

PRESENTATION MADE BY AMBASSADOR STUART H. COMBERBACH
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UNITED NATIONS UNIVERSITY - TOKYO
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Mr Chairman

Distinguished Guests

Excellencies, Colleagues, Ladies and Gentlemen

My place here this morning comes by virtue of the fact that I was asked to Chair a Committee of the African Diplomatic Corps tasked with coordinating the preparation, by the ADC, for the forthcoming Fourth Tokyo International Conference on African Development - TICAD IV.

Our principal activity thusfar has been the production of a document entitled “ Proposals for TICAD IV”, detailing our collective position, as African diplomats in Tokyo, with regard to the areas where we feel TICAD IV, in particular, and the TICAD Process in general, should focus its attention.

As African Ambassadors to Japan, it is our very strong desire to do what we can to ensure the success of TICAD IV, and to see Japan and Africa moving ever-closer to one another in a genuine and mutually-beneficial partnership. It is our hope that our document will be of use and effect as, together with the Government of Japan and its fellow co-organisers of TICAD, we all prepare the way to TICAD IV.

Japan lies at the very core of TICAD. Without Japan, there would be no TICAD. The leadership and direction given by Japan, within the context of the TICAD Process, is therefore crucial to ensuring the success not only of TICAD IV, but in ensuring the continuing validity and value of the TICAD Process as a whole.

When TICAD was launched, in 1993, it was a unique Forum, and alone in its focus on African developmental issues. It is no longer alone. Several other Africa-focused fora have now emerged, the most prominent of which are also Asia-based. What distinguishes some of those other fora from TICAD is their assertive, action-oriented approach : an approach which focuses heavily on concrete outcomes - and most specifically in the promotion and facilitation of trade and investment flows with Africa - the subject of our discussions here today.

TICAD, by contrast, has been far more discreet in style and more modest in terms of its measurable impact – specifically with regard to its trade and investment promotion initiatives.

An analysis of the past 14 years of TICAD reveals that its major focus has been what might be termed developmental “software” - with primary concentration of effort in the field of social development. Far less attention has been paid over this lengthy period to the equally important sector of economic development, including that of economic infrastructure.

This imbalance in approach and the relative lack of serious emphasis on trade and investment promotion provides a possible partial explanation as to why, even after 14 years of TICAD, trade and investment flows between Japan and Africa, generally, remain marginal : and even insignificant in terms of Japan’s global trade and investment flows.

Recent UNCTAD statistics show FDI inflows into Africa of US\$ 31 billion in 2005 and US\$ 38,8 billion in 2006. Asia’s profile in this investment flow is very encouraging and reveals a significant engagement by transnational corporations, and others, from China, India, Malaysia, Pakistan, Indonesia, Thailand, Korea and Singapore.

Regrettably, but tellingly, Japan, as the very bedrock of the TICAD Process, remains largely on the periphery of this very promising trend.

A similar picture emerges in terms of Africa’s trade with Japan. Statistics for the past 4 to 5 years show that, on average, goods and services produced in Africa account for slightly more than 1½ % of Japan’s total imports. In addition, with the exception of two or three countries, all other African nations run a consistently negative trade balance with Japan.

As African Ambassadors, we are of course concerned, and even a little disappointed by this situation : and it is clear to us that the various trade and investment promotion initiatives launched thusfar under the TICAD umbrella, have not proved to be very effective : certainly not in so far as Africa/Japan trade and investment flows are concerned.

To their great credit, the Government of Japan and its fellow TICAD co-organisers acknowledged, in the wake of TICAD III, in 2005, that more needed to be done and that if progress was to be made in this critical sector, a different, more flexible approach would have to be adopted.

