

THE TICAD Agenda and **AFRICAN Challenge**

Dato' J. Jegathesan (Malaysia)
Senior Investment Technology Advisor
AAITPC

I) TICAD & AAITPC

- 1. The Asia – Africa Investment Technology Promotion Center (AAITPC) was launched as a TICAD initiative in the year 2003. The programme is funded by the Government of Japan and implemented through UNIDO Headquarters in Vienna.**
- 2. The Vision is to go beyond Government dialogue & to motivate Asian Private Sector business Interests in Africa.**
- 3. In short AAITPC's prime directive is to build an Economic Bridge between the Capital and Technology exporting South Nations of Asia to initially 7 Africa Target Nations. It is as such an experimental programme. The 7 Target African Nations are Uganda, Tanzania, Zimbabwe, Mozambique on the Eastern African seaboard and, Senegal, Ghana & Cote D'Ivoire in the west.**
- 4. The principle methodology to achieve the above is by the organization of Asian Business missions to the Target Nations:**

In undertaking the above i.e. to promote the African Economic Potential to the Asian Business Community, Investment Seminars are held in a number of Asian Cities.

5 i) The Office of AAITPC is located in Kuala Lumpur Malaysia, with a full-time National Project Coordinator & supporting staff.

(ii) An AAITPC website has been initiated giving information on the potential of 7 target Nations (www.unido-aitpc.org).

6 Whereas AAITPC undertakes regular activities in responding to queries, updating Website etc for the 7 Target Nations, specific Action Agenda initiated by AAITPC KL with full support & initiatives from UNIDO Headquarters in Vienna are as follows: -

(i) Every year, since 2000 (with the exception of 2001 due to the war on Terror) an Asian Business Mission has been organized targeted at 2 of the target AAITPC African Nations.

(a) In 2000 it was Uganda & Tanzania

- (b) In 2001 Senegal & Ghana were targeted but at the request of the new Ghana Government, Ghana was postponed and Tanzania was selected. However, due to the war on terror the mission was postponed to 2002.**
- (c) In 2002 – an Asia Business Mission (ABM) was organised to Senegal & Tanzania.**
- (d) In 2002 – AAITPC helped organize an Ad Hoc business mission of Malaysian businessmen to Zimbabwe.**
- (e) In 2003 – Ghana & Cote d' Ivoire were the target nations. However due to problems in Cote d'Ivoire the target for 2003 will be Senegal & Ghana. (To take advantage of geographic proximity).**
- f) To create Asian Business Interests and to encourage participation in the various Business Missions, over the years Investment Promotions Seminars have been held in Pakistan (Karachi), India (New Delhi, Mumbai, Bangalore, Hydrabard & Chennai), Malaysia (Kuala Lumpur & Penang), Singapore, China (Shanghai), South Korea (Seoul).**
- g) AAITPC works closely with National Focal Point Agencies in each Asian Nation (e.g. Chambers of Commerce) and with Investment Promotion Agencies (IPA's) in target African Nations.**

- h) To date, (as of 2002) about 150 Asian businessmen have joined the AAITPC Business Missions (both formal and ad hoc) to Africa.**

- i) In 2002 – AAITPC initiated a briefing session for all African Ambassadors located in Kuala Lumpur to propose some new initiatives. The Japanese Ambassadors in Kuala Lumpur hosted the briefing. A proposal was made for an Africa – Asia Expo (products) Centre to be set up in Malaysia and an African Business Fellowship. To date only Zimbabwe has taken up the offer.**

- j) As a direct result of the above efforts of AAITPC the following projects have been initiated:-**
 - (i) A Malaysian Business Center in Uganda (launched in 2001)**

 - (ii) A Zimbabwe Asia Expo Center in Kuala Lumpur – (to promote African products in Asia and Asian products in Africa).**

 - (iii) A Malaysian company has managed to clinch a deal to sell steel production machinery in Senegal USD 850,000. A joint venture option has been proposed with 30 percent equity from Malaysia, but this has not proceeded further.**

