

Statement by the Honorable Taku Otsuka,
State Minister of Finance, Government of Japan
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and the 43rd Annual Meeting of the African Development
Fund
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1. Introduction

Chairman Jaitley, President Adesina, distinguished
Governors, Ladies and Gentlemen:

I am grateful for this opportunity to speak on behalf of the
Government of Japan.

First of all, I would like to express my gratitude to the
Government of India and the Government of Gujarat for their
warm hospitality. I am greatly delighted that we can discuss
African challenges and prospects here in India, which has
strong geographical and historical ties with Africa.

2. Cooperation between Japan and ADB towards African Development

(General Remarks)

We firmly believe that Africa has huge growth potential with its rich natural resources and a fast growing population.

On the other hand, in recent years, Africa has faced difficult challenges, such as changes in global commodity prices, Ebola outbreak, and social instability caused by various factors including terrorism.

Under such circumstances, President Adesina, with his “High 5s” policy priority agenda, has been strongly promoting measures such as infrastructure investment in the energy sector, industrial development, and improvement of the quality of life through job creation and the strengthening of the health system, in an attempt to unleash Africa’s potential.

Japan highly appreciates these strong actions, which will certainly contribute to the achievement of the Sustainable Development Goals.

At TICAD VI, Tokyo International Conference on African Development, in Nairobi, Kenya, in August last year, Japan set out three priority areas to advance Africa's development.

First, economic diversification and industrialization through quality infrastructure development. Second, the strengthening of the health system. And third, social stabilization by creating jobs. These are closely aligned with "High 5s."

Japan and the Bank are good partners with a shared development vision for Africa, and Japan attaches great importance to collaboration with the Bank. This is clearly demonstrated by Japan's upgraded contribution to the ADF 14 replenishment. Japan significantly increased its contribution share, by using both the conventional grant contribution and newly introduced loan contribution.

(Specific Areas of Cooperation)

Now, let me give you three specific areas where Japan and the Bank are working together towards African development.

First, let me talk about EPSA, the Enhanced Private Sector Assistance for Africa.

It was launched in 2005 with the aim to promote private sector-led growth. It has achieved significant results, as demonstrated by our success in meeting the targets of 1 billion dollars for EPSA 1 and 2 billion dollars for EPSA 2.

On the occasion of TICAD VI, Japan and the Bank agreed to further bolster the EPSA initiative with the target to deliver 3.3 billion dollars over a 3 year period. It places priority on promoting quality infrastructure investment, strengthening the health system and addressing malnutrition. It also includes special allocation to promote clean coal technologies with a set-aside amounting to 300 million dollars.

We continue our efforts to steadily implement this important initiative of EPSA, in close collaboration with the Bank.

Let me turn to the second issue, that is, energy cooperation.

Energy poverty is one of the biggest constraints that hinder Africa's industrial development. To address this issue, Africa needs a balanced and pragmatic energy policy, with an appropriate mix of both conventional and renewable sources of energy.

We believe that coal fired power plants are an important source of power for Africa, as they are cost-effective and they can utilize resources abundant in Africa. With clean coal technologies exemplified by ultra-supercritical technologies, we can power Africa, while reducing the environmental impact.

To promote clean coal technologies, in addition to EPSA financing, we believe it is necessary to provide coherent knowledge support from “upstream project preparation” to “downstream plant operation and maintenance”. Japan is engaged in the joint work with the Bank to launch this comprehensive framework.

Thirdly, let me touch upon the importance of business cooperation.

The private sector is playing an increasingly pivotal role in economic growth in Africa. In July this year, the Bank will hold the second Japan-Africa Business Forum in Tokyo, which will provide valuable business opportunities.

Japan highly appreciates the activities of the Bank's Tokyo office in organizing this forum. We hope this forum will lead to the further upgrading of business relations between Africa and Japan.

3. Conclusion

Now, let me conclude.

Africa is the continent that carries the hopes of this planet. We strongly believe that the Bank will play a vital role in translating Africa's potential into reality.

Japan strongly supports the Bank's scaled-up efforts to promote "High 5s" under the splendid leadership of President Adesina, in order to put Africa on a path toward sustainable and inclusive growth.

Thank you.