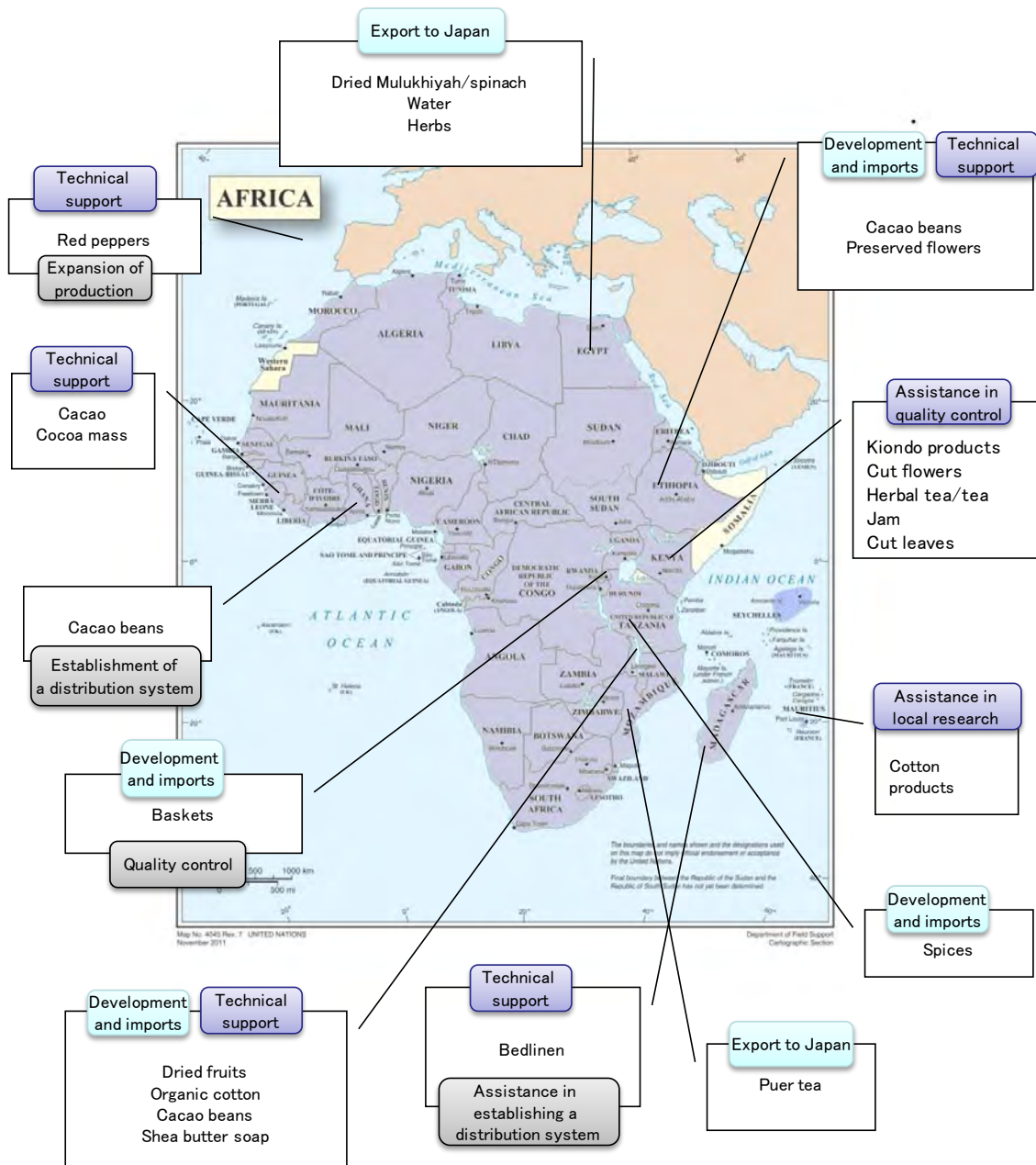
subsidized part of the transportation costs for African firms and 24 African companies participated in the event in 2010. It increased to 29 firms in 2010 and 21 companies joined in 2012.

ii) JETRO development and import demonstration businesses

By calling for development and import business plans for products produced in developing countries, JETRO provides Japanese companies that are considering introducing an importing business from developing countries, especially from African countries and less-developed countries (LDCs), with financial assistance of up to five million yen to cover costs such as travel expenses to the country, the cost of the development and improvement of the products, and the cost to import samples for the selected plan. JETRO has also been providing them with local information using its network of overseas offices (see Figure 5-5 for a list of chosen projects, and see the appendix for the details of those projects)¹³.

¹³ Website of JETRO: http://www.jetro.go.jp/jetro/activities/oda/project_pilot.html

Figure 5-5 Development and import planning demonstration business plans selected by JETRO



Source: Compiled by Mitsubishi UFJ Research and Consulting Co., Ltd., based on the website of JETRO¹⁴.

iii) “One Village Industrial Cluster” (Ministry of Foreign Affairs / UNIDO)

The Ministry of Foreign Affairs and the UNIDO have proposed the development and application

¹⁴ http://www.jetro.go.jp/jetro/activities/oda/project_pilot.html

of a new technical support program, the “One Village Industrial Cluster”, as a means of economic growth and poverty reduction and have contributed 565,000 U.S. dollars to Ethiopia and Uganda between 2009 and 2010. The “cluster and business linkage” method proposed by the UNIDO targeting micro, small and medium-sized enterprises and the “One Village One Product” approach in Japan have been comparatively analyzed since 2009¹⁵.

5) Other

i) Research on genders and remittances

The Ministry of Foreign Affairs, UNDP and the International Research and Training Institute for the Advancement of Women (INSTRAW) proposed measures to support research on genders and remittances as well as capacity building, in order to promote the efficient use of remittances for local development.

In 2008, survey results related to projects in Lesotho, Senegal, and Morocco were collected and analyzed in 2008 as part of the “genders and remittances” project (a regional development project that focuses on the equality of genders). Based on the survey results, it has become clear that overseas remittances and migration are important for women and regional societies in agricultural areas. It was also found that the majority of households use monthly remittances for food, housing, transportation, education, and medical services¹⁶. The survey results in various countries gave insights to individual cases such as that the global prevalence of HIV/AIDS has a significant impact on the ways in which the residents use remittances as well as on the amount of expenses in nursing patients in Lesotho. Even though a joint work space has been established in order to review and modify data, this project ended in 2009¹⁷.

(2) Encouragement of foreign investment

As a means to 2) encourage foreign investment, included in the “acceleration of growth: trade, investment, tourism”, which is one of the five pillars in the Yokohama Action Plan, the Japanese government and related agencies have proposed the assistance measures summarized in Figure 5-6. The achievements of these measures are discussed in detail in the following items 1) – 5).

¹⁵ <http://www.mofa.go.jp/region/africa/ticad/ticadfollow-up/report/status/PR000274.html>

¹⁶ Website of UN Women: <http://www.un-instraw.org/en/grd/general/remittances-and-development.html>

¹⁷ <http://www.mofa.go.jp/region/africa/ticad/ticadfollow-up/report/status/PR000036.html>

Figure 5-6 Measures to encourage foreign investment taken by the Japanese government

| | Yokohama Action Plan | Responsible organization (s) | Assistance measures proposed |
|---|--|--|--|
| 1 | General | Japanese government | <ul style="list-style-type: none"> ▪ To double Japan's direct foreign investment in Africa by 2012 |
| 2 | To improve the investment environment / to establish an information and consultation platform | Japanese government / JETRO / JBIC | <p>To assist the development of the legal system and the investment environment</p> <ul style="list-style-type: none"> ▪ To establish and improve an information and consultation platform regarding the business environment in Africa ▪ To contribute to the autonomous development of competitive local industry as well as the improvement of corporate governance and economic management |
| 3 | Public-private partnership / the effective use of investment finance and trade and investment insurance etc. | JBIC / NEXI | <ul style="list-style-type: none"> ▪ To promote investment in Africa using public funds ▪ To actively use investment finance and trade & investment insurance ▪ To strengthen the public-private partnership in order to expand the good practice of corporate social responsibility ▪ Guardian Sustainable Business (GSB) program |
| 4 | To improve economic and corporate governance | Japanese government | <ul style="list-style-type: none"> ▪ To strengthen economic and corporate governance in African countries through the NEPAD-OECD Africa investment initiative |
| 5 | Others | Japanese government (Ministry of Foreign Affairs / Ministry of Economy, Trade, and Industry) | <ul style="list-style-type: none"> ▪ To establish bilateral cooperative frameworks to improve the business environment, including bilateral legal frameworks such as bilateral investment treaties (BITs) |

Source: Compiled by Mitsubishi UFJ Research and Consulting Co., Ltd., based on the website of the Ministry of Foreign Affairs, Japan.

1) General approach for the promotion of foreign investment / doubling direct investment

Direct investment in Africa amounted to around 6.2 billion U.S. dollars (the average of five years) as of the end of 2011. The Japanese government has been making efforts to double the Japanese investment in Africa from 1.7 billion U.S. dollars to 3.4 billion U.S. dollars by 2012 (see Section 5-5 for examples of Japanese corporate investment).

2) To improve the investment environment / to establish an information and consultation platform

i) To establish and improve an information and consultation platform regarding the business environment in Africa

Ministry of Foreign Affairs, JETRO, and the JBIC have proposed the establishment of an information and consultation platform regarding the business environment in Africa in order to assist the development of the legal system and the investment environment. In addition to the information provided by JETRO through its newsletters, there have been business negotiations and various seminars as well as symposiums (see the appendix for details).

3) Public-private partnership / the effective use of investment finance and trade & investment insurance, etc.

i) To actively use public funds to promote investment in Africa

The JBIC has proposed the active use of public funds in order to promote investment in Africa and has been subsidizing projects while providing guarantees for private loans. Furthermore, the JBIC established the “Fund to assist doubling investment in Africa” (Facility for African Investment) to provide financial assistance in local currencies. The JBIC has also announced its plan to provide a total of 2.5 billion U.S. dollars in the next five years using this fund and other means of financial assistance. In 2012 JBIC committed to expand the fund to 2.9 billion U.S. dollars.

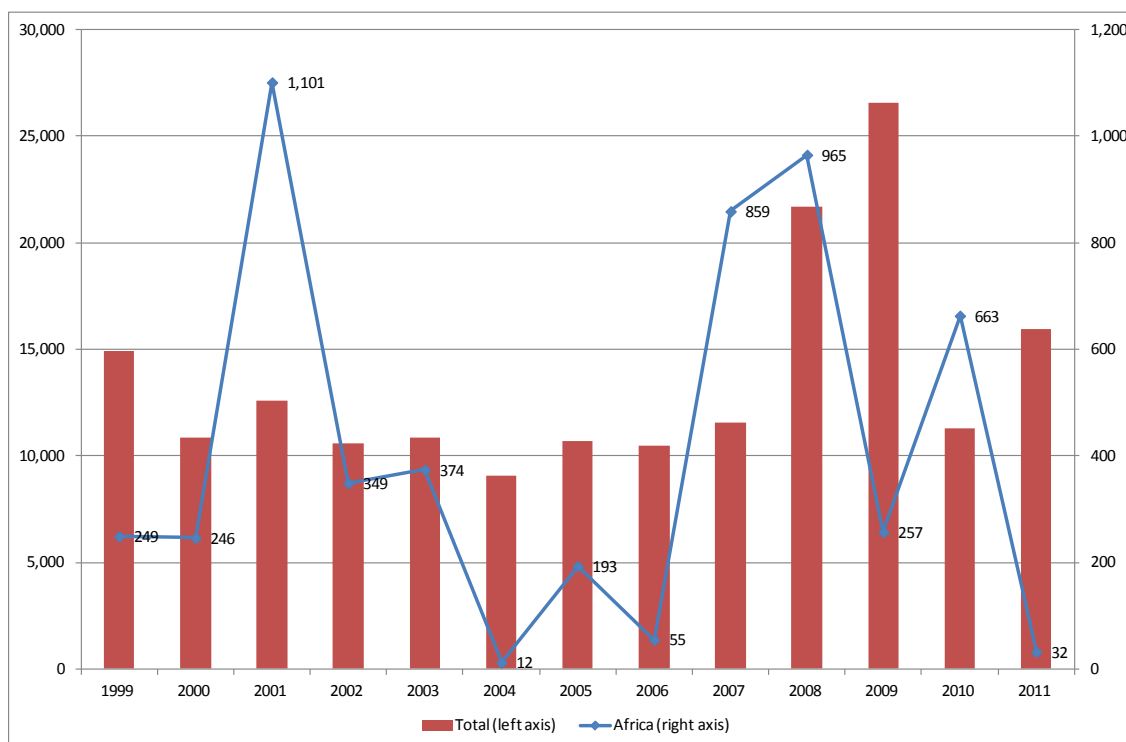
In order to steadily achieve the goal of providing a total of 2.5 billion U.S. dollars in the next five years as financial assistance for Africa, the Africa office was newly established in the JBIC on July 1, 2008.

The total amount of approved assistance from the JBIC since the TICAD IV in 2008 has mounted to more than 1.3 billion U.S. dollars (as of 2009), and the assistance includes the installation of electricity transmission wires in South Africa and projects related to the development of natural gas in Egypt in 2008, as well as trade financial assistance for the Standard Bank of South Africa Limited

and a loan for a project to manufacture and sell mosquito nets in Tanzania in 2009¹⁸.

Figure 5-7 shows the historical amount of the new JBIC loans¹⁹. The ratio of the loans for Africa is relatively small, within the total amount of the JBIC loans, and the amount of the new JBIC loans in FY2011 was no more than 3.2 billion yen.

Figure 5-7 The historical amount of the JBIC loans (Unit: 100 million yen)



* As the figures are rounded off, they may be different from the figures in the annual report.

Source: Compiled by Mitsubishi UFJ Research and Consulting Co., Ltd. based on the annual report by the JBIC

ii) To actively use investment finance and trade & investment insurance

NEXI has concluded a memorandum with the Islamic Corporation for the Insurance of Investments and Export Credits (ICIEC) in order to actively use investment finance and trade & investment insurance. In May 2008, a memorandum on the cooperation in reinsurance was concluded between NEXI and ICIEC. Based on this memorandum, the two organizations have been in discussion to conclude a reinsurance agreement (discussion in progress)²⁰.

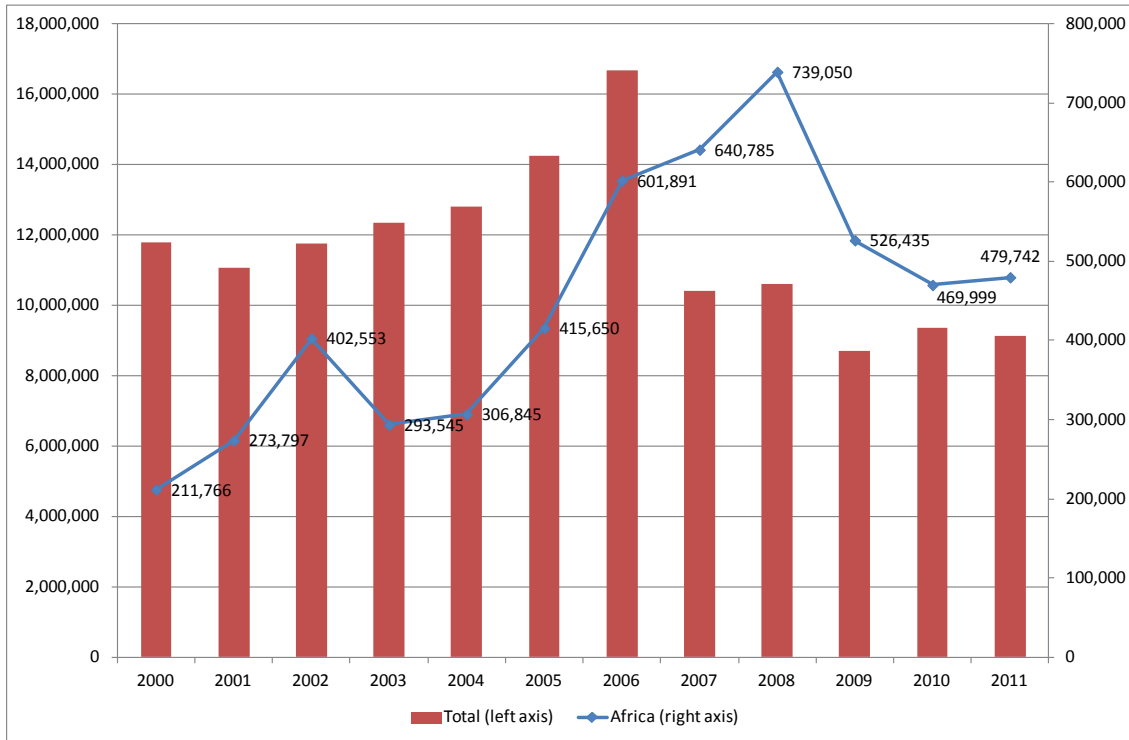
¹⁸ <http://www.mofa.go.jp/region/africa/ticad/ticadfollow-up/report/status/PR000042.html>

¹⁹ The amount of loans refers to the total amount of export finance, import finance, investment finance, untied loans, and guarantees.