- (iv) An agreement for a TV / DVD assembly plant has been signed in Zimbabwe. The Malaysian side is fully committed and awaiting a response.**

- (v) An IT College, a joint venture between a Malaysian private college and the University of Zimbabwe will begin with initially 200 - 300 students. It will commence operations in Zimbabwe during early 2003.**

- (vi) MOUs have also been signed with Malaysian companies for an egg production facility and a PC assembly plant in Zimbabwe.**

- (vii) A Zimbabwe Bank has also applied for a license to set up representative office/Merchant Bank in Malaysia.**

- (viii) Recognising the reluctance (and fear) of medium sized companies to go into unknown territory, in Malaysia a group of Malaysian companies have been motivated by AAITPC to form a holding company that will spearhead Malaysian business interests in Africa. The company is called UTAS Asia (United Trans Africa Services Asia Ltd).**

It has formed a joint venture with Zimbabweans (70% /30%) & is operating the

Zimbabwe Asia Expo Centre. UTAS with AAITPC support has organized two business missions to Zimbabwe and is a minority partner in the proposed TV/DVD project and the IT college.

- (ix) a) AAITPC is now encouraging the setting up of a Senegal Asia Expo Centre in Malaysia and a Senegalese businessman has been identified as a potential partner. He will probably be visiting Malaysia by April 2003.**

- b) AAITPC has also proposed to the Ghana High Commission in Malaysia for a similar Ghana Asia Expo Centre. A response is awaited.**

If the above materialize an Africa- Asia Expo Centre will be created.

- k) It should be noted that the success of AAITPC to promote such strong links between Zimbabwe and Malaysia is due to dynamic and pro active of the Zimbabwean High Commissioner and more importantly Zimbabwean private sector interests who were able to respond to Malaysian initiatives.**

This has been the key aspect for the successful launching of the Zimbabwean Asian Expo Centre in Malaysia and the 2 projects in Zimbabwe. It is believed that similar dynamic response from other African Nations can create positive results.

II) Present and Future Prospects for Investment in Africa

1) Present and future prospects for investments in Africa will be conditioned by a number of factors that are external and internal to Africa.

(a) External Factors

- i) The current world economic slowdown, with USA, Europe and Japan struggling with Internal economic problems, unemployment and industrial excess capacity, excludes the prospect within the next few years, of any “big wave” FDI movement into Africa.**
- ii) China and ASEAN continue to be attractive areas of Investment and the current expansion of EU to include less developed European Nations, will see greater internal investments within the expanded EU.**

- iii) Global understanding of Africa continues to be coloured by negative media publicity, with problems within a few countries in Africa being perceived as African problems and not as isolated incidents.
- iv) News of famine, drought, poverty Aids etc, casts a perception of Africa as not having the purchasing power to sustain large manufacturing investments. Isolated conflicts, riots and civil wars again give the impression of a continent in crisis.
- v) As expressed in the UNCTAD and World Investment Report 2002 of the bottom 20 countries out of a list of 139 Nations included in the report for “Inward FDI Potential Index”, 11 Nations are in Africa. (Refer Appendix 1).

(b) Internal Factors

- 1) There are 4 vital factors that are critical as internal factors for successful economic development through foreign and in fact even domestic investments.

This can be called The Quadrant Strategy.

- a) The Investment Environment. This ranges from political stability and perception thereof to infrastructure, cost of doing business, government machinery, finance and banking, corruption etc. In summary these can be called the 4 Cs for Investment:-

- **The Cost of doing business**
 - **The Convenience of doing business**
 - **The Capability of the Economic Environment to sustain dynamic activity**
 - **The Concessions (incentives offered)**
- b) The Identification of suitable Projects and industries and the packaging of these to present to investors.
- c) The Promotion of the country and the projects i.e. general and targeted promotion.
- d) The Implementation phase - where approved projects are given the support to ensure speedy implementation and job creation.

Many African nations have not geared themselves to meet these challenges with the professionalism required to attract investments in to the economic sectors.

