

Co-Chairs' Summary of the Second Japan-Africa Public-Private Economic Forum

Nairobi, May 3rd 2022

1. The 2nd Japan-Africa Public-Private Economic Forum (JAfEF) was co-organized by the Government of Japan and the Government of Kenya. The Plenary Session was held on May 3rd, 2022 in Nairobi, the Republic of Kenya, following the Thematic Sessions on December 7th and 8th, 2021, which were held online separately, as the very first business forum between Japan and Africa with the attendance of high-level participants from both public and private sectors since the COVID-19 pandemic occurred. While the 1st JAfEF was held in May 2018 in Johannesburg, the Republic of South Africa, entirely in person, the Thematic Sessions of the 2nd JAfEF were effectively and successfully conducted online due to the COVID-19 situation, with an audience of more than 1500. The Plenary Session was co-chaired by H.E. Mr. HOSODA Kenichi, State Minister of Economy, Trade and Industry of Japan and H.E. Ms. Betty MAINA, Cabinet Secretary of the Ministry of Industrialisation, Trade and Enterprise Development of Kenya. H.E. Ms. SUZUKI Takako, State Minister for Foreign Affairs of Japan also joined the Plenary and underlined the commitment of Government of Japan in promoting business in Africa under public-private partnership toward TICAD 8 in August. It was also attended by 8 Ministerial levels from other African countries and senior officials from 15 African countries, including H.E. Ms. Neila NOUIRA GONGI, Minister of Industry, Mines and Energy of the Republic of Tunisia, the host country of TICAD 8 to be held this summer; representatives of business associations and councils including Keidanren (Japan Business Federation), Keizai Doyukai (Japan Association of Corporate Executives), Kenya Private Sector Alliance (KEPSA), Kenya Association of Manufacturing (KAM), Kenya National Chamber of Commerce and Industry (KNCCI) and the Tunisia-Japanese Chamber of Commerce; and other related public and semi-governmental organizations including Japan External Trade Organization (JETRO), Kenya Investment Authority (KenInvest) and Nippon Export and Investment Insurance (NEXI); 250 participants in total were in attendance from both Japan and Africa in an in-person manner.

Results of the 2nd JAfEF

2. From lively discussions in the Thematic Sessions held on December 7th and 8th 2021, various results - lessons learned, challenges to take - were drawn:

(1) Theme 1: Innovation

New business players including start-ups which help solve social challenges have been steadily expanding their businesses in areas such as healthcare, even under the COVID-19 situation, and both Japan and African countries recognized that many new business cases have been created with the support of governments and international organizations. In addition to introducing the activities of start-ups, healthcare, agriculture, education, finance and the last mile delivery were specifically identified as fields of strong potential business opportunities. It was widely recognized that promoting utilization of digital technology to solve problems (digital transformation or DX) should be effective and commonly applicable to all these fields in Africa.

(2) Theme 2: Integration and Industrialisation

In the session on integration, the latest trends in regional and national integration in Africa were introduced, with various insights obtained from the experiences of users effectively utilizing existing African free trade zones. Regarding the African Continental Free Trade Area, which came into effect this year, its importance and the expectations of African countries for its contribution to their industrialization and expansion of businesses were shared with the Japanese audience. In the session on industrialization, Japan and African countries mutually recognized that Japan would be a beneficial business partner for Africa. Kenyan participants explained their progress and efforts to improve the business environment and assured their further efforts in order to attract investment in Kenya. Japan stressed that one of the effective paths to increasing investment is to continue with trade revitalization. Moreover, both sides affirmed that industrial human resource development assisted by Japan has been contributing to the advancement of Africa's industry, and African countries expressed their expectation for further cooperation. The Association for Overseas Technical Cooperation and Sustainable Partnerships (AOTS) announced that it would deepen cooperation with KAM in the field of human resource development in the manufacturing industry. Regarding the investment treaties, Japan and African countries renewed their understanding of the importance and effectiveness of the high quality treaties with a view to improving the business environment, which would in turn attract more investment to Africa.

(3) Theme 3: Green & Digital Infrastructure

In the session on electric power, both Japan and African countries reaffirmed that off-grid and mini-grid systems are effective for electrification in non-electrified areas in

Africa, and recognized that human resource development of electric power engineers is one of the common challenges. Regarding the dissemination of clean energy in Africa, the Japan side introduced its basic idea of energy transition that there is no single pathway to achieve green growth, but rather diverse paths applicable to each country, with each energy situation considered. Both sides recognized that such realistic approach would be appropriate and effective in Africa as well. In the session on digital infrastructure, Japan's concrete contributions to Africa's country-/region-wide efforts to establish effective digital infrastructure systems, based on the abundant experiences and expertise that Japan has been acquiring around the world, were presented with several typical examples. In addition, Japanese companies' prospects for further cooperation with African countries were widely shared.