²⁰ <http://www.mofa.go.jp/region/africa/ticad/ticadfollow-up/report/status/PR000044.html>

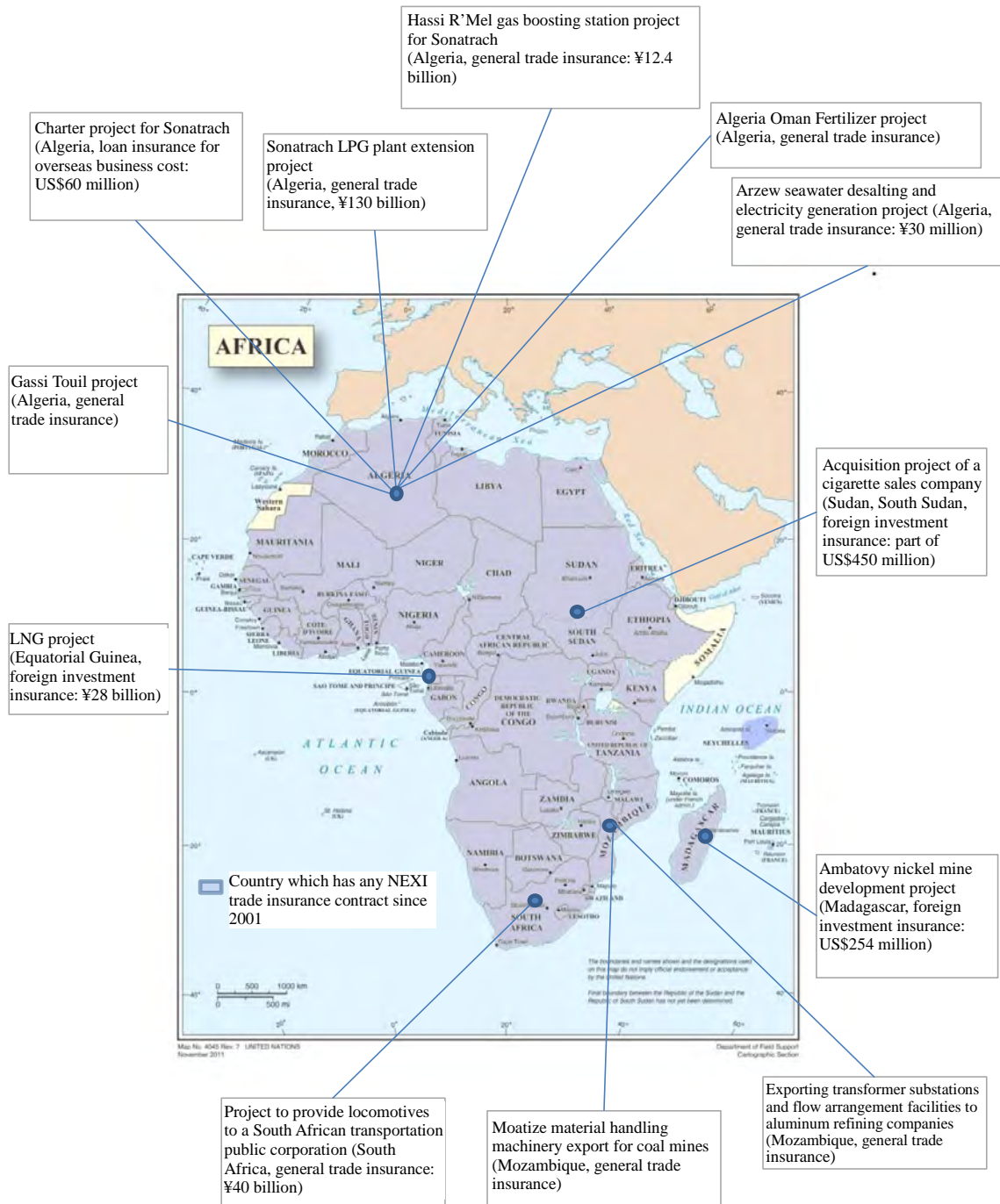
Figure 5-8 shows the historical amount of NEXI trade insurance contracts targeting Africa. Even though the amount saw a negative year-on-year growth in 2009 and 2010, it can be said that the amount of trade insurance contracts targeting Africa has generally been on an uptrend since 2004.

Figure 5-8 Historical amount of NEXI trade insurance contracts targeting Africa



Source: Compiled by Mitsubishi UFJ Research and Consulting Co., Ltd., based on the annual report by NEXI.

Figure 5-9 List of loans provided by the JBIC (excerpt)



Source: Compiled by Mitsubishi UFJ Research and Consulting Co., Ltd., based on the annual report by NEXI

Regarding the active use of investment finance and trade & investment finance, the memorandum emphasizes the importance of cooperation in order to enhance the effects of the efforts made by the JBIC / IFC and the Facility for African Investment (FAI), in particular. Based on this goal, NEXI has

been strengthening ties with the IFC in order to draft a cooperation agreement in 2009 through multiple meetings²¹.

iii) To expand the good practice of corporate social responsibility through the active use of public funds (to strengthen the public-private partnership)

The Japanese government has proposed the establishment of a mechanism in which ODA can supplement the activities of private companies contributing to Africa, in order to assist strengthening the good practice of corporate social responsibility through the active use of public funds by efficiently coordinating between public funds and private funds.

In 2008, the Japanese government announced a “public-private partnership for the acceleration of growth” as a new measure in April, in order to strengthen ties between Japanese companies and ODA etc. and started accepting consultation and proposals regarding the alliance between private companies and ODA (around 20 cases). Furthermore, JICA and JETRO have jointly announced their plan to carry out a preliminary survey and investigation on the development of harbor and transportation infrastructure in Ghana and Tanzania in order to encourage Japanese corporate direct investment in those countries.

The measure to enhance the public-private partnership of “public-private partnership for the acceleration of growth” has been in progress in 2009, and an expanded local ODA taskforce meeting has been held in Tanzania, South Africa, Botswana, Angola, Mozambique, Zimbabwe, and Senegal, inviting the participation of Japanese companies. It has also been encouraged to use grant assistance for grassroots human security projects, in order to promote the partnership between the CSR activities and BOP businesses of Japanese companies and non-governmental organizations²². Additionally, there have been other programs such as those to send public and private workers missions as well as to invite investment promotion officers (delegates) (see Appendix for details).

The main purpose of the “public-private partnership for the acceleration of growth” is to use efficient means to accelerate the growth of developing countries by reducing activity risks and costs for developing countries through the use of public funds, such as ODA, as well as by developing infrastructure through public-private partnerships (PPPs), which lead to development effectiveness (such as the development of employment, technology, trade and investment etc.), to the extent that ODA would not be achievable without alliances with private companies.

²¹ <http://www.mofa.go.jp/region/africa/ticad/ticadfollow-up/report/status/PR000044.html>

²² <http://www.mofa.go.jp/region/africa/ticad/ticadfollow-up/report/status/PR000045.html>

iv) To promote transactions between Japanese companies and Africa through the Guardian Sustainable Business (GSB) program

The Japanese government has been supporting the Guardian Sustainable Business (GSB) program through the Japan-UNDP partnership fund. The purpose of the GSB program is for the UNDP to assist the establishment of a business model that can enhance the corporate image by introducing investment ideas to contribute to business, poverty reduction, and sustainable development. Under this program, more than 50 projects have been carried out in more than 15 countries since 2003. The projects cover a wide range of fields such as agriculture, water, energy, communication, financial services, and manufacturing, leading to the direct investment of 10,000 – 4,000,000 U.S. dollars through cooperation with more than 75 companies that include multinational enterprises as well as small and medium-sized enterprises²³.

The GSB program has been carried out in Mozambique since 2008 and Mitsui Co., Ltd., a major Japanese trading company, has been participating in a local project in 2009.

Case Study

Chibuto Millennium Village (a project to develop the appropriate and effective use of solar energy)

With the cooperation of Mitsui Co., Ltd., a major Japanese trading company, an appropriate and effective use of solar energy has been developed in Chibuto Millennium Village in order to support agricultural production and irrigation systems in the local area.

The direct beneficiaries of the project are the 342 farmers who belong to the farmers' union of the pilot farm in Millennium Village. The project was selected and evaluated based on Mitsui's investment of around two million U.S. dollars as well as on the contribution from the UNDP.

Furthermore, the UNDP has been increasing its support for the project sites (including technical support and joint contribution for the GSB program).

What is strategically important regarding this program is to enhance the local capacity to grow both crops for home consumption and cash crops, as well as to establish an irrigation system to develop a sustainable means of production and transfer technology in the field of agricultural production²⁴.

Source: Website of the Ministry of Foreign Affairs

²³ UNDP http://www.undp.or.jp/private_sector/gsb.shtml

²⁴ http://www.mofa.go.jp/region/africa/ticad/ticadfollow-up/report/status/PR000049_1.html

4) To enhance economic and corporate governance

i) NEPAD-OECD Africa Investment Initiative

The Japanese government contributed 600,000 euros to the NEPAD-OECD Africa Investment Initiative from 2005 to 2007. The Japanese government also contributed 200,000 euros in 2008 and 100,000 euros in 2009 (supporting the extension of three years from 2009 to 2011).

In addition, the Japanese government has been assisting the NEPAD initiative for example by participating in the Annual High-Level Meeting Expert Roundtable held in Johannesburg in November 2009 as a co-chair²⁵.

5) Others

i) To establish bilateral cooperative frameworks

The Ministry of Foreign Affairs, and Ministry of Economy, Trade and Industries has established bilateral cooperative frameworks to improve the business environment including bilateral legal frameworks such as bilateral investment treaties (BITs).

The Japanese government established the Foreign Investment Strategy Council in December 2008 in order to exchange opinions with economic organizations regarding BIT negotiations with various countries and regions including those in Africa. The second Foreign Investment Strategy Council meeting was held in September 2009. The Japanese government has been seeking possibilities in the BIT negotiations with various countries and regions including those in Africa, taking the opinions of economic organizations into consideration²⁶.

In response to the sharp rise in global foreign direct investment, the number of BITs concluded globally has significantly increased from the 1990s. There are around 100 BITs concluded in Germany, the U.K., France, and China while there are around 28 concluded in the U.S. On the other hand, there are no more than 28 BITs concluded in Japan (number of BITs signed, as of the end of 2010). Out of the 127 BITs concluded in China, 45 BITs are with African countries while Japan only has one BIT with Egypt, which was effectuated in 1978. However the Japanese government is undertaking negotiations on BIT with Algeria, Angola and Mozambique.

“How to make strategic use of bilateral investment treaties” (released by the Ministry of Foreign Affairs in June 2008) mentions African countries as resource countries that produce petroleum oil, natural gas, and rare metals and as potential strategic bases to expand business while international competition is becoming increasingly fierce in the field of resources and energy.

²⁵ <http://www.mofa.go.jp/region/africa/ticad/ticadfollow-up/report/status/PR000040.html>

²⁶ <http://www.mofa.go.jp/region/africa/ticad/ticadfollow-up/report/status/PR000051.html>

(3) Private-sector development assistance

As a means of 3) private-sector assistance development, one of the points raised for “the acceleration of growth: trade, investment, and tourism”, which is one of the five pillars of the Yokohama Action Plan, the Japanese government and related agencies have proposed the following assistance measures summarized in Figure 5-10. The achievements of these measures are discussed in detail in the following items 1) – 4).

Figure 5-10 Private-sector development assistance provided by the Japanese government

| | Yokohama Action Plan | Responsible organization(s) | Assistance measures proposed |
|---|--|---|---|
| 1 | Industrial development strategy based on the experience obtained in Asia | Japanese government (the Ministry of Foreign Affairs / JICA / AOTS) | To provide assistance in policy making as well as technical assistance for strategic industrial development in African countries |
| 2 | Technical support regarding the use of information communication technology (ICT) | Japanese government (Ministry of Economy, Trade and Industry / Ministry of Internal Affairs and Communications) | <ul style="list-style-type: none"> • To support the development of the system related to intellectual properties as well as human resource development in African countries, in order to develop autonomy and the competitiveness of local industries while also improving the investment environment • To support the enhancement of the specialized knowledge required to introduce terrestrial digital broadcasting to African countries |
| 3 | To expand measures of assist the development of small and medium sized enterprises and local industries. | Japanese government (Ministry of Foreign Affairs) | <ul style="list-style-type: none"> • To support financial assistance for small and medium-sized enterprises as well as local industries • To support the development of small and medium sized enterprises as well as local industries |
| 4 | To provide | Japanese government | <ul style="list-style-type: none"> • To provide technical cooperation |

| | | | |
|--|--|---|--|
| | technology and funds to promote the autonomous use of energy and natural resources | (Ministry of Economy, Trade and Industry) | and financial assistance for the promotion of the energy industry and mining <ul style="list-style-type: none"> • To provide assistance in the field of remote sensing for the Southern African Development Community (SADC) • To provide assistance for the exploration and development of coal resources |
|--|--|---|--|

Source: Website of the Ministry of Foreign Affairs

1) Industrial development strategy based on the experience obtained in Asia

i) To carry out a training program for around 1,500 people regarding private-sector development

Ministry of Foreign Affairs of Japan has raised assistance in policy making as well as technical support for strategic industrial development in African countries as one of its measures of assistance. In order to improve the productivity, product competitiveness in quality and price, and business skills of workers in industries with good prospects, training programs related to private-sector development assistance in Africa have been expanded to the 1,500-participant level.

In 2008, a total of 533 people participated in various trainings and seminars (including trainings in Japan, local domestic trainings, and trainings in a third country) related to private-sector development organized by JICA. In 2009, a total of 1,033 people participated in various trainings and seminars and in 2010, 117 people attended the seminars including trainings in Japan, local domestic trainings, and trainings in a third country. In total of three years number of participants to the private sector development related events organized by JICA reached 1,683 people²⁷ (see the appendix for the details of the seminars).

ii) To organize training activities to promote smooth trade and investment in African countries

The Japanese government (Ministry of Foreign Affairs) and the Association for Overseas Technical Scholarship (AOTS)²⁸ have been organizing training activities as part of their assistance

²⁷ <http://www.mofa.go.jp/region/africa/ticad/ticadfollow-up/report/status/PR000052.html>

²⁸ The AOTS was reorganized as the Overseas Human Resources and Industry Development Association (HIDA) by merging with the Japan Overseas Development Corporation (JODC) in March 2012.

for policy making and technical support to improve local industries for strategic industrial development in African countries.

In 2008, an introductory training session for 90 trainees and an overseas training session were organized. In 2009, an introductory training session on Japan for 41 trainees from African countries and two overseas training sessions were organized. In 2010, 40 trainees joined the same session and numbers of trainees increased to 103 and added one session corresponding to the increase of participants in 2011. ATOS also organized training course in South Africa, attracting 30 participants in 2008 and 112 trainees joined in 2009.

2) Technical support regarding the use of information communication technology (ICT)

i) WIPO Trust Fund

The Japanese government has proposed development assistance for the system related to intellectual properties and human resource development in African countries in order to develop the autonomy and competitiveness of local industries while also improving the investment environment. As part of such assistance, the Japanese government (Ministry of Economy, Trade, and Industries) has been contributing 1.1 million Swiss francs every year to the World Intellectual Property Organization (WIPO) trust fund as voluntary contribution since FY 2008 in order to build capacity in all African countries, mainly focusing on human resource development. In 2009, the Japanese government has approved the WIPO business plan and transferred the funds (1.1 million Swiss francs) to the WIPO Secretariat.

Furthermore, the Japanese government has newly established a fund to assist capacity building in the field of intellectual properties in developing countries including those in Africa, and has been organizing “seminars on successful experiences to link intellectual properties and business” in South Africa (attended by government officials from 43 countries in the African region) as part of the fund programs. In Tokyo as well, “a study program regarding the effective use of intellectual properties in Japan” was held in November 2009. The Japanese government has also established plans to provide information communication devices, scholarship programs and assistance in training activities through the WIPO²⁹.

ii) Sending experts to seminars on terrestrial digital broadcasting

The Ministry of Internal Affairs and Communications has sent experts (from the Ministry of Internal Affairs and NHK) to a seminar on terrestrial digital broadcasting in Mozambique in order to

²⁹ <http://www.mofa.go.jp/region/africa/ticad/ticadfollow-up/report/status/PR000055.html>

assist the enhancement of specialized knowledge on terrestrial digital broadcasting in African countries (in FY 2009). The seminar was attended by supervisory agencies for broadcasting and broadcasting organizations in Guinea Bissau, Zimbabwe, Botswana, Angola, Kenya, Sao Tome Principe, and Cape Verde in addition to those in Mozambique. Such seminars have been organized in order to enhance specialized knowledge on terrestrial digital broadcasting in African countries³⁰.