Improving the investment Environment is a constant challenge! Malaysia despite its success, is constantly attempting to upgrade its investment environment to be attractive to investors. (Please refer to V (3).)

- 2) a) Many developing Nations assume that the **Comparative Advantage** they may have in respect of Natural Resources or location is sufficient to attract FDI.

This is an illusion. The key is **Competitive Advantage** – if they want to succeed in dynamic economic development and in the Global competition for FDI.

The Malaysian experience in respect of the Electronics Industry in the 1970s and the Rubber Based Industries in the 1980s is very instructive.

- b) **Competitive Advantage** will require an “*Industrial Cluster Approach*” - where every industrial sector to be promoted must have every facet from Approval of Projects, to import, exports, manpower, infrastructure, transportation, production, etc at maximum efficiency.
- c) For **Competitive Advantage** to manifest there is a need for maximum cooperation, efficiency and incorruptibility among certain forces that will initially make up a **Triangle of HOPE** and subsequently the **Quadrant of PROSPERITY**.
- d) The **Triangle of HOPE** has 3 forces / facets:-
 - i) The Political WILL as manifested by the National Leader, Ministers (Cabinet) and all elected representatives.
 - ii) Civil Service Efficiency – as manifested by an incorruptible and dedicated civil service who recognize their role as Civil Servants dedicated to bring national prosperity and success.

- iii) **Private Sector Dynamism as manifested by a corporate sector that does not depend as Government handouts, recognizes the reality of Globalization and FDI inflows and is prepared to compete locally, regionally and internationally.**

- iv) **However, once the Private Sector begins moving dynamically, 4 forces will combine to ultimately creating the **COMPETITIVE Advantage** that must manifest in Nations for Economic Growth and Prosperity.**

- v) **The 4 forces make up what can be called the Quadrant of Prosperity.**

They are in addition to the above mentioned three i.e.

- **Political Will**
- **Civil Service Efficiency**
- **Private Sector Dynamism – the factor of**

Trade Union Harmony and Worker Productivity.

These factors make for the critical Competitive Advantage that can move the natural Comparative Advantage a country may have, from being a mere “potential”, to a force for national prosperity.

III) The Asian Challenge

- a) **It is a fact of life that for years Africa has been extremely Eurocentric. This has been due to the colonial past with many African Nations depending on donor nations in the west.**

- b) **Banking, Mining Concessions, Major Trading Links, Tenders of Development Projects, Tourism Development and promotion etc have all had a very strong western bias and most African Nations have made little attempts to create a dynamic balance between the economic potential offered by both the West and the East.**

- c) **In addition, until of late, Asian Nations too have not focused on Africa, primarily due to perceptions of poverty, conflict and ignorance and a feeling that Africa is the domain of Europe and the West.**

- d) **Only 2 Asian Nations have made consistent and concentrated efforts to engage Africa in meaningful dialogues.**
 - i) **Japan through its TICAD programme and**
 - &**
 - ii) **Malaysia through its Langkawi Smart Partnership initiatives and Prime Minister Mahathir's single minded dedication for South South Cooperation.**

IV) The African Potential

- a) **There is an Economic Truism that is as valid today as it was during the early years of global trade and investment flows – i.e. -**

Investments Follow Trade

In as much as in the social arena:- “Familiarity breeds contempt”, in the area of Commerce and Industry “Familiarity breeds confidence” and it is confidence that can create opportunities.

- b) **There is great potential for trade between Asia and Africa! Many African Nations are importing Asian products through indirect, third parties. Direct trade between Asia and Africa has the potential not only to reduce costs to Africa, but will also increase trading links and open prospects for new business opportunities.**
- c) **Asian companies have had little opportunity to participate in the Privatization wave that is sweeping Africa (due to lack of timely information and contact) and also in the Development projects for Infrastructure (ports, roads electricity etc), that could lead to greater Asian awareness and confidence of the African environment.**
- d) **Asian Financial Institutions (Bank, Insurance companies etc) are virtually non existent in Africa. They should be encouraged to link with African Financial Institutions. These Institutions can become powerful conduits for the flow of funds and can also help in the promotion of business and investments.**
- e) **Large Scale Agriculture, Medium Scale Manufacturing for domestic and regional consumption, Basic Engineering Facilities, Manufacture**

of Construction Material Household Electrical Appliances etc are all areas of potential for Asian businessmen.