(4) Theme 4: Accelerating Finance Solutions

There are huge financing needs for infrastructure development and industrial diversification and advance in Africa. More use of private finance is indispensable for solving social challenges and achieving economic and social recovery from the COVID-19 as well as realization of sustainable society including through "green and digital infrastructure" in Africa. In the 1st JAfEF, the following initiatives were expressed as a key policy: increasing inflow of private finance by mitigating risks and strengthening cooperation among financial institutions including MDBs, ECAs and EXIM Banks of third countries to expand finance capacity. In this session, progress of the initiatives was confirmed. First, in addition to "LEAD Initiative" by 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 meet various needs using new finance schemes. These schemes should be introduced according to best practices in terms of 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. Extending those best practices to other financial institutions is expected to further deepen cooperation among financial institutions already in the network.

Further Steps

3. Building upon these results from the Thematic Sessions, State Minister Hosoda, the Ministry of Economy, Trade and Industry of Japan announced that Japan will focus on, among others:
 - support for Japanese companies expanding their businesses with the aim of solving social issues including those in healthcare, finance and green in Africa by utilizing digital technology and promoting business collaboration between Japanese companies and overseas startups/companies through J-Partnership as well as J-Bridge, initiatives newly extended to Africa;
 - measures to improve the business environment with a view to promoting industrialization in Africa, including through strengthening development of industrial human resources, further promotion of Investment treaties and further utilization and enhancement of the bilateral business environment improvement committees;
 - the pursuit of clean energy in Africa through a realistic approach considering the energy situation of each country, based on the basic concept of the energy transition to achieve green growth, cooperation in the mineral resource such as copper and rare metals which is important toward Decarbonized Society, and further cooperation in the climate change adaptation and digital infrastructure fields;
 - further mobilizing private funds in Africa, accelerating financing solutions that meet financial needs for solving social challenges and achieving recovery from the COVID-19 as well as realization of sustainable society including through “green and digital infrastructure” using new finance schemes and deepening cooperation with regional financial institutions and MDBs. NEXI and ATI, in particular, will start discussion about NEXI’s investment in ATI.
4. In response, Cabinet Secretary Maina, representing the Ministry of Industrialisation, Trade and Enterprise Development of Kenya as the co-host country of the Forum, expressed the intention shared among the African participants that they are eager to make utmost efforts to improve the business environment in order to attract more business and investment in Africa.
5. Both Japan and the African countries in attendance agreed that they would continuously deepen and support their relationship in the business field toward TICAD 8 to be held in Tunisia in August this year as well as the next JAfEF to be held in 2024 and onward as important drivers for further enhancing their relationship.

[Appendix]

MoU Ceremony of the 2nd Japan-Africa Public-Private Econmic Forum on May 3rd, 2022
The List of MoU/Partnerships (Total 18 MoU/Partnerships)

Note; Bold & shadowed cells: newly added items since December 2021 (thematic sessions)