3) To expand development assistance for small and medium-sized enterprises as well as local industries

i) The Enhanced Private Sector Assistance for Africa (EPSA) initiative

The Ministry of Foreign Affairs has proposed to strengthen its contribution to the Enhanced Private Sector Assistance for Africa (EPSA) initiative through yen-denominated loans 500 million U.S. dollars in order to assist the financing of small and medium-sized enterprises as well as local industries.

The EPSA for Africa initiative was originally announced in June 2005 by the African Development Bank Group and the Japanese government as a joint initiative to develop the private sector in Africa and its main pillars consist of the expansion of loans to assist the development of the private sector and the establishment of an investment base, etc., as well as the Fund for African Private Sector Assistance (FAPA). The Japanese government contributed 11.5 billion yen as its first international yen loan (general, untied) to the Multilateral Development Bank and the African Development Bank in FY2006 as part of “private-sector assistance loans under the joint initiative for the private sector in Africa”³¹ carried out under this EPSA initiative.

Following this trend, the Yokohama Action Plan proposed an international yen loan equivalent of around 300 million U.S. dollars in 2008 and 275 million U.S. dollars have already been paid from JICA to the AfDB (for the assistance of small and medium-sized enterprises, etc.). In 2009, 17 subprojects (including five projects for small and medium-sized enterprises) have been approved. Furthermore, projects of technical cooperation and capacity building for small and medium-sized enterprises (4.9 million U.S. dollars) were approved in 2008 and assistance in technical cooperation and capacity building for small and medium sized enterprises (3.6 million U.S. dollars) was approved in 2009³² through the Fund for African Private-Sector Assistance (FAPA).

³⁰ <http://www.mofa.go.jp/region/africa/ticad/ticadfollow-up/report/status/PR000266.html>

³¹ This is to provide funds to provide loans (two-step loans), and its purpose is to develop a local private sector to achieve economic growth and poverty reduction led by the private sector.

³² <http://www.mofa.go.jp/region/africa/ticad/ticadfollow-up/report/status/PR000057.html>

ii) Vocational training to promote youth employment

The Ministry of Foreign Affairs provided five million U.S. dollars to assist training to promote youth employment organized by the United Nations Industrial Development Organization (UNIDO) in 2008, in order to support the development of small and medium-sized enterprises and local industries. The UNIDO has been providing training to promote youth employment, along with skill development programs. In 2009, the UNIDO continued organizing youth-led business development training programs (see the appendix for details).

4) Energy and natural resources

i) Exploration using the technology of Geological remote sensing

The Ministry of Economy, Trade and Industries and JOGMEC have proposed technical support and financial assistance to develop the energy industry and mining³³.

JOGMEC decided to provide 6 billion yen financial assistance to a petroleum exploration project in Ghana in 2008 and to a petroleum exploration project in Gabon in 2009. In 2011 exploration of mineral resources is planned to start.

Furthermore, a geological remote sensing center was established and opened on July 28 in Botswana in order to identify promising areas using the advance technology of remote sensing as well as to transfer satellite image processing technology. The JOGMEC Remote Sensing Specialists have provided training to 5 engineers and geologist there since 2008, and in 2009 it invited total 14 engineers from Zambia and Mozambique. Five workers at the Department of Geological Surveys in Lesotho went through the training in 2011, and it was offered training to five engineers in Swaziland in 2012.

Joint missions promoting trade and investment to Africa invited Mozambique, Madagascar, and South Africa to participate in the project in 2008 and organized a seminar, inviting around 90 participants from Botswana, Zambia, Mozambique, South Africa, Namibia, Tanzania, Malawi, the Republic of the Congo, Zimbabwe, Lesotho, and Angola in 2009.

In 2010, association with Japanese government, SADC secretariat co hosted the seminar and invited 50 participants from 9 African countries. It continuously held and called on 50 people from 10 countries in 2011, and 60 people from 8 countries in 2012. The workshop on satellite remote

³³ TICAD follow up mechanism annual report
<http://www.mofa.go.jp/region/africa/ticad/ticadfollow-up/report/status/PR000059.html>

sensing and GIS for technical experts from SADC member countries have also been held every year since 2009. The workshop covered basis of GIS, introduction of remote sensing as well as practical exercise and accepted 20 people in 2009. In 2010, 23 people took the training, 16 experts participated in 2011, and it accepted 17 people in 2012. Since 2011, the workshop introduced individual assignment issue analysis contest to help improve the skills of specialists and it modified into two parts; testing proficiency level of basic technology and comprehensive issue analysis in 2012. The 2012 session invited specialist from Botswana Geological Remote Sensing Center as an instructor and it can be seen as an accomplishment of the continuous initiative of technical transfer. The technology spillover within African countries is expected to widen in the future.

A joint image analysis session was also carried out since 2009, with workers from the Botswana, Malawi, Angola, Namibia and Mozambique in 2010, and with workers from the Botswana, Malawi, Angola, Mozambique, and Tanzania Geological Survey in 2012 each of which lasted for about a month and half³⁴.

ii) Cooperation in the field of the development and exploration of coal resources

The Ministry of Economy, Trade, and Industries and New Energy and Industrial Technology Development Organization (NEDO) has been collecting basic information on coal reserves, coal quality, and infrastructure, etc., in order to assist the exploration and development of coal resources. They have also been assisting Japanese companies in their exploration and development of coal resources.

In 2009, they exchanged opinions with the governments and related agencies of Botswana and Mozambique and inspected a coal mine by sending a public-private coal mission. In addition, they have carried out a preliminary survey on the supply and demand of coal in Botswana, trends in development, and the abundance of coal as an overseas geological survey. They have also been assisting projects related to the exploration and development of coal carried out by Japanese companies in Mozambique as an overseas survey on coal development possibilities while also carrying out an overseas survey on coal development advancement focusing on the development of coal resources and the export potential in South Africa and Mozambique. Due to the revision of legislation, coal and geothermal related operations were transferred from NEDO to JOGMEC, but the above activities continuously took place to explore potential of mineral resource export to Japan in 2011 and 2012.

³⁴ JOGMEC

http://www.jogmec.go.jp/jogmec_activities/financial_oil/major_project/major_project03.html

(4) Promotion of tourism

As a means of 4) the promotion of tourism, one of the points raised for “the acceleration of growth: trade, investment, and tourism”, which is one of the five pillars of the Yokohama Action Plan, the Japanese government and related agencies have proposed the following assistance measures summarized in Figure 5-11.

Figure 5-11 Measures to promote tourism

| | Yokohama Action Plan | Responsible organization (s) | Assistance measures proposed |
|---|--|---|--|
| 1 | To promote efforts to tackle restrictions in public security, customer service management, infrastructure, and the environment as part of the development of tourism in African countries. | JICA | To carry out capacity building projects including training programs, as well as sending experts in cooperation with local tourism training centers in Africa |
| 2 | To support the promotion of tourism through events such as travel fairs through the opportunity of FIFA World Cup in South Africa in 2010. | Japanese government (Ministry of Land, Infrastructure, and Transport / Ministry of Foreign Affairs) | To promote tourism from a long-term perspective through events such as travel fairs while also preparing for FIFA World Cup in South Africa in 2010 |

Source: Compiled by Mitsubishi UFJ Research and Consulting Co., Ltd., based on the website of the Ministry of Foreign Affairs.

1) Measures to develop tourism

JICA has indicated its goal to increase the number of human resources trained in the field of tourism by 10 times and has organized capacity building projects including training programs and dispatching experts in cooperation with local tourism training centers in Africa. A total of 31 people in 2008, a total of 35 people in 2009 and a total of 74 people in 2010 participated in training sessions organized by JICA³⁵.

³⁵ <http://www.mofa.go.jp/region/africa/ticad/ticadfollow-up/report/status/PR000060.html>

2) Long-term assistance to promote tourism

The Japanese government indicated its goal to commit to long-term efforts to promote tourism through events such as travel fairs in preparation for FIFA World Cup in South Africa in 2010. The Ministry of Land, Infrastructure, Transport and Tourism as well as the Ministry of Foreign Affairs assisted the participation of the tourist bureaus of African countries at JATA World Travel Fair in 2008 and 2009 in order to promote the Africa section in the travel fair held every year. Furthermore, a survey team was sent to southern Africa in 2010 in order to investigate the tourism infrastructure of the region, which could be a potential obstacle in attracting Japanese³⁶.

5-3. The performance and trends of private-sector trade and investment assistance measures for Africa taken by the United Nations and the World Bank Group

Among the 17 items in the “Yokohama Action Plan” compiled in 2008, the United Nations and the World Bank Group, the co-organizers, have provided assistance mainly in the fields of the promotion and expansion of trade, the recommendation of foreign investment, and the development of the private sector. However, the United Nations and the World Bank Group have conducted a wide range of activities regarding the framework of the private-sector trade and investment assistance in Africa. It is therefore difficult to clearly distinguish those that contributed to the TICAD process from the rest.

For this reason, this survey gives an overview of the main activities extracted from the entire list of programs carried out by the United Nations, such as financial assistance including export finance, import finance, investment, guarantees, and trade insurance, as well as the hosting of exhibitions and seminars, the provision of information through publications and websites, advisory services for those entering the local market, and the dispatch of business missions. This has been carried out by the Office of the Special Advisor on Africa (OSAA), a co-organizer of TICAD that is in charge of TICAD at the United Nations, the United Nations Development Program (UNDP),³⁷ and the World Bank Group,³⁸ in order to discuss the achievements and trends of such activities.

³⁶ <http://www.mofa.go.jp/region/africa/ticad/ticadfollow-up/report/status/PR000062.html>

³⁷ <http://www.undp.or.jp/ticad/organizers-partners.html>

³⁸ “United Nations organizations” is a general term referring to six principal organs that consist of the United Nations as well as other subsidiary organizations and international organizations linked to the United Nations, including the World Bank Group as a specialized agency. However, this section mainly discusses the programs of the UNDP, a co-organizer of TICAD.

5-3-1. Assistance for Africa by the United Nations organizations

(1) Assistance measures in Africa provided by the UNDP

The UNDP has been assisting the development of the private sector and the investment environment in developing countries, seeing the importance of the private sector and the creation of an inclusive market in order to achieve the Millennium Development Goals (MDGs).

In order to assist the private sector, the UNDP introduced the Inclusive Market Development (IMD) strategy in 2007.³⁹ The IMD strategy targets all developing countries, including those in Africa.

The “inclusive market” in the IMD strategy refers to markets that extend choices and opportunities to the poor as producers, consumers, and wage earners, thus creating jobs and affordable goods and services needed by the poor. The following are the five key fields in the IMD strategies:

- Policy and institutional infrastructure: Provision of policy advice and capacity-building that help governments create an enabling regulatory climate for private enterprises;
- Pro-poor value chain integration: Integration of local producers with domestic and global value chains;
- Provision of pro-poor goods and services: Facilitation of private-sector investments in affordable goods and services for the poor;
- Entrepreneurship development: Promotion of small-scale entrepreneurship; and
- Corporate social responsibility (CSR): CSR in support of Inclusive Market Development and the Millennium Development Goals.

In order to promote the development of inclusive markets, the UNDP have been leading initiatives such as (1) “Growing Sustainable Business (GSB)”/“Inclusive Market Development (IMD),” (2) “Growing Inclusive Markets (GIM),” and (3) “Business Call to Action (BCtA),” the details of which are shown below.

³⁹ Website of the UNDP:
http://www.undp.org/content/undp/en/home/ourwork/partners/private_sector/OurStrategy/

1) “Growing Sustainable Business (GSB)” and “Inclusive Market Development (IMD)”

The “Growing Sustainable Business (GSB)” initiative is for the UNDP to assist the establishment of business models in which business and development are compatible. This initiative was introduced in 2003, and under this initiative, more than 50 programs have been carried out in more than 15 countries including countries in Africa. The scale of direct investment under the GSB initiative is from 10,000 to 4,000,000 U.S. dollars, and more than 75 companies have made foreign direct investment under the GSB initiative since its introduction in 2003. The GSB initiative is currently shifting to the “Inclusive Market Development (IMD)” initiative, which is a wider approach.⁴⁰

The IMD initiative is an approach that focuses on investment on key sub-sectors for the overall market and the poor classes. The purpose of the initiative is to deal with obstacles in creating inclusive markets, such as the lack of appropriate policies, insufficient access to financial means and the market, the absence of the link between business and the value chain, and the issue of infrastructure underdevelopment. The difference between the GSB initiative and the IMD initiative is that the GSB initiative focuses on the cooperation with one company while the IMD initiative focuses on more multi-dimensional activities dealing with the entire sector, value chain, and multiple companies. As of December 2012, the GSB or IMD initiative has been carried out in 17 countries. Among the countries in Africa include Angola, Egypt, Kenya, Madagascar, Malawi, Mozambique, Nigeria, Uganda, and Zambia.⁴¹

The following are some examples of the GSB programs carried out in Africa.

- Tanzania: Under the initiative, funding has been provided for mobile phone companies that consider entering the agricultural areas in order to carry out preliminary investigation (F/S), estimating social and economic impact and potential demand of investment while also identifying various problems regarding investment.⁴²
- Kenya: In order to assist a Japanese electric appliance manufacturer that developed solar lanterns, a local investigation has been carried out prior to the launch of business, checking the usage of electricity in agricultural villages in Kenya and reviewing the possibility of finding business partners such as small-scale financial companies.⁴³

⁴⁰ Website of the UNDP:

http://www.undp.org/content/undp/en/home/ourwork/partners/private_sector/IMD/

⁴¹ Website of the UNDP:

http://www.undp.org/content/undp/en/home/ourwork/partners/private_sector/IMD/

⁴² Website of the UNDP, Japanese Representative Office:

http://www.undp.or.jp/private_sector/pdf/pdf7_gsb_jirei.pdf

⁴³ Website of the UNDP, Japanese Representative Office (n.d.), *The UNDP and the Private Sector*:

http://www.undp.or.jp/private_sector/pdf/pdf6_gsb_shikumi.pdf

2) “Growing Inclusive Markets (GIM)”

The “Growing Inclusive Markets (GIM)” initiative is an investigation and advisory initiative with multiple stakeholders that was introduced in 2006 under the leadership of the UNDP, following the success of the “Unleashing Entrepreneurship: Making Business Work for the Poor” program in 2004.⁴⁴ The purpose of the GIM initiative is to promote the development of inclusive business models that provide better opportunities and life for the poor classes.

3) “Business Call to Action (BCtA)”

The “Business Call to Action (BCtA)” initiative is a global membership program by companies, governments, and development assistance organizations that was introduced in 2008. The purpose of the BCtA initiative is to promote the achievement of MDGs by building business models in which business and development are compatible. Companies can receive the following assistance by participating in the BCtA initiative.

- Opportunities to share platforms for global leaders as well as expertise, knowledge, and best practice regarding the market-based approaches that assist development
- Advisory services and assistance in business development
- Cooperation between companies and assisting organizations as well as other stakeholders

Figure 5-12 Example projects of BCtA (extract)

| Country | Contents |
|-----------------------------------|--|
| Kenya, Tanzania, and South Africa | A remittance service that uses mobile phones (the service is called M-PESA) was introduced in five countries including Kenya, Tanzania, and South Africa in order to expand the use of financial services and promote small-scale businesses and economic growth; more than 18.5 million people in total have registered for this service in those countries, and more than 350 million dollars have been remitted every month. By providing the M-PESA service, there has been an advantage for Vodafone in maintaining its customers while differentiating itself from its competitors by having different business partners. In Kenya, revenues have expanded thanks to an increase in revenues for M-PESA. ⁴⁵ |

⁴⁴ Website of the UNDP:
<http://www.growinginclusivemarkets.org/about/>

⁴⁵ Website of the UNDP, Japanese Representative Office:

| | |
|--------------|--|
| Cameroon | A British alcoholic beverage company, Diageo, has been working on the development of the value chain for sorghum products in Cameroon by providing technical assistance and training for farmers in this country. By cooperating with local breweries, Diageo has been providing improved seeds, agricultural machinery, agricultural training, and advisory services for small-scale sorghum farmers, while also assisting the development of preservation and transportation infrastructure. Even though Diageo invested 250,000 dollars in this project, this allows the company to reduce costs when purchasing expensive barley from abroad by enabling it to produce local sorghum products. ⁴⁶ |
| Uganda | MAP has been working on a project to make banking services available on mobile phones using its electronic mobile banking platform. The company aims to contribute to the empowerment of the people in Uganda by making it possible for two million Ugandans to use banking services. There have also been new market opportunities for MAP and other financial and mobile phone companies, as this program provides services to those who were not previously using the banking infrastructure. As of January 2010, 105,000 people are using this service. ⁴⁷ |
| Ghana | A British confectionery and beverages manufacturer, Cadbury, established a Cadbury Cacao Partnership in order to assist the sustainable growth of cacao farmers in Africa, South Asia, and Caribbean countries. Since 2009, the company has carried out training on cacao production as well as technical assistance under this program in cooperation with 100 cacao-producing areas in Ghana. By maintaining a stable supply of high-quality cacao, the confectionery companies can benefit from this program as well. ⁴⁸ |
| South Africa | A British mining company, Anglo American, has been assisting the economic growth of mining and labor communities in South Africa in order to eradicate poverty. The company aims to assist the establishment of 1,500 companies, creating employment opportunities for 25,000 people by 2015. Since 2008, this program has already created employment opportunities for more than 15,000 people. Anglo American uses local labor, funds, and |

http://www.undp.or.jp/private_sector/pdf/Vodafone_Japanese_110408.pdf

⁴⁶ Website of the UNDP, Japanese Representative Office:

http://www.undp.or.jp/private_sector/pdf/Diageo_Japanese_110408.pdf

⁴⁷ Website of the UNDP, Japanese Representative Office:

http://www.undp.or.jp/private_sector/pdf/MAPInternational_Japanese_110408.pdf

⁴⁸ Website of the UNDP, Japanese Representative Office:

http://www.undp.or.jp/private_sector/pdf/CadburyCocoa_Japanese_110408.pdf

| | |
|---------------|---|
| | services for its mine management, and 20% of the entrepreneurs that receive a loan from Anglo American's fund provide services to the company. ⁴⁹ |
| Entire Africa | Coca Cola has been working on a framework to create employment opportunities through BOP businesses in all of Africa. The company has been expanding the network of local low-cost Micro Distribution Centers (MDCs). By using MDCs, the company can transport its products to local small-scale retail stores, promoting sales and expanding its market. Since 2008, more than 1,200 new MDCs have been established, creating employment opportunities for more than 6,000 people. ⁵⁰ |

Column: Assistance Measures in Africa Provided by the UNDP for the Purpose of Capacity Development in Trade and Investment

(1) Assistance measures for capacity development in trade⁵¹

1. Trade Capacity Development Project (2002–2007)

The Trade Capacity Development (TCD) project was carried out for the purpose of capacity development in countries in Africa in order for them to participate in efficient trade negotiations on global, regional, and bilateral levels.