Many Asian Nations have adopted and adopted technology to suit their relatively small and unsophisticated markets and stages of technological development. These will be ideal for Africa at its present stage of development.

f) Asian expertise in Export Industries relating to Textile, leather, electrical and electronic products, consumer goods, food products all offer an untapped potential.

g) Asia can also play a critical role in the Service / Knowledge Oriented areas where Asian expertise abound. These include areas of ICT, Education, Health, Tourism etc which driven by private sector initiatives are playing an increasingly critical role in Asia's Economic development.

V) What African governments and businesses should do to promote Asian investments into Africa?

There are certain urgent measures that African governments can take to create greater Asian Business awareness interest in Africa.

- 1) **Declare 2003 – 2005 as the “Africa Asia Vision Implementation Period” (A-A VIP) and focus all energy to make Africa known to Asia as a viable business and tourist destination.**

- 2) **Focus attention on Streamlining Government Machinery and create an Investment Environment conducive to attract all types business and investment interests from any source. In this respect, the Asian and especially the experience of ASEAN nations will be relevant.**

- 3) **Conduct training sessions for all officers of Investment Promotion Agencies including senior officers from key government departments involved in the economic / investment process. Here’s again the experience of Malaysia and some other Asian Nations will instructive.**

Create standards of excellence in every stage of the investment process, from project approvals, to customs, Immigration, ports, land office, machinery Department approvals – water, electricity etc.

Malaysia despite it being already considered one of the Asian Economic miracles, continuously strives for improvement and excellence. Below is a media extract from a press conference by the Deputy Prime Minister dated Jan 24th Jan 2003.

Improved measures to attract investments

Putrajaya, Thurs. - The Government has agreed to introduce improved measures to make the country more competitive for foreign direct investments (FDIs) and domestic investments, Datuk Seri Abdullah Ahmad Badawi said today. The Deputy Prime Minister said while existing investment-related measures and policies would be reviewed, fresh initiatives would be introduced to ensure Malaysian's continued growth and attractiveness in a globalised environment .

Speaking at a Press conference after chairing the newly-established Cabinet Committee on National Competitiveness (CCNC)'s first meeting, Abdullah said the Government would enhance incentive for investors and make technical procedures more investor-friendly.

"We have agreed on the package of incentives for investors, including the lengthening of pioneer status and investment tax allowances, an improved incentive scheme for Research and Development initiatives whereby R&D grants will be made available to foreign investors and double tax deduction for R&D expenditure incurred overseas, and an additional grant for training and infrastructure expenditure.

"We are also contemplating extending the period of stay for skilled foreign workers or expatriates,"

Among others, the CCNC would take steps to standardise approval for land conversions, title transfers, sub divisions and issuing of permits and license.

“We need an efficient and effective public sector delivery system which is an important element in attracting FDIs and domestic investments.

“We will decide on the appropriate changes to the policies, strategies and procedures to improve public delivery system and introduce new policies where necessary.

“All this is in the spirit of Malaysian Inc. There is a need for the private and public sectors to understand what needs to be done for the mutual benefit of all,” Abdullah said, adding that the Government would address shortcomings pointed out by investors and the public.

“There is no meaning if other matters are handled efficiently but an investor is made to wait for a long time to obtain a Certificate of Fitness for instance.

“We must be efficient and effective in totality. That is our ultimate aim,” Abdullah said.

“It is for all of us. The measures which will be introduced will not be confined to the private or public sector delivery system.

“The whole environment of Malaysia would have to be improved.”

“People must be made to realise that Malaysia is one of the best places for them to be in, the best place for them to work, locate their business operations and so on.”

“So we should do the necessary to make our country attractive. It must be the joint effort of all Malaysians,” Abdullah said.

