

## **Yokohama Action Plan 2013-2017**

### **I. Boosting Economic Growth**

#### **1. Overview of Pillar I.**

Despite the global economic slowdown, growth in Sub-Saharan Africa has remained robust. It was close to around 5 percent in 2013, and is expected to increase to 5.5 percent by 2015. Nonetheless, poverty and inequality remain high in many countries, and efforts to reduce poverty and increase economic opportunities, including for the most vulnerable, are needed. It is for this reason that boosting economic growth is a key pillar of the TICAD process and the Yokohama Action Plan. Outcome targets under this pillar are a) increase the ratio of intra-African regional trade; b) improve the business environment in African countries; and c) increase the volume of African exports. To date, intra-African trade remains low, at around 12 percent, and there is room for considerable expansion, particularly in food staples and services. African countries continue to improve the business climate. In 2012-13, the pace of business-friendly reform in Africa was three times that in industrialized countries. The top three reformers were in Africa—Rwanda, Burundi, and Cote d'Ivoire. However, while exports of primary commodities from the continent remain strong, there has been little improvement in diversifying the export base.

#### **2. State of Implementation by Africa and partners**

##### ***(1) Africa's efforts***

- (a) To strengthen implementation of the MIP (Minimum Integration Programme) and CFTA (Continental Free Trade Area), the AUC is working with RECs and African countries to deepen regional integration and trade; improve statistical capacity and harmonize statistics; produce annual publications on investment, social accounts and statistics; and put in place continental financial institutions as agreed by the AU.
- (b) Strengthening SMEs, facilitating access to markets and global value chains are areas of focus. Efforts include: improving the continent's business and investment climate; drafting and implementing the Pan African Investment Code (PAIC); training and skills development; promoting international norms and standards and disseminating good practices; facilitating and supporting investment financing; creating a policy environment for PPPs; linking African and Japanese investment agencies; and assisting local communities and SMEs to engage in processing of natural resources.
- (c) The AUC is deepening financial intermediation by supporting microfinance; expanding financial and capital markets; developing innovative financial instruments; and establishing the African Women Entrepreneurship Initiative.
- (d) Broadening economic opportunities for women include adoption of legislation; training to develop the capacity of businesswomen; and greater access to business opportunities for women entrepreneurs. By addressing specific gender-related constraints, these measures support women's economic empowerment.
- (e) Activities in the area of trade facilitation and improving the business climate include: developing capacity in customs administration, industrial policy, and trade; technical support for trade; liberalizing trade in services; creating trade information exchange centers; promoting integrity and combatting corruption; establishing centers to develop and diffuse industrial skills, transfer technology and incubate innovation; and mainstreaming intra-African trade in national development strategies.

- (f) Continental initiatives adopted by the AU provide a unifying framework for concerted and consolidated action under the TICAD process.

**(2) *Activities/Initiatives by partners***

- (a) Partners are undertaking a wide range of initiatives in support of Africa's efforts. These include support for enhanced regional integration and trade through capacity development, especially for customs; trade facilitation to remove barriers to trade; and One Stop Border Posts.
- (b) To promote investment and increase competitiveness, partners are assisting African governments to harmonize policies and processes; undertake reforms to improve the business climate; deepen industrialization; and adopt a value chain approach.
- (c) Recognizing the importance of sound management of natural resources, partners are supporting sustainable natural resource development by providing assistance for measures to increase transparency, as well as capacity development for governments and institutions, including the African Minerals Development Center.
- (d) Partners are providing assistance including non-sovereign loan and technical assistance for private sector development through enhanced access to finance, technology, and managerial and technical skills training; and promotion of trade and investment missions. SMEs are a particular area of focus, especially those owned by women, as well as training and support for youth entrepreneurship. The GoJ has launched "African Business Education Initiative for Youth" (ABE Initiative) in support of the private sector.
- (e) Increased market access for African products is supported by partners, including through WTO accession processes, AID for Trade initiatives, and specialized trade fairs.
- (f) Capacity development is a major focus of initiatives to promote economic growth supported by partners. It includes targeted training; knowledge sharing; South-South and triangular cooperation; and institutional strengthening such as "KAIZEN" (quality and productivity improvement). Capacity development is supported as both a standalone activity and as a component of other activities. Specific attention is given to capacity development of women and youth, given their particular needs.

**3. Key Findings, Gaps and Follow-up Actions**

- (1) The implementation matrix indicates close synergy between Africa's efforts and the support of development partners.
- (2) All of the focus areas included in the Boosting Economic Growth section of the YAP are supported by specific initiatives implemented by development partners in collaboration with African countries and institutions.
- (3) For the most part, implementation progress will be reported through the TICAD follow-up mechanism although this will be augmented in some instances by use of specific monitoring and evaluation instruments and annual progress reports.
- (4) Given that a number of partners are providing support for each of the focus areas, it will be important to ensure complementarity and reduce duplication.