2. Institutional Capacity Development for Regional and Trade Policy Formulations and Negotiations Project (2007–2009)

The purpose of the Institutional Capacity Development for Regional and Trade Policy Formulations and Negotiations project was to contribute to political dialogue, make recommendations in trade and human development, and assist regional unification. This initiative included programs such as “Aid for Trade,” “Enhanced Integrated Framework for Trade Capacity Development in Least-developed Countries,” as well as the “African Trade Policy Centre.”

The UNDP continues providing assistance in the trade industry for regional international organizations and various countries in Africa after the completion of programs 1 and 2. The followings are some examples of the achievements of such assistance.

- Drafting papers regarding the capacity development plans (CDPs) in preparation for the

⁴⁹ Website of the UNDP, Japanese Representative Office:
http://www.undp.or.jp/private_sector/pdf/AngloAmerican_Japanese_110408.pdf

⁵⁰ Website of the UNDP, Japanese Representative Office:
http://www.undp.or.jp/private_sector/pdf/CocaCola_Japanese_110408.pdf

⁵¹ The following information is based on the materials published by the UNDP.

establishment of the Trade Policy Analysis Unit for the Common Market for Eastern and Southern Africa (COMESA)

- Carrying out case studies on the subject of bargaining theories and negotiation practice
- Organizing e-discussions on regional unification and trade in Sub-Saharan Africa
- Carrying out case studies and establishing guidelines for the mainstreaming of trade as a strategy for national development as well as leading case studies of “Aid for Trade”
- Drafting papers on capacity development plans for female entrepreneurs in international trade
- Providing assistance in establishing common negotiation guidelines for countries in Africa to be used in economic partnership agreements (EPAs) and WTO negotiations

(2) Assistance measures for capacity development in investment

1. African Facility for Inclusive Markets⁵²

The African Facility for Inclusive Markets (AFIM) program is a regional program to provide assistance in establishing inclusive and friendly markets in order to eradicate poverty. The focus of this program is to establish and expand value chains in sectors that are expected to create employment opportunities, such as agribusiness, tourism, renewable energy, retail, and mining sectors, in order to promote the inclusive market development (IMD) described above. The AFIM program aims to free the poor classes from poverty by expanding shared knowledge and financial access and by promoting best practice through workshops and involvement.

2. Project Facilitation Platform (PFP)⁵³

The Project Facilitation Platform (PFP) program was introduced in Eastern and Western Africa in 2012 in order to organize workshops to discuss value chains in the agricultural sector. In 2012, discussions took place on the value chains of dairy farming, soybeans, and sorghum in eastern Africa, as well as cassava, mangoes, and onions in western Africa, in order to establish policies to expand investment in these products.

5-3-2. Assistance measures in Africa provided by the United Nations organizations under the TICAD framework

Below are the measures taken by the United Nations organizations for the Yokohama Action Plan in the TICAD process.

⁵² Website of the UNDP:
http://www.undp.org/content/undp/en/home/ourwork/partners/private_sector/AFIM.html

⁵³ Based on the materials provided by the UNDP

Figure 5-13 Measures taken by the United Nations organization in the TICAD process (for the acceleration of growth)

| Yokohama Action Plan | | Responsible organization(s) | Measures proposed |
|----------------------------------|--|---|---|
| Promotion and expansion of trade | To assist research and capacity building regarding genders and remittances and to encourage the effective use of remittances for regional development. | Japanese government / UNDP / International Research and Training Institute for the Advancement of Women (INSTRAW) | To assist regional development focusing on gender equality through the UNDP and Japan WID (Women in Development) Fund |
| Foreign investment | Public-private partnership / active use of investment finance and trade and investment insurance | UNDP | To promote transactions between Japanese companies and Africa through the Guardian Sustainable Business (GSB) program |

Source: Compiled by Mitsubishi UFJ Research and Consulting Co., Ltd., based on the website of the Ministry of Foreign Affairs.

(1) The promotion and expansion of trade

With regard to the promotion and expansion of trade, the UNDP has been carrying out the “gender and overseas remittances” project in Lesotho, Senegal, and Morocco. Under this project, it has been revealed that overseas remittances and migration is important for women and regional communities in agricultural villages, and that most households use the monthly remittances for food, accommodation, transportation, education, and medicine, which is a beneficial lesson applicable to all three countries mentioned above.⁵⁴

(2) Foreign investment

With regard to the promotion of foreign investment, the UNDP has offered to assist Japanese companies in strengthening their link to the Growing Sustainable Business (GSB) program. As of 2009, the UNDP has been carrying out local programs such as the development of the effective use

⁵⁴ Website of the Ministry of Foreign Affairs:
<http://www.mofa.go.jp/region/africa/ticad/ticadfollow-up/report/status/PR000036.html>

of solar energy in the Chibuto Millennium Village, Mozambique, in order to support agricultural production and irrigation systems in the local area.⁵⁵ This program has been carried out with the cooperation of Mitsui Co., Ltd.

5-3-3. Assistance measures provided by the World Bank Group

The World Bank Groups announced its program, *Africa's Future and the World Banks Support to it*, in March 2011.⁵⁶ This program aims to: (1) strengthen competitiveness and create employment, (2) overcome fragility, and (3) strengthen the governance capability of the government and public sector capacity.⁵⁷ With regard to the creation of employment, in particular, the World Bank aims to provide assistance in newly creating employment for 7–10 million young people annually in the labor market, with the view that the development of the private sector leads to the eradication of poverty and the creation of wealth.⁵⁸

Even though this measure mainly focuses on the development of the local private sector, the measures provided by the World Bank Group also incorporate a wide range of initiatives to assist various non-African countries in private-sector trade and investment in Africa, such as a program to support the framework to tackle issues related to the lack of investment in necessary infrastructure and to improve the business environment. Therefore, this section will give an overview of the achievements and trends in the World Bank programs and their contribution to the TICAD process, mainly focusing on the frameworks of the International Financial Corporation (IFC), which provides assistance in improving the business investment environment in developing countries, and the Multilateral Investment Guarantee Association (MIGA), which provides investment insurance for developing countries.

(1) History of the amount of loans provided by the World Bank in Africa

The total amount of loans provided by the World Bank for Africa doubled from around 4.12 billion dollars to around 8.2 billion dollars between 2004 and 2009. Out of this, the amount of loans for the financial and private sectors increased from around 0.81 billion dollars to around 1.55 billion dollars in the same period, reaching 5 billion dollars in 2010. The World Bank has expanded its assistance in 2010 in reaction to the global economic downturn caused by the Lehman Shock as well as the sharp decline in the economic growth rates of African countries. As a result, the amount of

⁵⁵ Website of the Ministry of Foreign Affairs:

<http://www.mofa.go.jp/region/africa/ticad/ticadfollow-up/report/status/PR000049.html>

⁵⁶ Website of the World Bank: <http://go.worldbank.org/2AB4OU8YT0>

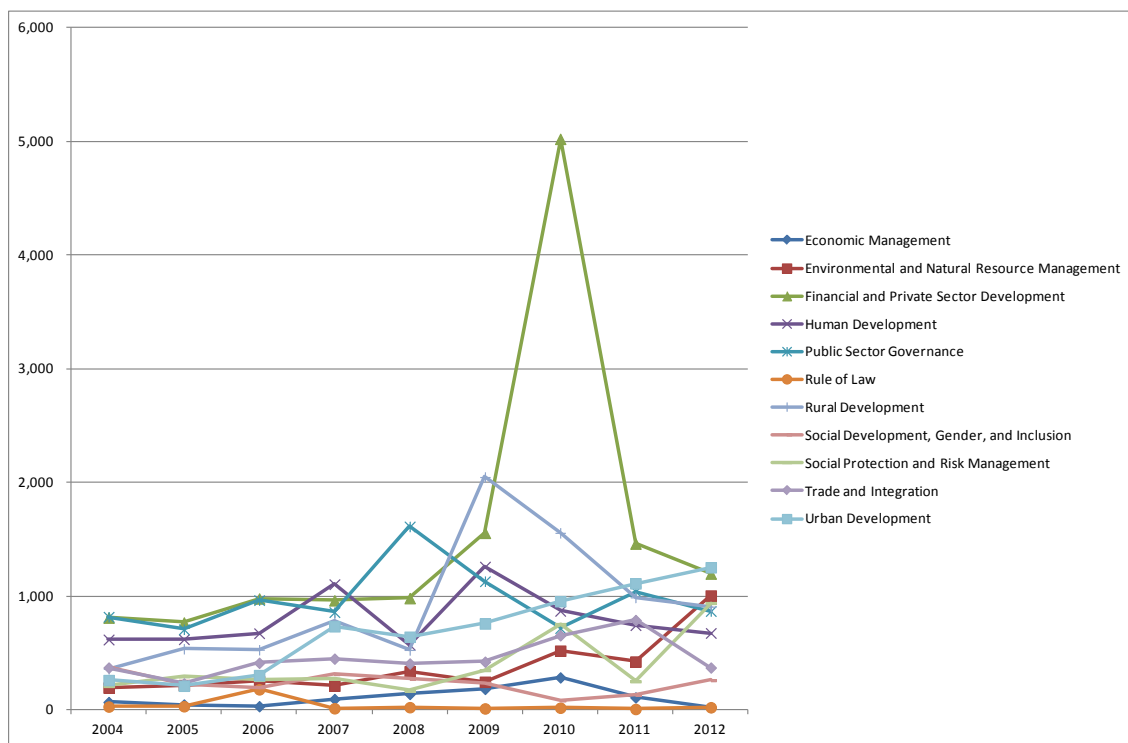
⁵⁷ World Bank Strategy for Africa:

(<http://web.worldbank.org/WBSITE/EXTERNAL/COUNTRIES/AFRICAEXT/0,,contentMDK:22846778~pagePK:146736~piPK:226340~theSitePK:258644,00.html>)

⁵⁸ World Bank (2011), *Africa's Future and the World Bank's Support to it*, p. 10

loans in the financial and private sectors increased significantly.⁵⁹

Figure 5-14 History of the amount of loans provided by the World Bank in Africa by industry (million dollars)

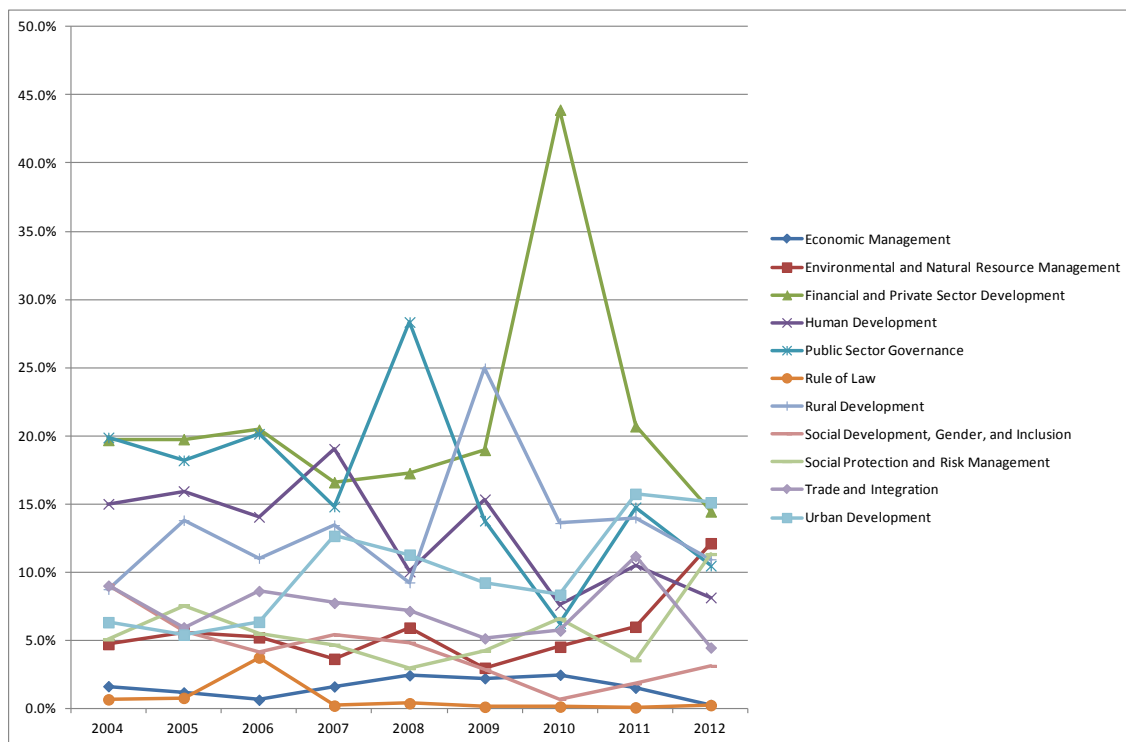


Source: Compiled based on *World Bank Lending in Africa by Theme and Sector* provided by the World Bank

<http://go.worldbank.org/KIRI9FXB10> (last accessed on December 14, 2012)

⁵⁹ World Bank (2011), *Annual Report*, p. 20:
<http://siteresources.worldbank.org/EXTANNREP2010/Resources/WorldBank-AnnualReport2010.pdf>

Figure 5-15 History of the ratio of the World Bank loans in Africa by industry (%)



Source: Compiled based on *World Bank Lending in Africa by Theme and Sector* provided by the World Bank <http://go.worldbank.org/KIRI9FXB10> (last accessed on December 14, 2012)

(2) MIGA’s framework to provide assistance in Africa

The Multilateral Investment Guarantee Association (MIGA) is an organization within the World Bank Group established in 1988. The MIGA has been providing investment insurance targeting political risks such as the halt of currency conversion to gold, restrictions on remittances, nationalization, wars, terrorism or civil wars, the non-fulfillment of contracts, and government debt default, in order to promote private-sector investment in developing countries.

