

TICAD Ministerial Meeting (6-7 October 2018)
Plenary 2: Economic Transformation for Inclusive Growth
Co-Chairs' Summary

The session on the Economic Transformation for Inclusive Growth – was co-chaired by Ms. Ahunna Eziakonwa, UNDP Assistant Administrator and Regional Director for Africa, and Mr. Kenji Yamada, Parliamentary Vice-Minister for Ministry of Foreign Affairs of Japan. It was opened with introductory remarks by Co-chairs, which provided the context for the discussion.

During the speech, Ms. Eziakonwa stressed the importance of investing in people and skills, empowering young women and men socially, economically and politically, strengthening institutional capacity for innovation, and improving the access to energy as the basic requirement for inclusive and sustainable development.

During the discussion that followed, delegates noted the steady recovery of Africa's economy since the downturn in 2016, due to improvement of external and/or domestic environment with the positive outlook for coming years. Participants underpinned the importance of economic diversification and industrialization an effective strategy for rapid reduction in poverty and income inequality.

At the same time, there was a consensus that urgent policy actions are required to address vulnerabilities and tackle the continent's binding constraints to growth such as a lack of diversification, poor infrastructure (roads, rails and ports), lack of access to energy and a large youthful population – mostly unemployed or underemployed, if the continent is to reach the 7% GDP growth rate required for a sustainable growth path. The imperative of maintaining debt sustainability and promoting private sector investment on the continent for the sustainable growth was also shared among participants. In this context, success of Japan-Africa Public-Private Economic Forum held in Johannesburg in May was emphasized. Both donors and recipient countries are required to ensure debt sustainability when investing in infrastructure and to mobilize all their efforts to promote private sector investment.

Participants acknowledged that addressing the challenges identified in the meeting would require transformation of economic base and moving towards diversification and industrialization, through appropriate infrastructural investments in energy sources,

science, technology, innovations and human capital that would support value chains development in agriculture and extractive activities. Efficient resource management, accountable and transparent governance, peace and security, and strong partnership between governments, private sector, financial institutions, CSOs and development partners are also needed for sustained structural economic transformation.

Participants acknowledged the urgent need to harness the huge potential of African blue economy, such as those in oceans, seas, lakes and rivers through environmental friendly technologies to drive economic diversification. To maximize the benefit of blue economy, participants also underscored the importance of maritime security and safety to counter piracy, illegal fishing and other maritime crimes, including through a rule-based maritime order, as reflected in the United Nations Convention on Law of the Sea, 2050 Africa's Integrated Maritime Strategy (2050 AIM Strategy), and the Nairobi Declaration of TICAD VI. Space sector may also provide unique opportunity to transform Africa's economies into knowledge-based economies.

In light of the critical role of the private sector in socio-economic transformation, effective governance and enabling environments for private sector development, such as enhanced connectivity with reliable energy and quality infrastructure, affordable finance, sustainable debt strategy, skills and entrepreneurial development are also critical. Participants also noted that support for Micro, Small and Medium Enterprises (MSMEs) is another key for economic diversification towards the realization of industrialization and inclusive growth in Africa.

H.E. Mr. Kenji Yamada, Parliamentary Vice-Minister for Foreign Affairs, in his concluding remarks, reiterated an urgent need of economic transformation in achieving Agenda 2063 and the Sustainable Development Goals (SDGs) in Africa and emphasized Japan's continued commitment to support African efforts through various initiatives such as investment in quality infrastructure, improving productivity in agriculture, and promoting Science, Technology and Innovation (STI), with a particular focus on human resource development. He also stressed the importance of free and open oceans connecting Africa and Japan which will ensure stability and prosperity of the region, through a free and open maritime order.

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