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POLICY BRIEF



CAPE TOWN, SOUTH AFRICA



UNIVERSITY OF LEEDS

ACCELERATING THE TOKYO INTERNATIONAL CONFERENCE ON AFRICAN DEVELOPMENT (TICAD) INITIATIVE

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Introduction

The Centre for Conflict Resolution (CCR), Cape Town, South Africa, and the East Asian Studies Department at the University of Leeds, England, with support from the Japan International Cooperation Agency (JICA), co-hosted a policy advisory group seminar in London, England, from 18 to 19 January 2013, on “Accelerating the Tokyo International Conference on African Development (TICAD) Initiative”.

Since 1993, four five-yearly TICAD summits have been held. In June 2013, TICAD V will take place in Yokohama, Japan, under the broad theme of “Transforming Africa for Quality Growth”. Convened five months before the Yokohama conference, the London seminar systematically examined critical issues for this ongoing policy dialogue between Africa’s 55 countries and Japan, the main partners in the TICAD process. The meeting convened senior Japanese and African policymakers, scholars, and civil society actors to assess the potential for increasing effective African engagement with Japan and to strengthen Africa’s ownership of its own development agenda, as well as to craft concrete recommendations for the Yokohama conference and action plan of 2013-2018.

1. A History of TICAD and the Ambitions for TICAD V

Since its inception in 1993, TICAD has evolved into a multi-stakeholder process, including state parties, international agencies, and civil society organisations, to promote the continent’s development based on the principles of African ownership and international partnership. Although Japan initiated the process, TICAD meetings are co-organised with the United Nations Office of the Special Advisor on Africa (UN-OSAA), the United Nations Development Programme (UNDP), and the World Bank. Even so, the process remains principally a Japanese effort to harness lessons from East Asia’s development successes for Africa; and to implement its development approach that economic growth must be led by the private sector, with official development assistance acting as a catalyst.

In 2008, TICAD IV established a three-tiered follow-up mechanism, comprising a Tokyo-based secretariat, joint monitoring committee, and annual ministerial meetings in Africa to assess the implementation of TICAD initiatives. Nevertheless, concerns persist that the TICAD notion of “ownership” lacks substance, and the process must incorporate more systematically Africa’s own needs and priorities. The TICAD framework has been largely shaped by Tokyo’s vision – all summits are held in Japan – though the African Union (AU) Commission has been included as one of the co-organisers of TICAD V. Furthermore, the TICAD V action plan (2013-2018) will include specific measures to be implemented not only by the international community and Japan, but also by African countries, placing responsibility on the continent’s policymakers to articulate a more coherent strategy for engagement with TICAD.

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REPRESENTATIVES FROM 51 AFRICAN COUNTRIES AND JAPAN COME TOGETHER AT THE FOURTH TOKYO INTERNATIONAL CONFERENCE ON AFRICAN DEVELOPMENT (TICAD IV) IN 2008.

Image source - Tokyo International Conference on African Development
<http://www.ticad.net/archive/index.html>



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2. Private Sector Investment

The Yokohama Action Plan (2008-2013) outlines the Japanese government's commitment to encourage its private sector to increase trade with, and investment in, Africa, with the aim of doubling foreign direct investment (FDI) to \$3.4 billion by 2012. This has been achieved, even though Japan's economy has been stagnant since the early 1990s, recording a negative growth rate of -0.7 percent in 2011 after the Tohoku earthquake and tsunami. The world's third largest economy is also its most rapidly aging country, with an elderly population ratio of 23 percent in 2011. Greater Japanese private sector investment in Africa presents a mutual opportunity for economic growth. Africa is now the world's fastest growing region, but faces significant development challenges such as persistent poverty and high youth unemployment rates.

However, Japan has an inward-focused economy, with a 30 percent foreign trade dependence ratio that is significantly lower than the world average (above 40 percent). Notwithstanding recent increases, Japan's total trade with Africa has declined since 1965, and was barely 2 percent of its \$1.6 trillion total in 2011. Most of this trade is concentrated in South Africa, which accounted for 62 percent of Japanese imports from the continent in 2010. Additionally, the car industry comprises the vast majority of Japan's exports to Africa. Geographic and sectoral diversification are, thus, an imperative for Japanese companies, although a deep-seated aversion to risk, as well as the small size and fragmented nature of Africa's consumer markets, remain significant deterrents to investment. In this respect, African diplomatic missions in Tokyo have a vital role to play in convening business forums and seminars that can help Japanese investors identify growth opportunities on the continent.

3. Urbanisation and Industrialisation

By 2050, Africa's urban population is expected to increase from 414 million to over 1.2 billion. Cities are economic growth engines, with six major urban centres – Johannesburg, Cape Town, Durban, Pretoria, East Rand, and Port Elizabeth – contributing 55 percent of the gross domestic product (GDP) of South Africa. However, haphazard urbanisation continues to hinder equitable socio-economic development, and in many African countries such as Nigeria, Sudan, and Tanzania, the majority of the urban population are slum dwellers. In Ghana, the JICA-assisted Greater Kumasi urban development project demonstrates that effective town planning and socio-economic development require not only active state intervention, but also proper consultation with local communities, even though this can be costly and time-consuming.