African Nations need to do more, just to catch up with expected world standards for conducive Investment Environments to attract large scale inflows of FDI.

- 4) Identify countries in Asia (or anywhere else) that are perceived as capital and Technology Exporting Nations and DECLARE UNILATERAL Visa Free Entry for nationals from these countries.**

With one administrative stroke of the pen this will remove a major hurdle for business entry into Africa.

- 5) Negotiate and offer Asian Airlines, 5 years of Free landing rights and also the right to use the African Nation as a transit point to pick and deliver passengers between Asia and Europe and vice versa. An open sky policy would be the best. This offer can be limited to all who come in by 2005 i.e. AA-VIP.**
- 6) Offer incentives for Asian financial institutions to locate in African nations, in joint ventures with African Financial institutions during the AA-VIP. This will be a powerful conduit for flow of business funds and will help promote longer term investment interests.**

- 7) Invite Asian companies, with enough advanced notice, to participate in Privatization Ventures and Infrastructure Development Projects. This will create greater awareness and confidence.
- 8) African leaders should organize well prepared Business Missions to Asia. These should have the triple objective of Buying, Selling and Promotion of Investments. The greater the quality of preparedness and professionalism of the mission, the greater the chance for success. Avoid having on the mission “hanger on” who merely want to “rub” shoulders with Ministers etc. Prepare Professional Project Profiles for every member of the mission, and subject these to proper scrutiny to ensure quality participants, with quality projects.
- 9) Chamber of Commerce and Industry in African Nations should pro actively link with Chambers of Commerce and Industry of target Asian Nations and create “Familiarity that will breed confidence”.
- 10) African Nations should provide incentives for Asian business leaders to lead business missions to Africa. Often a special invitation from the Head of State to a prominent leader of the Asian National business community would be a powerful incentive. Once the delegation arrives they should be made to feel WELCOME, and presented with solid opportunities for business ventures. (Do not just wait for political leaders to lead missions to Africa.)

- 11) African businessmen should be encouraged and helped to prepare “Project Profiles” of bankable projects, done professionally and these can be promoted through AAITPC or other channels to reach and interest Asian businessmen. International Agencies or the Government itself can offer financial support for the preparation of such “Project Profiles”.
- 12) The Francophone nations of Africa have a special problem. More than 90% of all nations in the East and West that have the capacity to export Capital and Technology use English language as a medium of communication (verbal, e-mail, and documentation etc in all International commercial dealings (often even domestic). These nations cannot be described as Anglophone as the description pertains to Francophone. In most instances it is only the use of English as the language of Commerce and Industry that binds them.

If the Francophone nations wish to tap this huge potential for business (i.e. probably 90% of the capital and technology exporting nations), they will have to ensure that Government leaders and civil servants responsible for International business are able to communicate English and that publications required by investors, are in English. Also web sites should be in English and regularly updated.

This not only relates to attracting Asian businessmen to Africa but also Asian tourists.

13) African Nations cannot afford to have separate Trade and Investment Promotion Centres overseas. In this respect:-

- a) All African Embassies should be given the promotion of Commerce and Industry as one of their prime mandates. African Ambassadors and High Commissioners should not be perceived by the private sector as “ivory tower”, isolated cocktails circuits officials, but as dynamic promoters of their nation’s commercial interests in the countries in which they are located.
- b) Ambassadors should pro actively reach out to the business world and be seen as business friendly.
- c) Every Ambassador and senior embassy staff should be fully aware of their Government’s Trade and Investment policies, facilitate and incentives and should act as a virtual extension of the Investment Promotion arm of the Nation.
- d) Every Ambassador should attempt to have regular “Business Seminars” with businessmen in the country in which they are located. These seminars should be used to convey accurate information about the country and remove any misinformation / misconceptions created by the media. They should

use this forum to also brief businessmen about Privatization and Development projects and projects in which their national businessmen are seeking contacts with Asian businessmen.

Such business seminars should not indulge in generalities and platitudes, but specific business opportunities.