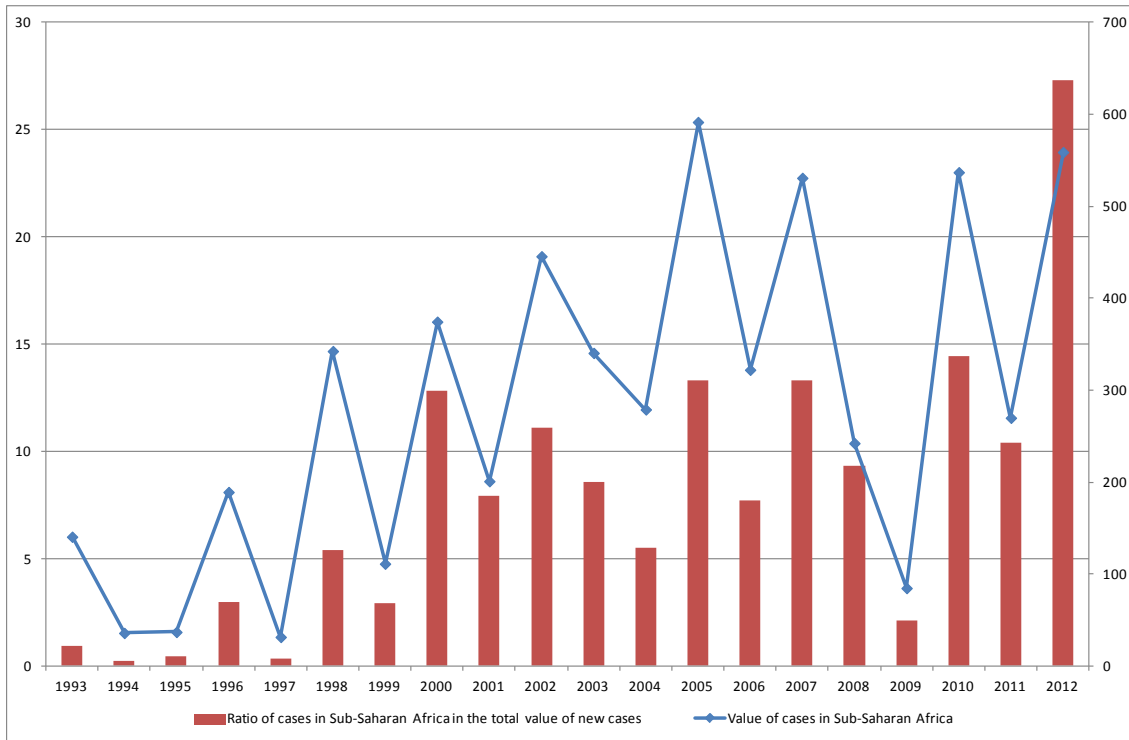
The MIGA has so far provided guarantees in around 650 cases globally, out of which the number of projects targeting Sub-Saharan Africa is 169 (including cases in FY2013).⁶⁰

Figure 5-16 is a graph showing the total value of cases in Sub-Saharan Africa and their ratio in relation to the overall value. The value of the cases in Sub-Saharan Africa was 23 million dollars in 1993, which was only 6% of the total value. Even though there has been no clear trend, the value and the ratio have generally been on the rise, and the value of the cases in Sub-Saharan Africa was 636

⁶⁰ Number of cases displayed as a result of a keyword search for “sub-Saharan Africa” on the MIGA website <http://www.miga.org/projects/advsearchresults.cfm?srch=s&hctry=5r&hregioncode=5>

million dollars in 2012—24% of the total value. Excluding 2001 and 2009, the ratio of the value of the cases in Sub-Saharan Africa has exceeded 10% of the total value since 2000.

Figure 5-16 History of the value of cases dealt with by the MIGA in Sub-Saharan Africa MIGA (million dollars, %)

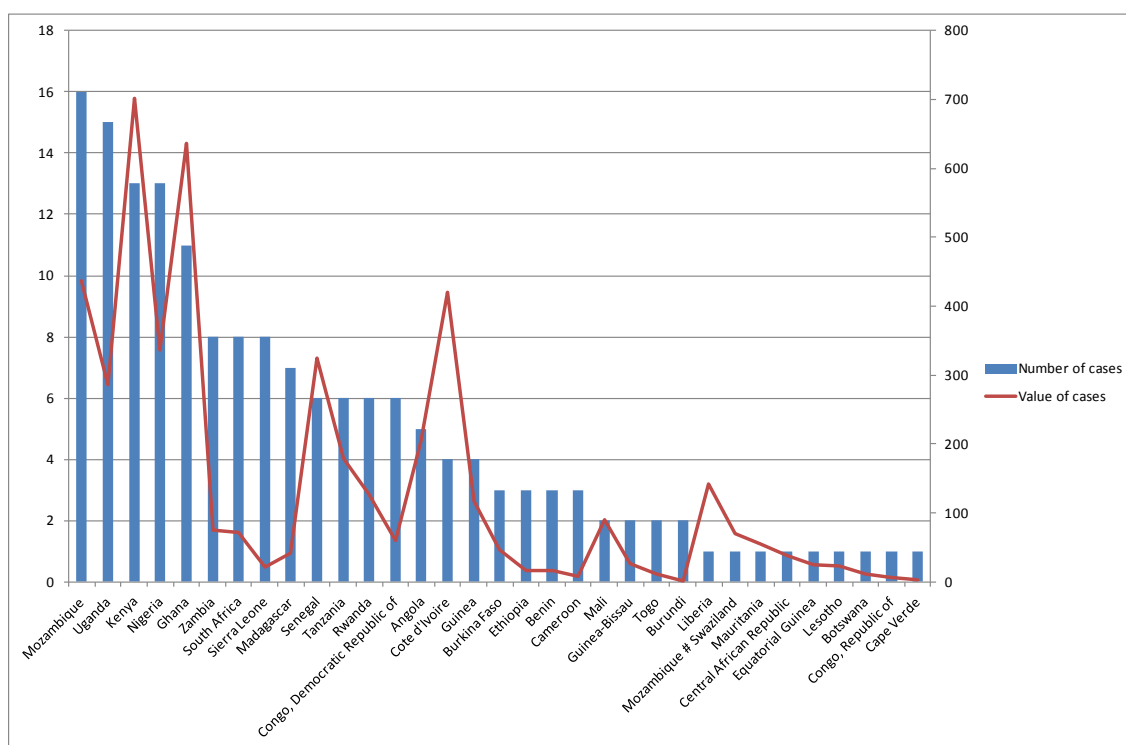


Source: Compiled by Mitsubishi UFJ Research & Consulting based on the MIGA annual report and the MIGA website

Figure 5-17 is a graph showing the accumulative value and number of cases dealt with by the MIGA. The number of cases is particularly high in Mozambique (16 cases), Uganda (15 cases), Kenya (13 cases), Nigeria (13 cases), and Ghana (11 cases). Even though the value and number of the cases are generally in proportion, there are countries where the number of the cases is high while the value of the cases is low, such as Uganda, Zambia, South Africa, Sierra Leone, and Madagascar, while there are also countries where the value of the cases is higher than the number of cases, such as Ivory Coast and Liberia.

The countries with a high number of cases dealt with tend to be in western, eastern and southern Africa, while the number and value of cases are both low in countries in central Africa.

Figure 5-17 Accumulative value and number of cases dealt with by the MIGA (1993–2012, million dollars, number of cases)



Source: Compiled by Mitsubishi UFJ Research & Consulting based on information on the MIGA website

1) Environmental and social fund for Africa⁶¹

In 2007, the MIGA established a trust fund by receiving a grant from Japan, in order to provide advisory services regarding environmental and social issues for foreign investors who have business in Africa.

The purpose of the fund is to provide assistance so that investment is made in accordance with the MIGA's environmental and social guidelines, to allow investors to evaluate the environmental and social impact of the project, and to provide advisory services regarding best practices related to land acquisition, benefits for local society, and effective negotiations.

As the fund makes it possible to identify and manage the impacts of the projects in terms of environmental and social issues, the fund can be used to avoid liabilities by reducing project risks, enhancing the development impact on the local communities, and reducing pollution risks.

⁶¹ For the details of this fund, see *Environmental and Social Funds for Africa*, published by the MIGA in 2012. http://www.miga.org/documents/africatrust_JP.pdf

(3) Assistance for Africa provided by the IFC

1) Assistance provided by the IFC in order to ameliorate the investment environment

The International Financial Corporation (IFC) is an organization within the World Bank Group established in 1956 in order to aid the private sector in developing countries and provide assistance in the development of the investment environment.

The IFC has been taking measures to encourage the governments of African countries to carry out various reforms to ameliorate the business environment.⁶² The high priority areas in the IFC's assistance are the following three.

- The creation of business opportunities and the promotion of growth: To create business opportunities and assist growth by removing obstacles hindering the introduction, expansion, and exit of businesses
- The promotion of trade and foreign investment: To promote trade and investment by providing assistance in the establishment of a trade distribution system, improvement of investment policies and regulations, and an efficient and transparent business tax system
- The removal of obstacles for sustainable investment: To continue investing in major industries in fragile countries and conflict-affected countries

According to the announcement regarding the recent achievements, the IFC has assisted 461 regulatory reforms in 33 African countries from 2008 to 2012, contributing to the improvement of the investment environment. The following are some examples of the achievements.

- Sierra Leone: In response to a request made by the government of Sierra Leone, the IFC has been assisting the improvement of the business and investment environment of the country in reducing the number of days required for business registration, tax reforms, and the organization of investment events in London, U.K. Since 2005, the ranking of Sierra Leone has risen by 20 in the *Doing Business Report* published by the World Bank.⁶³
- Mali: The IFC has been providing assistance for the government of Mali in supporting the development of the investment environment. According to the evaluation in the *Doing*

⁶² Website of the IFC:

http://www1.ifc.org/wps/wcm/connect/REGION__EXT_Content/Regions/Sub-Saharan+Africa/Advisory+Services/InvestmentClimate/

⁶³ IFC (2012), *Creating Opportunities for Private-sector Development*, Nov. 2012, p. 2

<https://www.wbginvestmentclimate.org/regions/loader.cfm?csModule=security/getfile&pageid=32938>

Business Report published by the World Bank, the number of days required for import has been reduced from 65 days to 31 days in the period between 2008 and 2011, and indices related to trade logistics have been ameliorated.⁶⁴

- South Sudan: In cooperation with the investment environment team of the World Bank, the IFC has carried out investment environment programs worth 1.8 million dollars in three years in order to provide assistance for the government of Sudan in developing the business environment. Both local and overseas companies have participated in this program, and the number of local participating companies has increased from 138 to 16,737, and the number of overseas participating companies has increased from none to 217 in the past five years. Major participants include South African Breweries, a South African brewing company.⁶⁵

2) CASA initiative and the “business in conflict-affected societies” meeting

Since 2008, the IFC has been carrying out the “Conflict-affected States in Africa (CASA)” initiative since 2008 in order to provide assistance regarding economic recovery and strategic planning and activities.⁶⁶ In Africa, the CASA initiative targets eight countries: Burundi, the Central African Republic, Ivory Coast, Congo, Guinea, Liberia, Sierra Leone, and South Sudan. The purpose of this initiative is to provide assistance in improving the investment environment in conflicted-affected societies and enhancing the capacity of small- and medium-sized companies and creating employment through investment in conflict-affected societies, in order to achieve peace and a stable society. The CASA initiative focuses on the following four areas:

- To improve the business environment through regulatory reforms;
- To strengthen business organizations such as small- and medium-sized companies and the chamber of commerce and industry;
- To rebuild financial the financial markets, banks, and other financial institutions; and
- To encourage the private sector to be more involved in reconstruction and to enhance the improvement of infrastructure such as roads, ports, schools, and power stations.

Under the CASA initiative, the IFC organized a conference on the investment environment, titled “Business after Conflict,” targeting business leaders, government officials, and civilian

⁶⁴ IFC (2012), *Creating Opportunities for Private-sector Development*, Nov. 2012, p. 3
<https://www.wbginvestmentclimate.org/regions/loader.cfm?csModule=security/getfile&pageid=32938>

⁶⁵ IFC (2012), *Creating Opportunities for Private-sector Development*, Nov. 2012, p. 4
<https://www.wbginvestmentclimate.org/regions/loader.cfm?csModule=security/getfile&pageid=32938>

⁶⁶ Website of the IFC:
http://www1.ifc.org/wps/wcm/connect/region__ext_content/regions/sub-saharan+africa/advisory+services/strategic+initiatives

representatives in November 2012, in cooperation with the World Bank and the *Financial Times*.⁶⁷ The purpose of this conference was to eradicate the image that conflict-affected societies are dangerous and not suitable for investment by introducing an investment environment in such conflict-affected societies.

5-3-4. Assistance provided by the World Bank Group for the TICAD process

Under the TICAD initiative, the World Bank pointed out at TICAD IV that the promotion of private-sector investment is important for the growth of Africa⁶⁸ and indicated its intention to contribute to many programs in the trade, investment, and tourism industries.

Based on the “Yokohama Action Plan” under TICAD IV, the United Nations organizations and the World Bank Group have been carrying out the following assistance programs.

Figure 5-18 Measures taken by the World bank Group for the TICAD process (the acceleration of growth)

| | Yokohama Action Plan | Assistance measures proposed |
|----------------------------------|---|---|
| Promotion and expansion of trade | To expand trade in African countries as well as “Assistance for Trade” (AFT). | <ul style="list-style-type: none"> • To promote South-South cooperation and knowledge sharing among countries in Asia and Africa while also providing technical support for capacity building related to trade policies |
| | To improve trade conventions and assist in trade policymaking as well as enhancing adjustability. | <ul style="list-style-type: none"> • To expand the trade finance program of the International Finance Corporation (IFC) to one billion U.S. dollars • To assist African countries in joining African Trade Insurance Agency (ATIA) |
| Foreign investment | To improve the investment environment including the arrangement of the legal system | <ul style="list-style-type: none"> • To expand assistance for managers and investors committees in African countries • To expand programs to assist micro, small, and medium-sized enterprises • To promote an understanding of the role of foreign direct investment in terms of technical support between Asia and Africa, as well as the development of African companies |

⁶⁷ For the details of CASA and “Business after Conflict,” see the IFC website.
http://www1.ifc.org/wps/wcm/connect/region__ext_content/regions/sub-saharan+africa/news/kenyan_wins_photo_contest

⁶⁸ Website of the World Bank, Tokyo Office, *Driving the Africa Agenda with a Slate of New and Urgent Initiatives : Japan’s TICAD Breaks New Ground, Clearing a Path to the G8 Summit*, June 6, 2008
<http://go.worldbank.org/O8ODZ1M6O0>

| | | |
|----------------------------|---|--|
| | Public-private partnership / active use of investment finance and trade and investment insurance | <ul style="list-style-type: none"> • To conclude a memorandum with the Islamic Corporation for the Insurance of Investments and Export Credit (ICIEC) and to further develop trade and investment insurance |
| Private-sector development | Industrial development strategies based on the experience obtained in Asia | <ul style="list-style-type: none"> • To transfer knowledge on the business environment including export processing zones (EPZs), labor and technical trainings, trade related matters, transportation, and harbor management, etc. • To provide loans, technical support, and consultation in 40 Sub-Saharan countries regarding the improvement of the investment environment and cooperation |
| | Regional market recovery and a mechanism to provide loans in local currencies | <ul style="list-style-type: none"> • To establish “partnership for financial sector development in Africa” • To organize regional workshops to innovate technologies in the financial sector and to share the experience of best practices |
| Tourism | To assist travel agencies that promote familiarity with tourist attractions in Africa and to help people deepen understanding about Africa and what Africa offers | <ul style="list-style-type: none"> • To continue and expand tourism projects at least in five countries, focusing on the improvement of policy and business environments, tourism linkage, infrastructure, and private-sector development |

Source: Compiled by Mitsubishi UFJ Research and Consulting Co., Ltd., based on the website of the Ministry of Foreign Affairs.

(1) The promotion and expansion of trade

In order to promote and expand trade as part of the Yokohama Action Plan, the World Bank Group has proposed measures such as the expansion of trade in African countries and “Assistance for Trade” (AfT), as well as capacity building in the trading business and in finance.

In order to expand “Assistance for Trade” (AfT), the World Bank Group has been providing assistance in South-South cooperation, knowledge sharing among countries in Asia and Africa, and technical support for capacity building related to trade policies.

In order to improve trade conventions, the World Bank Group has indicated its goal to expand the budget for the IFC trade finance program to one billion U.S. dollars per year. As of February 2009, the World Bank Group has been providing technical support for Africa for capacity building in trade policies⁶⁹. Furthermore, the World Bank Group has announced its plan to assist African countries newly joining the Africa Trade and Insurance Agency (ATIA) and the preparation for these assistance projects is in progress.

(2) The encouragement of foreign investment

The World Bank Group has indicated its measures to encourage foreign investment, such as the improvement of the investment environment, i.e., the arrangement of the legal system, public-private partnership, investment finance, and trade and investment insurance, etc.

In order to improve the investment environment, the World Bank Group has announced its plan to contribute to the expansion of support for manager and investor committees in African countries, the development of programs for micro, small, and medium-sized enterprises, and the promotion of the understanding of the role of foreign direct investment in the field of technical support between Asia and Africa while developing African companies. As of February 2009 the World Bank Group has been supporting manager and investor committees in order to improve the investment environment in African countries.

(3) Assistance to develop the private sector

The World Bank Group has proposed to provide support in policymaking and technical support related to industrial development strategies in African countries as part of the industrial development strategy based on the experience obtained in Asia described in the Yokohama Action Plan. As a means to achieve this, the World Bank Group has been expanding its project to transfer knowledge on the business environment including export processing zones (EPZs), labor and vocational trainings, trade-related matters, transport, and harbor management, etc., between countries in Asia and Africa, while also providing loans, technical support, and consultation regarding the improvement of the investment environment and cooperation in 40 Sub-Saharan countries.

Since 2002, the World Bank Group has been publishing the *Doing Business Report* every year, while also providing loans, technical support, and consultation to countries working to improve the investment environment. In this way, the World Bank Group has been widely distributing information on the investment environment in African countries. Furthermore, the group prepared new projects at the level of 160 million U.S. dollars, in order to support the private sector in 2008. A

⁶⁹ Page 4 of the *TICAD IV Annual Progress Report 2008 Progress Status List 2008 (Appendix 2)*, published by the Ministry of Foreign Affairs
http://www.mofa.go.jp/region/africa/ticad/ticad4/report2008_a2.pdf

large-scale survey regarding women and entrepreneurship in Africa was also carried out in the same year.

