Corridor Development for West Africa Growth Ring Master Plan

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June 10, 2016
WB TDLC, Tokyo, Japan
1. TICAD V

2. Corridor Development Approach

3. West Africa Growth Ring Master Plan
1. TICAD V in 2013

- Priority Economic Corridors
- Strategic Master Plans
Japan’s Assistance Package for Africa at TICADV

**Basic Policy**

Japan’s basic policy of assistance for Africa is as follows;
- Boost the growth of Africa through trade and investment of private sector
- Promote “Human Security” through Japan’s unique assistance

Therefore, Japan will contribute to the growth of Africa, utilizing private and public means of up to approx. JPY 3.2 trillion (equivalent to USD 32 billion), including ODA of approx. JPY 1.4 trillion (equivalent to USD 14 billion), in the next 5 years.

### I. Boosting Economic Growth (Private Sector Development, Trade and Investment, Natural Resources)

1. **Trade and Investment**
   - **Up to USD 2 billion** by NEXT’s trade and investment insurance
   - Promote investment treaty negotiation
   - Dispatch policy advisor on investment promotion to 10 countries
   - Capacity building of 300 people in 20 countries to function OSBP (One Stop Border Post) and to facilitate regional trade

2. **Private Sector Development**
   - Assist private sector including USD 500 million co-financing with AfDB under the EPSA (Enhanced Private Sector Assistance for Africa)

3. **Natural Resources**
   - Provide USD 2 billion of public finance by JOGMEC
   - Capacity building of 1,000 people in natural resource industry

### II. Accelerating Infrastructure and Capacity Development (Infrastructure, Human Resource Development, Science and Technology, Tourism)

1. **Infrastructure**
   - Financial assistance of approx. JPY 650 billion (equivalent to USD 6.5 billion) (ODA and JBIC loan) for infrastructure
   - Support formulating 10 strategic master-plans for urban transportation / infrastructure planning
   - Support development of 5 major growth corridors

2. **Human Resource Development**
   - Capacity building of 30,000 people for business and industry
   - Launch “African Business Education Initiative for the Youth: ABE Initiative*1,” inviting 1,000 people to Japan.
   - Provide opportunities for competent African youth to study in Japan and intern at Japanese firms through public private partnerships and build networks among the alumni to foster future leaders for business between Japan and Africa
   - Building TICAD human resource development centers for business and industry at 10 locations for 25 countries

3. **Science and Technology**
   - Support research institute and universities including Pan African University (PAU), E-Just, through technical assistance

4. **Tourism**
   - Host 10 tourism fairs by MOFA of Japan and JATA
   - Capacity building of 700 people in tourism industry
Development of Priority Economic Corridors

1. Magreb Highway: TAH (PIDA)
2. Nile Corridor (IGAD)
3. Djibouti-Addis Ababa Corridor (IGAD)
4. Northern Corridor (PIDA, EAC)
5. Trans-African Highway Four (PIDA, EAC)
6. Central Corridor (PIDA, EAC)
7. Nacala Corridor (PIDA, SADC)
8. North-South Corridor (PIDA, SADC)

9. West Africa Growth Ring (PIDA, ECOWAS, UEMOA)

Five Major Regions

- Develop ports & cross border facilities to promote trade
- Formulate regional economic bloc led by RECs
- Assist in fostering peace and stability by strengthening interdependence with neighboring countries

Develop backbone infrastructure and help to remove obstacle factors of trade and logistics for African economic development and FDI inflows.
Formulation of Strategic Master Plans

“Strategic Master Plans” as Policy Assistance for Private Sector-Led Growth

Characteristics of “Strategic” Master Plan

- Contribute to the private sector-led infrastructure development
- Contribute to both development of Africa and greater involvement of private sector in African Development by:
  - National and regional medium- to long-term development policy to create a virtuous spiral of investment promotion and market expansion
  - Preparing the environment for accelerating trade and private investment for the economic development of the region
10 strategic master plans on sub-regional development and regional integration

The following 9 master plans under implementation:

- Northern Corridor in East Africa
- Nacala Corridor in Southern Africa
- Growth Ring in West Africa
- Geothermal development in East Africa
- Central Corridor in East Africa
- Regional power network in Southern Africa
- Natural Gas Value Chain in Northern Mozambique
- Gas Utilization around the Mtwara Port Region in Tanzania
- Infrastructure development plan in Maghreb countries
2. Corridor Development

Approach
What is Corridor Development Approach?