Enabling public policy and business environments; human resource development; and infrastructure investment are critical to enhancing African ownership of its own industrialisation. Africa is the only region in the world in which intra-regional trade is less than 10 percent, underlining the relevance

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of Japanese assistance for the setting up of “One-Stop Border Posts” in Eastern and Southern Africa. In Ethiopia and Zambia, political leadership and policy-level commitment have been essential to creating growth-generating synergy between the public and private sectors – foreign direct investment in Zambia increased four-fold between 2006 and 2011. Policy discontinuity, political instability, corruption, and compliance, however, remain key challenges faced by Japanese companies. African countries can address these problems by undertaking public sector reform and institutionalising high standards through national legislation.

4. South-South Cooperation in Africa

Japan faces competition in Africa from emerging powers, particularly China. Initiated in 2000 – seven years after TICAD – the Forum on China-Africa Cooperation (FOCAC) is more widely known on the continent than its Japanese counterpart. In 2009, China surpassed the United States as Africa’s largest bilateral trade partner, with total trade of \$79.8 billion, as opposed to Japan’s \$19 billion. Similarly, there are an estimated 800 Chinese companies, but only 227 Japanese companies, operating on the continent. Given China’s voracious appetite for resources – annual steel production exceeds 600 million tonnes – bilateral relations between Tokyo and Beijing will inevitably expand to include African affairs. For Japan, a major challenge remains balancing its regional security concerns in East Asia with the potential benefits of economic cooperation with China in Africa.

As a member of the Development Assistance Committee (DAC) of the Organisation for Economic Cooperation and Development (OECD), Japan is bound by set standards for effective and transparent delivery of development aid. Yet, both Chinese and Japanese approaches to development are based on the view that poverty reduction occurs through economic growth. Complementarities exist between Tokyo’s focus on bottom-up improvements in productivity with Kaizen tools (Japanese practices to improve quality and productivity in the workplace), capacity-building, and soft infrastructure projects, and Beijing’s emphasis on mega-infrastructure construction projects. Both China and Japan also believe in the importance of the state’s active role in the development process. However, the opaqueness of Chinese development finance, particularly loans, is a barrier to greater coordination between the two Asian giants, as well as region-based cooperation between Asia and Africa.

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WORKERS ASSEMBLE COMPACT SEDANS AT A TOYOTA PLANT IN OHIRA, NORTHERN JAPAN.

Photo - Associated Press
Image source - The Wall Street Journal
<http://online.wsj.com/article/SB10001424052748703899704576204323576998178.html>

5. African Ownership of Development

While Japan is providing material and technical assistance for a variety of national, sub-regional, and regional development projects, African countries bear the onus of defining clear policies and terms of engagement with Tokyo. Towards this end, civil society can play a critical role in mobilising African governments. Although the TICAD V Non-Governmental Organisation (NGO) Contact Group was recently established in 2012, African civil society has often felt marginalised within TICAD, which must provide increased



support to NGOs on the continent and clear modalities for them to engage with the Tokyo-based process. It is also important to ensure that TICAD initiatives are aligned with the New Partnership for Africa's Development (NEPAD), as well as Africa's regional integration agenda. For their part, African countries must find ways to reduce the financial dependence of the region's institutions, including the African Union, on external donors.

Furthermore, the AU Commission cannot effectively influence TICAD planning and implementation processes, without pro-active engagement by the Tokyo-based African Diplomatic Corps (ADC) with the TICAD secretariat. The ADC is well-positioned to press for more sustained interventions by individual African governments in the TICAD process. However, the performance of individual embassies in Tokyo varies, with some perceived to be more effective than others in facilitating the Japan-Africa policy dialogue.

6. Peacekeeping and Peacebuilding

The consolidation of peace is one of three priority areas within the TICAD process; the others are poverty reduction and human security. Successive summit and ministerial-level TICAD meetings have emphasised building the institutional capacity of Africa's regional organisations for early warning, conflict prevention, peacekeeping, and peacebuilding activities such as disarmament, demobilisation, and re-integration (DDR) and security sector reform (SSR). However, the structural, financial, operational, and research capacities of the AU remain weak. In 2013, more than 96 percent of the organisation's \$160 million programme budget is expected to be financed by external donors. Coordination between different elements of the African Peace and Security Architecture (APSA) such as the Peace and Security Council (PSC) and the Panel of the Wise is poor, while the establishment of an effective Continental Early Warning System needs to be accelerated. Making APSA operational (including the 15,000-strong African Standby Force (ASF) by 2015) will require greater commitments from African leaders, but also more systematic support for the AU and Africa's sub-regional organisations from major donors.