- 14) African Governments should ensure that they sign Investment Guarantee Agreements (IGAs) and Double Taxation Agreements (DTAs) with target Asian nations. Also they must ensure that they are members of International Arbitration Agreements, MIGA etc, to foster confidence among foreign businessmen of neutrality during business conflicts / disagreements.

V What can Asian (including Japanese) Governments and business do to promote Investments in Africa

The key pre-requisite for increased Asian Investments in Africa is “Confidence, Familiarity and Business Contacts”. This is of course, over and above the conducive Business Environments that African Nations must create.

1) **Specific Actions that Asian governments can undertake** can be seen reflected in the efforts of the Malaysian Government.

Some examples include:-

- a) More than any other National Leader from the Developed or Newly Developed nations, Prime Minister Dr. Mahathir Mohd has personally led and encouraged other Malaysian leaders to **lead business missions to Africa**. He has also welcomed **African leaders to lead business missions to Malaysia**.
- b) The **Langkawi Smart Partnership Dialogue** with the theme “Prosper Thy Neighbour” has helped to **build bridges and foster confidence**.
- c) Prime Minister Mahathir has motivated major companies in Malaysia to form a **Malaysian South South Association (MASSA)** and a holding company called **Masscorp with more than 80 companies as** shareholders to spearhead private sector business initiatives in South Nations. (MASSCORP has set up a business center in Uganda.)
- d) The dramatic impact of these initiatives can be seen in several African Nations including South Africa. Perhaps the most significant result of such high level National Political and business leadership contacts that have fostered confidence is the fact that Malaysia is by far the largest foreign investor in Ghana.

Considering that Ghana is on the North Western coast of Africa (the furthest point from the East), this flow of Malaysian Investments can be seen as leadership motivated and private sector driven.

Below is a chart showing Malaysian Investment in Ghana compared to other nations. This information comes from the Ghana Investment Promotion Centre (GIPC).



In short Asian governments should try to build bridges of familiarity and confidence with target African Nations that have a track record of political stability, security, good governance and a conducive business environment.

- 2) Asian Government can help foster business confidence by taking initiatives or responding positively for the signing of IGA's and DTAs with target African Nations.

3) **Asian Governments can help foster Africa Asia trade / business / investment initiatives by the following:-**

a) **Initiate Investment Insurance and Export Insurance Programmes for business with Africa.**

b) **Offer National Asian businessmen Double Deduction of Expenses for expenses incurred in exploring new markets and this will include Africa. These Double Deductions can include for air fare, hotel expenses, participation in trade exhibitions in Africa, and expenses for pre-feasibility studies.**

Such Double Deductions can also be extended to hosting “first time visits” of African businessmen visiting the country in search of business opportunities, as guests of Asian invitees.

4) **Asian Governments can also encourage Investments in Africa by allowing profits from enterprises in Africa, operated by their Nationals, repatriated into the country, to be free from corporate tax. This can be for an indefinite period or for a period of 10 years.**

Perhaps as a “New Millennium Africa Asia Initiative” Japan can persuade other Asian Nations to make 2005 to 2015 a period of tax sparing for all profits derived from Investments in Africa.

VI Special Programmes that can be considered by the Japanese Government as part of TICAD Agenda of Action (in additional to V above).

- 1) To Help in Capacity Building – which is a vital pre-requisite for creating a Conducive Economic Environment:-

Offer a training programme (3-4 days) “A Strategic Action Initiative for Economic Development” for target African Nations! This programme should include all staff of Investment Promotion Agencies, including senior officials, of key government agencies involved in the Investment / economic process.

The training programme content should focus on:-

- i) The Asian Experience with Economic / Industrial Development and lessons for Africa
- ii) How internal Government procedures and systems can be improved to become of a standard that will conducive to creating a positive Investment Environment for investors
- iii) Investment Promotion and Public Relations strategies – the Do’s and Don’ts

iv) FTZ / EPZ and the Multi Facility Economic Zones – the pros and cons

2) Assist African Nations that have committed to above capacity building and streamlining procedures to set up Multi Facility Economic Zones (MFEZ) as a New Millennium alternative to Free Trade Zones (FTZs) and Export Processing Zones (EPZ).