This has given rise to a number of new initiatives and a greater flexibility in Japan’s institutional approach. These include :-

- The US\$ 1 billion Enhanced Private Sector Assistance Facility (EPSA), implemented by JBIC in partnership with the African Development Bank;
- The US\$ 100 million soft-loan facility - another JBIC/African Development Bank partnership - aimed at providing low-interest loans to African SME’s;
- A more flexible approach by NEXI, The Government of Japan’s Export Credit Insurance arm, and the welcome expansion of the list of countries eligible for trade credit insurance;

- A concerted effort, by Japan, to promote product-development in LDC's and to provide market-access for such products in Japan;
- The One Village One Product campaign taking root in a number of African countries;
- The Jetro/METI African Trade Fair of 2006 and a similar, but bigger, Fair planned for 2008;
- The identification of a number of infrastructure projects which the Government of Japan has committed itself to support under the umbrella of the Infrastructure Consortium for Africa (ICA);

All of these initiatives are appreciated and welcome : but much more needs to be done if we are to see any real progress in terms of bringing the Japanese Corporate Sector to Africa in an effective and sustainable manner.

For us, it appears that a crucial element is missing, or is not yet evident enough in order to underpin these excellent initiatives, and to give them a better chance of making a visible and sustainable impact on African economic growth and development.

That missing element is the very clear signal that Japan views Africa as a strategic partner in the making.

Africa's abundant natural resources - including its energy and strategic mineral reserves; the potential market it represents; its largely untapped human-resource base, and its growing importance and influence, as a bloc of 53 nations, on the global stage, must surely underpin the logic of such a decision.

Increasingly in Asia, and indeed elsewhere in the world, and notwithstanding the many difficult challenges it continues to face, Africa is being acknowledged as a continent on the move : a continent rich with resources and with increasingly abundant trade and investment opportunities.

It is important that these changed and changing circumstances in Africa should be acknowledged and highlighted, including by the Government of Japan, as it presents Africa, the TICAD Process and its own pivotal role within TICAD, to the Japanese public and to the Japanese private sector.

Our experience here shows that the Japanese private sector is greatly influenced by the lead and direction set by their government.

The recent visit to a number of Middle Eastern countries by Prime Minister Abe - accompanied by a 150-strong business delegation - constitutes an excellent example of the kind of signal which could be sent by the political leadership of Japan and which would prove enormously helpful in convincing Corporate Japan to take a more serious look at Africa and the abundant opportunities which exist across the continent.

The financial instruments and other support measures which are currently in place, and the now increased flexibility of implementation, are warmly welcomed. In themselves, these measures reflect a greater confidence in Africa, but, again, more needs to be done.

With TICAD IV in mind, perhaps the following points are worthy of consideration;

- More rapid progress with regard to the 7 infrastructure projects already identified for support by Japan; and, with regard to these and other NEPAD-approved projects, the promotion, within Corporate Japan, of the Build, Operate and Transfer (BOT) concept needs to be explored, as a means of encouraging Japanese investment in, and technology-transfer to Africa;
- The existing EPSA Facility could be expanded and devolved to African sub-regional development banks, for further on-lending to private sector projects within their respective regions; and there is need for relaxation of the strict conditionalities attached to accessing the existing funds;
- Yet greater flexibility from NEXI is required with regard to export credit insurance;
- The development of a Japanese version of the American AGOA;
- Development of specific support-programmes for the promotion of tourism to Africa;

The point we seek to make is that the sector of trade and investment, and the provision of the infrastructure necessary to facilitate development and growth, are vital sectors which, hitherto, have been rather overlooked within the broad TICAD framework. There are signs that this is now changing and that a more concentrated effort will be made to achieve concrete results in this direction. This is welcome and to be encouraged.

Japan, as the engine of TICAD, has the resources, the knowledge and the technology to make a huge difference on the ground in Africa - just as it has made such a difference in terms of Asia's development.

In closing, I must repeat that, a hugely important step on this trajectory towards Africa is for Japan - now as a truly global power - to acknowledge Africa as a strategic-partner-in-the-making. From this acknowledgement, and through a re-energised, more action-oriented TICAD Process, the relationship between Africa and Japan will progress from the assistance-based category of today to one of a mutually-beneficial partnership.

Within the context of such an evolution, the various financial instruments and other measures put into place so as to promote and facilitate trade and investment flows between Japan and Africa will certainly have a much better prospect of success, and of making a more positive impact in terms of Africa's progression towards sustainable development.

I Thank You
Tokyo
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