

**Statement by H.E. Mr. Koichiro Gamba, Minister for Foreign Affairs of Japan,
at the Fourth TICAD Ministerial Follow-up Meeting
Plenary 2: Panel Discussion on "Current Africa's economic growth and underlying
challenges"**

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Africa has marked an average annual rate of economic growth of close to 6% since the 2000's, and is now viewed as the economic frontier following Asia, with private-sector entities around the globe showing glowing interest. This is backed by Africa's own efforts, including decreases in conflicts, improved political stability, and improvements in the investment climate. We can also conclude that this has been dependent to a significant degree on an expansion of exports and investment against the background of a sharp rise in the prices of mineral resources and primary commodities internationally.

In order for Africa to maintain its robust economic growth, it will be necessary to achieve self-sustaining growth underpinned by a multi-layered industrial structure in which the private sector plays a leading role, just as the TICAD process has been advocating over the years. In addition, this growth should be inclusive in nature, involving job creation, an essential factor within the post-2015 agenda.

For that reason, we take the view that the most important agenda of TICAD V should be infrastructure development that will serve as a catalyst for private sector investment. We commend the Programme for Infrastructure Development in Africa (PIDA) for the African ownership it exhibits, and it needs to be further substantiated in the future.

In order to respond to Africa's massive infrastructure demand, concessional loans will need to be used in bigger and more effective ways through cooperation with international and regional organizations.

In 2006, Japan, together with the African Development Bank, launched Enhanced Private Sector Assistance, or "EPSA," as a joint initiative for the development of the private sector in Africa and has, since that time, been facilitating economic growth led by Africa's private sector, including through the improvement of roads and other economic infrastructure. Japan intends to make use of EPSA in continuing its efforts to promote projects with a high degree of development effectiveness.

In addition to ODA, it is absolutely essential to actively mobilize private sector resources for development through public-private partnership arrangements. In this regard, we must work to identify and formulate bankable projects for infrastructure investment. Japan will explore ways to cooperate to expand private sector investment.

From this perspective, Japan has worked in cooperation with the Southern African Development Community (SADC) to hold the Japan-SADC Infrastructure Investment Seminar, which enjoyed the participation of a large number of Japanese companies and featured discussions aimed at promoting infrastructure investment in Africa.

Yet at the same time, it has to be noted that not only “hard” aspects of infrastructure, but also “soft” aspects are important, namely improvements in policies and systems and the cultivation of a business-friendly environment. In this connection, I would like to mention the NEPAD-OECD Africa Investment Initiative, to which Japan has consistently made contributions. Under this initiative, investment policy reviews have been conducted in recent years, in such areas as investment policies, investment facilitation, and infrastructure development of African countries, which has been yielding results. Through these efforts, we will continue to support Africa’s own efforts to improve the investment climate.

In addition, in order to realize self-sustaining economic growth, it is essential to strengthen the agricultural sector, which is a substantial source of employment in Africa. Strengthening agricultural sector is also important from the perspective of food security. Japan has been continuously supporting Africa’s agricultural sector through its ODA, including the L’Aquila commitments. I would like to emphasize the effectiveness of the value-chain approach that takes up production, storage, processing, and distribution stages of agricultural products in a comprehensive manner. It is also critical to increase production as well as productivity. We will support Africa’s efforts through promoting the Coalition for African Rice Development (CARD) initiative, which aims to double the rice production.

Finally, Japan will continue to actively support Japanese companies’ business with Africa. For example, we intend to make use of, among others, the Japanese government’s support for grass-roots initiatives in order to promote public-private partnerships in Africa. By developing Japan-Africa business relations, Africa and Asia will each be able to transform the other region’s growth into its own vitality.

Thank you very much for your kind attention.