The illusion that FTZ / EPZs are the easy panacea for Economic and Industrial Development, job creation etc due to the dramatic success stories of some Asian Nations have prompted Government of Developing Nations, including Africa, to want to take this FTZ / EPZ route as the preferred option for development.

However the failure of the long established Senegal EPZ (now abandoned) and the struggle for survival of the private sector driven EPZs in Ghana and Cambodia is very significant.

The MFEZ, provides one formula to maximize the core benefits of a FTZ / EPZ as an ideal Economic environment and to remove or reduce the disadvantages inherent in the FTZ / EPZ formula.

Japan can help organize a forum to brief interested Governments on the pros and cons of the 2 programmes so that they can be allowed to decide on the type of development they wish to pursue. Once decision is made, perhaps Japanese ODA funding can help develop at least one MFEZ in target African Nations.

(It is likely that Malaysian expertise can help in this especially through the KULIM HI TECH Park Corporation (a Malaysian Government initiative), which has in principle made a board decision to offer such help to African Nations on request.)

It is significant that Uganda, which had plans for an EPZ in 1999, after an UNCTAD Investment Policy Review (IPR) recommendation, has abandoned that scheme and has now set up a MFEZ in place. UNCTAD IPR have also recommended MFEZs as one strategic policy option to the Government of Ghana and Tanzania.

(Attached as Appendix is a concept paper on the MFEZ that was drafted as input for the Uganda IPR by UNCTAD)

- 3) Education (and especially in the areas of Technical vocational and IT education) is a key factor that will help African Nations bridge the technology gap and especially the cyber divide between developed and developing nations.**

The Japanese Government can through its ODA schemes help in this programme. The scheme can be tripartite i.e. between an African government, the Japanese Government and the Government / corporate sector of Asia.

The Project to set up a Center of Excellence for Technical / Vocational and especially ICT education.

Methodology of Tripartite Arrangement:-

- a) **The African Government concerned should agree to donate suitable land for the building of the college / educational institution and streamline all approvals, procedures.**

- b) **The Japanese Government can through its ODA offer 2 types of support.**
 - i) **A financial grant to the African Government to construct the building OR if a building is already available the cost of renovation and / or rental.**

 - ii) **Create a Special Loan Fund (minimum interest) to be used by the Asian Government or private sector coming forward to operate the project.**

- c) **The Asian Government (through a Government owned National College etc) or an Asian private college / university will provide for all equipment, curriculum, training of lecturers, Administration etc.**

The Japanese Government loan should be available for all fixed expenditures incurred. Also as an additional incentive and for a limited period the fund can be geared to provide for 50% of the cost of operational expenses. This could be limited to the first 3 to 5 years.

- d) The Asian private sector should be able to offer through a 2 plus 1 or 3 plus 1 system (depending on the duration of course) a foreign degree from an Internationally recognized educational institution, to all students studying in the African educational institution.**

This type of “Twinning Programme” will save African Government million of dollars in foreign exchange as students study locally to obtain foreign degrees. If they earn a good reputation for academic excellence the college / university, by attracting students from neighbouring nations can become a source of foreign exchange earnings.

- e) The Asian company operating the college / university can be given a specified period to pay back the concessionary loan and be allowed to continue for an agreed period after full repayment, to earn some benefit from the project.**

After an agreed upon period of time, the Asian company can either continue as a Joint venture with the African Government Institution concerned OR the project can be offered to the Government at an agreed equitable price.

Whereas details have to be worked out, this programme will considerably accelerate Technology

Education in selected African states that can guarantee good governance.

This will be a sort of “Government Inc” project, where Government support (Japanese and African) is offered to attract private sector into this vital area.

In considering this proposal it is vital that Governments go beyond the paradigm of ODA being offered only to strictly Government projects.

This private sector initiative to go into areas of traditional government responsibility will go a long way to foster nation building and ensure that Government Development Assistance results in concrete projects on the ground that will have long terms sustainability.

The End