In 2009, the World Bank Group continues to provide loans and technical support to countries that are carrying out reforms to improve the investment environment while carrying out a new loan project of 160 million U.S. dollars to support the private sector.

In addition, the World Bank Group established the “Partnership for Financial-sector Development in Africa” in order to strengthen the financial sector through the development of the local bond market and through a mechanism to provide loans in local currencies, the promotion of experience-sharing among African countries, and through technical support. The group has indicated its will to contribute to technical innovation in the financial sector as well as to the organization of workshops to share best practices⁷⁰.

Furthermore, the group has proposed to expand its cooperation with “Making Finance Work for Africa” and has been contributing to the technical innovation of the financial sector and organizing regional workshops to share best practices.

(4) Measures to promote tourism

As part of the Yokohama Action Plan, the World Bank Group has proposed to provide assistance to travel agencies that are working to enhance tourists’ familiarity with and understanding of tourist sites in Africa by contributing to economic expansion with tourism projects at least in five countries, all in order to develop policies, the business environment, environmental linkage, infrastructure, and the private sector. As of February 2009, tourism development projects have been carried out in multiple African countries⁷¹, and the World Bank Group has been supporting them to achieve their goals.

5-4. The performance and trends of private-sector trade and investment in Africa (global)

5-4-1. Trends in import to and export from Africa

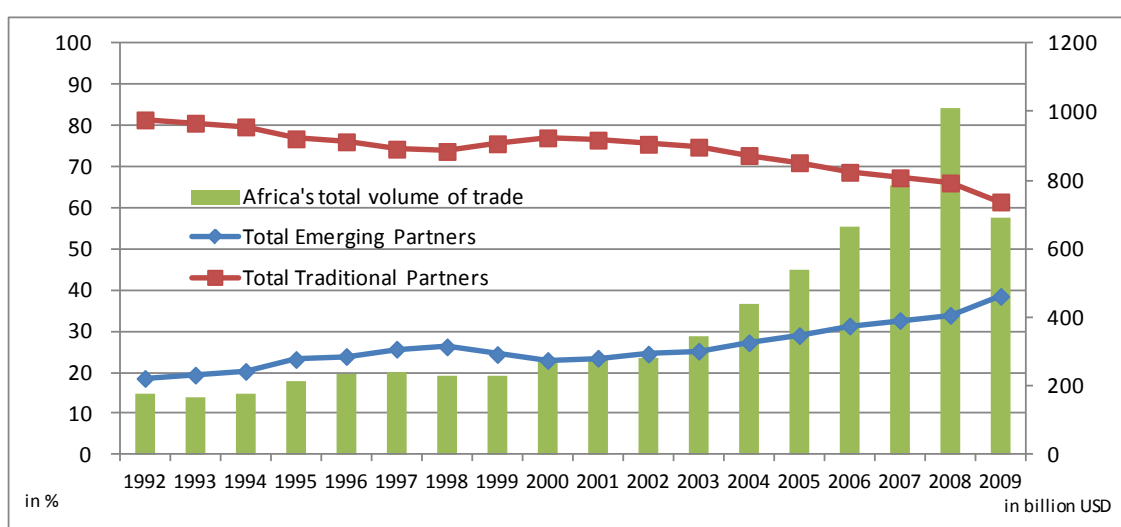
Trade between Africa and the rest of the world has been growing since 1993 and was expanded particularly since 2000. Even though the amount of trade in the overall African region declined in 2009 due to the global economic crisis as well as the fall of the petroleum oil price and the decrease in direct investment, its level is still high given the slowdown in the global economy. Although many

⁷⁰ Website of the Ministry of Foreign Affairs:
<http://www.mofa.go.jp/region/africa/ticad/ticadfollow-up/report/status/PR000058.html>

⁷¹ Page 5 of the *TICAD IV Annual Progress Report 2008 Progress Status List 2008 (Appendix 2)*, published by the Ministry of Foreign Affairs

of the major trade partners for Africa are still in Europe, with which Africa has historical ties, the share of Europe within the amount of trade in Africa has been decreasing every year as seen in relations with their “Traditional Partners” Figure 5-19. On the other hand, the average annual growth rate of the amount of trade between China and Africa has increased by 33.5% from 2000 to 2008⁷², the amount of trade with China, India, Brazil, Korea, and Turkey has been steadily growing and these five countries are becoming the new major trade partners for Africa. The share of these emerging countries in the overall trade volume has grown to 40% in 2009 whereas it was around 20% in the 1990s (see Figure 5-19 Emerging Partners).

Figure 5-19 Historical trade volume in African countries (1992–2009)



Source: Compiled by Mitsubishi UFJ Research and Consulting Co., Ltd., based on African Economic Outlook 2001 (OECD, 2011).

Left axis: Shares of emerging and traditional partners in Africa's Trade (in %)

With regard to exports from Africa, the ratio of petroleum oil in the overall export volume in Africa was 51.6% in 2008 with a share of 19% in the world market, followed by natural gas, which accounted for 4.2% (24.2% in the world market), which clearly shows that exports from Africa are dependent on resources. By country, the ratio of petroleum oil in exports is above 90% in Angola, where the ratio is 97%, as well as Sudan, where the ratio is 91%, and above 80% in Libya (88%), Nigeria (85%), as well as Equatorial Guinea (76%). In addition to copper (53% in Zimbabwe), aluminum (50% in Guinea), and diamonds (38% in Botswana), gold is also a major export from Africa and accounts for 30% of global production. The major exports of 23 countries out of 53 African countries are resource-related items, including diamonds, copper, and uranium⁷³.

⁷² *China's African Policy* (China's policy document on Africa)

⁷³ OECD, 2008

Petroleum oil-exporting countries, Nigeria, Algeria, Angola, and the Sudan, have benefitted from the recent appreciation of the price of petroleum oil. The appreciation of the price of gold has also led to an increase in exports from South Africa, Ghana, Zimbabwe, Tanzania, Guinea, and Mali, etc. The historical appreciation of the price of copper has also given benefit to Congo as well as South Africa.

On the other hand, the appreciation of the petroleum price has led to a growing burden in fuel procurement in countries with little reserves. Even though the price appreciation of wheat, sugar, crops, and edible oil, etc., led to an increase in exports from African countries with abundant production, the fragility of the export of primary products has become evident in Benin, Madagascar, Morocco, Mozambique, Tunisia, and Zimbabwe, etc., where the weather has not been desirable. The appreciation of food prices tends to be a significant burden particularly to those who purchase food in the urban areas⁷⁴.

For African countries, the export of resources is a leading power in economic growth, attracting foreign direct investment, while it can also cause negative impacts on the domestic economy, as in the international market, it is extremely risky to be dependent on resources that are subject to the fluctuations of international prices.

Given the experience obtained in East Asian countries as well, it is one of the desirable development models to develop a labor-intensive industry to shift the core of long-term development to capital-intensive products in order to secure stable revenues in the international market. In order to achieve such a goal, it is essential to provide vocational trainings to steadily continue producing products with comparative superiority as well as to provide knowledge of market transactions.

Agriculture accounts for more than 20% of the GDP share in more than 30 countries in Africa, and 60–70% of the population lives in agricultural villages⁷⁵. Survey results show that the added value of agricultural products exported within Africa is higher than that of products exported to the international market in Kenya and Ghana⁷⁶, and this suggests that the keys for the compatibility between economic growth and development may lie in the further promotion of South-South trade, the production of exportable products, and the development of labor-intensive industries such as the textile industry, through an increase in wages in agricultural villages and the creation of stable employment.

⁷⁴ *African Economic Outlook 2011*

⁷⁵ Website of FAO: <http://www.fao.or.jp/topics/africa/fao.html>

⁷⁶ OECD 2012, *African Economic Outlook*, p. 63

Column: Growth of emerging countries (China's assistance for Africa)

Even though the Chinese government traditionally focused on relationships with developing countries, it has been promoting a policy to open to the outside world to accelerate the development of business abroad since the 1990s. Africa has thus been attracting attention both in terms of this policy as well as in terms of resource procurement.

In "China's African Policy" released in 2006, the conclusion of an FTA was mentioned as one of the cooperation areas⁷⁷, and following this principle, China has already concluded a "bilateral investment promotion and protection agreement" with 33 countries and a "double tax avoidance agreement" with 11 countries (as of the beginning of 2011), in order to establish a cooperative relationship in terms of customs, revenue, inspection, and quarantines, etc., with these countries⁷⁸.

China's framework in building a partnership with Africa was set at the Forum on China-Africa Cooperation (FOCAC), held every three years since 2000. In the field of trade, China has offered duty-free exports to 30 African countries for the period between 2005 and 2012 (regarding agricultural products, minerals, leather, stones, and machinery components, etc.)⁷⁹.

At the fifth FOCAC meeting in 2012, China announced a variety of specific measures, such as a plan to provide loans worth 1.5 trillion yen (equivalent to 20 billion dollars) in three years in order to develop infrastructure in Africa, as well as a plan to use its currency yuan in trade settlement. The following graph shows the historical amount of China's foreign direct investment in Africa. The amount of direct investment increased significantly in 2008 due to the appreciation of the price of crude oil observed in the preceding year, showing the importance of China in an Africa that is quickly growing.

⁷⁷ *China's African Policy*, (full text) 2006

http://news.xinhuanet.com/politics/2006-01/12/content_4042317.htm

http://www.ssdph.com.cn/WebApp/ProductManage/Front/BookMainContent.aspx?ProductManager_Id=2012070413

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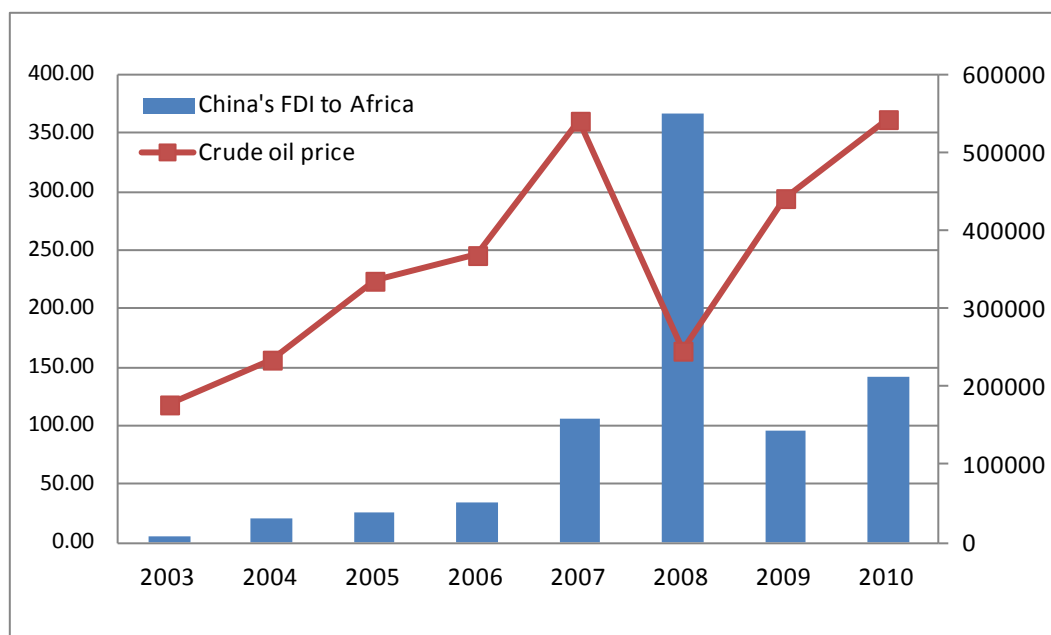
⁷⁸ First and second chapters of *China and Africa Economic and Trade Cooperation White Paper*

http://japanese.china.org.cn/business/txt/2011-01/19/content_21773400.htm

⁷⁹ 中非贸易占中国外贸比重持续上升

People's Daily on July 18, 2012, <http://world.people.com.cn/n/2012/0718/c1002-18539920.html>

Figure 5-20 Historical amount of China's foreign direct investment in Africa and the price of crude oil



Source: Compiled by Mitsubishi UFJ Research and Consulting Co., Ltd., based on OECD 2012 and China Commerce Yearbook 2011.

China has also been promoting the establishment of economic and trade cooperation areas; and so far, China has established economic and trade cooperation areas in Zambia, Mauritius, Nigeria, Egypt, Ethiopia, and other African countries by investing 250 million dollars in the development of infrastructure in those areas. China first established the Zambia-China economic and trade cooperation area, and currently there are 13 companies in this area, carrying out operations in a wide range of endeavors, such as in an on-site survey regarding mining and minerals, efforts toward non-ferrous metals processing, and initiatives in the chemicals industry and in construction. (The actual value of investment after completion is 600 million dollars, and around 6,000 local staff have been employed.)⁸⁰

5-4-2. Trends in investment in Africa

The total amount of foreign direct investment in Sub-Saharan African countries has increased sharply since 2003 and exceeded the total amount of assistance since 2006⁸¹. As the amount of direct investment in oil-producing countries such as Nigeria, the Sudan, and Equatorial Guinea has

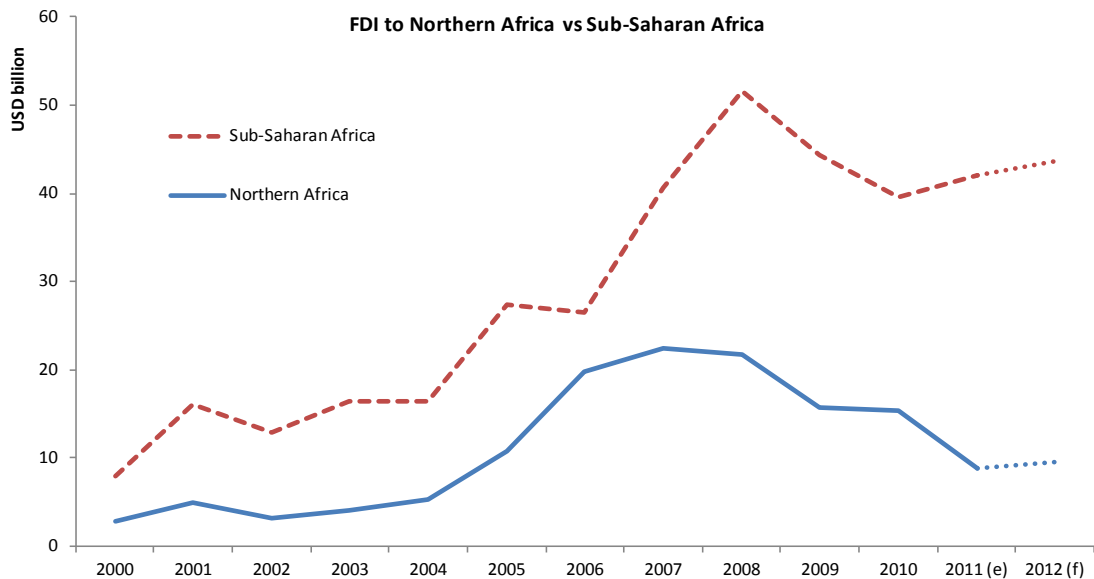
⁸⁰ Chapter 2 in the *China-Africa Economic and Trade Cooperation* white paper
http://japanese.china.org.cn/business/txt/2011-01/19/content_21773400_2.htm

⁸¹ *TICAD IV Annual Progress Report 2010 Digest Version*, published by the Ministry of Foreign Affairs

increased at the time of the appreciation of the price of crude oil, it is considered that the increase in direct investment is a result of the crude oil price appreciation.

Based on the industrial contribution of the GDP of African countries as well, the contribution of the manufacturing industry has been on a decline since 1990, while the mining industry and public industry have been on a rise. It shows that capital investment has become active, such as in investment in infrastructure, and in particular, China has increased direct investment in Africa since around 2005, in order to obtain resources such as petroleum oil and iron that cannot be domestically produced in China⁸². From this point of view as well, it can be said that emerging countries have been active in direct investment in Africa.