No	Country	Japan Side	Counterparts	Title	Outline
1	Kenya	Toyota Tsusho Corporation	Goodlife Pharmacy	Partnership between Toyota Tsusho's affiliate CFAO and Goodlife Pharmacy	Toyota Tsusho Corporation's affiliate CFAO SAS acquired close to 30% of the shares in Goodlife Pharmacy, East Africa's leading retail pharmacy chain, last March. This marks CFAO and Toyota Tsusho's first entry into the retail pharmacy industry in Africa. By combining Goodlife's retail pharmacy network and brand and CFAO's existing wholesaling capabilities and product portfolio, Toyota Tsusho and CFAO will contribute to improving access to high-quality pharmaceuticals in East Africa.
2	Kenya Uganda	Toyota Tsusho Corporation	Ofgen Limited	Toyota Tsusho group to accelerate Carbon Neutrality among subsidiaries in East Africa with Kenya as a focus country.	CFAO Kenya (Toyota Tsusho group company) to accelerate Carbon Neutrality within group subsidiaries in East Africa through Collaboration with Ofgen Limited
3	Togo	Mitsui & Co.Ltd	CSquared Link Holdings (Mauritius) Ltd.	CSquared and the government of Togo create a joint venture of broadband business in Togo	Mitsui is one of major shareholders of CSquared, which is an open access fibre wholesaler in Uganda, Ghana and Liberia at present. CSquared has strategically partnered with the government of Togo to create a joint venture "CSquared Woezon", which will be in charge of maintaining and operating the Equiano submarine cable as well as the existing terrestrial optic fiber networks located on the Togolese territory.
4	Multi	Nippon Export and Investment Insurance (NEXI)	The African Export-Import Bank (Afreximbank)	Partnership between Afreximbank and NEXI	Afreximbank and NEXI have partnered on to promote trade and economic development of Africa, including facilitation of business opportunities between Afreximbank member countries and Japanese companies, as well as to drive decarbonization and high-quality infrastructure development in Africa. By strengthening their relationship, they aim to promote trade and trade-related investment in Africa by Japanese companies.
5	Multi	Nippon Export and Investment Insurance (NEXI)	Eastern and Southern African Trade and Development Bank (TDB)	MOU between TDB and NEXI	A memorandum of cooperation on promoting economic development of Africa, business opportunities between member countries and Japanese companies, as well as decarbonization and high-quality infrastructure development in Africa. By strengthening their relationship, they aim to promote trade and investment in Africa by Japanese companies.
6	Kenya	The Office of Healthcare Policy, the Cabinet Secretariat of Japan and the Ministry of Health, Labour and Welfare of Japan	Ministry of Health	Memorandum of Cooperation between the Office of Healthcare Policy, the Cabinet Secretariat of Japan, the Ministry of Health, Labour and Welfare of Japan and the Ministry of Health of the Republic of Kenya	Memorandum of Cooperation between Japan and Kenya under Japan's Africa Health and Wellbeing Initiative (AFHWIN)
7	Kenya	The Association for Overseas Technical Cooperation and Sustainable Partnerships	Kenya Association of Manufacturers (KAM)	Memorandum of Understanding on Program on Human Resource Development for Industry 4.0 in Kenya	MOU between KAM and AOTS, confirming continuous cooperation on the human resource development program for advancing the manufacturing industry in Kenya
8	Nigeria	Marubeni Corporation	Stallion Group	MOU of Comprehensive Collaboration between Marubeni and Stallion	MOU of Comprehensive Collaboration between Marubeni and Stallion
9	Nigeria	Marubeni Corporation	Brass Fertilizer & Petrochemical Company Limited	MOU for Offtake Methanol	MOU for Offtake Methanol
10	Kenya	Toyota Tsusho Corporation	Kenya Investment Authority	MOU for development of Isiolo Solar Project, Kenya	Through development, construction and operation of 52MW solar PV power station at Isiolo, Kenya, Toyota Tsusho Corporation will contribute to further expansion of renewable energy in Kenya and promotion of carbon neutrality. This is joint investment project with TotalEnergies (France) and Greenmillenia Energy (Kenya).
11	Kenya	Toyota Tsusho Corporation	Associated Vehicle Assemblers Limited (AVA)	MOU for joint initiatives on Vehicle KD Project	Joint initiatives on Vehicle KD Project in Kenya
12	Kenya	Mitsui & Co.Ltd	KTDA Power Company Ltd (KTDA Power)	MOU- Joint FS for the development of the Mini Hydro Power Station Project	Mitsui and KTDA Power have agreed to jointly study the development of micro hydropower generation plants for captive use by several KTDA tea factories utilizing high efficiency micro hydropower generation systems developed by Daikin Power Ltd.
13	Ethiopia	Mitsui & Co. Ltd	Ethiopia Airlines Group	Bio Jet Fuel Project	Joint study for bio jet fuel project in Ethiopia utilizing Japanese technology
14	Kenya	Mitsui & Co. Ltd	Aqua Power	MOU- Joint FS for the development of gas, geothermal, biomass, hydroelectric power plant projects, green hydrogen, green ammonia and micro hydropower projects in Eastern and Southern Africa.	Mitsui and Aqua Power have agreed to jointly commence study on joint development of gas, geothermal, biomass, hydroelectric power plants and green hydrogen, green ammonia and micro hydropower projects in Eastern and Southern Africa.
15	Multi	株式会社Double Feather Partners	African Private Equity and Venture Capital Association	MOU between DFP and AVCA to facilitate partnerships between Japanese and African private and public sectors, as well as supporting the startup ecosystem in Africa.	This MOU represents a partnership whereas DFP and AVCA will each bring its extensive network to help enhance investment activities on African continent, and to support each other's activities including conferences and events.
16	Multi	株式会社Double Feather Partners	Africa Health Business	MOU between DFP and AHB facilitate partnerships between Japanese and African healthcare sectors, as well as supporting the startup ecosystem in Africa.	This MOU represents a collaborative effort from DFP and AHB to address and tackle the issues in African healthcare ecosystem, with mutual understanding of the importance of Public-Private collaboration.
17	Multi	株式会社Double Feather Partners	Mitsui O.S.K. Lines, Ltd.	MOU between DFP and MOL to enhance innovation in African agriculture and logistics sector, and support implementation of Japanese agriculture machinery into African market	This MOU represents a long-term partnership between DFP and MOL, with common objective to bring innovative solutions to agriculture sector in Africa.
18	Multi	株式会社Double Feather Partners	AfricArena SAS	MOU between DFP and AfricArena to partner to bridge the innovation ecosystems between Japan and Africa to increase investments by Japanese corporates to African strat-ups.	This MOU represents a collaborative effort between DFP and AfricArena to bridge the innovation ecosystems between Japan and Africa to increase deal flows and investments by Japanese corporates to African market, and to support each other's activities including conferences and events.