



JAPAN-AFRICA
Public-Private Economic Forum

Summary of the Thematic Sessions of the Second Japan-Africa Public-Private Economic Forum

7th-8th December 2021

The Thematic Sessions of the 2nd Japan-Africa Public-Private Economic Forum (JAfEF) were held online from December 7th to 8th, 2021. Lively discussions took place and 1570 participants in total were in attendance.

Results of the 2nd JAfEF Thematic Sessions

From lively discussions in the thematic sessions, various results - lessons learned, challenges to tackle - were obtained:

(1) Theme 1: Innovation

The participants recognized that new business players, including start-up companies which play an important role in solving social challenges in Africa, have been steadily expanding their businesses in areas such as healthcare, agriculture, education, finance, infrastructure, the broader green economy and last mile delivery in spite of the COVID-19 pandemic. Especially, the areas of healthcare and agriculture were highlighted among them, based on the results of the support program for African local entrepreneurs. The participants shared the view that promoting digital transformation (DX) plays a key role in innovation which could apply to such new business areas in Africa. In addition, it was noted that new examples of business opportunities have been created within new business areas with the support of governments and/or international organizations.

(2) Theme 2: Integration and Industrialization

In the session on integration, the latest trends in regional and national economic integration in Africa were shared and discussed, with various insights obtained from the experiences of users effectively utilizing existing African free trade zones. Some

African participants shared their expectations to the African Continental Free Trade Area (AfCFTA), which came into effect this year, and underlined the importance of AfCFTA that accelerates industrialization and expansion of business in Africa.

In the session on industrialization, both Japanese and African participants mutually recognized that Japan would be a beneficial business partner for Africa. Japanese companies' activities contributing to industrialization in Africa, including the case of cooperation with a third country, were introduced.

Kenyan participants explained Kenya's progress and efforts to improve the business environment and assured their further efforts in order to attract Japan's investment to Kenya. A Japanese participant stressed that one of the effective paths to increase Japan's investment is to continue with trade revitalization. Regarding investment treaties, Japan and African countries renewed their understanding of the importance and effectiveness of high quality treaties in order to improve the business environment which would in turn attract investments to Africa.

Japanese and African participants also recognized that human resource development (HRD) plays a key role for industrialization, and public sector and international organization representatives introduced their programs for supporting HRD and technology/skill transfer. Both Japanese and African participants affirmed that industrial HRD assisted by Japan has been contributing to the advancement of Africa's industry. African participants expressed their expectation for further cooperation with Japan, and Japan expressed its willingness to work further with Africa for industrial HRD. The Association for Overseas Technical Cooperation and Sustainable Partnerships (AOTS) and Kenya Association of Manufacturers (KAM) confirmed further cooperation in the field of HRD in the manufacturing industry.

(3) Theme 3: Green & Digital Infrastructure

In the session on electric power, electric companies from Japan and Africa introduced their business of electrification in non-electrified areas in African countries, and both Japan and African participants confirmed that off-grid and mini-grid systems are effective in Africa, and recognized that HRD for electric power engineers is among the common challenges. Regarding the dissemination of clean energy in Africa, case studies of expanding clean energy by Japanese companies were presented, and a Japanese participant introduced its basic idea on energy transition that there is no single pathway to achieve green growth, rather, there are diverse paths applicable to each country, with each energy situation considered. Both sides recognized that such

a concept of realistic energy transition would be appropriate and effective including in Africa.

In the session on digital infrastructure, Japan's concrete contributions, based on the abundant experiences and expertise that Japan has developed and acquired, to the Africa's country-/region-wide efforts to establish effective digital infrastructure systems were presented with several typical examples. In addition, Japanese companies' prospects for further cooperation with African countries were shared.

(4) Theme 4: Accelerating Finance Solutions

Financing needs for infrastructure development and industrial diversification and advances in Africa are huge. Further increasing the use of private finance is indispensable for solving social challenges, economic and social recovery from the COVID-19 and realization of sustainable society including “green and digital infrastructure” in Africa. In the 1st JAfEF, as a key policy, the following initiatives were expressed: increasing inflow of private finance by mitigating risks and strengthening cooperation among financial institution including MDBs, ECAs and EXIM Banks of the third countries to expand finance capacity. In this session, progress of the initiatives was confirmed. First, in addition with “LEAD Initiative” by Nippon Export and Investment Insurance (NEXI), Japanese commercial banks introduced effective initiatives such as engaging institutional investors using a fund scheme and supporting customers' transition through providing services using sustainable finance framework. It is important to accelerate financing solutions that correspond to various needs using new finance schemes. And these should be introduced according to best practices regarding strengthening cooperation with regional financial institutions familiar with markets in Africa, such as the African Trade Insurance Agency (ATI), The Trade & Development Bank (TDB) and the African Export-Import Bank (Afreximbank), which joined as a panellist and/or concluded an MOU or Partnership with NEXI in this forum. It is expected that applying best practices to other financial institutions will further deepen cooperation among financial institutions already connected.

Memorandum of Understanding (MOU) Ceremony

The 15 MOUs listed in the appendix were introduced and showed that, even during the current critical situation of the COVID-19 pandemic, business relations between Japan and Africa are steadily developing. The signers were from various public and

private sectors. The fields that these MOUs address are also diverse, including finance, HRD, energy and healthcare.

(End)