

BOOSTING ECONOMIC GROWTH

Infrastructure

Infrastructure development, including construction of road networks and energy sector development, is critical to economic integration and support for the promotion of trade and investment in Africa. A medium to long-term strategic framework for infrastructure, elaborated by the New Partnership for Africa's Development (NEPAD), forms the basis for a coherent approach. TICAD IV intends to present future development perspectives whereby African institutions will work in close collaboration with donor countries for the development of infrastructure on the continent -- making use of the Infrastructure Consortium for Africa, which was initiated in 2005 as a platform to promote coordination efforts.

Trade and Investment

The TICAD process underscores the importance of South-South cooperation, especially the development of trade and investment between Asia and Africa, which has grown dramatically for the past fifteen years. Investment from Japan in Africa reached US\$203 million in 2004 alone and Japanese investors have been involved in significant deals in African countries, including Mitsubishi Corporation in Mozambique, and Oji Paper Company Ltd., one of Japan's major paper and pulp manufacturers in Tanzania. Japan is also developing niche investments on the continent, including Sumitomo Chemical's plan to increase production of its anti-malaria mosquito nets in Tanzania and Isuzu Motors' plans to invest in South Africa.

Africa-Asia Business Forum (AABF)

As a follow-up to the Africa-Asia Trade and Investment Conference in Tokyo in 2004, the TICAD Co-organizers organized the Fourth Africa-Asia Business Forum (AABF IV) in February 2007 in Dar es Salaam, Tanzania. AABF IV witnessed for the first time in the history of the series the participation of companies from Japan and North Africa. About 212 business people representing 160 companies, including 130 African and 30 Asian companies, participated in the forum. AABF IV led to business prospects worth US\$156 million - more than the US\$152.9 million in declared value of the three previous combined fora.

Financing small and medium-sized enterprises (SMEs)

Establishing a financing mechanism for SMEs to carry out business deals made at various fora is sought by TICAD Co-organizers. In light of the management by the African Development Bank (AfDB) of the Enhanced Private Sector Assistance funds for Africa worth US\$1 billion, which was extended by the Government of Japan, UNDP has initiated consultations with the Ministry of Foreign Affairs, the Japan Bank for International Cooperation (JBIC), ECOBANK, the Bank of Industry of Nigeria and the AfDB to come up with a viable financing facility for African SMEs that participated in AABF fora. Efforts are under way to work effectively with UNDP Country Offices to support capacity building initiatives of SMEs from their respective countries actively involved in the AABF series, including businesses led by women.



As a follow-up to AABF IV, two workshops for SMEs held in Nigeria in April 2008 aimed to enhance capabilities of SMEs to prepare business plans and subsequent appraisal of investment projects, as well as to strengthen banks' ability to carry out risk and financial assessment of SMEs' proposals. AABF IV alumni from West Africa participated, along with representatives of several banks, including the Bank of Industry of Nigeria, ECOBANK Group, Access Bank, Oceanic Bank, and Zenith Bank, which have extended their services to the SMEs. The TICAD/UNDP Africa Bureau office organized workshops in collaboration with the United Nations Industrial Development Organization (UNIDO).

Africa-Asia SME Network (TECHNONET Africa)

Based on the experiences and best practices of TECHNONET Asia, which has accumulated over 30 years of industrial experience, TECHNONET Africa focuses on policy and institutional reforms, capacity development of SMEs, and the promotion of technology transfer, trade and investment among African and Asian SMEs. The Governments of Malaysia, Thailand and Vietnam are actively involved in sharing their experiences and a partnership with the Japan International Cooperation Agency (JICA) is being developed to disseminate the concept of "One Village One Product".

Agriculture

With its protein-rich, weed-competitive and pest and disease-resistant features, the new rice for Africa (NERICA) has been widely disseminated under the TICAD process. The Africa Rice Center (WARDA), one of 15 international agricultural research centers supported by the Consultative Group on International Agricultural Research, continues its pioneering work on NERICA. In addition to the development of new rice varieties, WARDA adopted a participatory approach to fully utilize the indigenous knowledge of local farmers. The Participatory Varietal Selection and Community-Based Seed Production System are two main tools to enhance the multiplication process of NERICA seeds. The development and dissemination of NERICA has been supported by many donors and partners, including the Government of Japan, UNDP, FAO, the World Bank, USAID, and the Rockefeller Foundation. The AfDB provided a loan worth US\$34 million to seven pilot countries to spur wider use of the NERICA seeds. Eighteen NERICA varieties have been developed to date and NERICA has been tested in 31 countries on the continent. With the price of rice soaring on world markets, NERICA has the potential to make a significant contribution to food security in Africa. In addition, Japan announced in May 2008 that it will provide \$50 million in emergency food aid to African countries.