Figure 5-21 Historical amount of FDIs in Africa (million U.S. dollars)



Source: OECD 2012

5-5. The performance and trends of Japanese corporate private-sector trade and investment in Africa

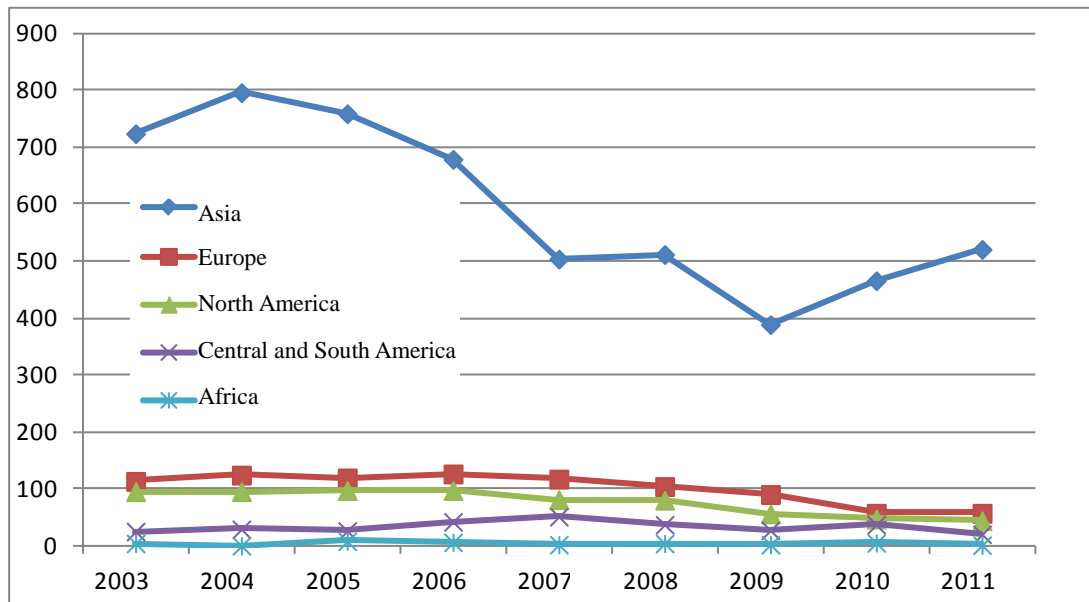
Japanese companies rapidly moved their factories abroad where production cost is cheaper along with the sharp appreciation of the yen after the Plaza Agreement in 1985. However, the number of Japanese companies abroad has been on a decline after peaking out in 1995 and it has declined even further in 2009 due to the global economic downturn. In 2010, the acquisition of overseas companies

⁸² “China’s foreign direct investment has grown rapidly from 70 million U.S. dollars in 2003 to 5.49 billion U.S. dollars in 2008.” (Column Table 11-2, page 129 in the *White Paper on International Economy and Trade 2010*)

has been on a rise again and the trend is expected to continue in the time ahead and Africa is attracting attention as a new destination for investment.

South Africa is the leading economy on the African continent in terms of investment for Japanese companies however the ratio of Africa as an overseas market for Japanese companies accounts less than 1%, and Japanese investment has still been heavily concentrated in neighboring countries of Asia accounts the total of 14,577 cases in 2011, shares more than 60% of the Japanese companies abroad followed by Europe the total of 3,750 cases and North America the total of 3,592 cases.

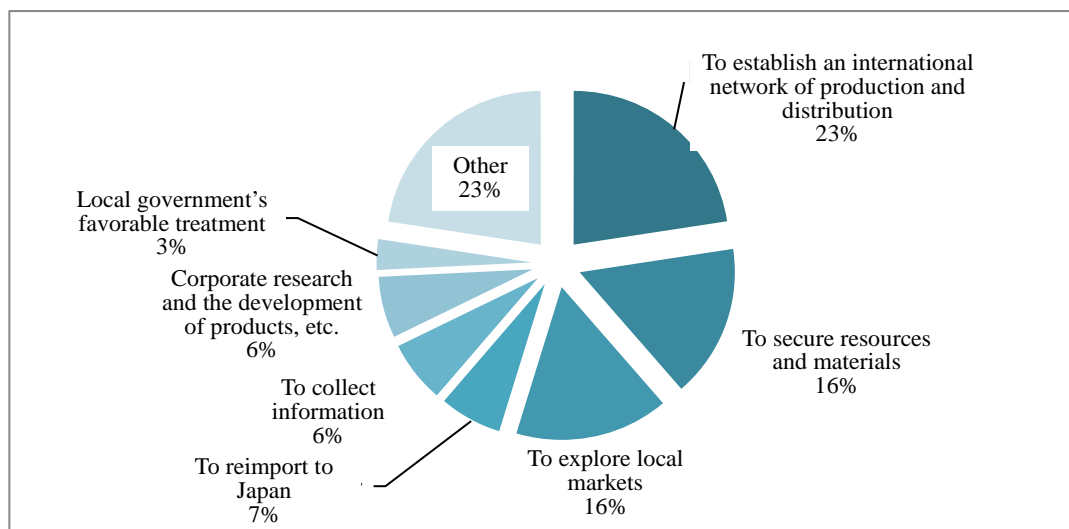
**Figure 5-22 History of Japanese companies entering overseas markets
(the number of cases)**



Source: Compiled by Mitsubishi UFJ Research and Consulting Co., Ltd., based on “Directory of Overseas Operating Companies [by Company] FY 2012”.

Figure below are the purposes of the investment made by Japanese companies in Africa. For Japanese companies, the most significant purpose of investment is to establish an international network of logistics and distribution, followed by securing resources and materials and developing local markets. Therefore, if the investment is made purely based on business needs, investment naturally concentrates in South Africa. Following these objectives, the largest majority of the Japanese companies in Africa are in the manufacturing industry, with 36 companies (12 transportation machinery manufacturers and six electric appliance manufacturers), followed by 15 transport machinery wholesalers, and 14 machinery wholesalers. In addition, there are nine marine transport companies and six mining companies.

Figure 5-23 Reasons for Japanese companies to invest in Africa



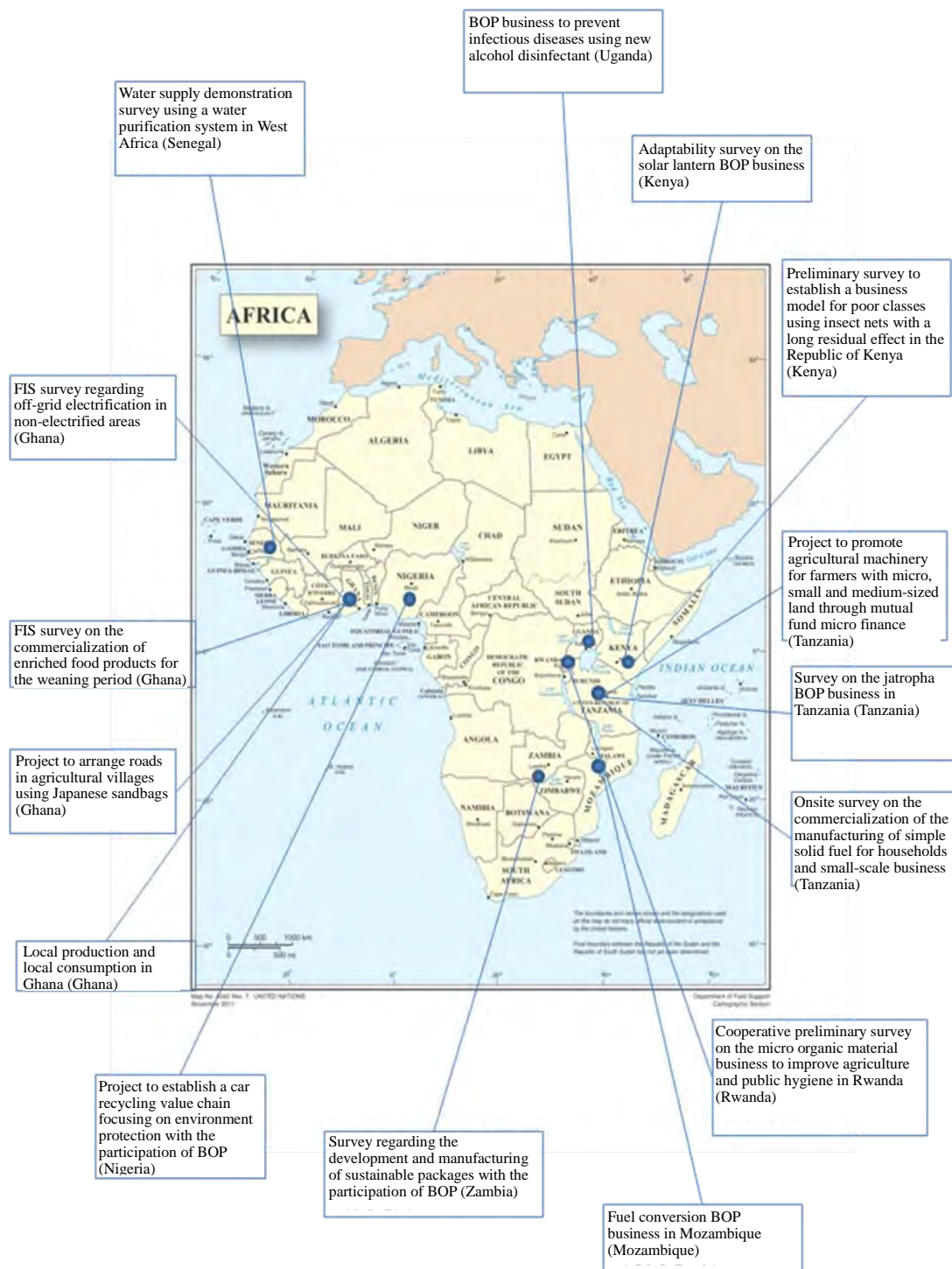
Source: Compiled by Mitsubishi UFJ Research and Consulting Co., Ltd., based on the “Directory of Overseas Operating Companies [by Company] FY 2012”

In order to assist Japanese companies in the fields of resources and infrastructure that involve investment risks, the Japanese government has been actively sending missions to promote trade and investment in Africa. TICAD V also emphasizes on “robust and sustainable economy” as one of the theme of its assistance for private sector activities as one of its main pillars, and assistance for Japanese companies in Africa is expected to continue in the times ahead. Topics such as promotion of infrastructure development, importance of agriculture sector for the economy, promotion of public-private partnership and reforms to improve invest climate is recognized as important agenda for next meetings

JICA started its “cooperative preliminary survey (promotion of BOP business alliance)” initiative in FY 2010, which is a framework to assist preliminary surveys in order to promote BOP business alliances⁸³. Out of the 20 cases adopted in FY 2010, 10 cases were for Africa while there were four cases out of 13 in the first session in FY 2011. One case out of 19 in the second session in FY 2011 was for Africa.

⁸³ JICA, *Adopted 20 Cases of BOP Business Surveys: To Assist the Development of BOP Businesses in Asia and Africa*
http://www.jica.go.jp/press/2010/20101228_01.html

Figure 5-24 Adopted cases of preliminary survey for BOP cooperation in Africa



Source: Compiled by Mitsubishi UFJ Research and Consulting Co., Ltd., based on the website of JICA⁸⁴

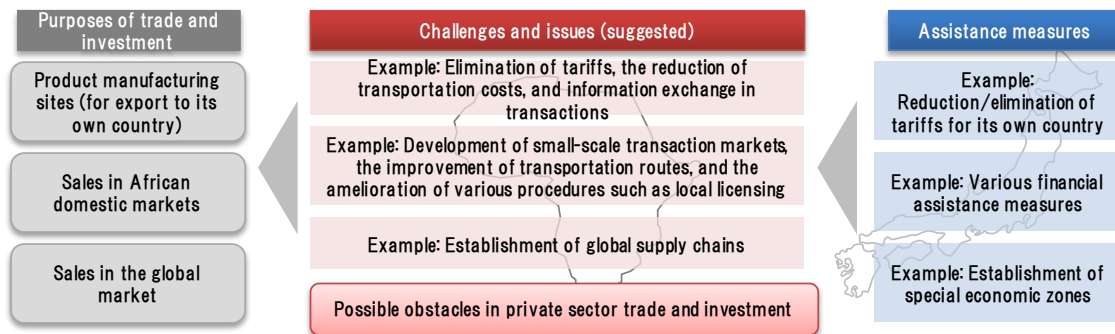
⁸⁴ Website of JICA:
http://www.jica.go.jp/priv_partner/BOP/index.html

5-6. Summary

Chapter 5 has given an overview on programs for private-sector trade and investment assistance within the TICAD process provided by TICAD co-organizers, the Japanese government, the United Nations organizations, and the World Bank. This report thus dealt with a wide range of assistance programs provided by the co-organizers.

In the 2000s, many African countries achieved remarkable economic growth, and the amount of foreign direct investment has exceeded the amount of aid since 2006. This trend has been supported by natural resource transactions and investment. Although the experience of economic development in Africa is thus different from that in East Asian countries, the increase of the middle income group as a result of economic growth has been attracting overseas companies as a growing market.

The main purposes of trade and investment can be largely categorized into three groups: to establish manufacturing sites for the domestic market, to carry out sales activities in African markets, and to establish product manufacturing sites for international markets. Challenges in trade and investment for overseas companies are different depending on the above categories. In order to promote exports from African countries to the domestic market, the challenges would be the elimination of tariffs, the reduction of transportation costs, and the smoothing of trade transactions. Thus, assistance can be provided by smoothing trade through BITs, FTAs, and capacity-building. In order to promote employment within Africa by attracting overseas companies that are interested in entering the African market, the challenges would be the amelioration of transportation routes within Africa as well as the development of markets. Thus, assistance can be provided in various fields such as the development of infrastructure and financial assistance. For companies that see Africa as a manufacturing site for the global market, it is important for Africa to be an attractive and stable manufacturing and distribution site and for assistance to be available that can be provided toward establishing special economic zones and conflict resolution.



Under TICAD V, trade and investment is one of the issues raised to establishing a “robust and sustainable economy,” pointing out the importance of infrastructure development, agricultural development based on private funding, the establishment of commercially-acceptable projects, and public-private partnership. Although the Japanese government has so far been providing assistance in the development of small-scale local products and trade such as the “One Village One Product” movement, given the experience of the economic growth of Japan and East Asian development, there are various other possible measures of assistance based on the local needs for infrastructure, trade, and investment. The TICAD V process is expected to establish public-private partnership in order to achieve a “robust and sustainable economy,” one of the themes of the process, in cooperation with the co-organizers.

6. Overview and Lessons learnt of TICAD process

The following overview and lessons learnt are based on interviews with experts, and civil society workshops.

6-1. Overview of TICAD Process

6-1-1. Role of TICAD as an international development forum

- Presentation of a new African development framework following the Cold War
- Since TICAD was launched in 1993, it has promoted highly transparent processes for agenda-setting, consultation, and monitoring, in partnership with the African countries as well as the United Nations and the World Bank, which are the co-organizers. TICAD has held in high regard African ownership and partnership with development partners, and it has anticipated important approaches in current assistance.
- TICAD has incorporated the values of human development and human security which are advocated by Amartya Sen, Sadako Ogata and the UNDP, and has significantly contributed to the mainstreaming of these fields in international development community.
- African aid prior to TICAD was primarily aid provided due to historical ties between former colonies and colonial powers or within the framework of the Cold War structure. The viewpoint of TICAD is particular to Japan, which has never controlled colonies in Africa but applies its experience in Asian development to African development. TICAD has presented an assistance model that utilizes Japan's Asian development experience in the new setting of Africa.

6-1-2. Role of TICAD in the bilateral relationship between Africa and Japan

- TICAD's part in the process of Japan's maturation as a donor country
- After World War II, Japan provided ODA with priority on economic development areas. This was based on Japan's development experience in Asia, where it promoted development by establishing systems and administrative capabilities mainly in East and Southeast Asian countries that had visions for economic growth.
- Meanwhile, through the process of considering African development via TICAD, Japan became keenly aware of the need to provide support for diverse fields. Japan became involved in overall African development, including conflict resolution and refugee assistance, and its perspective on international cooperation significantly expanded. UNDP, UNOSCAL/UNOSAA, GCA, the World Bank and others have greatly contributed to the

advancement of the TICAD process.

6-2. Lessons learnt from TICAD process

6-2-1. Concept of TICAD as an international development forum

- Further reinforcing African ownership of its development
 - Through the TICAD process, African countries have begun to think deeply about ownership of their own country's development. It is important for TICAD to continue conveying the message that it can make its own contributions in order to support African countries' ownership of their development.
 - Concurrent with the progress of the TICAD process, African countries have cooperatively engaged in African development by establishing AU and NEPAD, among others. With this sort of rise in awareness, the importance of coordination among African countries has come to be recognized.

- Need for further promotion of TICAD follow-up and perspective for long-term development
 - The follow-up process which was introduced starting with TICAD IV has been highly rated for the breadth of its scope and its process. In the TICAD process, it is important for both the co-organizers and the African countries to become active participating entities.
 - TICAD agrees on the achievements to be attained every five years, but it should take a longer term viewpoint, and based on that, it should consider "what to do now for African development."

- TICAD as an open forum for considering African development
 - TICAD should be a venue for productive discussion concerning successes and failures. While sharing African development experiences in an open manner with the participation of diverse donor countries, assistance agencies, civil society and private organizations, TICAD should agree on and monitor the direction of development.
 - Consideration is necessary so that civil society can access the TICAD process more. It is also important to reflect the content of all TICAD declarations and the voices of civil society in each country's development plan.

6-2-2. Concept of African aid

-Selectively engage, condense targets, and utilize abundant resources in a focused way

- Rather than selecting aid recipients that are broad and shallow in an attempt to please everyone, recipients should be selectively condensed, and abundant resources should be utilized in a focused way. Issues that are not interrelated should not be bundled as a “comprehensive” project, but rather the focus should be on mutually complementary programmatic initiatives.
- How to provide the most necessary things to the region that needs assistance the most should be considered, based on human security. For example, this would include aid to resolve issues that are not necessarily solved by economic growth, such as poverty in a fragile nation.