Although Japan is the second largest financial contributor to United Nations (UN) peacekeeping missions, it ranks 47th among troop-contributing countries, and currently has peacekeepers deployed only in South Sudan. If Japan is to win African support for a permanent seat on the UN Security Council, it will have to increase its ground-level participation in Africa, where 70 percent of the UN's peacekeepers are currently deployed. Though limited by its "peace constitution", Japan can increase logistical and financial support for APSA, as well as conduct peacebuilding activities on the continent, as it successfully did with road construction projects during the UN mission in Liberia.

“ Though limited by its “peace constitution”, Japan can increase logistical and financial support for the African Peace and Security Architecture ”



7. Reinventing the Image of Africa

Six of the world's ten fastest growing economies between 2001 and 2010 were in Africa, which also currently has the fastest growing middle class of any region, making the continent an expanding consumer market. Yet, popular images of Africa internationally are largely negative, dominated by stereotypical advertisements for "campaigns against poverty". The public relations campaign for TICAD IV in 2008, with financial support from the Japanese prime minister's office, tried to portray Africa as a vibrant continent of hope and opportunity. As TICAD V approaches, African governments must be more pro-active in engaging Japanese media to highlight the positive prospects for investment on the continent, thus taking ownership for shaping their own image. Equally, Japanese diplomatic missions in Africa could undertake more activities, in collaboration with local civil society organisations, to enhance the profile of TICAD on the continent. In this respect, FOCAC's high profile could offer useful lessons to TICAD. Xinhua – China's state-run news agency – has more than 20 bureau offices in Africa, and Beijing's China Daily newspaper now issues an African edition, while the Nairobi-based China Central Television Africa (CCTV) produces an hour-long news programme anchored by African journalists.

Policy Recommendations

The following 10 key policy recommendations emerged from the London seminar:

1. Africa's sub-regional organisations such as the Southern African Development Community (SADC), the Economic Community of West African States (ECOWAS), and the East African Community (EAC) should establish economic hub-zones – with technical and financial assistance from Japan – which capitalise on the comparative advantages of individual countries in each sub-region and provide a platform for industrialisation, while consolidating local market size;
2. Clear and integrated development policies need to be crafted by African leaders and implemented by more effective bureaucratic systems at the national, sub-regional, and continental levels in order to ensure that Africa's development agenda meets its own needs and expectations, while leveraging the complementary roles that Japan and Africa's emerging donors, particularly China, can play on the continent;
3. The African Union Commission, as a development partner within both TICAD and FOCAC, should seek greater levels of coordination between Japan and China, and consider using TICAD to initiate an outreach dialogue with China;

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Regional peacekeepers in Africa must be provided, in a timely manner, by Japan and other international donors with adequate logistical and financial resources to achieve their aims



JAPANESE PEACEKEEPERS UNDERGO TRAINING.

Image source - Shout-Africa
<http://www.shout-africa.com/news/additional-assistance-to-peacekeeping-training-centers-in-africa/>

4. The TICAD secretariat should convene a forum for African media in Tokyo - ahead of TICAD V - to increase awareness about the achievements, objectives, and expected outcomes of the process on the continent. Japanese diplomatic missions in African countries must also be encouraged to engage more pro-actively with local civil society organisations, think tanks, and media to raise the profile of TICAD;
5. It is vital for the African Diplomatic Corps in Tokyo to have more sustained engagement with the TICAD secretariat through a regular consultation process, and thereby provide a crucial link for the flow of information between the African Union Commission, individual African countries, and Japan;
6. African countries must undertake public sector reform; implement programmes to tackle corruption; and develop legal frameworks to create an enabling business environment for greater Japanese private investment and improved prospects for public-private partnerships on the continent;
7. Clear modalities for interaction with business forums in Japan and Africa need to be identified by the TICAD secretariat, while African countries should encourage the creation and revitalisation of local chambers of commerce to generate closer contacts between foreign investors. Means and mechanisms to engage the African Diaspora in the continent's development efforts must also be identified;
8. Japan and TICAD should support expanded African membership on a reformed UN Security Council;
9. Regional peacekeepers in Africa must be provided, in a timely manner, by Japan and other international donors with adequate logistical and financial resources to achieve their aims. Japan should support the evolving 15,000-strong African Standby Force, and provide greater technical, research, and financial assistance to the AU Peace and Security Council; Peace and Security Department; Panel of the Wise; Mediation Support Unit; and the Continental Early Warning System. More resources and efforts must also be devoted to Africa's sub-regional bodies; and
10. Japan must build on its existing peacebuilding activities in Sudan, West Africa, and the Great Lakes region, and support the efforts of the UN and the World Bank in South Sudan to build resilient state institutions and foster peace, democratic governance, and development in Africa's newest state.