Corridor Development Approach

A kind of National Land Development Approach to Revitalize the Region Inclusively and Bring Strong, Sustainable Economic Growth

- Regional Development Approach focusing on corridor(s), which is the key growth axis.
- Combining corridor infrastructure development with industrial potential.
- Strengthening regional connectivity and promoting regional integration.

Normally start thinking of...
Transport Infrastructure Development
(= Increase of transport capacity)

But...
Less cargo volume creates redundant facilities
Increase of maintenance cost

So...
Build necessary infrastructure increasing cargo volume

Outbound
- Industrial promotion
- Value chain

Inbound
- Business environment
- Market expansion
- Common market

Intra-region
- Smooth trade
- Border-crossing

Corridor Infrastructure
(transport, energy, communication, trade)
## Constraints of African Countries

<table>
<thead>
<tr>
<th>Constraints of African Countries</th>
<th>Practical Solutions by Corridor Development Approach</th>
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</table>
| High Transport Cost             | - Prioritize Corridor Infrastructure Projects for high efficient Investment  
                                 | - Identify and promote productive sectors  
                                 | - Improve OSBP & Custom Service |
| Small country economic scale     | - Create an integrated regional market big enough to attract FDI |
| Wide regional disparity in development | - Strengthen connectivity between coastal and inland area to expand economic growth  
                                            | - Develop designated regional cities to realize balanced national development |
3. West Africa Growth Ring

Master Plan

Project Outline & Progress
Project Area

Major 4 Corridors connecting 4 countries in the West Africa

- **Growth Ring Corridors**
  - (1) Abidjan – Ouagadougou: 1,225km, pop. 829 million
  - (2) Accra – Ouaga: 1,027km, 840 million
  - (3) Lome – Ouaga: 962km, 286 million
  - (4) Abidjan - Lagos: 1,018km, 2,467 million

<table>
<thead>
<tr>
<th>Country</th>
<th>GDP/Capita (2014)</th>
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<tbody>
<tr>
<td>Burkina Faso</td>
<td>713 USD</td>
</tr>
<tr>
<td>Cote d’Ivoire</td>
<td>1,546 USD</td>
</tr>
<tr>
<td>Ghana</td>
<td>1,442 USD</td>
</tr>
<tr>
<td>Togo</td>
<td>635 USD</td>
</tr>
</tbody>
</table>
West Africa Growth Ring Master Plan

Objectives

• Formulate Corridor Development M/P consisting of the followings:
  – Sub-Regional Development Strategies
  – Corridor Development Plans (Combining development potential with infrastructure development)
Phases for M/P Formulation

Project Duration: June 2015 – March 2017

1. Development Potential Review
   1. Review of Existing Relevant Upper-Level Development Plans
   2. Analysis of Present Situation of Economic Sectors and Mapping of Development Potentials
   3. Analysis of Present Situation and Development Plans of Corridor Infrastructures

2. Demand Forecast & Scenario Setting
   4. Proposing Sub-Regional Development Vision
   5. Analysis of Corridor Development Plan
   6. Forecast of Freight Transport and Passenger Transport Demand, and Demand Analysis of Corridor Infrastructure Development
   7. Examining Corridor Development Scenarios

3. Development Plan
   8. Finalization of Corridor Development Scenarios
   9. Formulation of Strategic Master Plans
      - Sub-Regional Development Strategy
      - Corridor Development Plans

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where we are now

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where we are now
1. Identify industrial potentials

2. Set strategic growth scenario “growth power in coast area to upcountry”

3. Formulate strategic prioritization of projects list