-Promotion of economic structural transition

- There is a need to further strengthen the production sector and the infrastructure aid that supports it as well as to promote improvement in agricultural and manufacturing productivity.
- There are countries where the poverty rate does not decline even when economic growth is achieved, and so it is important to reduce poverty by creating employment. Employment measures are necessary not only for the middle class but also for those in absolute poverty.
- For structural transition through Asian-type industrial policies, it is necessary to have a framework that can systematically promote south-south cooperation and share information with African countries on which policies worked and which did not, with the recognition that the policies are premised on Asian characteristics.

- Regional approaches that are responsive to diversity

- In both the TICAD process and African aid, it is necessary to promote transborder regional aid for transportation networks including roads, railways, and so forth through regional mechanisms in all parts of Africa, together with deepening collaboration with AU.
- Countries in Africa, including resource-rich and resource-poor countries, coastal and inland countries, and fragile states, feature diverse natural conditions as well as social and economic conditions. It is important to incorporate the needs of countries and regions flexibly and to boost the effectiveness of aid through diverse methods, including financial cooperation, technical

cooperation, and conflict measures.

- Promotion of public-private collaboration

- This is a time when public-private collaboration in Africa should be accelerated. From the viewpoint of development, investment in and promotion of trade by the private sector is welcome in the aspect of accompanying technology and know-how transfer from private companies.
- In addition to resource development, formulation of aid strategy should be considered while keeping in mind the relative dominance of Japanese companies in the rapidly growing African market. The three requirements are concentrated investment in resources such as corridor development, capacity development of government officials in African countries, and preparation of the investment environment through human resource development.
- It is necessary to have a philosophy of public goods-type contributions that lateral support by the government of the private sector's business development (rather than a short-sighted view of corporate support) is suited to the development needs of the recipient countries, and eventually such support benefits the global economy and society.

7. Summary of Experts' Views (Reference)

7-1. Mr. Mark Mallock-Brown (Former Administrator of the United Nation Development Programme)

(Assessment of the past activities of TICAD)

- Japan (TICAD) successfully incorporated the principles of human development and human security, advocated by Mr. Amartya Sen and Mrs. Sadako Ogata, mainly in TICAD II and III, making a major contribution to mainstreaming the relevant fields in the international development communities. I think these efforts have much in common with UNDP's efforts for human development.
- Regarding changes of TICAD's efforts, I see major changes when just comparing TICAD I with TICAD II and III. I understand that Japan has started to focus on fragile states and failing states and put more weight on human development. It is because, led by the philosophy of Mrs. Ogata, human security has become the focus in TICAD, and I share the same philosophy.
- In Africa, activities to support the private sector have been active and it is good that TICAD promotes such activities. However, the efforts of TICAD to support the private sector should not be based on a shortsighted viewpoint of helping businesses, but they need the principle of public contribution, e.g. they should address the development needs of recipient countries and eventually contribute to the global public goods.
- In Africa, "transparency", "rule of law" and "anti-corruption" are important development issues. However, the governance issues in Africa cannot be easily solved and are beyond the capacity of TICAD V.
- One of TICAD's success cases that deserve special mention is their efforts in the field of agriculture. I understand that the NERICA (New Rice for Africa) activities, which are comprehensive and program-like activities, are very important. The activities conveyed a message that led UNDP, who had tended to focus on sectoral activities, to turn its attention to such areas as economic policies and governance.

(About future activities of TICAD)

- Future TICAD conferences should not try to cover all development targets widely and shallowly, but should selectively narrow down development targets and utilize abundant resources intensively. Support to the private sector such as support to small and medium

businesses (in fragile states etc.) should be provided after the introduction of human security, which is an important activity of TICAD. TICAD should select important activities from these and focus on the ones that Japan think are the most effective. However, there are some points to remember, e.g. expansion of the private sector does create employment but such experience does not apply to fragile states. Regarding future assistance, I think it is important to focus on support to help the private sector function and also to turn to the poor in those countries and address basic human development including improvement of access to education and healthcare before providing support to the private sector.

- Support to the private sector as trade policies are considered to be for the transfer of technologies of donor countries and knowhow of private companies etc. and such aspect is welcomed by African countries. I think this is the field that can be actively tackled. However, TICAD should avoid activities that have already been carried out and should look for the fields where only TICAD V can create added value. Different fields have to be sorted out, e.g. fields where partnership with the private sector should be formed and fields where human security should be addressed. Japan promotes partnership between British companies and Japanese companies and supports the advance of Japanese companies into Africa. These efforts are highly regarded as establishment of cooperation with the private sector for TICAD V.
- As for the current scale of JICA's assistance after the merger of JICA and JBIC, it remains the same in that it maintains a scale to the World Bank and China as the scale of aids by a single organization; that Japan is still the leading donor country in Asia although Japanese aids are losing the impetus they once had (in terms of quantity); that Japan has been leading the DAC/OECD donors for a long time; that Japan has been addressing human security; and that Japan is leading the trading sector in the private sector. I think TICAD V has a relative advantage as a platform with such strengths.

7-2. Mr. K.Y. Amoako, ACET (African Center for Economic Transformation)

(Assessment of the past activities of TICAD)

- At the TICAD II conference in 1998, the importance of true partnerships and setting goals and targets to monitor progress towards Africa's development was recognized. I am therefore glad to see that TICAD has been a pioneer in the partnership approach to development cooperation and using clear indicators to track progress. Of course with the MDGs, this approach has become widely used in the international development community.
- At that time, aid policies for Africa were mainly based on the Washington Consensus, with

disappointing results. However, the entry of Japan offered new perspectives on development for Africa. Policies, institutions, and capacity are key to Africa's economic development.

- “Capacity building” is based on the concept of “human-centered development,” which is the foundation of the MDGs as well. TICAD II raised capacity building as an essential cross-cutting theme for African ownership and to make any of the other initiatives work. And Japan made the issue concrete by introducing training programs for Africans.
- The Asian development experience shows the importance of institutions and capacities together with leadership with strong vision for economic development. TICAD is highly regarded for including these viewpoints in its policy elements. TICAD has also elevated the importance of South-South cooperation and, today, the connection between Africa and Asia is stronger than ever. In TICAD V, I would very much like to discuss Japan's experience in and the future vision for Asian-style South-South Cooperation. I believe the best practices of that model should also be promoted for Africa as well.
- Compared with other development forums, TICAD is highly valued in that it respects African ownership and partnership while considering the situation in each country. It is also good that TICAD carries out policy agenda setting, consultation, monitoring and other processes jointly with the African side and works with international development partners including the United Nations and the World Bank as co-organizers.

(About future activities of TICAD)

- While many African countries have grown steadily in the past decade, they still have many structural weaknesses. Many African countries have set poverty reduction targets, but growth alone is not enough to achieve these targets. To sustain growth and, therefore, to continue to reduce poverty, however, how you grow matters. Africa cannot continue to bank on higher commodity prices. And it cannot depend on aid forever. Economic transformation, as we champion it at the African Center for Economic Transformation (ACET), is growth through making the structural shifts from farming to manufacturing and services. It is growth through expanding the technical capabilities of people and institutions. It is growth through upgrading the technologies that people use on farms, in firms, and in government offices. A major part in our pursuit of the agenda has been to learn from Asian countries, especially those that have drastically transformed their economies in the last two decades, thanks in part to Japan's support. The focus of TICAD V should be to discuss strategies for transforming African economies and the role that Japan can play.

- In this regard, from ACET's research, sustaining growth and making it transformative requires focus on some key drivers: infrastructure, regional integration, export promotion, capacity building, and private sector development, to name a few. Japan and other development partners should give these areas priority in their programs.
- At a high-level forum in Busan, Korea, the principle of comprehensive global partnership was proposed to unify various development partners including those from developed countries, emerging countries and the private sector. It is important to promote this principle in TICAD V.
- It is true that African countries are diverse. And it is not possible to respond to all these diversities in every dimension. However, as we have to achieve results at the end, it is important to focus on specific fields and produce outputs recognizing individual country needs and priorities.

7-3. Mrs. Sadako Ogata (Special Advisor to the President, Japan International Cooperation Agency: JICA)

(Assessment of the past activities of TICAD)

- Japan started to support other Asian countries in economic development after the war and, through the process of TICAD, started to pay attention to other countries than Asia. Now Japan considers not only mere economic or technical assistance but strengthening of ties with Africa. Japan especially considers more comprehensive African development, that is, comprehensive development of Africa including conflict resolution and assistance to refugees. In other words, Japan has started to consider how to provide what is most needed to the areas where assistance is most needed. I could say that TICAD process shows the broader view on international cooperation of Japan.
- Japan has sent out and contributed to the concept of human security. African countries had many issues including issues of poverty and self-governing capabilities through the process of independence. Based on the principle of human security, Japan is now able to develop various principles Africa needs when addressing such issues.
- Before TICAD, Japan and Africa did not have strong geographical or historical ties. Relations between Japan and Africa have been developed through TICAD. This is one of the important points of the TICAD process, and TICAD has been "fostered". Moreover, with such co-organizers as the World Bank and AU in addition to UNDP, an original co-organizer, TICAD has established a framework to see Africa as a whole. Support from such international organizations as the World Bank and UNDP was essential to multi-donor

approach.

(About future activities of TICAD)

- At OAU meetings, each member country strongly claimed its independence. Now Africa has much more integrative movements than that time. However, while we should support such integrative movements of Africa, we should also remember that African countries are extremely diverse and individualized approach for each country is important.
- When looking at Africa as a whole, it is absolutely necessary to expand agriculture first. On the other hand, industries have been created only sporadically. For industrial development in Africa, it is necessary to create transportation networks of roads, railways etc. and develop cross-border regions. However, such activities have been active only recently, and they could not have been carried out without integrative moves in Africa I mentioned earlier.
- Evaluation processes have been adopted since TICAD IV, and now interim evaluation is conducted to see how the direction of African development that all once agreed on have been completed. I think this should be changed into a very solid process. Through such process, donors will be given responsibility and aid receivers will also assume responsibility to respond. Then a healthy system will be created where the both parties serve as active implementing bodies. And this process will not be just for Africa but will be needed in the Middle East and many other regions.
- The major process of China becoming a donor will be important. China should draw on its experience to develop Africa, which is currently considered to be the most open region for development. It is true that China does not provide aid within the framework of DAC and is said to provide aid to acquire resources. However, I do not think its moves are against the framework of TICAD. TICAD is an important place to discuss how all the parties can cooperate.

7-4. Mr. John Page (Senior Fellow, BROOKINGS Global Economy and Development)

(Assessment of the past activities of TICAD)

- TICAD has been instrumental in drawing the interest of a wide array of Japanese people including politicians and corporate executives to Africa. In this way it has strengthened the environment to discuss development and aid to Africa in Japan.

(About future activities of TICAD)

- TICAD has traditionally focused on Japan's role among the members of the "traditional" international aid community. Currently with emerging donor countries such as China and Korea involved in aid to Africa in addition to the traditional ones, TICAD needs to showcase the unique contribution of Japan. I think it is important for the Japanese government to show its interest in countries through individual discussion and dialogue at the most senior level in the course of TICAD. TICAD represents an excellent opportunity for Japan to deliver the message that it can make unique contributions to solving development issues in Africa.
- I often hear from African countries that the approach of emerging donor countries – such as China -- is very different from that of the OECD-DAC countries. To me this competition between traditional and new donors is a positive thing, and it seems unlikely that they will be forced to choose one of the two approaches. When there is tension between the aid policies of the DAC countries and new ideas and approaches of emerging donors, TICAD can play an important mediating role. Japan, as a traditional donor, Korea, as a new DAC member, and China, as new donors, can engage in a dialogue in TICAD to identify examples of success and failure of aid approaches. TICAD could also be a place for African countries to discuss which aid activities achieved impact and which were not very effective. I think it will be good if TICAD becomes a place for such a substantive and productive discussion. TICAD could also be a place for discussion about how African countries can manage multiple donors effectively.
- The biggest difference in Africa's development prospects from about five years ago is that reserves of natural resources have been found in an increasing number of African countries. Many emerging countries are making investments in Africa for such resources. It might be beneficial for TICAD to discuss how African countries should deal with investments for natural resources. One aspect of the problem is that there are no experts or lawyers in recipient countries who can evaluate contracts when they enter into investments. Initiatives to build capacity in this area could be a subject for discussion in TICAD.
- Private investors have shown great interest in Africa's natural resources. While issues connected with natural resources are important I would also like to see TICAD focus on areas that other development forums for Africa often do not consider, for example, business opportunities in manufacturing. TICAD does not have to be used as a business forum in order to involve more private companies. It can present innovative ideas that will enhance opportunities for business in Africa from a Japanese perspective. . It will be important to avoid discussion about Africa as a single entity. This is not useful from the viewpoint of

strategic business development, because Africa is so diverse.

- TICAD should not try to deal with all fields at the same time (widely and shallowly). Given the diversity of Africa, it may be more productive for TICAD to focus on some countries and the issues that are appropriate to them (for example human development or economic growth) in greater depth. The conference should present new activities and knowledge. Thematic and country focus can shift from TICAD to TICAD, but selectivity is important.
- One characteristic of TICAD is promotion of Asia-Africa cooperation. Compared with other developing countries, Asia's strength comes from rapid structural change. African countries would like to share the experience of Asian countries, e.g. what worked and what did not work there. One example of selective focus would be for TICAD to explore growth models led by industrial policies. How did Asian economies move to activities with high added value and what are the implications concerning policies for late comers such as many African economies?
- TICAD could also be used to promote academic research – especially by Asian scholars into success factors in economic development. For example, TICAD could gather researchers from Asian countries for discussion on policies. One idea might be to create TICAD prizes for the best original research into development issues by an Asian scholars. This would reinforce intellectual leadership by Japan and make the forum sought after by researchers and scholars across Asia.

7-5. Mr. Motoki Takahashi (Professor, Graduate School of International Cooperation Studies, Kobe University)

(Assessment of the past activities of TICAD)

- Japan presented the concept of South-South Cooperation in the 1st conference and it was rated highly in the DAC's recent evaluation of Japan's aid activities. South-South Cooperation is receiving attention in recent discussions about improvement of aid effectiveness. Japan can be given credit for being the first one to present the concept.
- When we take a look at NEPAD, TICAD is mentioned as one of the development initiatives to be considered. If we are asked if Japan's aid has influenced Africa, the answer is definitely yes. However, it is difficult to assess the impact of the TICAD process itself.
- Generally speaking, ODA used to be provided through divisional operation; that is, the rich north provided aid to countries they had close historical ties with or had a stake in. As financial assistance from European donor countries was concentrated in Africa, Africa was

always the first one to be considered in discussions at DAC and Japan was often left out. Japan had to expand its aid outside East Asia in 1970s and later (especially during the Cold War) due to the necessity of strategic diplomacy after the oil shock and the pressure from the US to expand aid. In fact, Japan did not have its own firm agenda for assistance to Africa. Later as East Asia became richer, Japan had to expand its aid outside East Asia but Africa was not yet a major financial aid receiver from Japan. In this situation, TICAD can be considered a positive move for Japan to overcome such barriers. TICAD has a certain historical significance in that it helped Japan get out of the position as a mere regional power. It also had a great significance to Africa as major assistance from a non-western country.

- Although France has a framework for dialogue and cooperation with African countries, its focus is “having France as a leader”. Dealing with military affairs mainly, it is not just to discuss development. UK and USA do not have a similar approach to TICAD. TICAD has a historical significance in that it was the first forum for assistance to countries that do not necessarily have strong historical ties or actual economic relations.

(About future activities of TICAD)

- TICAD has become a kind of “festival” that is held every five years. However, it is precious that TICAD has been a place to discuss development for such a long time, and we should consider how and for what purpose we should change the structures of African nations and societies based on a long-term perspective instead of a short-term perspective of what we should say next year. It is important to ensure that African countries will collect tax and raise funds from the citizens including external residents so that they can finance development of their own country. African governments and nations have to be trusted by the citizens and, for this, improvement of economic governance and accountability will be important.
- It is required to establish a financial system for reasonable mobilization and distribution of excess funds in the country to the areas that do not have enough funds. (TICAD) should also actively deal with employment and education issues about how to develop highly productive young labor force and bring it into the labor market.
- It is beneficial to promote trilateral cooperation among Japan, East Asia and Africa.
- The key to the development of the manufacturing industry in Africa is how to participate in a global supply chain based on international specialization and integration of manufacturing processes. We should recognize the vision that part of the manufacturing processes of global supply chains will be transferred across the Indian Ocean to Africa in the future and we

should be prepared for it. The keys are security, institutions to support economic activities, physical infrastructure and above all, human resources of good quality.

- Recently a wide array of people in Africa has been involved in new development efforts. A system to make a public recognition of superior activities out of many voluntary activities will be useful.