# Economy

[Strong African Regional Economy] **Regional Integration and Business climate :** African Economic Development (Industrial Development & Agricultural Development) and Business Promotion

## **Status Quo and Challenges**

- African continent suffers low growth rate of GDP per capita and low value added per employed person. It is necessary to enhance agricultural and industrial productivity to the extent that higher competitiveness of the private sector leads to employment creation and industrial transformation. The creation of new type of business model by startups is also highly expected under the COVID-19 situation.
- COVID-19 disruptions accelerated digital innovation and reform of food value chain. Marketing, value chain and private sector investment play pivotal role in enhancing resilience of the smallholders, seriously damaged by COVID-19.
- Need to improve the enforcement of business related laws for the fair and predictable business environment

## **Direction of Activities towards TICAD-8**

**(1)** Realization of Quality African Economy To realize "quality African economy and enabling business environment", promote Africa Kaizen Initiative, Entrepreneurship support for the creation of business innovation (NINJA), Agriculture promotion (CARD, SHEP), Business environment reform (Business law, etc.)

#### **③** Nurturing entrepreneurs to resolve social issues

In collaboration with the Japanese private sector, promote project NINJA to create new industries and contribute to SDGs through acceleration of innovation and DX.

### **(5)** Promotion of agriculture

Further promote CARD Phase2 and SHEP, with particular attention to marketing, value chain development and private sector investment. Digital innovation and supply chain reform are also put priority. Agriculture Innovation Platform in Africa (AIPA), pledged at TICAD 7, will continue to be promoted.

#### **2** Promotion of KAIZEN support to be added new value

Renew KAIZEN into comprehensive business support including Business Development Services and Digital response, in paying attention to new added value of KAIZEN such as DX, ESG, Innovation and hygienic prevention of COVID-19

#### **(4)** Improvement of financial access

Strengthen the comprehensive support through financial cooperation (ODA loans for SMEs and private sector finance) and technical cooperation of KAIZEN, including the possibility of utilizing new technologies of financial services

#### 6 Development of business laws and promotion of partnership

Pursue the possibility of the cooperation in the areas of business laws, such as IP law, competition law, insolvency law, etc. for the enabling business environment. Under public private partnership, ABE initiative, JICA Development Studies Program, collaboration with African Automotive Industry and through Japan Business Council for Africa (JBCA), will be promoted and collaboration among Business, Government and Academia through JICA Platform for Food and Agriculture (JiPFA) encouraged.



## **Contributing SDGs**









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# **JICA's Efforts to Date**





Africa Kaizen Annual Conference 2021 was held in Tanzania to create a network for KAIZEN practitioners in Africa.

For strengthening the competitiveness of local enterprises, human resources development has been developed through the dissemination of KAIZEN activities in Cameroon.





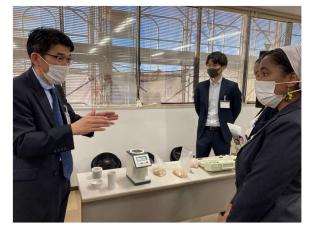
As a series of activities under the Project NINJA (<u>Next Inn</u>ovation with <u>Ja</u>pan), an online pitch event was held in 2021, focusing on 10 startups that create innovative business models to solve social issues through the latest technology in Africa.



JICA has supported farmers to change their mindset: from " Grow and Sell" to "Grow to Sell". Farmers are now able to negotiate with a variety of market actors.



Support for doubling rice production in Africa has been extended through CARD phase 2. Agricultural mechanization trainings for threshing were conducted in Madagascar.



As part of AIPA, development of agricultural machinery business in Africa has been promoted. Sessions for introducing products to African students in Japan were held.